DRAFT ONLY
CONSTRUCTION MASTER SUBCONTRACT AGREEMENT

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This Agreement has important legal and insurance consequences. Consultations with an attorney and with insurance and surety consultants are encouraged with respect to its completion or modification.

ARTICLE 1

AGREEMENT

This Master Subcontract Agreement ("Agreement") is entered into on DATE, by and between CONTRACTOR NAME, ("Contractor") and SUBCONTRACTOR NAME ("Subcontractor") on the following terms and conditions, and shall remain in effect until DATE:

1.1 RECITALS. Contractor desires to utilize Subcontractor to provide services to Contractor. It is impractical based on the nature of these services to enter into a separate agreement for services each time Contractor desires to use Subcontractor. Contractor requires Subcontractor to meet certain terms and conditions before Contractor engages Subcontractor's services. These terms and conditions are set forth in this Agreement.

Initials: Subcontractor_____ Contractor _____

1.2 SUBCONTRACTOR'S WORK FOR CONTRACTOR. To expedite the use of Subcontractor's services each time Contractor needs such services, the parties agree to enter into and comply with this Agreement prior to any actual services being performed. This Agreement shall constitute a continuing agreement between Contractor and Subcontractor for all projects and scopes of work where Contractor requests Subcontractor perform a portion of the work.

1.3 ENTIRE AGREEMENT BETWEEN SUBCONTRACTOR AND CONTRACTOR. This Agreement shall apply to all projects and work of any type performed by Subcontractor for or on behalf of Contractor pursuant to any purchase order, work order, invoice, e-mail, oral agreement or other form of request for the performance of work (collectively "work order.")

1.4 SUBCONTRACTOR BOUND TO ANY PRIME CONTRACT DOCUMENTS. Subcontractor shall be bound to Contractor in the same manner and to the same extent as Contractor is bound to the Owner under the Prime Contract Documents (as defined in any prime contract between Contractor and the owner or manager of the project.) By accepting a work order or otherwise agreeing to perform subcontract work, Subcontractor represents it has carefully examined all of the Prime Contract Documents and is familiar with the terms and conditions thereof, and has fully satisfied itself as to the nature and location of the work. The Prime Contract Documents are by this reference specifically incorporated into and made a part of this Agreement. In the event of a conflict between the terms of this Agreement and the requirements of the Prime Contract Documents, the terms of this Agreement shall govern unless those terms prevent Contractor from complying with the obligations to the Owner established by the Prime Contract Documents, in which case, the terms of the Prime Contract shall govern.

1.5 SPECIFIC WRITING REQUIRED FOR CHANGES. No waiver or modification shall apply unless expressly made in a simultaneous or subsequent writing between the parties. This Agreement may be modified only by a written document which is signed by an officer or principal of Contractor and Subcontractor and which expressly references this Agreement and states that the document is intended to modify or waive the terms of this Agreement. No other agreement, modification, or waiver of terms and conditions shall be valid to supersede or alter this Agreement regardless of the signatures or actions of the parties.

1.6 REQUESTS FOR SERVICES. Subcontractor acknowledges the means by which Contractor, its employees and agents are authorized to request services from Subcontractor is by "work order" as defined above. Such work order shall serve only to identify the scope of work to be performed subject to this Agreement, the price that Subcontractor is to be paid for the work, and the approximate date or dates upon which the work is to be performed. Any additional or different terms contained in any document (including daily time and material tickets and/or rental agreements) or expressed orally are expressly rejected by the parties hereto unless expressly assented to in writing by an officer or principal or both of Contractor and Subcontractor with specific reference to this Agreement and to the proposed additional or different terms.

1.7 INDEPENDENT CONTRACTOR. At all times in the performance of this Agreement, Subcontractor is acting as an independent contractor and shall be solely responsible for the employment, acts, omission, control and direction of its employees and Subcontractors. Nothing contained in this Agreement shall authorize or empower Subcontractor to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of, or in the name of Contractor, or to bind Contractor in any manner, or make any representation, warranty or commitment on behalf of Contractor.

ARTICLE 2

SCOPE OF WORK

2.1 SUBCONTRACT WORK. To the extent terms of the agreement between Owner and Contractor (prime agreement) apply to the work of Subcontractor, Contractor assumes toward Subcontractor all obligations, rights, duties, and redress that Owner assumes toward Contractor. In an identical way, Subcontractor assumes toward Contractor all obligations, rights, duties, and redress that Contractor assumes toward Owner and others under the prime agreement. In the event of conflicts or inconsistencies between provisions of this Agreement and the prime agreement, this Agreement shall govern. Subcontractor shall perform Subcontract Work under the general direction of Contractor and shall cooperate with Contractor so Contractor may fulfill obligations to Owner. Subcontractor shall provide Subcontract Work for the project in accordance with the Progress Schedule to be prepared by Contractor after consultation with Subcontractor, and as it may change from time to time. Subcontractor shall give timely notices to authorities pertaining to Subcontract Work and shall be responsible for all permits, fees, licenses, assessments, inspections, testing and taxes necessary to complete Subcontract work.

