IRON RIVER CONSTRUCTION

SUBCONTRACTOR AGREEMENT

THIS AGREEMENT is made on _____, 20_____, between Iron River Construction, LLC, 586 Bavaria Lane, Chaska, MN 55318, a Minnesota company ("Contractor") and _____("Subcontractor").

RECITALS

WHEREAS, Contractor and Subcontractor wish to engage in a business relationship for their mutual benefit,

WHEREAS, Contractor and Subcontractor wish to memorialize this business relationship with an agreement which will govern their present and future business dealings; and

WHEREAS, Contractor and Subcontractor intend that this Agreement will control and supersede any prior written or oral agreements or understandings.

NOW, THEREFORE, Contract and Subcontractor, in consideration of the following mutual promises and other good and valuable consideration, the receipt of which is hereby acknowledged, do agree as follows:

1. **Scope of Work:** The scope of Subcontractor's Work shall be defined by written Work Order to this Agreement. Subcontractor agrees to commence Subcontractor's work as authorized by the written Work Order and to complete such work within the time set out in the contract documents for the project ("Contract Documents'). Subcontractor's work shall include all labor and materials necessary or incidental to completing the work in a manner which complies with this Agreement and the Contract Documents, meets the highest industry standards, meets product and material manufacturer's requirements, and complies with applicable laws, regulations and ordinances ("Subcontractor's Work" or "Work"). The Subcontractor agrees, per their published price list, to furnish labor, misc materials, services, taxes, permits, fees, freight delivery, supplies, insurance, according to the plans and specifications (details thereof to be furnished as needed) of Architect/Designer/Iron River Construction, LLC, and to the full satisfaction of said Architect/Designer/Iron River Construction, LLC.

   The Subcontractor shall pay all sales taxes for all materials and labor furnished under this contract.

   No extra work or changes under this contract will be recognized or paid for unless agreed to by the production team at Iron River Construction. Contractor shall receive a signed Change Order before additional work is done or the changes made. All change orders become part of this original agreement and are contractual.

   Each Subcontractor shall inform himself fully of all codes, regulations and conditions relating to the construction and labor under which the work is to begin or will be performed, obtain and pay for permits, give all legal fees and secure certificates of inspections that may be require by authorities having jurisdiction over the work.

2. **Site Visit:** Subcontractor shall visit the site and ascertain the existing conditions and shall also carefully study the plans and specifications, as no allowance will be made for failure to do so. Should the Subcontractor encounter subsurface and/or latent conditions at the site materially different from those shown on the plans or indicated in the specifications, the Subcontractor shall immediately give notice to the Contractor of such condition(s), before they are disturbed. The Contractor shall then upon promptly investigate the conditions, and if the Contractor finds that they materially differ from those shown on the plan or indicated on the specifications, Contractor shall at once make such changes in the plans and/or specifications as Contractor may find necessary.

3. **Material and Labor:** All materials and workmanship shall in every respect be in accordance with the best modern practices and wherever the contract drawings, specifications or directions of the Contractor as to what is permissible and/or fail to note the quality of materials and workmanship conformity with modern practice is to be followed. The Subcontractor shall perform the work indicated in the specifications and/or shown on drawings and shall furnish all materials, equipment, and incidentals (i.e.: nails, glue, caulk, mud, tape, etc.) at their own expense. Subcontractor is responsible that materials supplied by Contractor are at the job site. There may be occasions where the Subcontractor may be required to pick up materials to complete the job. Contractor will reimburse the Subcontractor for the cost of the material only.

4. **Suppliers and Releases:** Subcontractor shall supply Contractor with a complete list of all suppliers, Subcontractors and

equipment renters employed by or under Subcontractor along with the estimated cost amount for all such work, equipment and materials. Subcontractor shall provide, along with every payment request, a list of all Subcontractors, suppliers and workers to be paid, and the amount to be paid to each under the progress payment. Before any progress payment will be made, Subcontractor shall supply to the Contractor the appropriate lien releases from all Subcontractors, workers, suppliers and equipment renters who have supplied work, materials or equipment to the project. The Subcontractor shall promptly pay for all labor and materials used by the Subcontractor and shall indemnify and hold harmless Contractor and owner against all costs, expenses, attorney's fees and liability for claims or liens or stop notices for work performed or material used by or under the authority of the Subcontractor. In case suit shall be brought on any such claim, Subcontractor defends it at its own cost and expense with counsel acceptable to Contractor. Within ten (10) days after written demand from Contractor, Subcontractor shall cause the effect of any stop notice, lien or suit to be removed and in the event Subcontractor shall fail to do so, Contractor may use whatever means it deems appropriate to defend and remove such lien, stop notice or suit.

