

Vascroft Contractors Ltd
Vascroft Estate
861 Coronation Road
Park Royal
London
NW10 7PT
Your ref: VCL/439/054

20th June 2013

Dear Sirs

Re: Blue Jay – 16 Claremont Drive, Esher, Surrey, KT10 9LU.

Further to your conversation with our Putney branch manager Nigel Symonds and subsequent submit of your order and subcontract terms I enclose the contract with alterations. I think Nigel explained to you that we do not normally accept orders governed by main contractor's terms. He has asked me to make an exception but I have read the contract and there are several terms in the contract that I am afraid we will not accept. I have, as I believe you suggested, crossed out the terms that I will not be held to. I am returning the signed contract but must stress we are accepting your order only on the understanding that if there are any conflicts between our terms and conditions of sale (copy attached) and especially our payment terms as detailed below and any terms that apply in your contract then our terms supersede your contract.

We will order the goods on receipt of the deposit payment below but I will need you to sign a copy of this letter and return it to us before we commence any work on site. Also the installation dates cannot be confirmed until after we have ordered the goods and confirmed delivery and we are unable to do this without the deposit payment.

Payment Schedule:

Deposit to order goods required by return	£8250.66 + vat
Further payment to be received before installation	£7750.67 + vat
<i>Date to be confirmed after fitting schedule agreed</i>	
Final Payment due on completion	£500.00 + vat
<i>or 30 days after commencement of work if completion is delayed at your request</i>	

May I take this opportunity to thank you for your order and assure you we will carry out our works in a professional and timely manner and comply with all reasonable requests from the main contractor on site.

Yours sincerely

D. A Guyan (Managing Director)

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Park Royal
London
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Please sign and return

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Confirmation of terms

I hereby confirm on behalf of Vascroft Contractors Ltd that we have placed the above order for flooring at £16501.33 + vat and confirm that Mr Carpet Ltd's terms and the above payment terms are acknowledged as priority over any of the sub contract terms and that I am authorised by the company to agree to above conditions.

Signed by: _____ Date: _____

Print Name: _____



Vascroft
Contractors Ltd

FAO: Nigel Symonds
Mr Carpet Ltd
70 Lower Richmond Road
Putney, London
SW15 1LL

Vascroft Estate
861 Coronation Road
Park Royal, London, NW10 7PT
T: 020 8963 3400 F: 020 8963 3401
E: info@vascroft.com
W: www.vascroft.com

SUBCONTRACT ORDER
Contract or nominal code
VCL439/054

Date: 18/06/13

DESCRIPTION	RATE OR PRICE (excluding VAT)
<p>BLUE JAY – 16 Claremont Drive, Esher, Surrey, KT10 9LU</p> <p>Please carry out and complete the supply of all the resources, labour, plant, material and equipment to supply & lay floor covering "the Sub-Contract Works" at the above project all in accordance with this Order, the Sub-Contract Conditions and schedule of Attendances as attached</p> <p>All for the <i>Sub-Contract Sum of £16,501.33 <u>Sixteen Thousand, Five Hundred & One pounds, Thirty Three Pence only</u></i> and is NOT subject to remeasurement.</p> <p>5% Main Contractors Discount</p> <p>Please be advised that :</p> <ol style="list-style-type: none">1. The Form of Main Contract is JCT 2005 Standard Building Sub Contract Revision 2 2009 with standard amendments.2. The period for completion of the Sub-Contract Works on site is 1 weeks.3. The anticipated commencement date for the Sub-Contract Works will be between 03/07/13 and 10/07/13. TO BE CONFIRMED4. The Main Contractor is Vascroft Contractors Limited.	<p>£ 16,501.33</p>

D. J. King



Registered Office: 861 Coronation Road,
Park Royal, London, NW10 7PT

Registered in England No: 1293 674
VAT Registration No. GB 228 7148 49



VASCROFT CONTRACTORS SUB-CONTRACT CONDITIONS FOR AN ORDER OF SIMPLE CONTENT

The Sub-Contract Works shall be carried out in strict accordance with the following conditions:

1. Sub-Contractor's Obligations

- (a) The Main Contractor shall give the Sub-Contractor notice of not less than the period of notice stated to commence the Sub-Contract Works on site. The Sub-Contractor shall comply with such notice and proceed with and complete the Sub-Contract Works in accordance with the Sub-Contract, within the period for completion ~~specified in the order~~ and any extension of time granted in accordance with clause 1 (b) herein and with due diligence and in a good workmanlike manner to the reasonable satisfaction of the Main Contractor and in conformity with all reasonable directions of the Main Contractor.
- (b) If the Sub-Contract Works on site shall be delayed by reason of any breach of this Sub-Contract by the Main Contractor or by reason of any variations ordered under clause 9 of these conditions then the Main Contractor shall grant in writing such extension of time of the periods for completion as may be reasonable.

