

**SUPPLEMENTARY TERMS AND CONDITIONS FOR
PURCHASE ORDERS ISSUED FOR CONSTRUCTION,
INSTALLATION OR REPAIR WORK TO BE
PERFORMED ON OUR PREMISES**

Whereas, _____ (“you”) and the TopBuild company identified on the purchase order as the “buyer” (which will be referred to as “us,” “our” or “we” in these Supplementary Terms) desire to enter into an agreement relating to the construction, installation or repair work described on the related purchase order (the "Purchase Order"), and

Whereas, both parties understand that in certain important respects the terms and conditions on the Purchase Order are insufficient to cover this kind of work, and

Whereas, both parties desire to supplement those terms and conditions with these supplementary terms and conditions.

NOW, THEREFORE, the parties agree that these supplementary terms and conditions shall become a part of the contract entered into between the parties as more fully described in the related Purchase Order and any other documents specifically referenced in such Purchase Order.

1. These Terms Supplement Printed Terms and Conditions on Purchase Order. The terms and conditions contained on the Purchase Order shall be supplemented by these terms and conditions. To the extent these terms and conditions are inconsistent with the terms and conditions contained on the Purchase Order, these terms and conditions shall govern.

2. Scope of the Work. As promptly and as economically as practicable, you shall (a) perform all necessary engineering services, (b) procure, order and furnish all of the required materials, labor and equipment, and (c) perform all of the services necessary for the construction, installation and completion of, and shall construct, install and complete, all of the work (the "Work") called for and described in the Purchase Order (as supplemented by these terms) and in all specifications, drawings, documents and other descriptive data that may be referred to herein or attached hereto (all hereinafter collectively referred to as the "Contract").

3. Time of Completion. The Work to be performed under this Contract by you shall be commenced immediately and shall be completed in accordance with the specifications on or before the date set forth in the Purchase Order. If, however, you are delayed in the performance or completion of the Work under this Contract by labor strikes, lock-outs, fire, unavoidable casualties, or other causes beyond your control and without your fault or negligence, then the time for the performance or completion of said Work may be extended for a reasonable period to allow for such delay, but any extension for a period of seven (7) days or more shall be valid only if the same is in writing signed and agreed to by us. No payment made under this Purchase Order, including final payment, shall be construed to be an acceptance of defective or improper workmanship or materials or constitute a waiver of any claims by us.

4. The Contract Sum.

(a) We shall pay you, for the full and complete performance of the Work, the amounts specified on the Purchase Order ("Contract Sum"). Any items not specifically identified for a unit price and shown or required for the Work shall be considered incidental to, and included in, the unit specified for a unit price.

(b) You agree that, unless otherwise indicated in this Contract, (i) the Contract Sum does not include any state or local sales, use or other tax from which an exemption is available for purposes of this Contract, and (ii) the Contract Sum includes all other applicable federal, state and local taxes in effect at the date of this Contract. You agree to accept and use tax exemption certificates when supplied by us if acceptable to the taxing authorities. In case it shall ever be determined that any tax included in the Contract Sum was not required to be paid by you, you agree to notify us and to make prompt application for the refund thereof, to take all proper steps to procure the same and when received to pay the same to the us.

(c) We shall have the right to withhold payment for defective work not remedied or for any of the other reasons set forth in Paragraph 8 hereof. If any such deficiencies are not promptly corrected after written notice, we may rectify same at your expense and deduct all costs and expenses incurred thereby from such withheld payments. You shall have full responsibility for, and the entire risk of, claims for non-payment by your subcontractors, suppliers, laborers and sub-subcontractors, suppliers and laborers of any tier provided we have paid you all sums properly due to you under this Purchase Order.

(d) In the event of any dispute between the parties, we shall be obligated to make all payments due to you over which there is no good faith dispute and you shall not, if you receive such payments, stop the Work or terminate the Contract.

5. Payment. Unless otherwise provided in this Contract, the Contract Sum shall be due sixty (60) days after the Work is finally completed in accordance with the specifications; provided, however, that said payment shall not be due until you have delivered to us a complete waiver and release of all liens arising out of this Contract, or receipts in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to us indemnifying us against any lien. No payment made under this Contract, including final payment, shall be construed to be an acceptance of defective or improper workmanship or materials or certificate of waiver of any claims by us.

