

Hawkins Rebuilds Homes, Inc. (HRHI)

Minimum Requirements / Guidelines

for Rehabbing HRHI's or HRHD's Properties

(11Jul10 - Revised 9Jun15 at 0155)

The below Requirements must be agreed to by all Sub-Contractors and Contractors before (HRHI) will hire them to work on any of it's or HRH Development Corp. (HRHD's) properties:

1. **Licensing** - All sub-contractors must be licensed by the city of Indianapolis as a General Contractor. A copy of that license must be on record/file with HRHI before any contract or bid can be awarded and/or work started.
2. **Insurance & Bonding** - All sub-contractors and contractors are responsible for their own business liability, bonding, and workman's compensation insurance. A copy of the insurance and bonding must be on record/file with HRHI before any contract or bid can be awarded and/or work started.
3. **Transportation** - All sub-contractors and contractors are responsible for getting themselves and their crews to and from the job site.
4. **Tools** - All sub-contractors and contractors are responsible for having, maintaining, and storing their tools and the tools of their crews at all times. If you and/or your crew leave your tools on the job site overnight, you do at your own risk. Under no circumstances is HRHI or HRHD responsible for anyone's tools at any time for any reason. All sub-contractors and contractors must have their own tools or rent what they need to complete a job.

HRHI does not loan tools to anyone for any reason. Been there, done that.

5. **Drugs & Alcohol** - No illegal drugs and alcohol (or drinking thereof) will be permitted or tolerated on any HRHI/HRHD managed or owned property at any time for any reason. Anyone caught drinking or taking illegal drugs on any HRHI/HRHD managed or owned property will be immediately terminated and be asked to leave the premises immediately. Failure to leave the property when asked to do so by any supervisor will result in the police being called for assistance in the removal of that person.
6. **Emergencies** – All sub-contractors and contractors are requires to have a "Contractor Emergency Information Form" on file with HRHI at all times in case of an accident or an emergency. This information will include but not be limited to any current contact information, any current emergency information, and any insurance information that HRHI may need in case of an emergency.
7. **Payroll** - All sub-contractors are responsible for paying their own payroll and the payroll of their crew including any and all taxes and insurance they have agreed to themselves.
8. **Taxes & Insurance** - All sub-contractors and contractors are responsible for paying their own taxes and getting and maintaining their own insurance, including personal health insurance and workman's comp.

9. **Pay Periods (weekly) and Payday (every Friday)** – HRHI requires that all General & Sub-Contractors employees are paid weekly. The cut off for all pay periods is the end of the day every Wednesday. Paychecks will be distributed before lunch on the Friday of the same week.

Time Cards - must be kept for each person working on HRHI or HRHD job sites, including Managers.

HRHI or HRHD is not your “Cash Machine”. Please do not ask for loans or advances of any kind.

10. **ExOffenders, Work Release & the Homeless** - HRHI would like for each crew to consist of a minimum of fifty (50%) percent of that crew to be either ExOffenders, Veterans or persons working in DOC’s work release centers or persons that are in a “homeless”. This is not a mandatory requirement on all jobs but it is our goal.

In order for HRHI to release the final payment of 20% to the Sub-contractor or contractor, the below Guidelines must be met at the final inspection by HRHI – no exceptions. All final payments will be paid to sub-contractors and contractors within two business (2) days of the final inspection (allowing time for the property owner to view the property and HRHI and HRHD to process the paperwork and the check).

Minimum requirement on all properties – HRHI would rather make sure these things are found and fixed (repaired) in advance of any sale so they do not come back to bite us in the ass later. (It is both HRHI’s and the Sub-Contractors responsibility to inspect and correct all of the following):

1. **Lead Paint** – All properties must be inspected for lead paint. IF lead paint exists on the property it must be dealt with and brought up to the local community code.
2. **Mold** – All properties must be inspected for mold, especially in the basement, behind kitchen sinks, behind tub and sink in the bathroom. If mold exists on the property it must be dealt with and brought up to the local community code.
3. **Asbestos** – All properties must be inspected for asbestos. If asbestos exists on the property it must be dealt with and brought up to the local community code.
4. **Leaks** – All properties must be inspected for **water** leaks. If any leaks are found in the basement (flooding) or in or around the chimney or roof, gutters, etc., it must be dealt with and brought up to the local community code.

All properties must be inspected for **gas** leaks when the gas is turned on. Anything that uses gas such as stoves or furnaces must be properly inspected by someone that knows what to look for and any problems corrected before work can be done on the property.