2. Statutory Obligations

The Sub-Contractor shall comply with all statutes and statutory instruments, rules, orders or any regulations or bye-laws applicable to the Sub-Contract Works and shall give all notices, obtain any permissions, licences and the like and pay all fees and charges legally recoverable from him.

3. Sub-Contractor's Liability under Incorporated Provisions of the Main Contract

~~The Sub-Contractor shall comply with all the provisions of the Main Contract on the part of the Main Contractor to be complied with so far as they relate and apply to the Sub-Contract Works (or any portion of the same) and are not in conflict with or inconsistent with the express provisions of this Sub-Contract as if all the same were set out herein; and indemnify the Main Contractor against and from any liability due to any breach by the Sub-Contractor, his servants or agents of the said provisions of the Main Contract :~~

~~PROVIDED that nothing in this Sub-Contract shall impose any liability on the Sub-Contractor in respect of any negligence or breach of duty on the part of the Employer, the Main Contractor, his other Sub-Contractors or their respective servants or agents nor create any privity of contract between the Sub-Contractor and the Employer or any other Sub-Contractor.~~

4. Injury to Persons - Indemnity to Main Contractor

The Sub-Contractor shall be liable for and shall indemnify the Main Contractor against any liability, loss, claim or proceedings whatsoever arising under any statute or at common law in respect of personal injury to or their death of any person whomsoever arising out of or in the course of or caused by the carrying out of the Sub-Contract Works unless due to any act of neglect of the Main Contractor his servants or agents or of any Sub-Contractor of the Main Contractor engaged upon the Main Contract Works or any part thereof his servants or agents or of the Employer or of any person for whom the Employer is responsible.



5. Injury to Property - Indemnity to Main Contractor

The Sub-Contractor shall be liable for and shall indemnify the Main Contractor against any expense, liability, loss, claim or proceedings in respect of any injury or damage whatsoever to any property real or personal in so far as such injury or damage arises out of or in the course of or by reason of the carrying out of the Sub-Contract Works and provided always that the same is due to any negligence omission or default of the Sub-Contractor, his servants or agents.

6. Insurance

The Sub-Contractor shall have in force and shall maintain whilst undertaking the Sub-Contract Works

- (a) Employers Liability Insurance (£10 Million)
- (b) Public Liability Insurance (for not less than £5 Million for any one accident) (£1,000,000 unless otherwise stated).

Copies of Insurances must be issued to the Main Contractor prior to the works commencing.

7. Defects Liability

Any defect, excessive shrinkages or other faults which appear within *12 months from receipt of the 'Certificate of Practical Completion' under the Main Contract* and are due to materials or workmanship not in accordance with reasonable standards required by the Main Contractor, shall be made good by the Sub-Contractor entirely at his own cost.

Notwithstanding the method of executing the Sub-Contract and any Sub-Contract documents, the limitation period for all and any claims and proceedings arising under or out of or in connection with the Sub-Contract or the Sub-Contract Works shall be twelve years from the date of Practical Completion (or equivalent) of the Main Contract Works. This limitation period shall not prevent claims and proceedings prior to the date of Practical Completion of the Main Contract Works or the conclusion of proceedings commenced prior to the expiry of such limitation period.

8. Scaffolding

- (a) The Sub-Contractor, his employees and workmen in common with all other persons having a like right shall, for the purpose of the Sub-Contract Works (but not further or otherwise) be entitled to use any scaffolding belonging to or provided by the Main Contractor while it remains so erected upon the site.
- (b) Provided that such use as aforesaid shall be on the express condition that no other warranty or other liability on the part of the Main Contractor or any of his other Sub-Contractors shall be created or implied in regard to the fitness, condition or suitability of the said scaffolding.

9. Payments

- i. In accordance with the requirement of the CIS legislations, if do not hold a gross status you must provide us the full breakdown of the amount claimed with every application for payment for use in the identification of taxable amount. This information should be provided with every payment application without fail and in the event that the information is not provided Vascroft Contractors Limited reserve all the rights to either delay the payment or apply full tax on the gross amount due for payment.



