



CONSTRUCTION SUBCONTRACT

This Construction Subcontract is by and between _____ whose address is _____ (hereinafter the "Subcontractor") and Dreambuilder Custom Homes, LLC, whose address is 12668 Arrowleaf Lane, Jacksonville, FL 32225 (hereinafter the "Builder").

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. WORK. Subcontractor shall perform, in a good and workmanlike manner, the following described work (hereinafter the "Work"): _____.

Subcontractor shall furnish all labor, materials, equipment, supplies, tools, incidentals, insurance, permits and associated fees, proper supervision at all times, as well as all work incidental to or reasonably necessary to complete the described Work, required for the timely and complete installation of the Work in accordance with this Agreement and the following:

- a) Building codes, defined as the 2007 Florida Residential Building Code and any applicable local codes and ordinances, including all current amendments in force at the time of inspection and or approval of Work by any and all governing bodies having jurisdiction over Work including but not limited to all appropriate city, county and state authorities having jurisdiction
- b) Construction Documents, defined as:
 - i. Developer requirements, community covenants/restrictions, and architectural guidelines
 - ii. Builder's community standard features
 - iii. The most current and approved architectural plans and drawings
 - iv. Engineered structural framing, foundation, and truss drawings
 - v. Plan review/color selection documents; option/change orders
 - vi. Lot specific site plans
- c) Manufacturer's installation instructions
- d) Industry best practices
- e) Builder's quality standards and scopes of work, determined at the sole discretion of Builder
- f) Any other documentation as defined by Builder and provided to Subcontractor

Subcontractor shall provide all installation materials and resources required for completion of Work, including fasteners, scaffolds, ladders, forklifts, pneumatic tools, power and hand tools, and any other equipment or materials. Subcontractor is solely responsible for the security of these items on the job site. Subcontractor agrees to furnish the necessary portable generators required to operate his tools and equipment to complete Work should power not be available onsite.

2. PRICE. Builder shall pay Subcontractor for the Work the amount set forth in the "Contract Price," which is attached hereto and incorporated herein by reference, for the Work described herein.

Subcontractor acknowledges that the Contract Price is complete and all-inclusive and that Builder will not be liable for waste, trip charges, fuel surcharge or any other additional fees beyond the Contract Price. Inasmuch as Builder will have bid projects and/or committed to the construction of projects on the basis of the Contract Price, prices for Work on any project committed to be built by Builder but not yet constructed may not be increased without the prior written consent of the Builder, which consent it may grant or withhold in its sole discretion, or Builder may terminate this Agreement entirely.

3. PAYMENTS TO SUBCONTRACTOR. Builder shall make payment to Subcontractor for Work within 30 days of date of receipt of Subcontractor's invoice for payment and date of Builder's acceptance of Work as complete and acceptable, whichever is later. Builder may, at its sole discretion, issue partial payment based on the current status of the Work. The final balance may be withheld until Builder is satisfied that all Work has been properly completed by Subcontractor and all inspections, approvals, permits and consents have been obtained from applicable governmental entities. Subcontractor hereby acknowledges that Builder may offset against retention payable any back charges, overpayments on work performed by Subcontractor pursuant to any other contracts between Subcontractor and Builder and the retentions thereof, and other claims against Subcontractor by Builder.

No payment made under this Agreement shall be conclusive evidence of the proper performance of the Work, either wholly or in part, and no payment shall be construed to be acceptance of the Work. Occupancy or use by Builder shall not constitute acceptance of Work, and the making of final payment to Subcontractor shall not be construed as acceptance of the Work or waiver of any rights of Builder under this Agreement and shall not relieve Subcontractor of any of its obligations hereunder.

