

SUMMITWOODS APARTMENTS II
STANDARD SUBCONTRACT REQUIREMENTS & GENERAL CONDITIONS

The references below to "Subcontractor" include the subcontractor and all of his agents, subcontractors, employees or licensees. The references below to "Brom" or "Brom Builders" or "the general contractor" includes Brom Builders, Inc. and all of their employees. The references below to "owner" include the owners and all of their agents. Brom Builders is an Affirmative Action - Equal Opportunity Employer.

1. Before starting work, subcontractor to submit a current certificate of insurance to Brom with minimum liability coverage limits of \$1,000,000/\$1,000,000 with workmen's compensation coverage if you hire employees or subcontractors. Your agent must list "Brom Builders, Inc" name & address on the certificate as the certificate holder and as additionally insured. Your agent must also list the "Connecticut Department of Economic and Community Development (DECD)" and "Summitwoods II, LLC" as additionally insured. Subcontractor must comply with the DECD insurance regulations set forth in the DECD State Funded Housing Development Supplementary Conditions. Subcontractor must maintain required insurance amounts and coverage throughout the course of the work.
2. Subcontract price includes all material and labor for work per plans & specifications and all applicable taxes. All materials shall be installed per manufacturer's instructions. Subcontractor shall comply with all applicable laws, codes, ordinances, rules and regulations of federal, state and local governments and building codes. Any alteration or deviation from the plans, specifications, or price must be approved by Brom in writing and shall be executed only upon written authorization. No statement, arrangement or understanding, expressed or implied, not contained herein will be recognized.
3. Subcontractor will be required to provide the following: Warranty for work performed per the Connecticut State Statutes, operating/maintenance instructions for equipment or systems and owner's manuals & warranties from manufacturer; approved shop drawings and as built drawings for work as required; provide product brochures, specifications, samples, etc. for approval before starting work; obtain approval for all color selections before starting work; obtain approval for all equipment locations before installing (if not shown on plans); provide all tests & test results for your work; pay for all inspection fees, tests, trade permits and other hook up fees associated with your work; supply generator and fuel for temporary power for the installation of your work. Subcontractor may be required to provide the names/addresses/phone numbers of all your major material suppliers and subcontractors. Subcontractor will correct any deficient or defective work or materials within 30 days after notice of the problem at no additional expense to Brom or the owner. All costs for any damages or repairs required due to negligence, or deficient or defective work or materials by the subcontractor shall be borne by the subcontractor.
4. Subcontractor is an independent contractor, working on their own behalf, for their own benefit under their own control and responsibility.
5. Subcontractor shall comply with all OSHA safety requirements including the use of protective helmets ("hard hats") for head protection. Subcontractor shall submit material safety data sheets if required for materials supplied by subcontractor. The use of alcohol or illegal drugs is forbidden at all times on the jobsite. Jobsite working hours shall be as allowed by the local governing ordinance. Subcontractor to provide daily clean up of all debris from the subcontracted work.
6. Subcontractor to be responsible for the storage, weather protection, security, insurance, and organization of all materials supplied by the subcontract. Subcontractor shall coordinate all deliveries of their materials. Brom employees will not accept, sign for, or unload subcontractor's materials. Subcontractor shall store materials in a location approved

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by Brom. When Brom supplies materials for the subcontract, subcontractor is responsible for the organization and weather protection of materials, and, subcontractor to receive deliveries and transport materials as required. Subcontractor shall use proper care and caution around all materials and existing conditions so as not to cause any damage during the course of completing this subcontract, whether they are part of the subcontract, existing or provided by others. If subcontractor removes or damages any materials or existing conditions, he shall replace it and/or repair it at no additional expense to Brom or the owner. Subcontractor to adequately protect the finishes of all materials supplied in this contract by supplying, installing, and removing temporary protection such as cardboard, paper, plastic, removable tape, etc.