5. **Cooperation**: All Subcontractors on the project are to cooperate to avoid delays and expedite the work. If a problem exists, it needs to be reported to the Contractor.

6. **Clean-up**: All Subcontractors shall remove from the premises all rubbish, implements and surplus materials and leave the project area clean every day. All job sites have a refuse container. It is EXPECTED that all Subcontractors leave the job swept clean and free of all garbage, including drink cans and bottles, wrappers, and any materials needed to do individual's daily work onsite. In the event that a party leaves the job site dirty, or any of the above on the job, there will be a $100.00 fine per occurrence assessed to Subcontractor's Company. This Agreement is hereby a first warning.

7. **Protection of Property**: Subcontractor shall at all times safely guard owner's property or adjacent property from injury, damage or loss. The Subcontractor shall replace or make good any damage, loss or injury. The Subcontractor shall make sure property is secured when leaving.

8. **Invoices/Payment:** Subcontractor invoices are due in the office via email to accounting@ironriverco.com and the Project Manager after completion of the project. Invoices must include the following information:
   - Subcontractor Company Name
   - Subcontractor Address
   - Subcontractor Phone Number
   - Subcontractor email Address
   - Subcontractor Invoice Number
   - Subcontractor Invoice Date
   - Iron River Construction PO Number
   - Iron River Construction Project Address
   - Subcontractor work completed broken down separately between materials and labor

   Contractor shall pay Subcontractor upon satisfactory performance of Subcontractor's work as defined in the written Work Order. Payment is subject to receipt of lien waivers, affidavits, warranties and guarantees required by the contract documents or Contractor. Payments will be made on the 1st and 15th of the month following the receipt of the invoice as long as the billing information is complete and accurate, and the Iron River Construction Purchase Order and Subcontractor invoice match. Invoices received on or before the 22nd of the month will be paid on the 1st of the following month. Invoices received on or before the 5th of the month will be paid on the 15th of the same month. If the Purchase Order (PO) and invoice do not match, the invoice must be reviewed and approved by the Contractor's Project Manager before payment is made. Additional amounts must be approved prior to invoicing by the Contractor's Project Manager. Incorrect or missing information as well as invoices not received in a timely manner may delay payments.

9. **Term: This Agreement shall remain in effect until either party chooses to cancel the agreement.**

10. **Indemnification:** Subcontractor shall indemnify and hold Contractor and Contractor's customer harmless from any and all claims arising out of or relating to Subcontractor's work or arising out of or relating to any act or omission of Subcontractor. Indemnification shall include all expenses, including, without limitation, attorney fees incurred by Contractor and Contractor's customer in the investigation or defense of a claim. Additionally, to the fullest extent allowed by law, Subcontractor agrees to purchase insurance providing for such indemnification.

11. **Non-Compete**: Subcontractor shall not contract directly with the customer for work. If Subcontractor contracts with customer, Subcontractor agrees to pay Contractor 30% of the contract amount.

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12. **Independent Contractor:** Subcontractor is an independent Contractor and not an employee of Contractor. Subcontractor represents and warrants to Contractor that:
    a. **Separate Business Office:** Subcontractor maintains a separate office with its own equipment, materials and other facilities.
    b. **Federal Identification Number/SSN:** Subcontractor's Federal Identification or SS number is:_____.
    c. **Subcontractor Control:** Subcontractor controls the means of performing the services or work which it performs on behalf of Contractor and is paid a specific amount of money for specific services or work as described under this Agreement.
    d. **Expenses:** Subcontractor is responsible for the payment of all expenses related to the services or work that it performs on behalf of Contractor.
    e. **Completion of Work:** Subcontractor is responsible for completing the work or services under this Agreement in a professional and workmanlike manner. Subcontractor is responsible for completing the work and will be liable for any failure to complete the work, as hereinafter provided. The Subcontractor agrees to promptly schedule and begin said work as soon as notified by said Contractor, and to complete the work as detailed in the Contractor Purchase Order, per building code, and detailed in the published Manufactures Specification and Installation instructions of their products.
    f. **Compensation:** The compensation for Subcontractor's work or services is as described above and is determined on a per-job or competitive-bid basis and not on any other basis.
    g. **Profit or Loss:** Subcontractor will realize a profit or loss under this Agreement with Contractor depending upon its performance.
    h. **Business Obligations:** Subcontractor represents to Contractor that it has continuing of reoccurring business liabilities and obligations; and
    i. **Success of Business:** Subcontractor acknowledges that the success or failure of its business depends upon its relationship of business receipts to expenditures, and that it is in no way guaranteed continuing work with Contractor.

