

SUBCONTRACT COVER PAGE

Subcontract Number:

Subcontractor:

Name:

Address:

Telephone Number:

Facsimile Number:

License Number:

License Classification:

Federal I.D. No.:

Contractor:

Name: Gonzales Construction

Address: 19531 Ventura Blvd., Tarzana, CA 91356

Telephone Number: (818) 758-2490

Facsimile Number: (818) 996-3955

License Number: 510565

License Classification: B

Bond(s) Required:

SUBCONTRACT

THE SUBCONTRACT

This agreement (hereinafter referred to as the “Subcontract”) is made as of the XXXX day of XXXX in the year XXXX. The Subcontract is made by and between Gonzales Construction (hereinafter referred to as the “Contractor”) and XXXXX (hereinafter referred to as the “Subcontractor”).

THE PRIME CONTRACT

The Contractor entered into an agreement (hereinafter referred to as the “Prime Contract”) dated XXXXXX with XXXXXXXXXX (hereinafter referred to as the “Owner”).

THE PROJECT

The Prime Contract provides for the furnishing of labor, materials, equipment, and services in connection with the construction of the following project: XXXXXXXXXXXXXXXXXXXXXX. (herein after referred to as the “Project”).

THE ARCHITECT / ENGINEER

The Architect/Engineer for the Project is:

THE CONTRACTOR AND THE SUBCONTRACTOR AGREE AS FOLLOWS:

ARTICLE 1. SUBCONTRACT DOCUMENTS

§1.1. The Subcontract Documents consist of the following documents:

- a. The Prime Contract and all documents enumerated therein (hereinafter referred to as the “Prime Contract Documents”);
- b. All Prime Contract modifications issued subsequent to the execution of the Prime Contract;
- c. The Subcontract;
- d. All Subcontract modifications issued subsequent to the execution of the Subcontract;
- e. The Subcontract General Conditions attached and incorporated herewith;
- f. Project Schedule (Exhibit D);
- g. Project Specifications No: XXXXXXXXXXXX and all Drawings Issued for Construction and all addendums;
- h. Original Letter of Intent (Exhibit A);
- i. General Scope (Exhibit B);
- j. Specific Scope (Exhibit C);
- k. Insurance Requirements (Exhibit E);
- l. Job Site Rules & Conduct (Exhibit F);
- m. Contract Close Out (Exhibit G);
- n. Subcontractor Warranty Form (Exhibit H);
- o. Payment Application (Exhibit I);
- p. Responsibility Chart (Exhibit J);
- q. Drawing List (Exhibit K);

§1.2. The Subcontract Documents shall not be construed to create a contractual relationship of any kind by, or between the following parties: (a) the Architect and the Subcontractor; (b) the Owner and the Subcontractor; or (c) any persons or entities other than the Contractor and the Subcontractor.

§1.3 Subcontractor acknowledges that is familiar with all General, Special or Supplementary Conditions, Drawings, Specifications and other documents constituting, or by reference made a part of this Subcontract Agreement.

§1.4 Conditions of the Subcontractor's proposal shall not prevail unless specifically incorporated into this Agreement.

§1.5 In the event of a conflict between this Subcontract Agreement and the Subcontract Documents, this Subcontract Agreement shall control except as otherwise stated herein. The Drawings and Specifications are intended to complement one another, what is called for by one is as binding as if called for by all. Conflicts in the Subcontract Documents brought to the attention of the Contractor after the Subcontract award shall not be considered as a basis for price adjustments. In the case of conflicting or incomplete technical information, it is the responsibility of the Subcontractor to bring such conflicts or deficiencies to the Contractor's attention, in writing, prior to the award of the Subcontract.

§1.6 The Construction Subcontract Agreement and other Subcontract Documents comprise the entire agreement between Contractor and Subcontractor.