All properties must be inspected for **air** leaks. Look for air leaks around windows, doors, basements, attacks, etc. All air leaks should be repaired and/or replaced.

5. **Utilities** – All utilities on the property. If any meters (lights, gas, or water) are missing, electrical panel boxes are not up to code these things must be corrected usually before we should start working on the property.

Properties that will be “Retailled” - If property is to be “Retailled” almost everything must be replaced or be almost “NEW”. We don’t want to give an inspector or real estate agent any reason to offer us any less for a property because we were too cheap to add a few dollars to make something “Retail Ready”. We want to get top dollar for our work and our properties.

REMEMBER, WE ARE GUARANTEEING THIS PROPERTY AND ITS WORKMANSSHIP FOR ONE (1) FULL YEAR.

Materials – Use all medium grade, medium priced materials – DO NOT USE THE LOWEST PRICED MATERIALS. THE HIGHEST PRICE MATERIALS SHOULD NOT BE USED UNLESS THE CLIENT/CUSTOMER SPECIFICALLY ASKES FOR THEM.

1. **Bathrooms** – Replace: toilet, vanity, sink, faucets, medicine cabinet (w/mirror), tub, tub surround, vinyl, exhaust fans, lighting, towel bars, toilet paper holder, vinyl or tile flooring, sound-solid floors
2. **Kitchens** – Replace: cabinets (wall & counter), counter top, sink, faucets, garbage disposal, lighting, vinyl or tile flooring
3. **Drywall** – All holes must be patched
4. **Ceilings** – All holes must be patched – all must be textured
5. **Trim** – All must have trim and painted a “bright white” (our default color for trim)
6. **Paint** – All walls must be freshly painted with good medium grade paint, usually a “tan” or “beige” or “off white”.
Important note: No paint on door knobs, wall outlets, wall switches, windows, and no wall paint on the trim (unless it is the same color) – sloppy work like this will get your check held up until it is corrected.
7. **Electrical** – Replace all: switches, receptacles, face plates, light bulbs should be replaced or added and in working order
8. **Lighting** – All must be new or like new – no construction lighting
9. **Plumbing** – All plumbing must work, no leaks, water running at a good strong flow, drains cleared, etc.
10. **Heating & Cooling** – Furnace and air conditioner should be new or like new – All vents must be cleaned out (vacuumed) with new or like new air vents
11. **Interior Doors** – New or like new with all new matching hardware – that fits and opens properly.
12. **Closet Doors** – New or like new with all matching hardware – that fits and opens properly
13. **Closets** – must be painted on the inside (no trim), carpeted with shelving and a cloths bar

14. **Exterior Doors** – New or like new with all matching hardware – that fits and opens properly - w/deadbolts on front and back doors
15. **Windows** – All windows must be new or like new energy efficient (no \$189.00 specials). All broken glass in windows needs to be replaced. All screens (if any) need to be like new.
16. **Window Blinds** – All windows must have new or like new blinds
17. **Roofing, chimney, gutters, fascia & soffit** – must be new or like new – chimney must not leak
18. **Basement** – Must not show water damage (if any), must drain properly, or must not leak from the outside – replace any broken windows
19. **Washer & Dryer Hookup** – All washer and dryer hookups (water & electrical) must be new or like new)
20. **Garage** – All doors must be in working order and garage door openers working if there is one present
21. **All Retail Properties, when rehab is completed, must be “Move-In Ready”** –
 - a. All trash must be removed from inside the property
 - b. All window must have blinds, be cleaned and scraped of any paint
 - c. All bathrooms and kitchen must be cleaned
 - d. All carpet must be vacuumed and all vinyl floors must be clean
 - e. All grass must be cut and landscaping completed (including tree trimming)
 - f. All trash must be removed from outside the property
 - g. All utilities must be on and in working order
 - h.

Properties that will be “Wholesaled” - If a property is to be “Wholesaled” everything must be in working order, be brought up to at least “Section 8” code, and be almost like “NEW”. If it is a “Wholesale” property is will probably be a “rental” property for some investor and we will have to find out how much the investor wants to spend on the rehabbing.

We will price out (for rehab purposes) “Wholesale Properties” on a case by case basis.

Agree to this _____ day of _____ 2015

Sub-Contractors Business Name

Sub-Contractors Printed Name

Sub-Contractors Signature

HRHI - Approved by