It is understood and agreed that subcontractor may not be privy to the contract documents governing Contractor's projects and will rely on Contractor's representations and warranties as respects the suitability of services and materials provided by Subcontractor when ordered and specified by Contractor in any purchase order. It is the Contractor's responsibility to notify Subcontractor of potential conflicts with any prime contract and Subcontractor's intended scope of work. Subcontractor's quotation/proposal with pricing, scope of work and terms and conditions of providing quoted services and/or materials shall be attached to and be a part of each purchase order defining Subcontractor's work under this Agreement. Work completed by Subcontractor on a rental basis wherein Subcontractor provides operated and maintained equipment to perform Contractor's Work shall be under Contractor's direct supervision and control.

Subcontractor’s proposal #(To Be Determined) is a part hereof and attached as "Exhibit A."

2.2 CONTRACTOR’S WORK. The Contractor’s Work is the construction and services required of the Contractor to fulfill its obligations pursuant to its agreement with the Owner (the Work). The Subcontract Work is a portion of the Contractor’s Work.

2.2.1 The Contractor and the Subcontractor shall perform their obligations with integrity, ensuring at a minimum that:

2.2.1.1 Conflicts of interest shall be avoided or disclosed promptly to the other Party; and

2.2.1.2 The Contractor and the Subcontractor warrant that they have not and shall not pay nor receive any contingent fees or gratuities to or from the other Party, including their agents, officers and employees, Subcontractors or others for whom they may be liable, to secure preferential treatment.

2.3 SUBCONTRACT DOCUMENTS. The Subcontract Documents include this Agreement, the Owner-Contractor agreement, Work Orders, special conditions, general conditions, specifications, drawings, addenda, Exhibits, Subcontract Change Orders, approved submittals, amendments and any pending and exercised alternates. Upon request from the Subcontractor, the Contractor shall provide to the Subcontractor, prior to the execution of this Agreement, copies of the existing Subcontract Documents to which the Subcontractor will be bound. The Subcontractor similarly shall provide copies of the applicable portions of the Subcontract Documents to its proposed subcontractors and suppliers. Nothing

shall prohibit the Subcontractor from obtaining copies of the Subcontract Documents from the Contractor at any time after the Subcontract Agreement is executed. The Subcontract Documents existing at the time of the execution of this agreement are listed in Article 12.

2.4 CONFLICTS. In the event of a conflict between this Agreement and the other Subcontract Documents, this Agreement shall govern.

2.5 EXTENT OF AGREEMENT. Nothing in this Agreement shall be construed to create a contractual relationship between persons or entities other than the Contractor and Subcontractor. This Agreement is solely for the benefit of the Parties, represents the entire and integrated agreement between the Parties, and supersedes all prior negotiations, representations, or agreements, either written or oral.

ARTICLE 3

SUBCONTRACTOR'S RESPONSIBILITIES

3.1 OBLIGATIONS. The Contractor and Subcontractor are hereby mutually bound by the terms of this Agreement. To the extent the terms of the Owner-Contractor agreement apply to the Subcontract

Work, then the Contractor hereby assumes toward the Subcontractor all the obligations, rights, duties, and redress that the Owner under the prime contract assumes toward the Contractor. In an identical way, the Subcontractor hereby assumes toward the Contractor all the same obligations, rights, duties, and redress that the Contractor assumes toward the Owner and Architect/Engineer under the prime contract. In the event of an inconsistency among the documents, the specific terms of this Agreement shall govern.

3.3 CLEAN-UP OF SUBCONTRACTOR'S WORK. At all times during the course of construction, Subcontractor shall maintain the premises in a clean, safe, and orderly condition. Rubbish, waste material and surplus material must be collected or removed daily, or as Contractor may require. Upon completion of the Work under this Agreement, Subcontractor shall remove from the site all temporary structures, debris, and waste incident to its operation and clean all surfaces, improvements, and the like, relative to the performance of this Agreement. If Subcontractor fails to perform a clean-up function within twenty-four (24) hours after notification by Contractor do so, Contractor may proceed with that function as it deems necessary and expedient, and the cost thereof shall be charged to Subcontractor and deducted from monies due under this Agreement. Notification to Subcontractor's foreman or Superintendent shall be considered proper notice.

3.4 SAFETY. To protect persons and property, Subcontractor shall establish a safety program implementing safety measures, policies and standards conforming to (1) those required or recommended by governmental and quasi governmental authorities having jurisdiction and (2) requirements of this Agreement. Subcontractor shall keep project site clean and free from debris resulting from Subcontract Work.

3.5 ASSIGNMENT. Subcontractor shall not, without written consent of Contractor, assign, transfer, or hypothecate the Contract Documents or any portions or parts of the Work nor assign any payments hereunder to others. Contractor may assign or transfer the Contract Documents in whole or in part, and upon such assignment and notice thereof to Subcontractor, Contractor shall automatically be released from and shall have no further obligations to Subcontractor with respect to Work performed by Subcontractor hereunder after the date of such notice to Subcontractor.

3.6 WORKMANSHIP. Every part of the Work to be performed hereunder shall be executed in strict accordance with the Contract Documents and in a sound, workmanlike, and substantial manner. All

workmanship shall be of the highest quality and materials used shall be furnished in ample quantities to facilitate the proper and expeditious execution of the Work, and shall be new and of the highest quality, except such materials as may be expressly provided in the Contract Documents to be otherwise. Subcontractor hereby warrants that all Work and materials incorporated therein shall be free from faults and defects and shall be in conformance with the Contract Documents.