It is the intent of the Subcontract Documents to describe a fully complete Project (or part thereof) to be constructed in accordance with the Subcontract Agreement. Any Work, materials or equipment that may reasonably be inferred from the Subcontract Documents or from prevailing custom or trade usage as being required to produce the intended result will be furnished and performed whether or not specifically called for. When words or phrases which have a well-known technical or construction industry or trade meaning are used to describe Work, materials or equipment such words or phrases shall be interpreted in accordance with that meaning. Captions and titles in the Agreement are for convenience only, and are not to be used as an interpretation of any provisions.

Specifications and detailed drawings which may be prepared or approved by the Contractor after the signing of the Agreement are a part of the Agreement if the Subcontractor's Work shown or indicated could have been fairly inferred from the original Subcontract Documents, and that Subcontractor's Work shall be performed for the Subcontract Amount.

§1.7 The Subcontractor acknowledges that the Subcontract Documents are sufficient for their intended purpose.

ARTICLE 2. SCOPE OF SUBCONTRACT WORK

§2.1. The Subcontractor agrees to furnish, and to pay for, all labor, materials, tools, equipment, and all other necessary facilities and services, including all incidental work, to complete the following portions of the work for the Project: all XXXXXXXXXX work (hereinafter referred to as the "Subcontract Work"). The Subcontract Work is more specifically described in the Subcontract Documents, and it includes the following Specification sections: XXXXXXXXXX including but not limited to General Requirements and Special Provisions. (Specifically indicated in Exhibit B, General Scope and Exhibit C, Specific Scope of Work. This Subcontract Agreement is based on normal working hours including but not limited to any imposed restrictions referenced in the Project Plans and Specifications. This is a prevailing wage project. All Certified Payroll is mandatory.

ARTICLE 3. SUBCONTRACT PRICE

§3.1. The Contractor shall pay the sum of \$ XXXXXX (spelled amount) to the Subcontractor for the Subcontractor's strict performance of the Subcontract Work. The Subcontract price includes all applicable taxes, and it is subject to the Contractor's written direction for additions and/or deductions in the Subcontract Work. The Contractor shall make payment to the Subcontractor pursuant to the provisions of the Subcontract Documents.

ARTICLE 4. LABOR AGREEMENTS

§4.1. If the Contractor is signatory to any labor agreements (i.e., Carpenters, Laborers, Cement Masons, etc.), then the terms and conditions of all such labor agreements shall apply to the Subcontractor as if the Subcontractor were a signatory to the labor agreements. Whether the Contractor is a signatory to any labor agreement will be determined on a project by project basis. If the Contractor is not signatory but is required per the Prime Contract to comply with union requirements governed by the State of California so shall the Subcontractor. To verify whether the Contractor is a signatory to any labor agreement on this Project or required to comply with union requirements, please call Contractor at the following telephone number: (818) 758-2490.

THIS AGREEMENT SHALL NOT BE EFFECTIVE UNLESS SIGNED BY THE CONTRACTOR

SUBCONTRACTOR	CONTRACTOR
Name: _____	Name: _____
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____

SUBCONTRACT GENERAL CONDITIONS

ARTICLE 1. GENERAL PROVISIONS

§1.1. The Subcontract Documents consist of the documents enumerated in Article 1 of the Subcontract.

§1.2. The Subcontractor and its subcontractors and suppliers shall be bound by the Prime Contract Documents to the extent that the Prime Contract Documents relate, directly or indirectly, to the Subcontract Work.

§1.3. If the Prime Contract documents reference the Contractor in connection with work or specifications related to the Subcontract Work, then such work or specifications shall be interpreted to apply to the Subcontractor instead of the Contractor.

§1.4. Anything mentioned in the specifications and not shown on the plans or drawings, or shown on the plans and drawings and not mentioned in the specifications, shall be deemed shown and mentioned in both.

§1.5. In the event of a conflict or variance between any of the Subcontract Documents, the order of precedence shall be as follows: (a) written modifications to any of the Subcontract Documents issued subsequent to execution of the Subcontract; (b) Any Subcontract Supplementary Conditions; (c) Subcontract General Conditions; (d) the Subcontract.

§1.6. The Subcontractor certifies that it has carefully examined the Subcontract Documents, and it is fully familiar with all of the terms and conditions of the Subcontract Documents.