Notwithstanding any other provisions of this Agreement, Builder shall not be obligated to make any payment to Subcontractor if, and as long as, any one or more of the following conditions exist:

- a) Subcontractor has failed to perform any of its obligations hereunder or otherwise is in default under this Agreement
- b) Any part of a payment requested is attributable to Work that is defective or not performed in accordance with this Agreement and supplemental documents
- c) Subcontractor has failed to furnish to Builder purchase orders, invoices, vouchers and lien releases or waivers in the form and manner satisfactory to Builder
- d) Subcontractor has failed to make payment promptly to any lien claimants and otherwise complied with the Florida Construction Lien Law

4. PAYMENTS BY SUBCONTRACTOR. Subcontractor shall promptly pay in cash all costs of labor employed and materials and services furnished and used in the performance of the Work. Builder shall have the right, whenever it shall deem such procedure advisable, to make payments due to Subcontractor jointly to Subcontractor and any third party subcontractor, material or equipment supplier, utility or transportation company, insurance company, governmental agency, or union trust fund, or even directly to such third party in Builder's discretion, for any work, labor, materials, equipment, utilities, transportation, insurance premiums, taxes or the like, performed, furnished, rendered or payable in connection with the performance of the Work, unless Subcontractor has first delivered written notice to Builder of a dispute with any such person and has furnished security satisfactory to Builder insuring against claims therefrom. Any payment so made shall be credited

against sums due Subcontractor in the same manner as if such payment had been made directly to Subcontractor. The provisions of this paragraph are intended solely for the benefit of Builder and shall not inure to the benefits of any third persons, or obligate Builder or its sureties in any way to any third party.

5. LIENS. Subcontractor shall at all times keep the project and each part thereof free from any attachment, lien, claim of lien or other encumbrance arising out of the Work from third parties and Subcontractor shall indemnify, defend and hold Builder and owner, if not Builder, harmless from and against all claims, losses, demands, causes of action or expenses (including attorneys fees and other costs of defense incurred by Builder or owner in defending against the foregoing or in enforcing this indemnity and defense obligation) of whatever nature, arising by reason of any such lien, claims of lien, attachment or encumbrance by third parties. In the event any claim is filed to enforce any construction or other similar lien arising out of or relating to the Work filed by any third parties, Subcontractor shall immediately cause such lien to be released and discharged, and if Subcontractor shall fail to do so, then Builder shall have the right to pay all sums, including attorneys' fees and any other costs and expenses incurred, necessary to obtain such release and discharge and hold Subcontractor liable for the amount thereof with the right to deduct all or a portion of such sum from amounts that may be due Subcontractor.

6. PROSECUTION OF WORK. Subcontractor shall commence the Work immediately upon verbal or written notification to do so from Builder and shall proceed with the Work and every part thereof until completion in a prompt, diligent and workmanlike manner, in strict accordance with Builder's time schedule and in such time so as not to delay other trades. If Subcontractor fails to abide by such time frame, Builder shall have the right to immediately terminate this Subcontract. Subcontractor shall be liable to Builder for the costs of completing the Work which shall exceed the total Contract Price for the Work less all amounts paid to Subcontractor. Builder shall have the right to offset such amounts against any amounts due the Subcontractor.

Subcontractor shall provide a competent English-speaking foreman at the jobsite at all times and use adequate numbers of skilled workmen, who are thoroughly trained and experienced in the Work and who are completely familiar with the specified requirements and the methods needed for proper completion of the Work described herein, to maintain Builder's schedule. Subcontractor shall fully cooperate with other trades and subcontractors to minimize disruptions, cost overruns, loss of time or inconvenience.

It is the sole responsibility of the Subcontractor to ensure that all of its Work passes all applicable inspections. Unless specifically advised otherwise by the Builder, Subcontractor shall schedule and attend all inspections required for its Work and shall be responsible for the cost of scheduling and passing all inspections and re-inspections including testing, inspections, or approvals by third parties, such as engineers, as necessary for Subcontractor's Work to pass inspection.

Subcontractor, for no additional monies, agrees to promptly re-execute any portion of the Work that fails to conform to the requirements of this Agreement. It is understood that Builder alone will make the final determination as to the acceptability of the Work.

Subcontractor, in writing, will give Builder the names of all material suppliers for any materials to be supplied under this Agreement. Subcontractor will order no materials to the job location that will not actually become part of the Work.