NB. You should note that sections 559-567 of the Income and Corporation Taxes Act and the Regulations made under that Act do not permit any gross payment to be made to a sub-contractor without verification and if you do not provide this information or if you have not registered for the new CIS or have given us the wrong information we will make a deduction against payment at the standard or higher rate as advised by HMRC and provide you with a statement of deduction.

Retention percentage applicable to your Sub-Contract works:
(Retention Bond is not acceptable)

NB: The first moiety of retention will become due within 28 days from issue of the Certificate of Practical Completion and upon receipt of the Sub Contractor Final Account Agreement. The second moiety of retention shall be released upon expiry of the Defects Liability Period and issue of the Final Certificate, whichever is later.

- ii. In all cases, we must receive your written applications for payment at least **three working days** prior to the valuation dates. Each application must identify the sum which the subcontractor believes is payable and explain how that sum has been arrived at. Provision of the written application for payment shall be a condition precedent for payment but shall not constitute a payee notice unless also served in accordance with paragraph below. It shall be a condition precedent to the payment of the whole or any part of retention that the subcontractor shall have completed the final attendances and carried out any outstanding works/rectification works relating to the subcontract works and hereafter make a written application for payment which also not constitute a Payee Notice unless also served in accordance with clause 4(iii).
- iii. **Payee Notice** - In the event that the Sub-Contractor is entitled to serve a Payee Notice it must
- be in writing containing a heading in Red Capitals stating **"THIS IS A PAYEE NOTICE AND FAILURE TO RESPOND MAY RESULT IN THE FOLLOWING NOTIFIED SUM BECOMING PAYABLE"**, and
 - it must be sent to the Registered Office of the Main Contractor, and
 - identify the sum which the Sub-Contractor believes is payable and the basis on which that sum is calculated on a Gross Cumulative basis and further detailing the amount paid to date, Main Contractors discount and retention, and
 - recalculating the final date for payment and
 - in the event it is served after any application for payment the notified sum may not exceed the sum included in the immediately preceding application for payment

The Main Contractor shall be entitled to serve a pay less notice under section 111(5) of the Local Democracy, Economic Development and Construction Act 2009 ("the new Act") not later than one (1) day prior to the final date for payment. The Main Contractor shall be entitled to issue a Payless Notice after its issue of any Payer Notice not later than one (1) day prior to the final date for payment. The parties agree that for the purposes of Section 111(4) (a) the sum that the parties consider to be due on the date any pay less notice is served shall be amount due on the immediately preceding valuation date. The Payer Notice or Pay less notice may be sent by email by the Main Contractor.

- iv. In the event that the employer under the main contract become insolvent (whether liquidation, receivership, administration or otherwise) it shall be a condition precedent to payment to the subcontractor that the main contractor shall have been paid all sums due from the Employer in relation to the subcontract works and subject of the relevant Application for Payment and/or Payment Notice, any Payee Notice. Further, in the



event the subcontractor shall become insolvent after issue of Payer Notice, any Payee Notice and/or after the last date on which any Pay Less Notice may be served then the Main Contractor shall not be required to pay any sum due to the sub-contractor.

- v. The dates of the Main Contract Valuations are either as shown below if known at the date hereof or will be advised separately by the Contract Surveyor. If the sub-contract works shall continue beyond the last such date notified to you then subsequent Valuation Dates shall be deemed to be the monthly anniversary of the last date so advised, or the immediately preceding working day if such anniversary is not a working day.

Schedule of Valuation Dates

Valuation No.	Valuation Date	Valuation No.	Valuation Date
No. 1		No. 6	
No. 2		No. 7	
No. 3			
No. 4			
No. 5			

Where the frequency of valuations is monthly the due date for the payment will be **7 days** from the Valuation dates. The notified sum which due to the subcontractor shall be set out to the subcontractor in the Payer Notice as per new construction Act and subject thereto no later than 5 days after the due date. Further, the Main Contractor may also send Pay Less Notice after the issue of Payer Notice no later than one (1) day prior to the final date of payment as per the section 111(5) of the new Act as explained in Clause 4d).

The final date for payment shall be not later than **28 days** after the date when it becomes due.

- vi. **Variations:-** All variations to the Sub-Contract works will be confirmed in writing by either the Construction Manager or Contracts Surveyor; you will not be paid for any changed or additional work which is not covered by such written instruction. You must, within seven days of receiving any instruction which you consider to constitute a variation, notify us in writing of any financial or programme implications.