3.6.1 In addition to all other indemnity provisions contained in this Agreement and to the fullest extent permitted by law, Subcontractor shall indemnify, protect, defend (with counsel reasonably acceptable to Contractor), and hold harmless, Contractor from and against all claims arising or resulting from or related to Subcontractor's failure to perform the Work in accordance with the Contract Documents, Subcontractor's careless and/or negligent performance of the Work, and/or Subcontractor's violation of any laws, rules, orders, regulations and/or ordinances applicable to toxic and/or hazardous substances, materials, and wastes. The foregoing indemnity, defense, protection, and hold harmless provision shall survive termination or expiration of this Agreement and shall not be limited by the amounts of insurance required under the Contract Documents. Subcontractor shall not be obligated to indemnify Contractor for loss determined to have been caused by the negligence of Contractor.

3.7 ACCEPTANCE OF WORK PERFORMED BY OTHERS. Subcontractor shall carefully respect, keep clean, inspect, and approve the work performed by others that is to receive, align, abut or similarly relate to the Subcontractor's Work. If Subcontractor finds the work performed by others to be unacceptable, it shall notify Contractor in writing. Subcontractor's commencement of Work shall constitute acceptance of work performed by others.

3.8 PROTECTION OF SUBCONTRACTOR'S OWN WORK. Subcontractor agrees to provide such protection as is necessary to protect the workers of Contractor, other subcontractors and separate contractors and all other persons from its operations and from the results thereof.

3.9 RESPONSIBILITY FOR DAMAGES TO THE WORK IN PLACE. Subcontractor shall be liable for any loss or damage to any work, including, without limitation, the Work in place or to any equipment and materials on job site caused by it or its sub-contractors, agents, employees or guests. The Subcontractor shall be entirely responsible pursuant to the foregoing sentence for any loss or damage (including by theft) done to the Work, work of others, materials, tools, equipment or other items of value even though the particular item(s) may completed at that time and Subcontractor may be working on some other portion of the project or Work.

3.10 SUBCONTRACTOR'S INVESTIGATION.

3.10.1 Where the Subcontractor's work requires any design to be furnished by Subcontractor, Subcontractor warrants that it or a sub-consultant retained to perform design services shall be duly licensed and qualified to perform the required design work.

3.10.2 Where Subcontractor has knowledge or reason to believe that any applicable drawings or specifications conflict with the law or good construction practices, Subcontractor shall notify Contractor of such conflict in writing prior to commencing the affected work.

3.10.3 It is Subcontractor's responsibility to be knowledgeable in the provisions of the current version of all applicable codes and to be certain that its portion of the work is in accordance with all applicable codes and jurisdictional requirements.

ARTICLE 4

PROGRESS SCHEDULE

4.1 TIME IS OF THE ESSENCE. Time is of the essence for both parties. The parties agree to perform their respective obligations so that the Project may be completed in accordance with this Agreement.

4.2 SCHEDULE. Subcontractor is to provide Contractor with scheduling information acceptable to the Contractor and Owner and will conform to the progress schedules. Subcontractor shall claim no allowance of an extension of time unless Subcontractor shall have made written request upon Contractor for such extension and both Owner and Contractor agrees to such extension in writing. The date of commencement of this contract is the date of execution of this Agreement, unless provisions to the contrary are made in writing signed by both parties.

4.3 LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES.

4.3.1 Except for damages provided for by the Subcontract Documents as liquidated damages and excluding losses covered by insurance required by the Subcontract Documents, the Contractor and Subcontractor waive claims against each other for consequential damages arising out of or relating to this Agreement, to the same extent the Owner-Contractor agreement furnished to the Subcontractor in accordance with Paragraph 2.3 provides for a mutual waiver of consequential damages by the Owner and Contractor, including to the extent provided in the Owner-Contractor agreement, damages for loss of business, loss of financing, principal office overhead and expenses, loss of profits not related to this Project, loss of bonding capacity, loss of reputation, or insolvency. Similarly, the Subcontractor shall obtain in another agreement from its Sub-Subcontractors mutual waivers of consequential damages that correspond to the Subcontractor's waiver of consequential damages herein. To the extent applicable, this mutual waiver applies to consequential damages due to termination by the Contractor or Owner in accordance with this Agreement or the Owner-Contractor agreement. The provisions of this Article shall also apply to and survive termination of this Agreement.

4.4 LIQUIDATED DAMAGES.

4.4.1 If the Subcontract Documents furnished to the Subcontractor in accordance with Paragraph 2.3 provide for liquidated damages or other damages for delay beyond the completion date set forth in the Subcontract Documents that are not specifically addressed as a liquidated damage item in this Agreement, and such damages are assessed, the Contractor may assess a share of the damages against the Subcontractor in proportion to the Subcontractor's share of the responsibility for the damages. However, the amount of such assessment shall not exceed the amount assessed against the Contractor. This Paragraph shall not limit the Subcontractor's liability to the Contractor for the Contractor's actual damages caused by the Subcontractor.

ARTICLE 5

SUBCONTRACT AMOUNT

5.1 SUBCONTRACT AMOUNT. Contractor agrees to pay Subcontractor for satisfactory and timely performance and completion of Subcontract Work: As per Work Order. Retainage shall be ___Five percent (_5__%), which is equal to the percentage retained from Contractor's payment by Owner for Subcontract Work.

