


Sub-Contractor Agreement

- 🔊 This Agreement details the products and/or services a Subcontractor will provide to a General Contractor where the General Contractor has a separate Agreement with an Owner of a project.
- 🔊 It is used most often in a construction context, but can be easily modified for use in other types of businesses.
- 🔊 If you are a Subcontractor providing products and/or services to for a General Contractor.
- 🔊 If you are a General Contractor on a project and wish to contract with a Subcontractor to provide some or all of the work.
- 🔊 You will need detailed information about the products and/or services to be provided by the Subcontractor, including payment terms and completion dates.

Date:  **[Date]**

To: **[General/Sub Contractor]**

From: **[Owner/Founder]**
[Company]

Subject: **Sub-Contractor Agreement**

Attached is a “Sub-Contractor” Agreement to establish the arrangement as to how we will work together on this forthcoming project.

I believe that it embodies everything we discussed.

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.

Thank you very much!

From JIAN

NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🔊 **Do Not Use This Agreement 'As-Is.'**
- 🔊 **This Agreement Is Not Legal Advice.**
- 🔊 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🔊 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🔊 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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We're building a network of business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.


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Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

of the other party. Neither party shall have the authority to bind the other party nor shall a party be responsible for the acts or omissions of the other party, unless otherwise stated in this Agreement. Similarly, Subcontractor expressly acknowledges that Subcontractor is not an agent, employee or representative of Owner and covenants to represent itself accordingly.

2. Description of Services

Beginning on the Effective Date above, Subcontractor will provide the following services and/or materials (collectively, the “Services”):

- [Subcontractor Products and/or Services]
- Xxx
- xxx

Subcontractor will complete the Services strictly in accordance with any applicable plans and specifications as contained in the Original Contract, and in a workmanlike manner, meeting all local and state regulations.

3. Completion

All Services shall be completed by Subcontractor on or before [Completion Date].

4. Payment for Services

In exchange for the Services, General Contractor will pay Subcontractor [Payment]. Payment will be made to Subcontractor under the following terms:

- [Payment Terms]
- Xxx
- xxx

A portion of the Payment to the Subcontractor shall be retained by the General Contractor until the Owner has approved the work of the Subcontractor, as follows:

- [Terms]
- Xxx
- xxx

5. Change Orders

If Owner requests or requires any change either expanding or limiting the work to be performed under the Original Contract, Subcontractor shall accept such change orders. General Contractor agrees to provide Subcontractor with written notice of any such change orders as soon as practical after General Contractor receives such notice. Any resulting increase or decrease in the subcontract price provided for in Paragraph 2 must be in writing, mutually agreed to, and signed by both parties. If the parties are unable to reach an agreement regarding any price adjustment for a change order, Subcontractor will proceed with the change order work and the matter shall be submitted to arbitration under the laws of [State Law] within thirty days from the issuance of the change order. Such arbitration shall set the change order price allowing General Contractor a reasonable profit, after considering direct costs and reasonable overhead expenses.

6. Permits

General Contractor shall be solely responsible for obtaining and paying for all necessary permits, licenses, and any other instruments required to perform the Services. Subcontractor will fully cooperate with General Contractor in the obtaining of any permits and licenses, as necessary.

7. Access, Signage Rights & Design Plans

a. During the term of this Agreement, Subcontractor shall have at all times reasonable access to the construction site, and both Subcontractor and General Contractor will take all reasonable steps necessary

to coordinate the progress of construction with other subcontractors so that the project can be completed in a timely manner.

b. During the term of this Agreement, Subcontractor may erect one temporary sign showing its name, service mark, trade name or other commercial name, identifying Subcontractor as performing services on the construction project. The sign must be appropriate in appearance, style and size, and must conform to all applicable federal, state and local laws.

c. General Contractor will make available to Subcontractor all plans, specifications, drawings, blueprints, and similar construction documents necessary for Subcontractor to provide the Services. Any such materials shall remain the property of General Contractor. Subcontractor will promptly return all such materials to General Contractor upon completion of the Services.

8. Indemnity & Insurance

a. Subcontractor agrees to indemnify, defend and hold harmless General Contractor from all claims, losses, expenses, fees (including attorney fees), costs, settlements and judgments arising out of the performance of the Services.

b. Subcontractor shall maintain insurance policies, of each and every type, and with provisions and coverage amounts substantially identical to, corresponding requirements of General Contractor as described by the terms of the original Contract. Subcontractor shall provide General Contractor with written proof of compliance with this paragraph prior to the commencement of the Services.

9. Default

The occurrence of any of the following shall constitute a material default under this Agreement:

a. The failure to make a required payment when due.

b. The insolvency or bankruptcy of either party.

c. The subjection of any of either party's property to any levy, seizure, general assignment for the benefit of creditors, application or sale for or by any creditor or government agency.

d. The failure of Subcontractor to deliver the Services in the time and manner provided for in this Agreement.