If, in the sole judgment of Builder, Subcontractor fails at any time to supply enough properly skilled workmen, materials, tools, equipment, facilities or supplies of the proper quality, fails in any respect to execute the Work with promptness and diligence, fails to make prompt payments to its subcontracts, materialmen or suppliers, fails to perform in strict compliance with the Agreement, becomes insolvent, or unable to or fails to pay its obligations, Builder may terminate this Agreement and may, at its option and without prejudice to any other remedies it may have, provide any such work and deduct the cost thereof from any monies then due or thereafter to become due to Subcontractor. Further, Builder may, at its option, without prejudice to any other remedies it may have, take possession, for the purpose of completing the Work, of all of Subcontractor's materials, tools and equipment that are on the project's site and finish the Work, either with its own employees or other subcontractors; and in case of such termination of the relationship by Builder, Subcontractor shall not be entitled to receive any further payments under the Agreement or otherwise, but shall nevertheless remain liable for any damages that Builder incurs. If the expenses incurred by Builder in completing the Work shall exceed the unpaid balance due Subcontractor, Subcontractor shall pay the difference to Builder, together with any other damages incurred by Builder as the result of Subcontractor's default. Builder shall have a lien upon all materials, tools and appliances taken possession of to secure such payment. If Subcontractor delays the progress of the project, it shall indemnify, defend and hold Builder harmless from and against all loss, damage or expense (including attorney fees and other costs of defense incurred by Builder in defending against any claims or in enforcing this indemnity and defense obligations) arising out of such delay. Any consent of Builder to the delayed finishing of the Work shall not be construed as a waiver of this undertaking.

7. CHANGES IN WORK/VARIANCES: Builder may from time to time, without invalidating this Agreement, order such extra, additions, alterations or other modifications in the Work. Such changes shall be valid only on the written order of Builder, which shall set forth the amount to be added to or deducted from the price of the method of its determination. If requested by Builder, the Subcontractor shall submit its estimate of the cost of such changes and of the time required for completion. No changes in the Work will be paid for or permitted without written authorization from Builder.

Should conditions exist wherein additional labor and/or materials are necessary over and above the agreed upon Work, a variance order shall be issued by Builder to Subcontractor after the parties have agreed on the need for a variance. Subcontractor shall not order additional materials or commence additional Work until such written order is given by Builder, or Subcontractor shall bear the costs of the variance.

8. FAMILIARITY WITH THE SITE. Prior to commencement of Work, Subcontractor shall be responsible for inspecting the project site and examining all of project documentation, plans, specifications and the like. Any variations or discrepancies noted shall be immediately brought to the attention of Builder and resolved prior to commencement of Work.

Subcontractor shall carefully examine site conditions and shall notify Builder in writing of any conditions detrimental to the proper and timely completion of the Work. Commencement of any Work shall be construed as Subcontractor's acceptance of conditions within any particular area and without any further adjustment to Contract Price or terms.

Subcontractor shall immediately notify Builder of any visible defective/substandard work by other trades or subcontractors found by Subcontractor during the normal course of work. Under no circumstances shall Subcontractor cover defective work by others with its own Work. If Subcontractor covers over such defective work by others then Subcontractor shall become responsible for the cost of replacing its own Work as it is removed to access and repair the defective work of others.

Subcontractor shall notify all applicable authorized governmental or private agencies prior to starting Work near any existing utilities and shall coordinate the Work with applicable utility company representatives. Subcontractor shall "protect in place" all existing utilities and improvements that have been installed as an earlier improvement or as part of a public or agency facility.

It is understood by the parties that Subcontractor is best able to evaluate the cost of the Work, and that in arriving at the Contract Price it has considered and assumed the risk that unforeseen conditions or events may be encountered causing additional difficulty and expense not anticipated at the time of execution of this Agreement. Subcontractor further represents that it is fully familiar with the requirements of every governmental authority having jurisdiction over the Work and is prepared to comply with all such requirements without additional compensation. After commencement of the Work, Subcontractor will be deemed to have performed such acts and any problems will be deemed to have been accepted by Subcontractor without any adjustment to the Contract Price or terms.