Any work performed by Subcontractor on a rental basis (labor and equipment charged per unit time) shall not be subject to payment to Contractor by Owner or to any "holdbacks" or retention.

ARTICLE 6

CHANGES IN THE SUBCONTRACT WORK

6.1 CHANGES. Subcontractor shall make no changes in the Work to be performed by it under this Agreement and executed Contract Addenda, including but not limited to additions, deletions or substitutions, nor shall Subcontractor perform any extra work, without the prior written consent of Contractor, it being understood that Subcontractor shall receive no sums in addition to the Contract Price applicable to such Addenda without first obtaining such prior written consent of Contractor. This Agreement may only be modified in writing and may not be modified by the conduct of any party hereto; provided, however, that Contractor's rights to eliminate portions of the Work or to initiate change orders shall not be limited in any way. All such authorization for changes in Work required to be performed by Subcontractor under this Agreement, including performance of extra work in addition to that required hereunder, shall be upon such written forms as shall be provided by Contractor to Subcontractor. Failure of Subcontractor to perform such extra work shall constitute a material breach of this Agreement by Subcontractor.

ARTICLE 7

PAYMENT

7.1 SCHEDULE OF VALUES. As a condition of payment, Subcontractor shall provide a schedule of values satisfactory to Contractor not more than fifteen (15) days from the date of this Agreement.

7.2 PROGRESS PAYMENTS. Invoice billings submitted by the twenty-fifth (25th) of any month will be paid within ten (10) days upon receipt of payment by Contractor from Owner the following month provided the billing is accompanied by a Contractor approved Payment Schedule defining the draw being billed and lien releases from material suppliers through the date of billing. Contractor reserves the right to make payment by joint check or direct check to Subcontractor's material suppliers or workmen, and any amounts paid in this manner shall be deducted from any amounts owed to Subcontractor.

7.3 BACK CHARGES. Contractor may deduct from any amounts due, or to become due, to the Subcontractor any sum or sums owing by the Subcontractor to the Contractor. Contractor shall document any back charges in writing.

7.4 PAYMENTS WITHHELD. Contractor may reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may reasonably be necessary to protect Contractor from loss or damage caused by Subcontractor's failure to: (1) timely perform Subcontract Work, (2) properly pay subcontractors and/or suppliers, (3) promptly correct rejected, defective or nonconforming Subcontract Work, or (4) strictly comply with the insurance requirements set forth in Article 8 of this Agreement.

7.5 PAYMENT DOCUMENTATION. Subcontractor and each supplier claiming through the Subcontractor shall submit with each billing, completed, signed and notarized waivers and releases for work performed including labor and materials supplied up to the date of the payment application. Subcontractor shall provide other documentation as may be required by this Agreement or by law, including current certificates of insurance coverage, additional insured endorsements, material safety data

sheets, Subcontractor's Safety Program, and copies of current applicable business license and California State Contractors License.

7.6 RETENTION AND FINAL PAYMENT. Subcontractor agrees to accept the price set forth herein as full compensation for faithfully performing all work and furnishing all materials required under the Subcontract Agreement. The acceptance by Subcontractor of final payment shall constitute a release by Subcontractor in favor of Contractor and Owner, of all claims against Contractor and/or Owner arising under or by virtue of the Subcontract Agreement. Contractor retains the right to withhold 5% from each billing as retention. Provided that Subcontractor is not in breach of any of its obligations under this Agreement and all the provisions of this Agreement have been satisfied, retention shall be paid to Subcontractor within 35 days after full completion of the project work, acceptance by Owner, acceptance by applicable governing agencies, and receipt by Contractor from Subcontractor, As-Built Drawings covering all work performed under this Agreement where applicable.

7.7 WAIVER OF CLAIMS. Final payment shall constitute a waiver of all claims by Subcontractor relating to Subcontract Work, but shall in no way relieve Subcontractor of liability for warranties, or for nonconforming or defective work discovered after final payment.

7.8 LIENS. Subcontractor shall at all times indemnify and save Contractor and Owner harmless against all liability for claims and liens for labor performed or materials used or furnished to be used on the job, including any costs and expenses for attorney's fees and all incidental or consequential damages resulting to Contractor, or Owner from such claims or liens.

7.8.1 Further, in case a suit on such claim is brought, Subcontractor shall defend said suit at its own cost and expense, and will pay and satisfy any such lien or judgment as may be established by the decision of the court in said suit. Subcontractor agrees within ten (10) days after written demand to cause the effect of any suit or lien to be removed from the premises, and in the event Subcontractor shall fail to do so, Contractor is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed and the cost thereof, together with reasonable attorney's fees shall be immediately due and payable to Contractor by Subcontractor. Subcontractor may litigate any such lien or suit provided it caused the effect thereof to be removed, promptly in advance, from the premises and shall further do such things as may be necessary to cause Owner not to withhold any Monies due to Contractor from Owner by reason of such liens or suits.

7.8.2 It is understood and agreed that the full and faithful performance of this Agreement on the part of Subcontractor (including the payment of any obligations due from Subcontractor to Contractor, and any amounts due to labor or material men furnishing labor or materials for said work) is a condition precedent to Subcontractor's right to receive payment for the work performed and any Monies paid by Contractor to Subcontractor under the terms of this Agreement shall be impressed with a trust in favor of labor and material men furnishing labor and materials to Subcontractor on the work herein subcontracted.