10. Remedies on Default

In addition to any and all other rights available according to law, if either party defaults by failing to substantially perform any material provision, term or condition of this Agreement (including without limitation the failure to make a monetary payment when due), the other party may elect to terminate this Agreement if the default is not cured within 30 days after providing written notice to the defaulting party. The notice shall describe with sufficient detail the nature of the default.

11. Unforeseen Conditions & Acts of God/Allah/Yahweh/Buddha

☞ Neither party will be blamed if there is a problem resulting from something beyond its control, such as an earthquake, flood, war.

a. Reasonable additional, unexpected costs directly related to an existing, concealed condition that may be revealed during construction, shall be the sole responsibility of General Contractor. Further, Subcontractor shall not be held responsible for reasonable delays caused by such conditions.

b. This Agreement is subject to force majeure, including without limitation, accidents, acts of God, fire, explosion, vandalism, storm, weather conditions, labor strikes, orders or acts of military or civil authority, national emergencies, insurrections, riots, wars, Internet system unavailability, system malfunctions or other delays beyond the reasonable control of the parties. Subcontractor shall not be held responsible for reasonable delays caused by such events, but shall use reasonable efforts under the

circumstances to avoid or remove such causes of non-performance.

Nevertheless, where failure to perform is beyond the reasonable control and not caused by the negligence of the non-performing party (a “Force Majeure Event”), the party who has been so affected shall give notice immediately to the other party and shall use its reasonable best efforts to resume performance.

Failure to meet due dates resulting from a Force Majeure Event shall extend such due dates for a reasonable period. However, if the period of nonperformance exceeds sixty (60) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been affected may, by giving written notice, terminate this Agreement effective immediately upon such notice or at such later date as is therein specified.

12. General Provisions

☞ The General Provisions that follow are fairly standard. These provisions enhance the balance of the Agreement by defining certain common issues such as notice, assignment, legal remedies, waiver, and attorney fees, etc..

☞ You may or may not want to make this deal public – at least limit that event by this agreement and work out if/how/when you want to do that later.

12.1 **Publicity.** Neither party will make any public announcement or issue any press release concerning the terms of this Agreement without the prior approval of both parties.

☞ Make it clear that you will not try to hire away each others employees. If you do or it happens then there is compensation built-in and you can avoid further legal proceedings.

12.2 **Non-Solicitation.** Neither party shall solicit for employment or hire the other’s current or future employees, either directly or indirectly, during the Term of this Agreement, without obtaining the other’s prior written approval. Should an employee change employment from one party to the other, the new employer shall pay the old employer a fee equivalent to Twenty Percent (20%) of the employee’s new compensation, annualized for the first year.

☞ You must decide which state governs this Agreement and where any legal action would be taken. Generally, it is your (company’s) state of residence.

12.3 **Governing Law & Jurisdiction.** This agreement and the parties’ actions under this Agreement shall be governed by and construed under the laws of the state of [State], without reference to conflict of law principles. The parties hereby expressly consent to the jurisdiction and venue of the federal and state courts within the state of [State]. Each party hereby irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth in the preamble of this Agreement, such service to become effective thirty (30) days after such mailing.

☞ This Agreement is intended to be the only Agreement and that no other documents or communications are binding. Therefore, it is very important to make sure that everything [Company] and [Client] have agreed to be included in this Agreement. Otherwise, it is as if it were not agreed to.

12.4 **Entire Agreement.** This Agreement, including the attached exhibits, constitutes the entire Agreement between both parties concerning this transaction, and replaces all previous communications, representations, understandings, and Agreements, whether verbal or written between the parties to this Agreement or their representatives. No representations or statements of any kind made by either party, which are not expressly stated in this Agreement, shall be binding on such parties.

☞ Any changes to this Agreement must be in writing and signed by the party against whom that writing is to be used.

12.5 **All Amendments in Writing.** No waiver, amendment or modification of any provisions of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party

against whom such waiver, amendment or modification is sought to be enforced. Furthermore, no provisions in either party's purchase orders or in any other business forms employed by either party will supersede the terms and conditions of this Agreement.

☞ All notices between the parties must be in writing and either delivered in person or by certified or registered mail, return receipt requested.

12.6 Notices. Any notice required or permitted by this Agreement shall be deemed given if sent by registered mail, postage prepaid with return receipt requested, addressed to the other party at the address set forth in the preamble of this Agreement or at such other address for which such party gives notice hereunder. Delivery shall be deemed effective three (3) days after deposit with postal authorities.