13. **Change Orders:** Contractor and Subcontractor agree that Contractor shall not be liable for any amount greater than the amount proposed by the Contractor. In the event Subcontractor's scope of work is decreased or increased, such change shall be evidenced by a written Change Order, and the increase or decrease shall be set out in the Change Order. Subcontractor agrees that it will not take direction or requests from Contractor's customers, will not agree to any additional work, or incur any additional expenses requested by customer unless approved by Contractor through a signed Change Order. Contractor shall not be liable for any labor, materials, expenses, services or other items which Subcontractor provides or agrees to provide without Contractor's prior written consent. All Change Orders are to go through the Contractor first, or Contractor will not pay for changes. Except with Contractor's prior, written consent, Subcontractor shall not enter into any separate or direct agreements with any customer of the Contractor during construction by the customer and the Contractor, or payment in full by the customer to the Contractor, whichever is later.

14. **Warranties:** Subcontractor hereby represents and warrants that Subcontractor's work shall meet the requirements of this Agreement and comply with all warranties imposed by law, rule or regulation upon Contractor and/or Subcontractor. Subcontractor shall timely repair or remedy any defects in workmanship and material upon notice by Contractor to Subcontractor. Subcontractor hereby warrants, without limitation, that all workmanship performed, and materials supplied by Subcontractor shall be free from defects caused by faulty workmanship and defective materials for a period of one year from the warranty date. Subcontractor also warrants that, if applicable, all installation of plumbing, electrical, heating and cooling systems shall be free from defects for a period of two years from the warranty date. Subcontractor also warrants that, if applicable, all workmanship and materials shall be free from major construction defects, as that term is defined by Minn. Stat. Chapter 327A. This "warranty date" shall be the earlier of the date on which the Buyer takes occupancy of the property or the date on which the Buyer's account is paid-in-full, whichever is first to occur. Subcontractor also warrants that all workmanship performed, and materials supplied by Subcontractor shall comply with all applicable laws, regulations and ordinances, including, but not limited to, applicable building and energy codes. All warranties shall survive the termination of this Agreement. Subcontractor agrees to provide warranty work free of charge to Contractor and on a timely basis.

15. **Default:** If Subcontractor breaches this Agreement, Contractor shall have the right, upon written notice to Subcontractor, to terminate this Agreement. Upon receipt of written notice, Subcontractor shall cease all further work. Contractor shall have the right to hire other Subcontractors and suppliers to complete the work and no payment shall be due to Subcontractor until the work is completed. All costs associated with completing Subcontractor's work shall be deducted from the amount due Subcontractor. Subcontractor shall be liable to Contractor for all damages arising out of or relating to Subcontractor's breach of this Agreement.

16. **Arbitration:** Contractor and Subcontractor agree to resolve all disputes arising out of or relating to this Agreement, or relating to their business relationship, through binding arbitration under the Construction Industry Arbitration Rules of the American Arbitration Association. A party shall commence arbitration by making a written Demand for Arbitration and serving it upon the other party, filing the Demand for Arbitration with the American Arbitration Association and paying all required filing fees. The arbitrator shall have the right to allocate attorney's fees, the filing, and other costs and disbursements in an equitable manner. The parties shall each pay their own attorney's fees.

17. **Drug/Alcohol Use:** Subcontractor will ensure that Subcontractor, its employees, sub-Subcontractors and others within Subcontractor's control, who are present on the job sites will be free of alcohol and other mind-altering substances, including all controlled substances.

18. **Safety Practices:** Subcontractor will comply with standard safety practices and any OSHA requirements applicable to Subcontractor's work. Any OSHA fines based upon Subcontractor's safety violations which are assessed against Contractor shall be offset against any amounts due Subcontractor.

19. **Choice of Law:** This Agreement shall be governed by and construed under the laws of the State of Minnesota, irrespective of the domicile of the parties, the state in which this Agreement was entered into, or other conflict of law principles. The parties further agree that in the event of dispute concerns on a construction project, the laws applicable to the project including, by way of example without limitation, building codes, energy codes and warranty laws, shall govern any dispute with respect to such project. Subcontractor shall complete all work under this Subcontractor Agreement in a first-class manner and in complete conformity with the contract documents and all applicable building codes, OSHA, EPA, RRP and other governmental requirements. After receiving notice from Contractor of any issues, the Subcontractor has three (3) days to correct/repair the issue. If it is determined by the Contractor that the Subcontractor is unable or unwilling to correct/repair, Contractor will hire someone to correct/repair the issue and charge the Subcontractor for the cost of the repair plus any applicable OH&P (Overhead and Profit), etc.