7.9 PAYMENT NOT EVIDENCE OF COMPLETION. It is mutually agreed between the parties hereto that no payment made under the Contract Documents shall be conclusive evidence of the performance of the Contract Documents, either wholly or in part, nor shall it be construed to be an acceptance of defective work or improper materials, or an approval of any of the items in any requisition made or bill rendered.

ARTICLE 8

INDEMNITY, INSURANCE, AND WAIVER OF SUBROGATION

8.1 INDEMNITY. To the fullest extent permitted by law, Subcontractor shall defend, protect, indemnify and hold harmless Contractor, Prime Contractor, Owner (If required in Contractor's contract with owner), their affiliates, officers, directors, shareholders, employees, agents, successors, and assigns ("Indemnified Parties"), and each of them, from and against any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys fees, losses or liabilities, in law or in equity, of every kind and nature whatsoever ("Claims") arising out of or in connection with Subcontractor's operations to be performed under this Agreement for, but not limited to:

1. Personal injury, including but not limited to bodily injury, emotional injury, sickness or disease, or death to persons;
2. Damage to property of anyone, including loss of use thereof;
3. Penalties from violation of any law or regulation caused by Subcontractor's action or inaction;
4. Failure of Subcontractor to comply with the Insurance requirements established under this Agreement;
5. Any violation by Subcontractor of any law or regulation in any way related to the occupational safety and health of employees.

Such obligations of Subcontractor shall extend to any such claims occurring after this Agreement is terminated and shall continue until any action against the Indemnified Parties is fully and finally barred by applicable laws. Subcontractor shall not be obligated to indemnify Owner or Contractor for claims directly resulting from the negligence or willful misconduct of Indemnified Parties. Subcontractor agrees to waive any subrogation rights of recovery against Owner or Contractor which arise out of or are in any way directly or indirectly related to the performance of Subcontractor's services. The work performed by Subcontractor shall be at Subcontractor's sole and exclusive risk.

Subcontractor's indemnity and defense obligation shall be proportional to the extent Subcontractor's acts, omission, fault or negligence contribute to any claims or damages.

8.2 INSURANCE. Subcontractor shall carry and maintain at all times the following insurance coverage and limits of insurance. Subcontractor shall also cause each subcontractor employed by Subcontractor to purchase and maintain insurance of the type specified herein. All insurers must have AM Best rating not less than A VIII. Subcontractor shall furnish copies of certificates of insurance and required endorsements evidencing coverage for itself and for each subcontractor. Failure to maintain the required insurance may result in termination of this contract at Contractor's option. If Subcontractor fails to maintain the insurance as set forth herein, Contractor shall have the right, but not the obligation, to purchase said insurance at Subcontractor's expense. By requiring insurance herein, Contractor does not represent that coverage and limits will necessarily be adequate to protect Contractor and such coverage and limits shall not be deemed as a limitation on Subcontractor's liability under the indemnities granted to Contractor, Prime Contractor and Owner in this Agreement.

8.2.1 COMMERCIAL GENERAL LIABILITY INSURANCE. Subcontractor shall carry and maintain a Commercial General Liability ("CGL") policy on a form at least as broad as an unmodified Insurance Services Office (ISO) CG 00 01 occurrence form covering Subcontractor's operations, activities and exposures including but not limited to coverage for:

1. Premises and Operations Liability
2. Products-Completed Operations Liability

3. Contractual Liability insuring all obligations of Subcontractor (including but not limited to the tort liability of another assumed in a business contract)
4. Liability Subcontractor may incur from operations, acts, or omissions of independent contractors, subcontractors, suppliers, their agents or employees
5. Personal and Advertising Injury

There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage, earth movement, subsidence, or employment-related practices unless Subcontractor carries and maintains separate policies providing such coverage and provides Contractor evidence of insurance confirming this coverage. Additionally, there shall be no endorsement or modification of the CGL limiting or excluding the scope of coverage should Subcontractor's Work include residential operations, including but not limited to condominiums, town homes, tract homes, single-family homes, time-share/pre-paid lodging, public housing, apartments, assisted living, and/or employee housing.

8.2.2 ADDITIONAL INSURED ENDORSEMENT. Subcontractor's coverage shall include an endorsement naming Contractor, Prime Contractor and Owner as additional insureds on a form at least as broad as a combination of the unmodified CG2010 (10/01) and CG2037 (10/01), as published and copyrighted by the Insurance Services Office (ISO). Additional insured status for Contractor and Owner shall apply until the expiration of time within which a claimant can bring suit per applicable law.

8.2.3 LIMITS OF INSURANCE. Subcontractor and any of its subcontractors shall maintain CGL insurance, and, if necessary, commercial umbrella insurance with limits of insurance not less than the following amounts:

$2,000,000 General Aggregate limit. If such CGL insurance contains a general aggregate limit, it shall apply separately to each project;
$2,000,000 Products and Completed Operations Aggregate limit;
$1,000,000 per Occurrence limit for Bodily Injury and Property Damage;
$1,000,000 for Personal Injury and Advertising Injury limit;
Higher limits of insurance and additional coverages if required by Owner, Prime Contractor or Contractor.