☞ In the event of a lawsuit or any legal proceeding involving this Agreement, the losing party will have to pay the winning party his or her costs and expenses, including reasonable attorney fees.

12.7 Costs of Legal Action. In the event any action is brought to enforce this Agreement, the prevailing party shall be entitled to recover its costs of enforcement including, without limitation, attorneys' fees and court costs.

☞ Legal remedies, i.e., money damages, may not be sufficient; therefore, both parties agree to equitable remedies such as an injunction where the breaching party would be required to do or not to do something.



12.8 Inadequate Legal Remedy. Both parties understand and acknowledge that violation of their respective covenants and Agreements may cause the other irreparable harm and damage, that may not be recovered at law, and each agrees that the other's remedies for breach may be in equity by way of injunctive relief, as well as for damages and any other relief available to the non-breaching party, whether in law or in equity.

☞ Assuming the parties wish to use Arbitration in the event of a dispute, the following section should be included. You take your chances with an arbitrator, but it keeps legal costs down and keeps you out of a drawn out legal process.

12.9 Arbitration. Any dispute relating to the interpretation or performance of this Agreement shall be resolved at the request of either party through binding arbitration. Arbitration shall be conducted in [County], [State] in accordance with the then-existing rules of the American Arbitration Association. Judgment upon any award by the arbitrators may be entered by any state or federal court having jurisdiction. Both parties intend that this Agreement to arbitrate be irrevocable.

☞ Merely delaying to bring an action that one party has a right to bring does not cause that party to lose or waive his right to pursue that action.

12.10 Delay is Not a Waiver. No failure or delay by either party in exercising any right, power or remedy under this Agreement, except as specifically provided in this Agreement, shall operate as a waiver of any such right, power or remedy.

☞ This section limits the ability of either party to transfer any of its rights or delegate any of its duties to third parties.

☞ You want to make sure that you can sell your business along with all of the relationships you have developed along the way. (Often these relationships can add tremendous value to your business and you want to make sure that all of your agreements can be transferred to the new owners.) I wouldn't want to seek (let alone pay for) permission to sell my company.

☞ Generally, neither party may assign their respective rights to a third party; however, with the possible exception of assignment to a successor corporation or partnership, either party may transfer its rights or obligations under this Agreement without the approval of the other party. This Agreement would be binding on the 3rd party.

☞ However, you may want to limit each other's ability to pass along this deal to another possibly unknown and possibly unfriendly entity. The second paragraph prevents unauthorized transfer of responsibilities...

☞ CHOOSE one or the other of these two following paragraphs.

12.11 Assignability & Binding Effect. Except as expressly set forth within this Agreement, neither party may transfer or assign, directly or indirectly, this Agreement or its rights and obligations hereunder without the express written permission of the other party, not to be unreasonably withheld; provided, however, that both parties shall have the right to assign or otherwise transfer this Agreement to any parent, subsidiary, affiliated entity or pursuant to any merger, consolidation or reorganization, provided that all such assignees and transferees agree in writing to be bound by the terms of this Agreement prior to such assignment or transfer. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

☞ --Or --

☞ This paragraph DOES NOT ALLOW either party to transfer its rights to a successor company without prior approval.

12.11 Non-Assignability & Binding Effect. Except as otherwise provided for within this Agreement, neither party may assign any of its rights or delegate any of its obligations under this Agreement to any third party without the express written permission of the other. Any such assignment is deemed null and void.

☞ If any part of this Agreement is unenforceable or invalid, the balance of the Agreement should still be enforced. Basically, ignore any sections that are invalid.

12.12 Severability. If any provisions of this Agreement are held by a court of competent jurisdiction to be invalid under any applicable statute or rule of law, they are to that extent to be deemed omitted and the remaining provisions of this Agreement shall remain in full force and effect.

☞ The headings of the various sections are meant to explain or otherwise give meaning to those sections; they are for convenience only.

12.13 Cumulative Rights. Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative upon all other rights and remedies described in this section and allowed under applicable law.

12.14 Headings. The titles and headings of the various sections and sections in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon or on any of the provisions of this Agreement.

☞ Every copy shall be just as valid as the original.

12.15 Counterparts. This Agreement may be executed in multiple counterparts, any one of which will be considered an original, but all of which will constitute one and the same instrument.

☞ Even after the termination of the Agreement, the parties may still have certain responsibilities such as keeping information confidential.

12.16 Survival of Certain Provisions. The warranties and the indemnification and confidentiality obligations set forth in the Agreement shall survive the termination of the Agreement by either party for any reason.

Understood, Agreed & Approved

We have carefully reviewed this contract and agree to and accept all of its terms and conditions. We are executing this Agreement as of the Effective Date above.

[Company]

[General Contractor]

[Owner/Founder], Title

[Contractor Name], Title