9. MATERIALS HANDLING. Subcontractor shall observe the following:

- a) Placement: All materials shall be placed in a location on the lot as directed by Builder in such a manner that they are placed in accordance with all material handling specified in the Building Codes.
- b) Availability: Subcontractor shall stockpile materials sufficiently in advance of need to assure their availability in a timely manner for the Work. Subcontractor shall make as many trips to the jobsite as are needed to deliver materials to ensure progress of Work meets the Builder's construction schedule. Any backordered materials, mis-ships, or damaged materials must be replaced or corrected within 24 hours of initial delivery. Any costs incurred through delayed or back-ordered shipments shall be the sole responsibility of the Subcontractor.
- c) Compliance: Subcontractor agrees to use only materials specified by Builder. No substitutions are permitted without written authorization from the Builder. Subcontractor is responsible for ensuring that documented materials are those actually installed. Under no circumstances shall damaged materials be installed, including materials damaged during the course storage or installation.
- d) Original Containers & Labels: All materials shall be delivered in their original labeled unopened containers. The manufacturer's name, brand and grade seals shall appear on all containers. Grade seals shall remain intact and containers shall be kept dry until used. Subcontractor shall be responsible for storage of all materials until installed.
- e) Weather: Subcontractor shall not deliver materials during rainy weather unless directed otherwise by the Builder. In the event Subcontractor is directed to deliver materials during rainy

weather, Subcontractor shall take all necessary precautions to keep materials dry and free of water spots.

- f) Protection: Subcontractor shall be solely responsible for all of his materials delivered and stored anywhere on the site and shall protect his material from climatic damage, physical damage, theft, vandalism and damage from other trades until completely installed.
- g) Moving/Storage: Subcontractor shall not store materials on the jobsite that shall not actually become part of the Work for that lot. Materials shall not be moved from one lot to another lot under any circumstances. If additional materials are needed, Subcontractor shall communicate requirements to the Builder. Subcontractor shall be back charged for removing materials from one lot to compensate for material shortages on another lot.
- h) Acceptability: The acceptability of the condition, quality, and appearance of all materials is at the sole discretion of the Builder. Any materials not acceptable to the Builder shall be replaced with acceptable materials at the sole expense of the Subcontractor.
- i) Usage: Materials shall be used in a manner as to obtain maximum utilization and minimum waste. The cost of additional materials caused by Subcontractor waste shall be incurred by the Subcontractor.

10. PROTECTION OF WORK. Subcontractor shall oversee and protect the Work against loss or damage from any cause and be responsible for all parts of the Work, temporary or permanent, finished or not, until final completion. Subcontractor shall take special care not to damage existing work either completed or in progress on the exterior or interior of the home during material delivery, storage or during completion of Work, including but not limited to driveways, sidewalks and walkways, landscaping, doors, cabinets and countertops, flooring, and walls. Subcontractor shall alert Builder of any damage to existing Work prior to commencement of Subcontractor's material delivery or installation; otherwise, any damage shall become the responsibility of the Subcontractor, and Subcontractor shall be charged for repairs.

11. CLEAN UP. Subcontractor shall at all times keep the project site free from the accumulation of waste materials or rubbish caused by its operations, which obligation shall include observing any and all requirements of the site owner with respect to cleanliness of the site. Upon completion of the Work and each portion thereof, Subcontractor shall remove, or place in a designated trash receptacle, all rubbish and waste produced by its operations and shall remove all of its tools, equipment, machinery and surplus materials no longer needed and leave the Work or such portion in a "broom clean" or equivalent condition. Subcontractor shall not use sinks, showers, tubs, toilets, floor drains, or hose bibs to clean equipment or tools, or to dispose of excess materials. If Subcontractor fails to clean up, Builder may do so after verbal or written notice to Subcontractor and the cost thereof shall be charged to Subcontractor.

12. JOB RULES. Subcontractor agrees to all provisions of Builder's Job Rules as follows:

- a) The use and/or possession of drugs and/or alcohol on jobsites are grounds for immediate termination of Subcontractor. Anyone under the influence of drugs and/or alcohol shall be immediately removed from the jobsite.
- b) No smoking or eating inside of homes after frame stage.
- c) No loud music shall be tolerated on jobsites. Music that can be heard 20 feet from its source shall be considered excessive.
- d) No materials or tools shall be placed on countertops, fixtures, or finished flooring.