8.3 BUSINESS AUTOMOBILE LIABILITY INSURANCE. Subcontractor shall carry and maintain business automobile liability insurance with a limit not less than $1,000,000 for each accident. Such insurance shall cover liability arising out of any automobile (including owned, hired, and non-owned automobiles). Coverage shall be written on any of the unmodified ISO forms (CA 00 01, CA 00 05, CA 00 12, CA 00 20), or a substitute form providing coverage at least as broad. If operations include hauling of "hazardous materials," pollution liability coverage equivalent to that provided under the ISO pollution liability broadened-coverage for covered automobiles endorsement shall be attached.

Coverage as Additional Insured on the Business Auto Liability policy shall be provided by a policy endorsement providing coverage as broad as ISO form CA 2048 (1013)

8.4 EXCESS / UMBRELLA INSURANCE. $5,000,000 Each Occurrence / $5,000,000 Aggregate Excess of the Employer's Liability, Commercial General Liability and Automobile Liability on a following form basis to the underlying primary policy, inclusive of the additional insured and primary and noncontributory insurance requirements identified above. The Contractor (its parents, subsidiaries, related corporations, officers, directors, and employees), Owner, Architect/Engineer, and others as

provided in the Contract Documents, shall be named as Additional Insureds for Ongoing and Completed Operations on a following form basis

8.5 WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE.

Subcontractor shall carry and maintain Workers' Compensation and Employers' Liability Insurance as detailed below.

8.5.1 Workers' Compensation: Limits as required by any applicable law, regulation or statute.

8.5.2 Employers Liability:

8.4.2.1 LIMITS OF INSURANCE. Not less than $1,000,000 each accident for bodily injury by accident, $1,000,000 each employee for bodily injury by disease; and, $1,000,000 policy limit for bodily injury by disease.

8.4.2.2 If Subcontractor's employees are exposed to bodily injury under the U.S. longshoreman and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such claims or injuries.

8.6 INSURING DAMAGE TO SUBCONTRACTOR'S WORK.

8.6.1 If Owner, Prime Contractor or Contractor does not provide builders' risk insurance, Subcontractor and any of its subcontractors shall provide at its own expense "all risk" property insurance for its own work, property and materials until completion and final acceptance of the contract and release of responsibility by the Owner. Subcontractor shall bear the risk of any loss or damage until such acceptance. This insurance shall be written with limits to provide full protection for Subcontractor's work and must apply on a replacement cost basis. Subcontractor shall be solely responsible for any deductible. In the event of loss or damage, Subcontractor shall proceed promptly to make repair or replacement of the damaged work, property or materials at its own expense. Subcontractor waives all rights Subcontractor might have against Contractor for loss or damage to Subcontractor's work, property or materials.

8.7 OTHER INSURANCE COVERAGES (IF APPLICABLE).

8.7.1 Subcontractor shall maintain at its own expense and provide valid evidence for each of the following coverages if any exposure exists from work performed under this agreement.

8.7.1.1 Professional Liability Insurance- $1,000,000 per occurrence for design-build or any type of professional services with a minimum of three (3) years reporting of claims following completion of the project;

8.7.1.2 Contractors Pollution Liability Insurance- $1,000,000 per occurrence and $2,000,000 aggregate for any exposure to "hazardous materials" as this term is defined in applicable law, including but not limited to waste, asbestos, fungi, bacterial or mold;

8.7.1.3 Railroad work: An endorsement to Subcontractor's General Liability policy confirming the deletion of any restriction for coverage for any form of operations performed within fifty feet of any type of railroad;

8.7.1.4 Hoisting Liability: An endorsement to Subcontractor's General Liability policy confirming the amendment of any policy exclusions to provide full coverage from Subcontractor's moving, rigging or hoisting of the property or equipment of Contractor, Owner, or any third party;

8.7.1.5 Lower tier sub-subcontractors, Truckers, Suppliers: Evidence confirming lower tier subcontractors, truckers and suppliers are maintaining valid insurance prior to beginning work on the project to meet the requirements set forth herein on Subcontractor, including but not limited to all additional insured requirements of Subcontractor.

8.8 EVIDENCE OF INSURANCE. Prior to commencing the Work, Subcontractor and any subcontractors shall furnish to Contractor valid Certificates of Insurance and required endorsements, executed by a duly authorized representative of each insurer, showing full compliance with the insurance requirements set forth herein. Certificates shall provide that there will be no cancellation, reduction or modification of coverage without 30 days prior written notice to the Contractor. If an insurance policy renews lapses or cancels during the period of this Agreement or any extension thereof, Subcontractor shall furnish Contractor with evidence of placing a renewal or replacement policy prior to the effective expiration or cancellation date. With respect to insurance maintained after final payment in compliance with a requirement above, additional certificates of insurance evidencing coverage shall be promptly provided to Contractor upon request. Complete copies of policies shall be furnished by Subcontractor, its subcontractors and other contracting partners within ten (10) days after written request from Contractor.

8.8.1 Failure of Contractor to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Contractor to identify a deficiency from evidence that is provided shall not be construed as a waiver of Subcontractor's obligation to maintain such insurance. Contractor's rights for Subcontractor's non-compliance include but are not limited to withholding payment pursuant to Section 7.4, and prohibiting Subcontractor or any subcontractors from entering the project site until certificates or other evidence that insurance has been placed in strict compliance with these requirements is received and approved by Contractor.

