

STANDARD TERMS AND CONDITIONS
ICI HOMES WORK ORDERS, PURCHASE ORDERS
EFFECTIVE JANUARY 1, 2020

1. The "SELLER" shall refer to the Subcontractor Vendor or Material Supplier. Under the Work Order, the 'BUYER' shall refer to ICI Homes® or any related entities or assigns.
2. The term "PROPERTY" shall refer to the premises identified on the Work Order.
3. ACKNOWLEDGEMENT: The Work Order must be acknowledged by Seller in the manner prescribed by Buyer in accordance with its policies and procedures as may be modified from time to time. Supplying of any equipment materials or work under the Work Order, or failure to acknowledge the Work Order constitutes acceptance of these Terms and Conditions.
4. QUALITY: All equipment materials, and work furnished, shall be in conformance with the Buyer's plans, specifications, samples, etc., as applicable, and shall be of quality acceptable to Buyer, free from defects and suitable for the intended purpose. Any items not conforming to the above shall be promptly corrected or removed and replaced within 3 days, as determined by the Buyer. Otherwise Buyer can, at its option, make such corrections as Buyer deems necessary with all costs being borne by Seller.
5. SCHEDULE: Upon release of work on the Work Order by Buyer or Buyer's designated representative, Seller shall start and diligently proceed to completion on Seller's requirements in accordance with Buyer's schedule, coordinating so as not to interfere or delay others or the progress of the job.
6. ON SITE WORK: Where Seller is to perform work on Buyer's construction site, Seller shall be responsible for determining the conditions of the site that have an effect on Seller's work, shall man the work with competent, courteous personnel and must exercise care not to trespass or otherwise infringe on the rights of adjoining property owners. No alcoholic beverages, drugs, loud or abusive language may be used on the Property at anytime. Seller shall immediately remove from the site any workman whose employment may be objected to by Buyer. Seller shall be responsible for all clean up and removal of debris arising from Seller's work and shall leave all interior work areas "broom clean." If Seller starts work in an area where a previous trade did not clean up, Seller thereby assumes responsibility for the cleanup of that previous trade. Seller shall protect and safeguard Seller's work, material, tools, equipment and facilities on the site and shall bear all risks of loss or damage thereto until all work is accepted by Buyer.
7. SAFETY AND PROPERTY PROTECTION: All equipment, materials and work will be supplied and/or performed in such a manner as to safeguard life and property (including the work of others) and be in compliance with all applicable laws, codes, rules, and regulations including the Occupational Safety and Health Act, which includes but is not limited to posting notices and completing necessary forms.
8. LAWS, CODES, ETC: Seller shall be familiar with and comply with the requirements of all applicable laws, statues, ordinances, codes, rules, regulations or orders of the U.S. Government, any state, or any branches or political subdivisions thereof (including FHA, VA, etc.) The cost of any changes required due to Seller's equipment, material or work not being in accordance with the above requirements shall be fully borne by Seller.
9. WARRANTY: Seller hereby warrants to Buyer that all equipment, materials and work provided by Seller are free from defects in materials and workmanship and Seller shall provide such additional warranties to Buyer so as to satisfy Buyer's obligations to its customers under the Home Buyers Warranty Program (a copy of which has been provided by Seller) or other home warranty program offered by Buyer from time to time. Seller's warranties to Buyer shall extend from the date Seller first performs work or provides material until one (1) year following the "Transfer Date" (as hereinafter defined), except that, if Seller's scope of work covers only the electrical, plumbing, or mechanical systems, the warranties shall extend for two (2) years following the Transfer Date, and shall extend for ten (10) years after the Transfer Date if Seller's scope of work covers a structural element as defined in the Home Buyer's Warranty Program. The term "Transfer Date" shall mean the later of the following dates: (A) the date that Buyer's customer takes title to the building or residence on Property, or (B) the date that Buyer's customer occupies the building or residence on Property. Seller shall respond within 2 working days to all warranty requests, and items found defective shall be corrected or removed and replaced within 5 working days, at no charge. In emergencies, Seller shall respond immediately. If Seller does not respond within the above time frame, Buyer may have defective items corrected or replaced and all costs shall be paid by Seller. Seller shall furnish a written warranty and all manufacturers' warranties prior to final payment required by Buyer. All warranties shall comply with all applicable governmental regulations.
10. PRICE: Seller agrees that the price specified on the Work Order represents a ceiling on the selling price and is not subject to increase for any reason whatsoever, except for an increase in

equipment, materials or work supplied as authorized in advance by Buyer in writing.

11. INVOICING: The Work Order shall become the Seller's invoice upon completion of the job ("Invoice"). When proof of delivery is required, this shall be Seller's responsibility. Authorized changes, if any, shall be shown separately on a Variance Purchase Order or Change Order or such other form as Buyer shall require from time to time. Buyer reserves the right to require that invoices be accompanied by properly executed lien waivers, covering all items on the Work Order, in a form designated by the Buyer and in conformity with all applicable lien laws. Seller agrees to sign or secure necessary waivers, releases and other documents related to the Work Order that are required to enable the Buyer to receive payments under any mortgage construction loan or deed effecting the Property to which the Work Order relates.