- e) Subcontractor shall adhere to the jobsite work hours between 7:00 AM until dusk, Monday through Saturday. Any local ordinance or community guidelines limiting the above-stated work hours shall take precedence over this requirement.
- f) No fighting, profanity, rough housing, or otherwise unprofessional behavior shall be tolerated on job site.
- g) Portable job site toilets shall be the only facilities used on jobsites.
- h) No children or pets shall be permitted to be on jobsites.
- i) Personal and commercial vehicles shall not be allowed on any concrete areas, for any reason, for any length of time. This includes driveways, sidewalks, patios, and garages. Vehicles shall be parked on the street parallel to and tight to the curb so as not to impede traffic. Vehicles shall not obstruct access to mailboxes, occupied homes, dumpsters or the normal course of work.
- j) Subcontractor shall not under any circumstances use the utilities of occupied homes.
- k) Plans and other documentation shall not be removed from permit boards/job site at anytime.
- l) Everyone shall be treated in a courteous and professional manner at all times.

13. GUARANTEE/WARRANTY. In addition to any other guarantee expressly made by Subcontractor or implied by law, Subcontractor unconditionally warrants and guarantees the Work against defects in workmanship and materials for the benefit of Builder and its successors and assigns and Subcontractor shall indemnify, defend and hold Builder harmless from and against all claims, damage and expense (including attorneys' fees and other costs of defense incurred by Builder's defending against any claim or enforcing this indemnity and defense obligation) arising out of any defective condition. This guarantee shall specifically inure to the benefit of and be enforceable by any owner or purchaser of any dwelling constructed or to be constructed within the project and with respect to which the Work applies. This guarantee shall commence upon completion of the Work, and shall thereafter continue after overall completion of the project for a period of one (1) year with respect to defects caused by faulty workmanship and defective materials, or due to noncompliance with building standards; two (2) years with respect to defects caused by faulty installation of plumbing, electrical, heating and cooling systems, and ten (10) years with respect to structural defects. In the event that demand is made upon Subcontractor to perform under this guarantee, Subcontractor, at its sole cost and expense, shall expeditiously repair or replace any defective work, whether existing because of faulty workmanship, defective equipment or materials, or from any other cause, and shall repair or replace any damage to the Work of others caused by such defective work. In the event Subcontractor shall fail to perform under this guarantee, the party entitled to performance, or the Builder, shall have the right to hire other persons to correct the defective Work and hold Subcontractor liable for the costs thereof including costs, disbursements and reasonable attorneys fees incurred in the enforcement of this provision.

Upon completion of the Work, and if requested by Builder, Subcontractor will execute and deliver to Builder (i) a separate guarantee of the Work containing in substance the provisions of this section and (ii) all guarantees specified in the plans, drawings or specifications. All such guarantees shall be separate written documents in a form satisfactory to Builder.

14. WARRANTY RESPONSE. In connection with the performance of the Work, Subcontractor agrees that, once notified by Builder or owner, it shall immediately schedule repairs or corrective action through Builder (or directly with owner if asked to do so by Builder), and shall commence to repair or correct any and all deficiencies in the Work not later than 48 hours after such notice and

complete such repairs or correction not later than five (5) calendar days after such notice. The determination as to what constitutes a deficiency will be within the sole discretion of the Builder, which judgment shall be reasonably exercised.

Emergency services must be provided by the electrical, plumbing, HVAC and roofing subcontractors. These subcontractors must provide after-hours and holiday contact information and service, and must respond to Builder or owner requests immediately and complete repairs within 12 hours.

Failure of the Subcontractor to make timely performance hereunder shall constitute sufficient cause for the Builder to cause the correction of such deficiencies to be performed by others. Further, the cost of such corrective work shall be charged to the Subcontractor and such cost shall be charged against the account of the Subcontractor. In the event that the amount owing the Subcontractor under this Agreement at the time such work is performed by others is less than the sum charged against its account the Subcontractor shall remit the difference to the Builder within five (5) days following request.