ARTICLE 9

CONTRACTOR'S RIGHT TO PERFORM SUBCONTRACTOR'S RESPONSIBILITIES AND TERMINATION OF AGREEMENT

9.1 FAILURE OF PERFORMANCE. The undersigned authorized representative of Subcontractor hereby agrees to guarantee personally all defaults by Subcontractor, including but not limited to situations where Subcontractor: fails to commence work when required; Fails to prosecute the work diligently; Fails to make the progress required; Fails to furnish a sufficient number of properly skilled workers or a sufficient quantity of suitable materials or adequate equipment; Fails to perform the work in the order and sequence directed; Fails to correct or replace any damaged or defective work or materials; Becomes insolvent or become subject to any receivership proceedings; Becomes subject to a valid tax or levy; Makes an assignment for the benefit of creditors; Fails to complete the work on any stage thereof within the time specified; Becomes involved in any labor difficulty; or Commits a materials breach of this Agreement. On such default and after giving Subcontractor 48-hour notice in writing, if Subcontractor fails to cure during such notice period and without further notice to Subcontractor, Contractor shall have

the rights as set forth below , at its option and in addition to and without prejudice to any other rights afforded herein or by law: to provide such labor, equipment and materials as may be necessary and deduct the cost thereof, including, without limitation, Contractor's overhead and profit from any money then due or thereafter due or thereafter to become due to Subcontractor under this Agreement; or to terminate Subcontractor's right to proceed with the work and, in that event, Contractor shall have the right to enter upon the premises of the Project and take possession of all materials, tools, machinery and equipment of Subcontractor and may employ others to finish the work. Subcontractor under default, shall not be entitled to receive any further payment under this Agreement until all the work undertaken by Contractor in the Contract Documents with the Project Owner is completely finished. At that time, if the unpaid balance of the amount to be paid under this Agreement exceeds the expenses incurred by the Contractor in finishing Subcontractor's work, Contractor shall pay the excess, but if the expenses shall exceed the unpaid balance, then Subcontractor shall promptly pay the amount by which the expenses exceed the unpaid balance. "Expenses" as referred to herein, shall include expenses incurred by Contractor, of any nature, for finishing the work, plus a markup of twenty-five percent (25%) overhead and profit. For damages sustained by Contractor because of Subcontractor's default, Contractor shall have a lien on all Subcontractor's tools, materials, machinery and equipment, to secure Subcontractor's payment to Contractor. Notice shall be sufficient and complete when mailed to Subcontractor at the address shown in this Agreement. In the event of an emergency affecting the safety of persons or property, no notice shall be required.

9.2 TERMINATION BY CONTRACTOR. In addition to failure of performance as described above, Contractor may terminate this Agreement at any time, with or without cause upon giving Subcontractor three (3) days written notice. Upon termination hereunder, other than for failure of performance (which procedures are described in 9.1 above), Subcontractor shall be entitled to payment only for the cost of the work actually completed in conformance with this Agreement prior to the termination date, as well as reasonable overhead and profit for the work completed.

ARTICLE 10

DISPUTE RESOLUTION

10.1 CLAIMS RELATING TO CONTRACTOR. Subcontractor shall give Contractor written notice of all claims within seven (7) days of Subcontractor's knowledge of facts giving rise to the event for which claim is made; otherwise, such claims shall be deemed waived. All unresolved claims, disputes and other matters in question between Contractor and Subcontractor shall be resolved in the manner provided in this Agreement.

10.2 WORK CONTINUATION AND PAYMENT. Unless otherwise agreed in writing, Subcontractor shall continue Subcontract Work and maintain the Construction Progress Schedule during any dispute resolution proceedings. If Subcontractor continues to perform, Contractor shall continue to make payments in accordance with this Agreement.

10.3 DIRECT DISCUSSION. If a dispute arises out of or relates to this Agreement, the parties shall first endeavor to settle the dispute through direct discussion.

10.4 MEDIATION. Disputes between Subcontractor and Contractor not resolved by direct discussion shall be submitted to mediation pursuant to the Construction Industry Mediation Rules of the American Arbitration Association. The parties shall select eh mediator with fifteen (15) days of the request for mediation. Engaging in mediation is a condition precedent to any form of binding dispute resolution.

10.5 OTHER DISPUTE PROCESSES. If neither direct discussions nor mediation successfully resolve the dispute, the parties agree that the following shall be used to resolve the dispute:

(Check one selection only)

√ Arbitration. Arbitration shall be pursuant to the Construction Industry Rules of the American Arbitration Association, unless the parties mutually agree otherwise. A written demand for arbitration shall be filed with the American Arbitration Association and the other party to the Agreement within a reasonable time after the dispute or claim has arisen, but in no event after the applicable statute of limitations for a legal or equitable proceeding has run. The arbitrator is required to follow all substantive and procedural laws of the State of California. The arbitration award shall be final. This agreement to arbitrate shall be governed by the Federal Arbitration Act, and judgment upon the award may be confirmed in any court having jurisdiction.

☐ Litigation. Action may be filed in the appropriate state or federal court.

10.6 COST OF DISPUTE RESOLUTION. The cost of any mediation proceeding shall be shared equally by the parties participation. The prevailing party in any dispute that goes beyond mediation arising out of or relating to this Agreement or its breach shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred by the prevailing party in connection with such dispute.

