

**Subcontractor Cover Sheet Info:**

Palmetto Craftsmen, Inc.

46 Romney St. Charleston, SC 29403 (Physical Address)

PO Box 1101 Charleston, SC 29402 (Mailing Address)

843-722-1101

Email all Invoices and Pay Apps to Accounting Dept. Email all COI's to Barbie.

Barbie's email: [bplummer@palmettocraftsmen.com](mailto:bplummer@palmettocraftsmen.com)

Terry's email: [tpowers@palmettocraftsmen.com](mailto:tpowers@palmettocraftsmen.com)

**Subcontractor Contact Info:**

Primary/Scheduling Contact Name:

Phone Number:

Email address:

Secondary Contact Name:

Phone Number:

Email Address:

Invoices/Office Contact Info:

Phone Number:

Email Address:

Please submit this sheet with the Subcontractor Agreement when returning forms.

# MASTER SUBCONTRACT AGREEMENT

This Master Subcontract Agreement is entered by and between Palmetto Craftsmen, Inc. (the “Contractor”) and \_\_\_\_\_ (the “Subcontractor”) on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WHEREAS the Contractor is a general construction contractor which, from time to time, constructs residential and commercial projects (the “Projects”) in and around Charleston County, South Carolina; and

WHEREAS the Subcontractor desires to perform portions of the work at one or more of the Projects as a subcontractor to the Contractor; now, therefore, know all men by these presents that

FOR AND INCONSIDERATION of the mutual promises set forth herein, the undersigned do hereby agree as follows:

1. In the event that the Contractor is desirous of engaging the Subcontractor to perform a portion of the work at a particular Project, the Contractor and Subcontractor shall execute a work order (the “Work Order”) issued by the Contractor which shall set forth, among other things: (a) The general nature of the labor, material, equipment, and other items or services (the “Work”) to be provided by the Subcontractor; (b) The amount to be paid to the Subcontractor for the Work; and, (c) The name and/or location of the Project where the Subcontractor is to provide the Work. The respective rights and obligations of the Contractor and the Subcontractor in connection with the Work to be provided by the Subcontractor pursuant to the Work Order shall be governed by the terms of this Master Subcontract Agreement, which shall be fully incorporated and adopted by reference in said Work Order.

2. In the event the Subcontractor provides labor, material, equipment, and other items or services to Contractor without a Work Order as described above, the Subcontractor hereby agrees that the terms of this Master Subcontract Agreement shall nevertheless apply and that the respective rights and obligations of the Contractor and the Subcontractor in connection with the labor, material, equipment, and other items or services provided by the Subcontractor shall be governed by the terms of this Master Subcontract Agreement.

3. The rights and obligations of the Contractor and Subcontractor under this Master Subcontract Agreement are as follows:

**Article 1**--The Subcontractor hereby certifies that he has examined and understands the contract between Contractor and Owner and all attachments thereto and other documents referenced by or incorporated therein as well as the plans and specifications prepared by the Architect (the “Contract Documents”), all of which are hereby referred to and incorporated herein by reference. Except as is otherwise provided herein, the Subcontractor is hereby bound to the Contractor to the same extent the Contractor is bound to the Owner by the Contract Documents. Furthermore, regardless of the listing of any specific specification section or page in the plans, the Subcontractor and its subcontractors and suppliers are hereby bound by any and all parts of the Contract Documents insofar as they relate, in whole or in part, to the general scope of work required by this Subcontract. It is specifically agreed that the Subcontractor will not sublet, assign, or transfer this Subcontract or any part thereof without the written consent of the Contractor.

**Article 2**--The Subcontractor understands and agrees that its Work is to be done under the direction of the Contractor and that the Contractor’s decisions as to the true construction and meaning of the plans and specifications shall be final. It is also agreed by the Contractor and Subcontractor that such additional drawings and explanations as may be necessary to detail and illustrate the Work to be done are to be furnished by the Contractor, and the Subcontractor shall conform to and abide by the same insofar as they are consistent with the purpose and intent of the plans and specifications.

**Article 3**--The Subcontractor shall comply with all statutory and/or contractual safety requirements applying to its Work.

**Article 4**--The Subcontractor agrees to furnish a unit cost break down of the Subcontract if required for partial payment or changes in the scope of the Work.