7. Schedule: Adhere to the start & finish dates of the construction schedule. Start and finish dates as stated in subcontract are tentative only and may vary. Brom reserves the right to revise the schedule as required. Subcontractor shall use adequate numbers of skilled workers to meet the construction schedule and provide adequate supervision on site for all his work. Subcontractor shall coordinate his work with all other associated trades, the owner and Brom. Rework costs for poorly coordinated or located work by the subcontractor will be borne by the subcontractor. If subcontractor is behind schedule, subcontractor shall work additional hours during the week and weekends as allowed by local ordinances without additional charges to Brom or the owner to get the work back on schedule. If schedule requires greater productivity in a shorter period of time, or subcontractor cannot fulfill its contractual obligations for any reason, Brom reserves the right to take back all or part of the subcontracted work and bring in additional resources to complete the subcontract. In such event, subcontractor shall not be entitled to any payment for work performed prior to such taking over of the work by the general contractor until all work to be provided per the subcontract is complete. If the costs to complete the work exceed the subcontract balance, the subcontractor shall reimburse Brom for these costs. In the event the project is stopped, postponed or delayed after construction starts due to reasons beyond the control of Brom, Brom reserves the right to cancel the balance of the subcontract after paying the subcontractor for work in place only and Brom shall not be liable for any claims by the subcontractor due to cancelling the balance of the subcontract. In the event the project is postponed or delayed before construction starts due to reasons beyond the control of Brom, Brom reserves the right to cancel the subcontract in its entirety and shall not be liable for any claims by the subcontractor due to cancelling the subcontract.

8. The subcontractor shall indemnify and save the general contractor and the owner harmless against and from any and all claims arising from the conduct, management or performance of the job, including, without limitation, any and all claims arising from any condition of the job or arising from any breach or default on the part of the subcontractor in the performance of any covenant or agreement on its part to be performed, pursuant to the terms of this subcontract, or arising from any act or negligence of the subcontractor, or any of its agents, subcontractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm or corporation, and from and against all costs, reasonable counsel fees, expense and liabilities incurred in or about any such claim, action or proceeding brought thereon; and in case any action or proceeding be brought against the general contractor or the owner by reason of any such claim, the subcontractor, upon notice from the general contractor, shall defend against such action or proceeding by counsel satisfactory to the general contractor and the owner, unless such action or proceeding is defended against by counsel for any carrier of public liability insurance provided for herein. The aforementioned indemnification shall not be affected by a claim that negligence either of the owner or the general contractor or their respective agents, contractors, employees or licensees contributed in part to the loss or damage indemnified against. In case any claim is made or any action is instituted against the owner

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or the general contractor for any act of the subcontractor resulting in injury or damage to the persons or property, a proper and sufficient amount of the subcontract amount may be retained by the general contractor as its indemnity pending the determination, settlement, or adjustment of any such claim or suit. In lieu of such retention of the moneys, however, the subcontractor may provide the general contractor with a surety bond in such form with a company and in an amount as is satisfactory to the general contractor.

9. Letter of Credit or Bond: Within 15 days of a contract award, the subcontractor shall submit to Brom Builders one of the following:

- a) A Completion Assurance Agreement with a Letter of Credit, or,
- b) A Performance and Payment Bond

Completion Assurance Agreement with a Letter of Credit

The Completion Assurance Agreement will clearly explain the duties and responsibilities of all parties to the agreement. The Letter of Credit shall be in an amount equal to 10% of the contract for any contract that is less than \$250,000. The Letter of Credit shall be in an amount equal to 25% of the contract for any contract that is more than \$250,000. The Letter of Credit shall be reduced by one half as of the date of completion and acceptance of the work and the balance shall be retained by Brom Builders for one year from the date of completion and acceptance of the work.

Performance and Payment Bond

The subcontractor shall furnish to Brom Builders a Performance and Payment Bond in the penal sum of 100% of the total amount of the contract. Said bond must be from a surety company with a B+ or better rating by Best and licensed to do business in the State of Connecticut.

10. Payments/Retainage: Progress payments to the subcontractor will be made monthly according to the schedule of values for completed and approved work in place. Invoices shall be submitted at the end of each month. Payments less 10% retainage of each invoice will be made 45 to 60 days after the invoice date. The retainage amount will be released 120 days after satisfactory completion of the subcontractor's work pending all terms of the contract are met. Lien waivers will be required from subcontractor with each payment from Brom. Also, lien waivers may be required from your material suppliers & your subcontractors.