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 JOINT DRAFTING. The parties expressly agree that this Agreement was jointly drafted, and that they both had opportunity to negotiate terms and to obtain assistance of counsel in reviewing terms prior to execution. This Agreement shall be construed neither against nor in favor of either party, but shall be construed in a neutral manner.

11.2 IMMIGRATION AND NATURALIZATION. The relationship between Contractor and Subcontractor is such that under applicable immigration laws and regulations, Subcontractor, and not Contractor, is responsible for immigration employment authorization verification of Subcontractor's employees and agents. Subcontractor verifies that their employees and agents are all authorized to work in the United States, and Subcontractor will comply with all required procedures for verification of work authorization. Subcontractor indemnifies, and holds harmless Contractor against violation by Subcontractor of any violation of federal or state laws, or regulations regarding employment of aliens.

11.3 SEVERABILITY AND WAIVER. The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Subcontract, or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right otherwise provided for under the Agreement.

11.4 WARRANTY, REPRESENTATIONS AND GUARANTEE. Subcontractor represents, warrants and guarantees all materials and labor furnished by Subcontractor in connection with its work shall be free of defect for a period of one year from the date Subcontractor completes its work including punch-list items and jobsite cleanup. If a defect of material and/or workmanship occurs within this one-year period, Contractor will notify Subcontractor of such defect(s). Upon receipt of such notice, Subcontractor shall immediately, at its own expense, act to satisfactorily repair and/or replace the defective material and/or

workmanship. Also, at its own expense, Subcontractor shall participate in any dispute resolution process which applies in part or in whole, to any of the work performed under the Subcontract Agreement.

11.5 RISING COSTS. Contractor agrees to pay the Contract Sum in current funds for the Work, and in the manner and at the times set forth in the Contract Documents. The Contract Sum is intended to include all increases in cost, foreseen or unforeseen, including, without limitation, taxes, labor, materials, and transportation costs, all of which are to be borne solely by Subcontractor. All loss or damage arising from any of the Work through unforeseen or unusual obstructions, difficulties, or delays which may be encountered in the prosecution of same, or through the action of the elements, shall be borne by Subcontractor.

11.6 COMPLIANCE WITH LAWS. Subcontractor shall give all notices and comply with all Laws bearing on the performance of the work under the Agreement, including, but not limited to those involving construction, environmental protection, taxation and employment. Without intending to limit the generality of the foregoing, Subcontractor shall not dump, store, release, dispose or emit (collectively, a "Release") any oil, gasoline, paint or other hazardous substance or pollutant, including fugitive dust, or their containers governed or regulated by any federal, state or municipal law (collectively, "Pollutants"), at, under or in the vicinity of any work site where project work is to be performed. Subcontractor shall deal with all Pollutants, including the containing and disposal thereof, in accordance with all applicable Laws at Subcontractor's expense. Subcontractor shall indemnify, defend and hold harmless Contractor and Project Owner(s), for, from and against all claims, actions, proceedings, liabilities, losses, assessments, damages, penalties, fines, fees, expenses, investigations and liens arising out of or in connection with any such Release or violation of any such Laws caused by Subcontractor or any of its Subcontractors or consultants. The provisions of this paragraph shall survive termination or expiration of this Agreement and/or completion of Subcontractor's work. Subcontractor shall secure and pay for all permits, fees and licenses necessary for the execution of the Work, and upon termination of this Agreement for any reason, Subcontractor shall transfer such permits to Contractor to the extent permitted by law. Subcontractor shall post and give warnings to Contractor's employees, other workers, and any occupant or user of the work, of any hazardous substance present on the project, even if lawful and in compliance with this Agreement. Subcontractor shall conduct routing inspections of equipment and jobsite conditions as necessary to ensure compliance with safety programs and standards and all applicable codes and regulations.

11.7 GOVERNING LAW AND INTERPRETATION. This Agreement relates to work to be performed by Contractors in the State of California and the Laws of such state shall govern the construction of this Agreement. Subcontractor waives and relinquishes its right to commence or maintain an action at law or in equity arising out of this Agreement in any place other than the place of business of Contractor in the state of California which is located in the County of Riverside. This Agreement shall be construed in accordance with its plain meaning and shall not be construed for or against any of the parties hereto. Paragraph headings shall be disregarded in construing or interpreting the provisions of this Agreement. If a term, provision, covenant, or condition of this Agreement is held to be void, invalid or unenforceable, the same shall not affect any other portion of this Agreement and the remainder shall be effective as though all such void, invalid or unenforceable terms, provisions, covenants or conditions had not been contained herein.

11.8 ENTIRE AGREEMENT. This Agreement is solely for the benefit of the parties hereto and represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral, and also supersedes any inconsistent standards of practice in the construction industry in Riverside County, California. No amendment or supplement to this Agreement shall be effective unless in writing signed by the parties hereto. All exhibits attached hereto are incorporated herein by reference.

ARTICLE 12

TABLE OF SUBCONTRACT DOCUMENTS

1. THIS MASTER SUBCONTRACT AGREEMENT IN ITS ENTIRETY
2. MASTER SUBCONTRACT WORK ORDER "JOB SPECIFIC"

CONTRACTOR		**SUBCONTRACTOR**	
		(*Subcontractor – Affix Seal of Corporation)*	
BY	_____	BY	_____
TITLE	_____	TITLE	_____
DATE	_____	ADDRESS	_____
			_____
		DATE	_____

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