6. Changes, Alterations and Modifications. We may at any time by a written order and without notice to your sureties or assigns change the extent of the Work covered by this Contract, the drawings, specifications or other description herein, or the time of completion. In connection with any such written order, we may issue a written stop work order with which you shall fully comply, and you shall be excused from proceeding with the Work as changed only so long as such stop work order remains in effect. Promptly upon receipt of the details of any such change, you shall either advise that the change will not affect its costs, or furnish: (a) a breakdown of estimated cost and changes in the Contract Sum attributable thereto, and (b) a statement of any necessary changes in the time of completion. Your failure to advise us within ten (10) days of the effect of any change hereunder shall constitute your consent to conform to the change without increase in the Contract Sum, or without change in any other terms and conditions of this Contract. The "written order" authorized by this paragraph shall be effective notwithstanding the absence of your formal written acceptance thereof. If the change causes a material increase or decrease in costs, then an equitable adjustment of the Contract Sum herein to be paid to you shall promptly be negotiated by the parties and incorporated in a written amendment to this Contract.

7. Materials and Employees. Unless otherwise specified, all materials shall be new and both workmanship and materials shall be of good quality. You shall, if we so require, furnish samples or other satisfactory evidence as to the kind and quality of materials as directed by us, and all materials thereafter furnished by you shall be in strict accord with such approved samples.

8. Defaults.

(a) You shall pay the costs of the Work as they are incurred.

(b) If you shall fail to pay any of the costs incurred by you, we shall have the right to pay such costs directly, upon twenty-four (24) hours written notice to you, and deduct such costs from the Contract Sum.

(c) If you should fail in the prosecution of the Work under this Contract or fail to perform any provision of this Contract, we may serve a notice in writing upon you to remedy said failure, and upon your refusal or neglect for a period of two (2) working days to remedy such failure, we shall be entitled to remedy such failure, and any cost thereby incurred by us shall be paid for the account of you and deducted from the Contract Sum.

(d) Any expense or cost arising out of the your negligence, or that of your agents or employees, for replacing defective work, for damage to property, and for the disposal of material wrongly supplied, may be paid by us for your account and deducted from the Contract Sum.

9. Protection of Work, Property and Persons. It is specifically understood and agreed that during the progress of the Work under this Contract, you shall take extreme precautions against the possibility of fire on our property and maintain adequate protection of the Work, adjacent property and the public, and you shall be responsible for any damage or injury due to your act or neglect. Any other provision in this Contract to the contrary notwithstanding, you hereby assume entire responsibility and liability for any and all damage or injury of any kind or nature whatsoever (including death or personal injury resulting therefrom) to all persons, whether your employees or otherwise, and to all property, caused by, resulting from or arising out of your negligence or that of your agents or employees.

10. Title to the Work. The title to all Work completed or in the course of construction, and all materials on account of which any payment has been made by us to you, shall be in our name.

11. Inspection. We shall have access to and the right to inspect all Work in the course of construction. We shall also have the right to have a representative on the job site at any or all times during the Work.

12. Subcontracts. You agree to obtain the agreement of every subcontractor to be bound to terms and conditions materially and substantially comparable to those contained herein unless otherwise authorized and approved by us.

13. Separate Contracts. We shall have the right to let other contracts in connection with this Work or other work and you shall afford other vendors or contractors reasonable opportunity for the execution of their work and shall properly connect and coordinate your work and theirs.

You shall be liable for any damage that you, your agents or employees may cause to any other vendor or contractor, and shall indemnify and hold us harmless therefrom.

14. Use of Premises. You shall confine your apparatus, the storage of materials and the operations of your workers to limits indicated by law, ordinances or permits, and shall not unreasonably encumber the premises with your materials. Before storing any materials or apparatus, or before constructing any temporary work shanty or workshop upon our premises, you shall obtain clearance from us in writing designating the location and space on our premises for such storage. In addition, before you move or relocate any storage area or temporary shanty or workshop, you shall obtain similar clearance in writing from us designating new or additional space on our premises.