§1.7. The Subcontractor certifies that it has fully acquainted itself with the Project site conditions, and it has performed all investigations necessary and essential to fully understand the difficulties which may be encountered in performing the Subcontract Work.

§1.8 The Subcontractor warrants that it is qualified to complete Subcontractor's Work as specified herein and in the Contract Documents, and is properly licensed, and that it has conducted an investigation and apprised itself of all risks associated with performing the obligations under this Subcontract Agreement for the consideration stated in this Subcontract Agreement.

§1.9 The Subcontractor certifies that it is not relying on any opinions or representations of the Contractor.

§1.10 The Subcontractor certifies that it will assume full and complete responsibility for all of the risks and conditions relating to the Subcontract Work, including, but not limited to, the conditions at the Project site and the Project site surroundings.

§1.11 If any provision of the Subcontract, or any part of any provision of the Subcontract, shall at any time be held to be invalid, in whole or in part, under any applicable federal or state law, ruling or regulation, then such provision shall remain in effect only to the extent permitted, and the remaining provisions shall remain in full force and effect.

§1.12 The Contractor's waiver of the Subcontractor's breach of any provision of the Subcontract shall not constitute the Contractor's future waiver of the Subcontractor's breach of the same, or a different, provision of the Subcontract.

§1.13 The Contractor's waiver of any provision of the Subcontract shall not be effective unless it is provided for in an express writing, signed by the Contractor's authorized representative, Armand Gonzales.

§1.14 Subject to the Subcontract assignment provisions, the Subcontract's terms and conditions shall inure to, and be binding upon, the Contractor, the Subcontractor, and their respective successors, assigns, executors, administrators and legal representatives.

§1.15 Wherever used in the Subcontract, the singular shall include the plural and the neuter gender shall include the masculine and feminine.

§1.16 The Subcontract represents the entire integrated agreement between the Contractor and the Subcontractor, and it supersedes all prior written or oral negotiations, representations, proposals, stipulations, and/or agreements. All prior or contemporaneous agreements to be included in the Subcontract are expressly identified in the Subcontract. No agent or representative of the Contractor or the Subcontract has the authority to make, and neither party shall be bound by nor liable for, any statement, representation, promise or agreement not set forth in the Subcontract.

§1.17 No changes, amendments, or modifications to the terms of the Subcontract shall be valid unless set forth in a writing and signed by both the Contractor, Armand Gonzales and the Subcontractor.

§1.18 In conjunction with Article 2, 2.15, the Contractor requires a fully executed Subcontractor Agreement prior to the commencement of any physical work and/or ordering of any materials. Commencing with any physical work and/or any material purchases prior to the full execution of the Subcontractor Agreement, this shall be considered as the Subcontractors acceptance of all terms of the Subcontract. The Contractor shall not be obligated to make any payments to the Subcontractor until after receipt of the fully executed Subcontractor Agreement.

ARTICLE 2. PAYMENT SCHEDULE

§2.1. Within XXXX (XX) days after the Contractor receives any progress payments from the Owner under the Prime Contract, the Contractor shall pay to the Subcontractor an amount equal to XXXX percent (XX%) of the amount which the Owner's estimate shows has been earned by the Subcontractor on account of work done during the period covered by it and for which the Contractor has received payment. All such payments shall be conditioned upon the Contractor's receipt of the releases described in Sections 2.7 through 2.10 below.

§2.2. The Contractor shall not be obligated to make final payment to the Subcontractor until after the occurrence of all of the following events: (a) the conclusion of the thirty-fifth (35) day after the recording of a Notice of Completion for the Project; (b) the Contractor receives the Owner and Architect/Engineer's written acceptance of the Project; (c) the Contractor accepts the Subcontract Work; and (d) the Contractor receives final payment from the Owner for the Prime Contract work.