**Article 5**--The Subcontractor hereby agrees to make any and all alterations or changes to the Work required by the Contractor without nullifying this Subcontract for a reasonable addition to or deduction from the agreed upon price of the Work. No alterations or changes shall be made nor shall Subcontractor be entitled to receive additional compensation for any changes except upon written order of the Contractor. The amount to be added to or deducted from the agreed upon price by virtue of such alterations or changes shall be stated in such written order, if such amount can be agreed upon, together with any agreed upon change in the time to complete the Work.

**Article 6**--The Subcontractor shall provide sufficient, safe, and proper facilities at all times for the inspection of its Work by the Contractor. The Subcontractor shall, within twenty-four hours after receiving written notice from the Contractor, at its sole cost and expense remove from the Project any and all portions of its Work which are unsound, improper, or in violation of the requirements of the plans and specifications; thereafter, the Subcontractor shall at its sole cost and expense repair and/or replace all such Work and the work of others which is damaged or destroyed in connection with the removal, repair, and replacement of such Work.

**Article 7**--The Subcontractor hereby agrees that time is of the essence and that the Work required by this Subcontract shall be commenced immediately upon notification by the Contractor. It is further agreed that the Subcontractor's Work will continue promptly, efficiently, and without delaying other branches of work. Additionally, if deemed necessary by the Contractor, certain parts of the Subcontractor's Work shall be prosecuted in preference to others in order to secure the execution of this Work at and within the time specified. It is hereby distinctly agreed that any and all damages arising from or related to the Subcontractor's failure to timely perform its work may, at the Contractor's option, be deducted from the Subcontract price.

**Article 8**--The Subcontractor shall be in default of this Master Subcontract Agreement if the Subcontractor at any time: (1) fails to supply a sufficient number of skilled workmen or a sufficient quantity of materials of proper quality; (2) fails in any respect to prosecute the work covered by this Subcontract in a timely fashion and with promptness and diligence; (3) fails to fully, properly, and/or timely perform its work or otherwise fails to strictly comply with any requirement of the Contract Documents; (4) engages in a strike or other work stoppage or ceases to work due to picketing or other such activity; (5) causes damage to the work of the Contractor or other subcontractors working at the Project and refuses to repair or replace the same within 3 days after written notice; (6) fails to resolve claims against the owner, the Contractor, or the Contractor's surety alleging that the Subcontractor or those providing labor and/or material for the use and benefit of the Subcontractor have failed to pay for labor, material, equipment, or services provided; (7) fails to immediately defend, indemnify, and hold harmless the Contractor arising out of or in connection with any claims, demands, and/or lawsuits alleging that the Subcontractor failed to fully and/or properly perform its work hereunder; or, (8) fails to procure and provide a bond to release mechanic's lien as required in Article 14 hereof. In the event of the Subcontractor's default, the Contractor may after 48 hours written notice, at its sole discretion and without prejudice to any other rights it may have hereunder, elect any of the following options: (1) provide any and all necessary labor, material, and/or equipment and deduct the cost thereof from any money then due or thereafter to become due Subcontractor; or, (2) terminate the Subcontractor and take possession of all the Subcontractor's materials, tools, and equipment at the Project and employ its own forces or others for the purpose of completing the work of this Subcontract. In the case of the termination, Subcontractor shall not be entitled to receive any further payments under this Master Subcontract Agreement or otherwise until the completion of all work required by this Master Subcontract Agreement, but shall nevertheless remain liable for any damages and expenses (including attorney's fees) which Contractor incurs. If the damages and expenses incurred by Contractor in completing the work shall exceed the unpaid balance, Subcontractor shall immediately pay the difference to Contractor, along with any other damages incurred by Contractor as a result of Subcontractor's default, including any and all costs and attorney's fees. Contractor shall have a lien upon all Subcontractor's materials, tools, and equipment taken possession of in order to secure the payment thereof. Subcontractor shall be liable to Contractor for all costs, expenses, damages, and attorney's fees incurred by Contractor due to the failure of performance by Subcontractor, the failure of Subcontractor to keep the progress of its work up to that of Contractor or other trades, or the failure to execute its work as directed by the Contractor.