15. Permits and Regulations.

(a) Before commencing the performance of any of the Work under this Contract, you shall supply all necessary building permits for the erection of permanent structures, all other permits and licenses as may be necessary, and before and during the progress of Work under this Contract, give all notices and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, local, or other governmental authority, relating to the performance of Work under this Contract, and if you perform any work that is contrary to any such law, ordinance, rule or regulation, you shall bear all the costs arising therefrom. In the event that you are unable to procure the necessary permits, as provided above, we shall have the option to cancel this Contract without any liability whatsoever, or we may procure the permits, and the costs thereof shall be deducted from the Contract Sum.

(b) You agree to comply in full, and to ensure that all of your employees and agents are familiar with and comply in full, with our Contractor Safety and Environmental Policy, attached hereto as Rider A and made a part hereof.

16. Insurance. You shall maintain such insurance as will protect you and us from all claims under (a) Worker's Compensation Acts, (b) Personal Liability, (c) Property Damage and (d) all other claims for damages, including personal injury and death, which may arise from operations under this Contract, including the insurance required under Rider B. Certificates of such insurance shall be filed with us and shall be subject to our approval for adequacy of protection and shall name us as an additional insured party.

17. Termination.

(a) Anything in this Contract to the contrary notwithstanding, if you should so fail to make progress as to endanger performance of this Contract in accordance with its terms, or if you should fail to make prompt payment to subcontractors or for material or labor, or violate any laws, ordinances or regulations, or otherwise violate any provision of this Contract, then we may, without prejudice to any other right or remedy, terminate this Contract in whole or from time to time in part upon written notice and proceed to complete or cause the Work to be completed, and we may deduct the cost of completing the Work from payments then or thereafter due to you, and you shall pay us any amount by which such cost of completion shall exceed the unpaid monies due or to become due to you.

(b) In addition to the provisions of paragraph 17(a), we shall have the right to terminate this Contract without cause upon five (5) days' written notice to you, but in that event, we shall pay to you a proportionate amount of the Contract Sum, as amended, based upon the percentage of the completion of the Work under this Contract and any amendment hereto, but we shall not be liable for any damages or lost profits.

18. Your Guarantee. In addition to any warranty requested in the Purchase Order or the Riders to this Contract, you hereby guarantee to us that all work performed hereunder shall be free from all defects of any kind, nature or description on the date of the completion thereof and for a period of one (1) year thereafter; and during such one (1) year period, you hereby (a) indemnify and hold us harmless from and against all loss or damage arising out of or in connection with any such defects, and (b) agrees on notice from us to you to promptly remedy and cure any such defect or defects at your sole cost and expense.

19. Approval of Plans and Specifications; Ownership of Documents, Designs, Etc. All plans and specifications drawn by you shall be submitted to us for written approval prior to commencement of Work or procurement of materials. Copies of such plans and specifications shall be furnished to us, and all designs, plans, specifications, improvements, inventions and all rights pertaining thereto, developed by you in the course of performance under this Contract, shall be promptly disclosed to us, and shall become our sole and exclusive property.

All drawings, specifications or other documents, whether tracings or originals, furnished by us to you shall remain our property and you shall make no copies or use of such drawings, specifications or documents except in performance of the Work called for by this Contract. All such documents shall be returned to us upon completion or termination of this Contract.

20. Cost Breakdown. If required by us, you agree to make available to us within 10 days after the completion of the Work under this Contract, such books, records, receipts, vouchers or other data as may be deemed

necessary by us to enable us to arrive at appropriate cost figures for the purpose of establishing depreciation rates for the various materials and other elements which may have been incorporated into the Work performed under this Contract.

21. Miscellaneous.

(a) The terms "Work" and "work under this Contract" include labor and materials as required for the performance of this Contract.

(b) Written notice under this Contract shall be deemed to have been duly served when delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if sent by certified or registered mail, overnight delivery service or telecopier to you at the address shown herein, or to us at the address shown herein to the attention of the person executing this Contract or such other person as may be designated by the applicable party in accordance with this paragraph.

(c) This Contract shall be construed and interpreted, and the rights of the parties determined, in accordance with the laws of the State where the Work is being performed.

(d) In the event of any conflict between these Supplementary Terms and Conditions and any other terms and conditions set forth in the Contract, the provisions of this document shall govern.