§2.3. With the exception of Subcontractor claims submitted in writing before the Subcontractor accepts final payment for the Subcontract Work, the Subcontractor's acceptance of final payment for the Subcontract Work shall constitute the Subcontractor's release in favor of the Contractor and its surety of all claims against the Contractor and its surety arising under, or by virtue of, the Subcontract.

§2.4. No payment to the Subcontractor shall constitute an approval, or acceptance, of any defective workmanship or materials.

§2.5. The Owner's estimate, or the Contractor's estimate if the Owner makes no separate estimate, as to the amount of the Subcontract Work shall be final and binding on the Subcontractor.

§2.6. Once the Schedule of Values has been approved it is legal and binding, used for billing purposes under the Prime Contract and Subcontract Agreement and cannot be modified.

§2.7. If the Contractor overpays the Subcontractor, then either (a) the Subcontractor shall immediately reimburse the Contractor for any such overpayments after final quantities have been determined by the Contractor or the Owner, or (b) the Contractor may retain current and future payments in an amount equal to the overpayment.

§2.8. The Contractor is not required to make any payment to the Subcontractor until after the Subcontractor provides releases executed by all persons or entities who might have mechanic's lien, stop notice, or labor and material bond rights, arising out of the Subcontract Work, against the Project. Said release shall be on forms provide by, or approved by, the Contractor.

§2.9. If applicable, the Contractor is not required to make any payment to the Subcontractor until after the Subcontractor provides evidence of the Subcontractor's payments to all unions and union trust funds.

§2.10. If the Subcontractor provides conditional releases, then the Contractor may issue a joint check for the amount(s) indicated in the conditional release.

§2.11. As a condition to final payment, the Subcontractor shall provide full and final lien waivers and releases from those materialmen and subcontractors claiming through the Subcontractor.

§2.12. The Contractor's obligation to make any progress payment, final payment, or any other payment to the Subcontractor, or to pay for extra or changed work or any claim for additional compensation or damages claimed by reason of the Owner's acts and/or omissions shall be conditioned upon the Contractor's actual receipt from the Owner of each progress payment, final payment, or other payment.

§2.13. If the Owner fails to make payments due and owing under the terms of the Prime Contract for properly and timely performed Subcontract Work, then the Contractor shall be allowed a reasonable opportunity to pursue collection from the Owner as a condition precedent to the Contractor's obligation to pay the Subcontractor for Subcontract Work. Nothing in this paragraph shall obligate the Contractor for the payment of any claims for additional compensation except to the extent of payments actually received from the Owner, and subject to the provisions of Article 3 and 4 of the Subcontract General Conditions.

§2.14. The Contractor may, in its sole discretion, pay all, or any part, of the Subcontract price in a greater amount or at an earlier time than otherwise specified in the Subcontract. In the event of such payment, all other Subcontract terms and conditions, and any Subcontract bonds, shall be unaffected and shall remain in full force and effect.

§2.15. The Contractor may withhold payments, in whole or in part, from the Subcontractor for any of the following reasons:

- (a) defective materials or work not remedied;
- (b) missing materials not furnished;
- (c) cleanup not performed;
- (d) claims filed;
- (e) reasonable evidence indicating that the Subcontractor's labor, material, and/or equipment suppliers might file claims;
- (f) reasonable evidence indicating that unions might file claims arising out of the Subcontractor's failure and/or refusal to pay union trust funds; Or failure to provide Contractor with lien releases pursuant to Article 7.
- (g) the Subcontractor's failure to make payments to its subcontractors and suppliers for labor, materials, equipment, transportation costs, shipping costs, taxes, fees, or other claims arising out of the Subcontract Work;
- (h) the Contractor's reasonable doubt that the Subcontractor can complete the Subcontract Work within the time required or for the balance of the unpaid Subcontract price;
- (i) the Subcontractor's damage to the Contractor or any other subcontractor and/or supplier;
- (j) the Subcontractor's unsatisfactory prosecution of the work;
- (k) the Subcontractor's failure to deliver any required submittals, "as-built" drawings, operation or maintenance manuals, written guarantees or warranties, or any other documentation required to be delivered by the Subcontract Documents;
- (l) the Subcontractor's refusal and/or failure to obtain the approvals required by any authority having jurisdiction over the Subcontract Work;
- (m) the Subcontractor's failure and/or refusal to provide Certificates of Insurance or Subcontract bonds acceptable to Contractor;
- (n) the Subcontractor's failure to provide Certified Payrolls and/or any other documentation required by the Prime Contract for payment from Owner to Contractor; or