**Article 9**--The Subcontractor hereby agrees to indemnify, hold harmless, and defend the Contractor of and from and against any and all claims, demands, causes of action, liabilities, lawsuits, losses, costs, expenses, attorney's fees, and judgments which are the result of or are alleged to be the result of the Subcontractor's failure to fully, timely, and/or properly perform its obligations under this Subcontract, whether said failure is or is alleged to be occasioned by said Subcontractor, his agents, employees, or any entity for which the Subcontractor may be liable; this obligation shall apply even if the Contractor is also alleged to be at fault with respect to claims at issue, but the obligation shall not apply if the Contractor is alleged to be solely at fault. The Subcontractor further agrees that it shall, upon the Contractor's demand and in the Contractor's sole discretion, either retain legal counsel to defend the interests of the Contractor or reimburse the Contractor for any and all expenditures that Contractor may incur by reason of the same, including costs and attorney's fees. In order to ensure the fulfillment of the foregoing, the Subcontractor hereby agrees to carry general liability insurance with minimum limits of \$1,000,000.00 per occurrence and also such insurance as is required to cover Workmen's compensation as required by State or Federal laws. The Subcontractor also agrees to furnish the Contractor with suitable evidence that such insurance has been taken out, and if the Subcontractor shall sublet any of this work to a third party, he agrees to see that the said third party shall carry insurance as mentioned above. A certificate of such insurance from companies issuing same shall accompany and become a part of this contract. Any insurance policy obtained by the Subcontractor to fulfill the insurance requirements of the Master Subcontract Agreement shall: (1) name the Contractor as an additional insured; (2) provide that the additional insured status of the Contractor continues beyond the completion of the project and applies to claims under the Subcontractor's completed operations coverage; (3) provide the same coverage to the Contractor's officers, owners, employees as provided to the Contractor; (4) apply even when claims against the Contractor are deemed frivolous or fraudulent; and (5) is primary insurance to any similar insurance which the Contractor may obtain for its own benefit.

**Article 10**--The said Subcontractor is to insure his own risks against fire, theft, sabotage, windstorm and other casualty in and about the Project, unless special agreement is made to the contrary, said insurance to continue in force until the Project is completed and the Subcontractor has received final payment hereunder.

**Article 11**--The Subcontractor shall remove from the premises as often as necessary or as may be directed by the Contractor all rubbish, debris, and surplus material which may accumulate from the prosecution of the Work. If the Subcontractor fails to do so upon proper notice, then the Contractor may at its option cause the same to be removed and charge the expense of such removal to the Subcontractor.

**Article 12**-- The Subcontractor will comply with all statutory, regulatory, and specification requirements regarding payment of all taxes assessed against his labor and will comply with all statutory, regulatory, and specification requirements as to equal opportunity employment, labor reports, payroll taxes, labor requirements, wage scales, overtime wages, nondiscrimination, etc.

**Article 13**--The Contractor hereby agrees to pay the Subcontractor for such labor and material herein undertaken to be done and furnished for the Work the sum set forth on the Work Order or otherwise agreed upon subject to additions and deductions as hereinbefore provided. Partial payments shall be paid by the Contractor to the Subcontractor as the work progresses, based upon estimates and certificates of the extent of Work performed. Weekly billings shall be paid on Friday, after 2:00 p.m., four weeks following the week of the invoice submittal, unless modified at Contractor's discretion to allow for holidays or other circumstances. The Contractor shall retain ten percent (10%) of the amount otherwise due to the Subcontractor as retainage. Final payment shall be made within thirty (30) days after the completion of all the Work, including any and all punch-lists associated with the Work. All payments are contingent upon evidence that the Subcontractor has paid for all labor and material provided to it for the performance of the Work. Notwithstanding the foregoing, the Contractor shall have the right, in its sole and exclusive discretion, to pay the Subcontractor on a monthly basis or based on such other pay period as the Contractor reasonably deems compatible with the Contractor's payment schedule with the owner.

**Article 14**--The Subcontractor agrees to turn said work over to the Contractor in good condition and free and clear from all claims, encumbrances, patent royalties, and liens growing out of the performance of this Subcontract. In the event of a claim against the owner, Contractor, or Contractor's surety alleging that the Subcontractor (or any other entity providing labor and/or material for the benefit of the Subcontractor) has failed to pay for all labor, material, and/or equipment provided to the project, the Contractor may, at his option and without further notice to the Subcontractor, issue payment to any person or entity