- vii. Materials or goods unfixed

Interim payments to include unfixed goods delivered to site NO
Unfixed materials and goods delivered to, placed on or adjacent to the site and intended for use in the Sub-Contract Works shall not be removed except for use in the Sub-Contract Works. Where the value has been included in any interim payment, such materials and goods shall become our property (and the Sub-Contractor shall if requested sign a vesting certificate as a pre-condition to payment) but the Sub-Contractor shall remain responsible for loss or damage to the same. Interim payments will not include the value of any materials or goods or items pre-fabricated for inclusion in the Sub-Contract Works and not yet delivered to site unless we shall otherwise agree in writing.

10. Safety

- (a) In addition to observing all relevant statutory regulations the Sub-Contractor shall comply with any reasonable directions given, requests or conditions made by the Main Contractor relating to the safety of personnel and property. The



Sub-Contractor shall comply with Vascroft Contractors Ltd's Safety Requirements.

- (b) The following will be provided by the Subcontractor prior to commencement on site: -

*Company Health & Safety Policy
Risk Assessment for the Works
Method Statement for the Works
COSHH assessments for proposed materials.*

11. Clear Site

The Sub-Contractor shall clear away all rubbish and surplus materials resulting from the execution of the Sub-Contract Works, as and when reasonably directed by the Main Contractor. On completion thereof, the Sub-Contractor shall remove from the site all his plant and tools and shall leave clean and tidy all areas made available to him.

12. Assignment

For the avoidance of doubt and notwithstanding any contrary provision in this order and contract arising under it is personal to the Sub-Contractor and the Sub-Contractor shall not be entitled to assign this agreement or any rights or benefits (including any debts) without the consent of the Main Contractor.

13. Adjudication

It is confirmed that both parties fully accept the terms of this Sub-Contract Order and the Sub-Contract Order Documents and further agree that in the event of any dispute or difference arising between the parties hereto, such dispute or difference at the discretion of either party may be referred for adjudication under Section 108 of the Housing Grants Construction and Regeneration Act 1996 and the CIC Model Adjudication Procedure in accordance with the Edition current at the date of Adjudication.

In the event that subcontractor commence the adjudication it is agreed that subcontractor shall be responsible for all the costs of adjudication for both the parties and Adjudicator; Adjudicator shall have no jurisdiction to allocate his fees and expenses as against the Main contractor.

14. Determination

The Sub-Contractor's employment under this Sub-Contract shall forthwith be automatically determined if the Main Contractor's employment under the Main Contract is determined or the Sub-Contractor becomes bankrupt or being a company then under the Insolvency Act 1986 or any amendment or re-enactment thereof has an administrator or an administrative receiver or liquidator appointed. The Main Contractor may forthwith by notice determine the Sub-Contractor's employment under this Sub-Contract if the Sub-Contractor fails to comply with the Sub-Contract or to maintain reasonable progress in the execution of the Sub-Contract Works.

15. Liability Period

Notwithstanding the method of executing this Sub-Contract, or any Sub-Contract documents, the limitation period for all and any claims and proceedings arising under or out of or in connection with the Sub-Contract works shall be twelve years from the date of Practical Completion (or equivalent) of the Main Contract Works. This limitation period shall not prevent claims and proceedings prior to the date of Practical Completion of the Main Contract Works or the conclusion of proceedings commenced prior to the expiration of such limitation period.



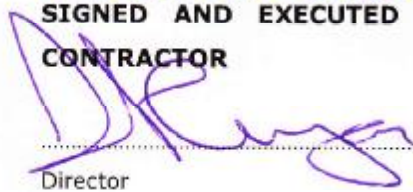
16. <u>Additional Information</u> <ul style="list-style-type: none">• Mr Carpet Quotation dated 30 May 2013• Barlow Henley Architects Drawings Register dated 25/01/13	Appendix A
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ACKNOWLEDGEMENT OF ORDER AND CONDITIONS CONTAINED THEREIN

I/We, namely, **Mr Carpet** Hereby agree to carry out and complete the Sub-Contract Works described as/or referred to in your Sub-Contract Order number **VCL439/054** dated **18th June 2013** ~~in accordance with the terms and conditions contained therein.~~

SUBJECT TO DELETED CLAUSES + TERMS SET BY MR CARPET LTD IN ATTACHED LETTER WITH PARTICULAR REFERENCE TO PAYMENT TERMS.

SIGNED AND EXECUTED AS A DEED ON BEHALF OF THE SUB CONTRACTOR


.....
Director

DATED *20 June 2013*

..... **DATED**.....
Company Secretary/Director

SIGNED AND EXECUTED AS A DEED ON BEHALF OF THE CONTRACTOR

..... **DATED**.....
Director

..... **DATED**.....
Company Secretary/Director