- (o) the Subcontractor's failure and/or refusal to cure any Subcontract default or to perform in accordance with the Subcontract Documents.
- (p) the Subcontractor's failure and/or refusal to provide a fully executed Subcontractor Agreement.

§2.16. If the Subcontractor immediately cures, to the Contractor's satisfaction, all of the grounds permitting the Contractor to withhold payments, in whole or in part, from the Subcontractor, as set forth in §2.14 above, then the withheld payments shall promptly be paid.

§2.17. If the Subcontractor fails and/or refuses to immediately cure, to the Contractor's satisfaction, any of the grounds permitting the Contractor to withhold any payments, in whole or in part, from the Subcontractor, as set forth in §2.14 above, then the Contractor may, after forty-eight (48) hours written notice to the Subcontractor, take such steps as, in its judgment, may be required to cure said grounds. Furthermore, the Subcontractor shall immediately pay to the Contractor all costs and expenses incurred by the Contractor in taking such steps, or the Contractor may credit all such costs and expenses against any payments otherwise payable to the Subcontractor.

§2.18. The Subcontractor shall submit all invoices to be considered for payment in a designated monthly pay period as follows: (a) in duplicate; (b) not later than the day of the month designated by the Contractor's representative, and (c) in sufficient detail to enable processing. Pay Request and Release forms that are acceptable to the Contractor are available from the Contractor or attached as Exhibit I, Payment Applications/Waiver Releases.

§2.19. If the Contractor receives the Subcontractor's invoice after the designated date, then it will be considered as the next succeeding month's business, and it will be subject to payment as provided in the Subcontract.

ARTICLE 3. TIME

§3.1. Time is of the essence in the performance of the Subcontract.

§3.2. The Subcontractor shall commence work immediately upon receipt of the Contractor's notification to commence work.

§3.3. The Subcontractor recognizes its responsibility to provide the Contractor with timely and accurate schedule information for the Subcontractor's work so that the Contractor may develop a coordinated plan for the entire work.

§3.4. The Subcontractor shall provide the Contractor with scheduling information and a proposed schedule for the performance of the Subcontractor's work, both onsite and offsite, in a form that is acceptable to the Contractor.

§3.5. The Subcontractor shall attend coordination and scheduling meetings as required by the Contractor and be bound by the schedule(s) resulting from such meetings.

§3.6. The Subcontractor's schedule shall include adequate time for, and separately show, the preparation and approval of the shop drawings, samples, layout and product data required by Subcontract General Conditions Article 22.

§3.7. The Subcontractor shall perform field work at such points as the Contractor may from time to time designate.

§3.8. The Subcontractor shall conform to the Contractor's progress schedule, detailed schedules, and all revisions or changes made to any such schedules.

§3.9. The Subcontractor shall prosecute its work in a prompt and diligent manner.

§3.10. The Subcontractor shall furnish and have sufficient and satisfactory equipment, materials, supplies, and/or workmen available at all times to perform the Subcontract Work in accordance with the Contractor's schedules, without delaying or hindering the Contractor's work or the work of other contractors, subcontractors, and/or suppliers.

§3.11. The Subcontractor shall coordinate the Subcontract Work with the work of the Contractor and all other contractors, subcontractors, and/or suppliers in a manner that will facilitate the efficient and timely completion of the entire work.

§3.12. In the event that the Subcontractor fails to maintain its part of the contractor's schedule, the Subcontractor shall, without additional compensation, accelerate the work as the Contractor may direct until the Subcontract Work is in accordance with such schedule.

§3.13. The Contractor shall have complete control of the premises on which the work is to be performed.