necessary to satisfy the claims for labor, material, and/or equipment and deduct the cost thereof from any money then due or thereafter to become due to Subcontractor. If a mechanic's lien is filed and/or a lawsuit to foreclose such mechanic's lien is brought by any person or entity employed directly by or furnishing labor, material, and/or equipment for the use and benefit of the Subcontractor, the Subcontractor shall, within 48 hours of written notice by the Contractor, file a bond to remove the mechanic's lien from the property on which the Project is located and thereafter shall at its sole cost and expense (including attorney's fees) defend such suit and pay such lien established in court. If a payment bond claim is asserted and/or a lawsuit is filed against the Contractor and/or the Contractor's surety by any person or entity employed directly by or furnishing labor, material, and/or equipment for the use and benefit of the Subcontractor, the Subcontractor shall, within 48 hours of written notice by and in the sole discretion of the Contractor, retain legal counsel to defend the interests of the Contractor and its surety or reimburse the Contractor for any and all expenditures that Contractor may incur by reason of the same, including costs and attorney's fees. The Subcontractor shall prepare and provide to the Contractor a sworn statement that it has paid out of monies received any and all persons and entities furnishing labor or materials to the Subcontractor, giving their names and how much, if any, is currently due to each. Such statement shall be furnished by the Subcontractor upon request and with every pay application submitted to the Contractor. The Subcontractor shall require like statements from its subcontractors and suppliers.

**Article 15**--The Subcontractor warrants and guarantees that the work to be done under this Subcontract will strictly comply with the Contract Documents, will be performed in a good and workmanlike manner, and will comply with industry standards. In the event of a discrepancy in the level of performance required by these warranties, the higher and better warranty shall apply.

**Article 16**--The Subcontractor agrees that no payment made under this Subcontract shall be conclusive evidence of the completion of performance of this Subcontract, either in whole or in part, and that no payment shall be construed to be an acceptance of defective Work or improper materials.

**Article 17**--The Subcontractor hereby agrees to procure and pay for all permits, licenses, and sales and other taxes which are necessary to carry on the Work in conformity with all state, federal, and municipal laws.

**Article 18**--The Subcontractor shall not have any right of action against Contractor for actual, consequential, or special damages because of hindrance or delay no matter what the cause; it being specifically understood that the Subcontractor's sole remedy in such event shall be an extension of the time allowed for the completion of the Work.

**Article 19**--The Subcontractor warrants that no commissions, fees, hidden costs, rebates, etc., will be paid to the Subcontractor or a sub-subcontractor, or their respective employees or representatives, either directly or indirectly.

**Article 20**--The Subcontractor agrees that any and all disputes, claims, or demands arising out of or relating to this Subcontract or the Subcontractor's performance of the same shall, at the Contractor's sole option, be decided by litigation or arbitration. In the event the Subcontractor wishes to initiate a dispute, claim, or demand against the Contractor, the Subcontractor shall provide written notice to the Contractor, and the Contractor shall within 10 days after its receipt of said notice provide written notice to Subcontractor of Contractor's decision regarding whether the dispute, claim, or demand is to be resolved by litigation or arbitration. If the Contractor fails to provide the Subcontractor with written notice of its decision as required hereby, the Subcontractor's dispute, claim, or demand shall be resolved by arbitration.

**Article 21**--The Contractor may terminate this Subcontract for convenience at any time. In the event of such termination for convenience, Subcontractor shall only be entitled to receive payment for work already in-place, materials suitably stored at the site, and reasonable demobilization costs. In no event shall Subcontractor be entitled to recover lost or anticipated profits. Any termination of the Subcontractor by the Contractor which is determined to have been wrongful shall be deemed a termination for convenience.

**Article 22**--The Subcontractor agrees that this Master Subcontract Agreement shall be subject to and construed pursuant to the law of the State of South Carolina regardless of the location where the Subcontractor performs its Work and that the venue for the resolution of any and all claims or disputes hereunder, whether by arbitration or litigation, shall be Charleston County, South Carolina.

**Article 23**--The Subcontractor hereby acknowledges and agrees that it has read and is familiar with the EPA rules and regulations which went into effect on April 22, 2010 related to lead-safe practices for any renovation, repair, or painting work performed in structures built before 1978, the terms of which are incorporated herein by reference and are binding on the Subcontractor. The Subcontractor further acknowledges and agrees that any and all of its agents and employees (and any other persons or entities for whose acts the Subcontractor is responsible) shall at all times and under all circumstances comply with those rules and requirements, and that the Subcontractor shall pay for and be responsible for all costs and expenses associated with that which is necessary to ensure that the Subcontractor's work is performed in compliance with said rules and regulations; it being the express intent of the Contractor and the Subcontractor that the stated amount of any Work Order (or oral agreement if no Work Order is entered) shall be inclusive of all the costs and expenses for material, labor, equipment, services, etc. which are required for the Subcontractor to perform its work in accordance with the said rules and regulations.

WHEREFOR, the undersigned have set their hands and seal on the date set forth above:

PALMETTO CRAFTSMEN, INC.  
PO Box 1102  
46 Romney Street  
Charleston, South Carolina 29402  
(843) 722-1101

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