MERIT CONSTRUCTION, INC.

STANDARD FORM OF AGREEMENT
BETWEEN CONTRACTOR AND SUBCONTRACTOR

FILE Merit CONSTRUCTION, INC.

ARTICLE 1

AGREEMENT

This Agreement is made this 10 th day of August in the year 2006 by and between the

CONTRACTOR (Name and Address)
MERIT CONSTRUCTION, INC.
10435 DUTCHTOWN ROAD
KNOXVILLE, TN 37932
PHONE: (865) 966-4100 FAX: (865) 966-4101

and the
SUBCONTRACTOR (Name and Address)
SHOFFNER KALTHOFF MECHANICAL ELECTRICAL SRV
3600 PAPERMILL DRIVE
KNOXVILLE TN 37919

SUBCONTRACTOR CONTACT: DAVE DUGGER
SUBCONTRACTOR JOB #: 05-049-D
COST CODE: 15100 / 16100

PHONE: (865) 523-1129 FAX: (865) 523-7250

for services in connection with the Scope of Work as described in Exhibit "A"

Contract Amount: $ TO BE DETERMINED AT GMP

Substantial Completion Date of Overall Project: TO BE DETERMINED AT GMP

GMP set 12-4-07

Job No. 05-049

for the following
PROJECT
HARDIN VALLEY HIGH SCHOOL
HARDIN VALLEY ROAD
KNOXVILLE TN

- Proposal estimate in July 06 was $8,428,374
- Contract dated 8-10-06 for TBD
- final amount paid $9,624,053

Whose
OWNER is: (Name and Address)
PUBLIC BUILDING AUTHORITY
912 SOUTH GAY STREET
KNOXVILLE TN 37902

The **ARCHITECT/ENGINEER** for the Project is: (Name and Address)
THE LEWIS GROUP
1111 NORTHSHORE DRIVE
SUITE S-800
KNOXVILLE TN 37919

$1,195,679 more than original "proposal"

Notice to the parties shall be given at the above addresses.

over 14.2%

This is a modified version of **AGC DOCUMENT NO. 655I**
January 19,2000

EXHIBIT "A"

SCOPE OF WORK

Provide all mechanical and electrical work required to complete the project as described by documents to be provided by the Lewis Group Architects.

Subcontractor agrees to provide preconstruction services as described in 1997 AIA A-111.

Subcontractor agrees to prove all cost via submission of detailed labor, material, and equipment invoices with each monthly pay application. Cost is as defined in 1997 AIA A-111.

Subcontractor agrees to labor, material, equipment and mark up rates as described in subcontractors proposal dated 6/29/06.

Subcontractor's work shall be directed and supervised by a competent person as defined by OSHA. Such competent person shall have a thorough knowledge of OSHA regulations and shall be present at the project site at all times that subcontractors work is in progress.

Any OSHA fines levied against the general contractor as a result of subcontractors failure to comply with OSHA regulations will be deducted from subcontractors contract amount.

This subcontractor agrees to abide by the "Tennessee Non-Smokers Protection Act. A copy of this law will be provided by Merit Construction upon request. All fines, incurred as a result of this subcontractor's failure to abide by the law will be the Subcontractor's responsibility.

This is a modified version of **AGC DOCUMENT NO. 655I**
January 19,2000

ARTICLE 13

EXISTING SUBCONTRACT DOCUMENTS

As defined in Paragraph 2.3, the following Exhibits are a part of this Agreement.

EXHIBIT A Scope of Work

EXHIBIT B The Drawings, Specifications, General and other conditions, addenda and other information. (Attach a complete listing by title, date and number of pages.)

EXHIBIT C Insurance Provisions, Three (3) pages.

EXHIBIT __ Progress Schedule, _____ pages.

EXHIBIT __ Alternates and Unit Prices, include dates when alternates and unit prices no longer apply, _____ pages.

EXHIBIT D-E Other Provisions, Supplementary Conditions and Documents, Five (5) page.

EXHIBIT F

EXHIBIT G

This Agreement is entered into as of the date entered in Article 1.

CONTRACTOR: MERIT CONSTRUCTION, INC.

WITNESS: Melanie C. Harris

BY: _____

PRINT NAME: STEVE HEATHERLY

PRINT TITLE: SENIOR VICE PRESIDENT

WITNESS: Shelley S. Rowan

SUBCONTRACTOR: SHOFFNER KALTHOFF MECHANICAL ELECTRIC SERVICE

BY: _____

PRINT NAME: David Dugger

PRINT TITLE: President