§3.14. The Contractor shall have the right to decide the time and order in which the various portions of the work shall be installed, the relative priority of the work of the Contractor, the Subcontractor, and any other contractor, subcontractor, or supplier, and, in general, all other matters pertaining to the timely and orderly conduct of the Subcontract Work.

§3.15. If the Owner, Architect/Engineer, and/or the Contractor's act, neglect, and/or default delays the Subcontractor's prosecution and/or completion of the Subcontract Work, then the Subcontract Work completion time may be extended the number of days that the Subcontractor has been delayed.

§3.16. If fire damage and/or some other casualty for which the Subcontractor is not responsible delays the Subcontractor's prosecution and/or completion of the Subcontract Work, then the Subcontract Work completion time may be extended the number of days that the Subcontractor has been delayed.

§3.17. If the action of the workmen, in no way caused by or resulting from the Subcontractor's fault and/or collusion, delays the Subcontractor's prosecution and/or completion of the Subcontract Work, then the Subcontract Work completion time may be extended the number of days that the Subcontractor has been delayed.

§3.18. If a Contractor lock-out delays the Subcontractor's prosecution and/or completion of the Subcontract Work, then the Subcontract Work completion time may be extended the number of days that the Subcontractor has been delayed.

§3.19. No allowance or extension of the Subcontract Work completion time shall be made unless a written claim for the delay is presented to the Contractor within forty-eight (48) hours of the commencement of such delay.

§3.20. The time of completion shall not, under any circumstances, be extended to a date which will prevent the Contractor from completing the Project within the time allowed the Contractor by the Owner for such completion.

§3.21. No Subcontractor claims for additional compensation or damages for delays, whether caused in whole or in part by the Contractor, the Owner, or any other contractor, subcontractor, or supplier shall be recoverable from the Contractor, and the above-mentioned extension of time for completion of the Subcontract Work shall be the sole remedy of Subcontractor.

§3.22. Notwithstanding the limitations set forth in §3.21, if the Contractor obtains additional compensation from the Owner on account of delays, then the Subcontractor shall be entitled to such portion of the additional compensation so received by the Contractor from the Owner as is equitable under all of the circumstances. The Contractor's determination as to the Subcontractor's share of any award by the Owner shall be binding and conclusive on the Subcontractor.

§3.22. The Subcontractor shall comply with, and be bound by, any notice provisions and claims procedures, including arbitration, contained in the Prime Contract or required by the Owner.

§3.23. In the event that the Contractor prosecutes a claim against the Owner for additional compensation for any delay, the Subcontractor shall (a) cooperate fully with the Contractor in the prosecution of such claim; and (b) pay the costs and expenses incurred in connection with such claim, including actual attorney's fees and expert fees, to the extent that said claim is made by the Contractor at the request of the Subcontractor.

§3.24. In the event of any dispute or controversy with the Contractor, Owner or any other contractor, subcontractor and/or supplier over the scope of the Subcontractor's work under the Subcontract Documents or over any other matter whatsoever, the Subcontractor shall not cause any delay of, or cessation in, the Subcontract Work or the work of the Contractor or any other contractor, subcontractor and/or supplier. Instead, the Subcontractor shall proceed under the Subcontract to prosecute the Subcontract Work diligently to completion, and the dispute shall be submitted for resolution in accordance with Subcontract General Conditions Article 15 below.

ARTICLE 4. CHANGES IN THE WORK

§4.1. The Contractor may direct any change, including additions to and/or deductions from, the Subcontract Work.

§4.2. All Contractor directed changes to the Subcontract Work shall be in writing.

§4.3. No Contractor directed changes to the Subcontract Work shall invalidate the Subcontract.

§4.4. If the Contractor directs a change to the Subcontract Work, then the Subcontractor shall make the change. The subcontractor can recover for labor and/or material increases only to the extent in which Contractor is able to recover from the owner for such costs.

