

SUBCONTRACTOR INVOICE DISPUTE COMPROMISE AGREEMENT

This Compromise Agreement (the "Agreement") is entered into this _____ day of _____, 20_____, by and between:

Contractor: _____, with a principal place of business at _____ (hereinafter referred to as the "Contractor"), and

Subcontractor: _____, with a principal place of business at _____ (hereinafter referred to as the "Subcontractor").

1. BACKGROUND

WHEREAS, Contractor and Subcontractor entered into an agreement dated _____, 20_____, (the "Subcontract") for work related to the project known as _____;

WHEREAS, Subcontractor has submitted invoice(s) numbered _____, dated _____, 20_____, in the total amount of \$ _____ (the "Disputed Amount") for services, labor, materials, or equipment allegedly provided under the Subcontract; and

WHEREAS, Contractor has disputed the validity, quality, completeness, or pricing of the work associated with the Disputed Amount; and

WHEREAS, both parties desire to resolve the dispute amicably, avoid the cost of litigation, and establish a compromise final settlement regarding the Disputed Amount.

2. COMPROMISE SETTLEMENT AMOUNT AND PAYMENT TERMS

- Settlement Amount:** Contractor agrees to pay, and Subcontractor agrees to accept as full and final satisfaction of the Disputed Amount, the total sum of \$ _____ (the "Settlement Sum").
- Payment Schedule:** The Settlement Sum shall be paid by Contractor to Subcontractor in accordance with the following terms:
 - A single payment of \$ _____ to be made on or before _____, 20_____.
 - In installments as follows: _____.
- Method of Payment:** Payment shall be made via _____.

3. RELEASE OF CLAIMS

- Upon receipt and clearance of the full Settlement Sum, Subcontractor hereby releases, acquits, and forever discharges Contractor, its agents, employees, officers, directors, insurers, and sureties from any and all claims, demands, liabilities, actions, or causes of action arising from or related to the Disputed Amount and the work represented by the disputed invoices.
- Upon payment of the Settlement Sum, Contractor hereby releases, acquits, and forever discharges Subcontractor from any liability or claims related to the specific work represented by the disputed invoices, except as otherwise provided in this Agreement regarding warranties.

4. WARRANTIES AND DEFECTIVE WORK

This Agreement does not release or waive any rights or claims the Contractor may have regarding latent defects, warranties, or guaranties of the work performed by the Subcontractor, which shall remain in full force and effect in

accordance with the terms of the original Subcontract.

5. NO ADMISSION OF LIABILITY

This Agreement is a compromise of a disputed claim, and neither the execution of this Agreement nor the payment of the Settlement Sum shall be construed as an admission of liability or wrongdoing by either party.

6. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to its conflict of law principles.

7. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties concerning the resolution of the Disputed Amount and supersedes all prior discussions, negotiations, representations, or agreements, written or oral, regarding this specific matter.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CONTRACTOR

SUBCONTRACTOR

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

PRINTED NAME

PRINTED NAME

TITLE

TITLE

DATE

DATE