IN WITNESS WHEREOF, the parties have executed this Contract this _____ day of _____, 20__.

Contractor:

a _____ corporation

Buyer:

a _____ corporation

By: _____
Its: _____

By: _____
Its: _____

Address and Telecopier Number
for Notice Purposes:

Address and Telecopier Number
for Notice Purposes:

Attention: _____
Fax: (____) _____

Attention: _____
Fax:(____) _____

TopBuild Corporation

With a copy to:
260 Jimmy Ann Drive
Daytona Beach, FL 32114
Attention: General Counsel

Location/Department for Work: _____

Date(s) for Contractor's Work: _____

Contract or Purchase Order Number: _____

(Name of Company)'s Representative: _____

Rider A

TopBuild Corporation

Contractor Safety & Environmental Policy

Purpose and General Requirements

The purpose of this policy is to state the highlights of our safety and environmental rules and certain OSHA and EPA/MDEQ standards applicable to any contractor performing services on our property or in any of our facilities.

You are required to perform your work in compliance with all applicable safety and environmental laws and regulations to assure that the work is undertaken so as to safeguard the safety of your employees and others under your direction and control, our employees and other third parties present on our premises, and the environment. All persons utilized by you are required to be competent (on the basis of education, training, or experience) to conduct the contracted activities.

The following highlights of safety and environmental rules are based on applicable regulations, industry recommended practices and commonly recognized safe practices. These highlighted rules are not all-inclusive nor do they address every possible situation. It is your exclusive obligation to be fully familiar with all applicable laws, regulations and industry safety and environmental practices and to insure that your employees and agents are competent and act accordingly.

As a contractor performing services for us, you are required to ensure that your employees and those under your direction and control, are competent and familiar with these safety and environmental rules as well as with those other rules applicable to the work. Your full cooperation is necessary for accident prevention, loss control, and impact to the environment. Compliance with these rules and other applicable rules is mandatory. Violation of any safety or environmental rule may result in work stoppage until the violation is corrected. Continued violation of safety or environmental rules may result in your removal from our premises and cancellation of the Contract.

Your Responsibilities

- Ensure all your personnel and agents are competent, qualified and trained to perform contracted services.
- Provide your personnel and agents with proper and well-maintained tools, equipment and personal protective equipment.
- Inform and enforce all our safety and environmental rules and OSHA and EPA/MDEQ regulations pertaining to the contracted services.
- Inform your employees and agents of the appropriate emergency procedures (e.g., nearest emergency exit, accident and spill reporting procedures, etc).
- Maintain work area in a clean, orderly and safe condition.
- Secure all partially completed work, so as not to create a safety or environmental hazard.

Our General Safety Rules

- ✓ Safety glasses with side shields must be worn at all times where there is any risk of eye injury.
- ✓ Hearing protection is required in posted areas.
- ✓ Footwear must cover the entire foot, have solid soles, and be constructed of leather or other substantial material. Open toes and high heels are not permitted.
- ✓ Head protection must be worn in areas where there is a potential for falling objects or overhead work.
- ✓ Fall protection consisting of a full body harness must be used when the fall hazard is not protected by a standard railing and the working height exceeds six feet.
- ✓ All scaffolding must be fully planked with guardrails and toeboards.
- ✓ All ladders must be used in accordance to manufacturer's instructions, including:
 - Extension ladders must extend 36" above building edge and must be tied off.

- All extension ladders must be in good condition with appropriate footings.
- All step ladders must be fully opened for use.
- Every ladder must be appropriate for its intended use.
- ✓ All welding and cutting must be in accordance with our hot work procedures, including:
 - Maintaining a fire watch for the duration of hot work activities and 30 minutes after.
 - Maintaining an adequate fire extinguisher at the hot work operation.
 - Maintaining the hot work area free of combustible/flammable debris and gases.
- ✓ Compliance with all safety and hazard signs or warnings is mandatory.
- ✓ No smoking is permitted inside any of our facilities.
- ✓ No alcohol or illegal drugs are permitted on the premises. Persons under the influence of drugs or alcohol will not be allowed on Company property.
- ✓ Any unsafe condition or practice must be investigated, corrected, documented, and reported to our representative.