12. PAYMENT: Upon completion of all items on the Work Order satisfactory to Buyer, and subsequent receipt of Invoice by Buyer, payment will be made according to terms on the face of the Work Order. No partial payments will be made unless in accordance with a written schedule agreed to in writing by Buyer. Buyer reserves the right to pay any past due obligations of Seller arising out of the Work Order by check made payable jointly to Seller and his creditor, and such payments shall constitute payment to Seller under the Work Order. Payment does not constitute final acceptance by Buyer of Seller's equipment, materials or work.

13. SET OFF: Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer, or to any of Buyer's affiliated companies, against any amount payable by Buyer in connection with the Work Order.

14. CONFIDENTIAL INFORMATION: Seller shall treat as confidential all drawings, specifications, samples, technical developments or any other information pertaining to Buyer's affairs and will not disclose such information to any third person or party not authorized in writing to receive it by Buyer. Upon completion or cancellation of the Work Order, or at Buyer's request, Seller will return all such drawings specifications and other papers to the Buyer.

15. INSURANCE: Where Seller is to enter upon or perform work on Buyer's Property or on Buyer's behalf, Seller must carry and maintain until final acceptance of items under the Work Order, the following insurance coverage in amounts specified by Buyer at the time of performance: Worker's Compensation, Comprehensive General Liability against all hazards including owned and non-owned vehicles, Personal Liability, Property Damage Liability and Product Liability. Before starting, Seller must file with Buyer certificates from the insurance carriers

showing the required coverage's. Additionally, Seller waives all rights of recovery against Buyer for damages which are caused by defects in construction, but only to the extent the damage is covered by insurance purchased and maintained by Seller. This waiver includes claims which could be made due to negligence of Buyer. The purpose of this paragraph is to place the risk of loss due to possible defects in construction of the single-family and multi-family dwellings on the Property on Seller's insurance purchased and maintained by Seller.

16. INDEMNITY: Seller agrees to defend, indemnify and hold harmless Buyer and Buyer's customers from and against all claims, demands or suits made or brought under any Worker's Compensation Law and from loss, liability, expense, property damage or personal injury on account of any claim against Buyer caused by the act or omission of Seller, Seller's employees or agents in performance of the Work Order.

17. LIENS: Seller shall remove within 5 days after filing, any liens filed against the Property resulting out of equipment, material or work supplied by the Seller. The Seller agrees to protect and hold harmless the Buyer and the Buyer's customer from all costs, expenses, attorney's fees, or damage that result from any such liens.

18. CHANGE OR CANCELLATIONS: The Work Order is subject to change or cancellation by Buyer, without further liability, prior to the release by Buyer for shipment of materials, equipment, or the start of any work on site by the Seller. If the Seller at any time fails to meet, or it becomes reasonably apparent the Seller will fail or be unable to meet all the requirements of the Work Order, or fails to pay all his obligations when due, or in the event of any bankruptcy or insolvency proceedings by or against Seller, the Work Order is subject to cancellation at Buyer's option without further liability except for the value of items previously supplied which value shall be reduced by any costs experienced by Buyer in excess of what they would have been had the Seller fully met all the requirements of the Work Order.

19. CLAIMS: If Seller believes Seller has a claim of any nature whatsoever against Buyer, Seller shall give Buyer written notice with details within 7 days of the occurrence upon which the claim is based.

20. ASSIGNMENT: The Work Order or any monies due from it may not be assigned by Seller nor may it be further subcontracted without written consent from Buyer.

21. GENERAL: If any provision or portion of these Terms and Conditions or the Work Order is held void or invalid by court of

law the remaining portion shall be unaffected and remain in force.

22. ENTIRE AGREEMENT: The Work Order and these Terms and Conditions constitute the entire contract between the parties, except as stated in item 23. Acceptance is limited to its terms and no revision of the Work Order or any of these standard Terms and Conditions shall be effective (whether or not by Seller's acknowledgement or other form) unless agreed to in writing by Buyer's authorized representative. These Standard Terms and Conditions shall be a part of the Work Order and Seller agrees to their applicability and enforceability by acceptance of the Work Order.
23. SCOPE OF WORK: By acknowledging the Work Order and these Standard Terms and Conditions, Seller hereby confirms that Seller has executed a separate Subcontractor Agreement which includes those terms that are directly related to Seller's trade and/or includes further conditions which are a prerequisite to performing work for Buyer, if such Subcontractor Agreement is required by Buyer. Additionally, the Work Order and these Standard Terms and Conditions must be read in conjunction with the Subcontractor Agreement and all terms and conditions contained in the Subcontractor Agreement are expressly incorporated and included into the Work Order and these Standard Terms and Conditions and are not intended to disengage any of the terms and conditions contained in the Subcontractor Agreement. Furthermore, if there are any inconsistencies between the terms and conditions contained in the Work Order and these Standard Terms and Conditions or Subcontractor Agreement, the terms and conditions contained in the Subcontractor Agreement shall prevail.