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NEWS RELEASE

For Immediate Release

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Contingent Payment Bill Passed by Texas Legislature & Signed by Governor

After four legislative sessions, the Associated General Contractors – Texas Building Branch and the Texas Construction Association were successful in convincing the Texas Legislature and Governor Rick Perry that the time had arrived to pass the contingent payment bill to help resolve a long standing payment issue in the construction industry. S.B. 324, authored by Senator Robert Deuell and sponsored by Representative Warren Chisum in the House, was signed by Governor Rick Perry on June 15, 2007. The bill becomes effective September 1, 2007.

Steve Dishman, President of the AGC-TBB, said "This is a great day for the construction industry. The bill provides a balance of interests for the general contractor and specialty contractor. The staff of the Texas Building Branch and its legislative committee are to be commended for the hard work on this bill. And an extra special thanks to our legislative committee co-chairs Bob Fretz and Steve Nelson and to Tom Kader on our Board. They nurtured and shepherded this bill through several legislative sessions."

Glenn Randle, Chairman of TCA, stated, "I am delighted that the bill passed and the governor signed it. It is a remarkable achievement for the industry in terms of what the bill does and proof that our

associations can work together on issues of industry-wide importance. I'm grateful to the staff of both associations for their hard work and I also applaud the efforts of the subcontractors and general contractors who served on the negotiating teams that hammered out this consensus legislation. This is a big win for the construction industry."

S.B. 324 addresses the most contentious of construction payment issues, the contingent payment clause. The clause states that a general contractor is not required to pay a subcontractor unless the owner of the construction project pays the general contractor. The bill defines the clause and provides for situations when the clause can not be used as a defense to not paying the subcontractor.

About AGC – Texas Building Branch

Associated General Contractors - Texas Building Branch (TBB) is a statewide trade association made up of eleven building chapters with offices throughout the state. These chapters have a membership of over 4,000 companies whose primary business is the construction of commercial buildings.

About TCA

The Texas Construction Association was established in 1998 by Texas construction subcontractor and supplier organizations to promote the political and legislative interest of these organizations in Texas. TCA is comprised of 14 association members. These associations have over 1,800 subcontractor and supplier companies as their members and represent over 150,000 employees.

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