20. **Binding Effect:** This Agreement shall bind the parties hereto, their successive heirs, successors and assigns.

21. **Non-Assignment:** This Agreement may not be assigned by Subcontractor without the express written consent of Contractor.

22. **Conflict in Documents:** The terms of this Agreement shall control in the event of any conflict between the terms of this Agreement and any other agreement or document.

23. **Onsite Conduct:** All onsite workers are hereby warned that any use of profanity is not acceptable to the Contractor. All onsite workers shall wear appropriate clothing with no obscene or distasteful symbols, words, or lettering. Contractor reserves the right to turn off any radios or music players with inappropriate music, or which Contractor believes are loud or obnoxious. All discussions with homeowners are to be friendly and to the point.

24. **Notice:** Any written notice which may be or is required to be given pursuant to the provisions of this contract shall be deemed sufficient if delivered or sent by certified mail, postage prepaid, return receipt requested, to the addresses listed: 586 Bavaria Lane, Chaska MN 55318

25. **Liability Insurance:** Subcontractor shall maintain **commercial general liability** insurance coverage in an amount not less than $1,000,000 combined single limit per occurrence and a $2,000,000 general aggregate, providing coverage for completed operations, product liability and contractual liability. Subcontractor's general liability insurance policy shall also include **automobile liability** coverage with limits of not less than $1,000,000 for each accident. Subcontractor shall also maintain **employer's liability** insurance of at least $500,000. The coverage should include coverage for liability arising from premises operations, independent contractors, products completed operations, personal and advertising injury and liability assumed under an insured contract (including tort liability of another assumed in a business contract). Coverage should include no endorsements or modifications arising from pollution, explosion, collapse, underground property damage or work performed by Subcontractors, and provide at least 30 days written notice prior to cancellation or termination of your commercial general liability, business auto liability and employer's liability policies. Contractor shall be named as an additional insured on Subcontractor's policies. Subcontractor shall provide to Contractor a Certificate of Liability Insurance (COI) evidencing such coverage and provide replacement certificates as needed. The subcontractor's insurance carriers must be rated at least an A- by A.M. Best.

26. **Workers' Compensation:** Subcontractor shall maintain in force, throughout the period of time it is performing any work for Contractor, workers' compensation insurance in such amounts and upon such terms as is required by law. Subcontractor

shall provide to Contractor a Certificate of Insurance evidencing the workers' compensation.

27. **Insurance Indemnification:** The work performed by Subcontractor shall be at the risk of the Subcontractor exclusively. To the fullest extent permitted by law, Subcontractor shall indemnify, defend (at Subcontractor's sole expense) and hold harmless Contractor, the Owner, affiliated companies of Contractor, their employees, agents, successors, and assigns ("Indemnified Parties"), from and against any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorneys' fees and costs, and consultants' fees and costs) ("Claims") which arise or are in any way connected with the work performed, materials furnished, or services provided under this Agreement by Subcontractor or its agents. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of Subcontractor, its employees or agents, whether active or passive. Said indemnity and defense obligations shall further apply, whether or not said claims arise out of the concurrent act, omission, or negligence of the Indemnified Parties, whether active or passive. Subcontractor shall not be obligated to indemnify and defend Contractor or Owner for claims found to be due to the sole negligence or willful misconduct of Indemnified Parties. 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 indemnified parties for such matters which are indemnified hereunder are fully and finally barred by applicable laws.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date herein first appearing above.

General Contractor:	**Subcontractor:**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

PERSONAL GUARANTY

The undersigned "Guarantor," in consideration of and in order to induce Contractor to enter into the foregoing Subcontractor Agreement, does/do each hereby jointly and severally unconditionally guarantee to Contractor its successors and assigns, the performance of all obligations expressed in the Subcontractor Agreement to be performed by Subcontractor, including payment for damages for any breach of the Agreement, and any liability of Subcontractor accruing under the terms of the Agreement. This Guaranty shall extend through the renewals, extensions or continuations of the Agreement, and shall extend through and survive the termination of the Agreement and shall be binding upon Guarantor's successors and assigns. Guarantor agrees to pay all costs and expenses, including reasonable attorney' fees incurred by Contractor in connection with the protection, defense or enforcement of this Guaranty.