15. REPRESENTATIONS OF SUBCONTRACTOR: Subcontractor warrants and represents that it is licensed by all relevant governmental and trade authorities to perform the Work and that any and all persons or firms assisting with the Work at the request or direction of Subcontractor will also be appropriately licensed or permitted. Subcontractor also warrants and represents that none of such licenses is currently under suspension and the Subcontractor is not under investigation by any appropriate governmental authority or trade association and that Subcontractor will immediately notify Builder of any suspension or loss of any license or permit to perform the Work or of any investigation by a regulatory board of Subcontractor in connection with its license.

Subcontractor affirms that it is an independent contractor and is not an employee of Builder. Subcontractor understands that Builder will not deduct or pay any state or federal taxes and fees, including FICA, federal withholding and unemployment compensation, and that Subcontractor is liable to pay these taxes. Subcontractor understands that Subcontractor must provide the required General Liability and Workers Compensation Insurance for Subcontractor and anyone who works for Subcontractor at Subcontractor's direction or supervision, at Subcontractor's expense.

16. INDEMNITY. Subcontractor shall indemnify, defend and hold harmless Builder and the owner of the project site, if other than Builder, from and against any and all claims for bodily injury or death, loss, damage, fines, utility bills, penalties, or other expense (including all attorneys' fees and other costs of defense incurred by Builder or owner, or in defending against any claims made against Builder, or in enforcing this indemnity and defense obligation including, but not limited to, civil, administrative, criminal, bankruptcy, arbitration and appellate proceedings) arising out of or in connection with the performance of the Work or any portion thereof, or arising out of or in connection with the failure to observe or to comply with the provisions of this Agreement or the Contract Documents by Builder, or any subcontractor or independent contractor hired by Subcontractor, or materialman, or any agent or employee of any such persons. Subcontractor further shall indemnify, defend and hold harmless Builder and the owner of the site from and against any and all claims, fines, penalties, injunctive mandate and expenses (including, but not limited to, all attorneys' fees and other costs of defense in any administrative, arbitration, civil, criminal, bankruptcy and appellate proceedings) arising out of Subcontractor's (including Subcontractor's agent,

subcontractor, sub-subcontractor, materialman, employee or other designee) violation of any Law, governmental rule, statute, order or other mandate. Subcontractor waives all claims against Builder, and the owner of the site, if other than Builder, for damage to property and injury to persons in or about the site from any cause arising at any time, except for wrongful acts or gross negligence of Builder. Subcontractor's indemnification and defense obligations hereunder shall extend to claims occurring after this Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Builder and/or owner for such matters which are indemnified hereunder are fully and finally barred by applicable laws. Subcontractor agrees to waive any and all tort or other subrogation rights for property damage or bodily injury against the Builder arising directly or indirectly out of, relating to, or in connection with the performance of the Work.

17. INSURANCE. Subcontractor shall obtain, pay for and keep in full force and effect until final completion and acceptance of the Work, without interruption, the following insurance, and with companies reasonably satisfactory to Builder, in Builder's sole discretion:

- a) Workers' Compensation insurance covering the legal liability of Builder and its Subcontractors under the applicable workers' compensation or occupational disease laws for claims for personal injuries and death resulting therefrom to Builder and its Subcontractor's employees. The Subcontractor shall also obtain a statutory minimum of employers' liability insurance. Certificates of insurance must include a waiver of subrogation in favor of Builder.
- b) Commercial General Liability insurance covering the legal liability (including liability assumed contractually, whether incidental or not) of the Subcontractor who may be engaged in the services, for claims for personal injuries (including death) and property damage resulting therefrom arising out of the services to be performed by the Subcontractor, in an amount not less than \$500,000 for any one occurrence, \$1,000,000 general aggregate (subject to a per project general aggregate provision), \$1,000,000 Products/Completed Operations aggregate limit. Commercial General Liability insurance shall be obtained and shall include broad form contractual liability coverage, products/completed operations, cross liability, severability of interest and broad form property damage (if required), and Builder as well as its directors, officers and employees shall be named as an additional insured on such Commercial General Liability policy regarding liability arising out of operations performed under this Agreement. Form CG 20 10 07 04 and CG 20 37 07 04 must be shown on the certificate of insurance or its equivalent.