Sign In-Sign Out

Your employees and agents must sign in and sign out on a daily basis, including any time they leave the premises (e.g., lunch), for facility security and so that an accurate head count can be taken during an emergency. You will be informed of the sign in/out location prior to commencement of work.

Emergency Procedures

Our representative will review emergency procedures with your representative prior to the start of the job. The procedures that will be discussed include the alarm system/PA announcement used to signal an emergency, the locations of emergency exits in the job area, and the assigned assembly area(s).

Power Lockout

If electrical work is being performed, all electrical safety guidelines and regulations including the OSHA Lockout/Tagout Standard and the National Electrical Code must be followed. Our representatives will exchange Lockout programs and will discuss the procedures that will be followed.

Hazardous Chemicals

- You will be informed of the chemical hazards in the area of the work to be performed as well as the locations of the Material Safety Data Sheets (MSDSs).
- You shall be trained in the proper and safe handling of all chemicals necessary to perform contracted work. All containers will be properly labeled and stored while on the premises. You will provide our representative with a copy of MSDSs for all chemicals which you bring to or utilize in our facility, unless we already have an MSDS for such material.
- Hazardous waste generated from work on the premises shall be properly containerized, labeled and left on site. You **MUST** notify our representative of the labeling, date, nature, quantity and location of waste left on our property or in our facility.
- No chemical or wastewater of any kind may be disposed in any sink, drain or storm water drainage area whether inside or outside any facility.
- You shall provide MSDSs for all chemical materials to be used in a job application, or being proposed for use at the facility. Approval must be received prior to bringing a chemical onto the premises.
- Your employees and agents must use personal protective equipment appropriate for safe handling of hazardous chemicals.

Confined Space Entry

If your work involves entry into a permit-required confined space, you must provide a copy of your written program as well as proof of training for all your employees and agents. You must have available and use all necessary atmospheric monitoring, ventilation and retrieval equipment as required by the OSHA standard, and a permit system for entry must be used. You must advise us of any problems encountered during the confined space entry.

Rider B

INSURANCE REQUIREMENTS

Annexed to all Purchase Orders between TopBuild Corporation (“us,” “our” or “we”) and _____ (“you”) for the calendar year 200_.

1. You have, or shall obtain and maintain in full force and effect during the Work on the Project, the insurance coverages indicated. Our company and others designated by us shall be named as an additional insured with a provision that we shall receive at least thirty (30) days prior written notice of any change or cancellation. Certificates of Insurance issued by your insurance carrier shall be filed with us prior to commencement of the Work. All insurance required to be maintained by you shall be written on an occurrence basis. All such insurance shall be primary and any similar or additional insurance maintained by us shall be secondary and excess to that carried by you. Waiver of subrogation in favor of us applies to contractor and subcontractor.

2. You shall not commence Work under the Contract until you have obtained all required insurance and such insurance has been approved by us, nor shall you allow any subcontractor to commence Work under this Contract until all similar required insurance of the subcontractors has been so obtained.

3. Minimum required coverages for your insurance (**AND ANY SUBCONTRACTOR THAT YOU UTILIZE**) are as follows:

<u>Coverages</u>	<u>Amounts</u>
Workers' Compensation	Statutory
Employer's Liability	\$ 1,000,000
Comprehensive or Commercial General Liability, including Products/Completed Operations Hazard (to be maintained for three (3) years after Final Completion)	\$ 1,000,000
Automobile Liability	\$ 1,000,000
Builders Risk Insurance	Contract Value
Umbrella*	
PROFESSIONAL LIABILITY (IF APPLICABLE)	\$ 1,000,000
*Limits may be achieved by a combination of Umbrella of Primary Umbrella Limits	\$ 5,000,000

4. You shall be responsible for **MAKING SURE THAT EVIDENCE OF SUBCONTRACTOR’S INSURANCE, MEETING THE SAME REQUIREMENTS AS YOUR INSURANCE, IS PROVIDED TO US. AN ALTERNATIVE IS FOR YOU TO PROVIDE EVIDENCE THAT YOU CARRY INDEPENDENT CONTRACTORS’ LIABILITY.**