The Subcontractor's insurance coverage shall be primary insurance as respects work for Builder, its directors, officers, and employees. Any insurance or self-insurance maintained by Builder shall be excess of the Subcontractor's insurance. Subcontractor shall not sub-subcontract without written authorization from Builder. Subcontractor, in its agreements with subcontractors, shall require subcontractors to obtain insurance, or Subcontractor shall provide, meeting the minimum limits and incorporating the contractual requirements that are prescribed by this section and provide to Builder. The Subcontractor hereby waives and relinquishes any right of subrogation against Builder and its agents, representatives, employees, and affiliates they might possess for any policy of insurance provided under this section or under any State or Federal Workers' Compensation or Employer's Liability Act. Subcontractor shall require its insurer to notify Builder 30 days prior to the effective date

of any cancellation or material change in any of the required policies. To the extent that the Subcontractor utilizes deductibles in conjunction with the insurance required by this Agreement, all deductible expenses will be assumed by the Subcontractor. Insurance shall be placed with insurers with a Best rating of not less than A-.

In the event of failure of Subcontractor to furnish and maintain insurance required hereunder, Builder, at its option and without waiving the default of Subcontractor, shall have the right to obtain such insurance from its own insurer in the name of Subcontractor. In such event, Subcontractor shall pay the cost thereof upon demand and shall furnish all information required by the insurance carrier.

18. COMPLIANCE WITH LAWS. Subcontractor shall give all notices and comply with all laws bearing on the Work including, by way of enumeration and not limitation, building codes, safety and health rules and regulations established by or pursuant to the federal Occupational Safety and Health Act of 1970, laws related to environmental protection, contamination, and pollution control (such as CERCLA and Chapter 376, Florida Statutes), laws related to land development, local subdivision regulations, public utilities, and all other laws that apply to the site and the Work (collectively, "Law"). Subcontractor shall carefully check the drawings, plans, and specifications for conformity with all local, state and federal laws, codes, rules and regulations before commencing the Work. Subcontractor at all times shall furnish to its agents and employees a safe place of employment. If Subcontractor observes any violation of law, it shall immediately report such violation to Builder in writing. All workmanship, materials and activities of Subcontractor and its employees, agents and material suppliers shall conform to law and, if the Subcontractor performs or permits the performance of any Work or other activities not in compliance with law, it shall immediately cause such Work to be redone, or activities to cease, and shall bear all cost in connection therewith. The Work, as performed, shall meet with the approval of, and pass any inspection of, any governmental authority having jurisdiction thereof. If the Work is being constructed under specifications of the Federal Housing Administration or the Veterans Administration, the Work shall meet the requirements of these governmental agencies. No work shall be deemed complete until final inspection is made and approval is received from every governmental authority whose approval is required.

19. TERMINATION OF AGREEMENT BY BUILDER. In the event that conditions arise which in the sole opinion of Builder make it inadvisable for Subcontractor to continue the Work, Builder may immediately terminate this Agreement by prior written or verbal notice to Subcontractor. Upon receipt of such notice, unless directed otherwise, Subcontractor shall immediately discontinue prosecution of the Work and the placing of orders for materials, equipment, machinery and supplies in connection therewith and shall, if requested, make every reasonable effort to procure cancellation of all existing orders or contracts upon terms satisfactory to Builder. Thereafter Subcontractor shall do only such Work as may be necessary to preserve and protect that portion of the Work which has been incorporated into the project and to protect materials, supplies and equipment at or about the site or in transit thereto. On the date set for termination, the obligations of the parties to continue performance under this Agreement shall cease and Subcontractor shall be entitled to receive: (i) compensation for the portion of the Work already performed with the Contract Price being prorated accordingly, (ii) payment for materials for which it has made firm contracts, provided that materials are delivered to Builder in new condition; and (iii) payment for any other bona fide obligations assumed by Subcontractor prior to receipt of notice of termination which obligations cannot with all reasonable effort be canceled, provided any benefits accruing from such obligations are assigned to

Builder. Payment to Subcontractor shall be made in accordance with Section 3 hereof, with final payment being made only after expiration of the period allowed by law for filing of any claims to enforce construction liens arising out of the Work. Notwithstanding any other provision to the contrary, termination of this Agreement shall not prejudice any claim of either party arising prior to termination, or relieve either party from any liability arising prior to termination nor shall it affect Subcontractor's guarantee of the portion of the work performed or relieve Subcontractor of its duty to correct any defective work performed or to indemnify, defend and hold Builder harmless in those instances required by this Agreement.

20. DEFAULT. In addition to any other remedies available under law: (i) if Subcontractor should fail or refuse, except in cases where extension of time is provided by Builder, to supply enough properly skilled workers or proper materials for the Work; or (ii) if Subcontractor should fail to make payment to subcontractors or for material or labor, or (iii) if Subcontractor should fail to comply with any of the terms and provisions of this Agreement or the Contract Documents, or (iv) if Subcontractor should be adjudged bankrupt, file or allow to be filed against it a petition for relief under the Bankruptcy Code or any similar legislation, or make a general assignment for the benefit of creditors, or (v) if a receiver should be appointed on account of Subcontractor's insolvency; then, in any such event, Builder may, without prejudice to any other right or remedy and after giving Subcontractor verbal or written notice, terminate its obligation to Subcontractor under this Agreement and take possession of the site and all materials, tools and appliances thereon and complete the Work by whatever method Builder may deem expedient. In such case, Subcontractor shall not be entitled to receive any further payment until the Work is complete. If the unpaid balance of the amount which would be payable upon completion shall exceed the expense of completing the Work including compensation for architectural, managerial and administrative services and a reasonable attorneys fee if legal counsel is employed, Subcontractor shall be reimbursed from such excess for any costs of labor and materials theretofore incurred and Subcontractor shall not be entitled to receive any other payments under this Agreement. If such expense shall exceed such unpaid balance, Subcontractor shall pay the difference to Builder. In connection with any effort to enforce or interpret this Agreement, the prevailing party shall recover, in addition to any other relief, its reasonable attorneys' fees and the costs and expenses of litigation, including those incurred on appeals and in bankruptcy and creditor's reorganization proceedings.

21. WAIVER. No consent or waiver, express or implied, by either party to this Agreement relating to any breach or default by the other in the performance of any obligation hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default by such party. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default irrespective of how long such failure continues shall not constitute a waiver of the rights of such party.

22. ENTIRE AGREEMENT. This Agreement, together with the Contract Price, construction documents and other information, which are incorporated herein by reference, constitutes the entire Agreement between the parties. No document may be amended or supplemented except by written instrument duly executed by both parties hereto.

23. OTHER AGREEMENTS. Should there now or hereafter exist one or more other agreements between the parties, or with any affiliated corporation or company, or either, concerning this or any

other construction project, then a breach by Subcontractor under the terms of any such agreements, at the option of Builder, shall be considered a breach of this Agreement and all such agreements. In such event, Builder may declare a default under any or all agreements so breached in accordance with their terms and may withhold money due or to become due under any such agreement and apply the same toward payment of any damages suffered.

24. OTHER PROJECTS. Initially this Agreement shall apply to the Work described in documents attached hereto. At Builder's discretion, this Agreement may be extended to other projects of the Builder; any such extension shall be documented by supplemental documents regarding to the additional project(s).

25. ASSIGNMENT. No assignment of this Agreement or any portion thereof or any money due or which may become due hereunder shall be made without the prior written consent of Builder. In addition to constituting a default under this Agreement, any assignment or attempted assignment made in violation of this section shall be null and void and the assignee shall acquire no rights thereunder.

26. SUCCESSORS AND ASSIGNS. Subject to the provisions of Section 23 relating to assignment, this Agreement shall be binding upon and inure to the benefit of the parties and to their heirs, successors and assigns.

27. TIME. Time is of the essence of this Agreement and each provision herein contained.

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

SUBCONTRACTOR:

Subcontractor Name

Signature: _____

Print Name: _____

Title: _____

BUILDER:

Dreambuilder Custom Homes, LLC

Signature: _____

Print Name: Shawn Starr

Title: President

Date Accepted by Builder: _____