§4.5. If a Contractor directed change to the Subcontract Work necessitates a change in the Subcontract price and/or the time for the Subcontractor's performance of the Subcontract Work, then the Subcontractor shall supply the Contractor with a written cost or credit proposal for the change within a mutually agreed upon time frame not to exceed seven (7) days of receipt of the Contractor directed change. The written proposal shall include all of the documentation necessary to substantiate the amount of the addition to, or the deduction from, the Subcontract price and/or the time for performance of the Subcontract Work. The Subcontractor's failure and/or refusal to provide the foregoing proposal and all supporting documentation shall constitute a waiver of any claim for additional compensation and/or time to perform any additions to the Subcontract Work.

§4.6. If a Contractor directed change to the Subcontract Work necessitates a change in the Subcontract price and/or the time for the Subcontractor's performance of the Subcontract Work, and the Subcontractor timely submits a written cost or credit proposal, along with all supporting documentation, then any and all such changes shall be mutually agreed upon before the Subcontractor performs the changed work.

§4.7. If the Contractor and the Subcontractor cannot mutually agree upon the amount of any changes in the Subcontract price and/or the time for the Subcontractor's performance of the Subcontract Work, then the Subcontractor shall begin the performance of the changed work immediately upon the receipt of the Contractor's written order to do so.

§4.8. If the Contractor orders the Subcontractor to perform any change in the Subcontract Work before then Contractor and the Subcontractor can mutually agree upon the amount of any changes in the Subcontract price and/or the time for the Subcontractor's performance of the work, then the Subcontractor shall, within seven (7) days of receipt of the Contractor's written notice to proceed with the changed work, provide the Contractor with a written notice of claim for additional compensation and/or time. The Subcontractor's failure and/or refusal to provide such written notice shall constitute a waiver of any claim for additional compensation and/or time to perform any changes in the Subcontract Work.

§4.9. The Subcontractor shall not, under any circumstances, suspend, or delay proceeding with, any changes in the Subcontract Work. Any and all such delays shall constitute a material breach of the Subcontract and shall subject the Subcontractor to delay damages including any and all Liquidated Damages assessed by the Owner.

§4.10. If a Contractor directed change to the Subcontract Work is ordered pursuant to an Owner directed change, then the Subcontractor shall comply with provisions 4.1 through 4.9 above. Any change in the Subcontract price and/or the time for the Subcontractor's performance of the Subcontract Work shall be adjusted only to the extent allowed by the Owner. However, if the Contractor obtains additional compensation from the Owner on account of Owner directed changes, then the Subcontractor shall be entitled to the portion of the additional compensation received by the Contractor that is equitable under all of the circumstances. Additionally, the Contractor's determination of the Subcontractor's share of any Owner award shall be binding and conclusive on the Subcontractor.

§4.11. The Subcontractor shall comply with, and be bound by, any notice provisions and claims procedures, including arbitration, contained in the Prime Contract or required by the Owner. If the Contractor prosecutes a claim against the Owner for an adjustment in compensation and/or time of

performance for any changes or extra work, then the Subcontractor shall fully cooperate with the Contractor in the prosecution of such claim. The Subcontractor shall also pay all costs and expenses incurred in connection with such claim, including actual attorneys' fees and expert fees, to the extent that said claim is made by the Contractor at the request of the Subcontractor.

§4.12. If any change or extra work is performed on a "Force Account" or other prescribed basis under the Prime Contract, then the Subcontractor shall be entitled to receive all payments made in reimbursement of its direct costs allowable under the Prime Contract and the allowable markup or margin on such direct costs.

§4.13. The Subcontractor shall not make any changes in the Subcontract Work or in any way cause or allow the Subcontract Work to deviate from the Subcontract Documents without written direction from the Contractor.

§4.14. If the Subcontractor makes any changes in the Subcontract Work, without written direction from the Contractor, then any such change shall constitute the Subcontractor's waiver of payment for the same.

§4.15. If the Subcontractor makes any changes in the Subcontract Work pursuant to verbal direction from the Contractor or pursuant to oral or written direction from the Owner or from any other person or entity, then any such change shall constitute the Subcontractor's waiver of payment for the same.

§4.16. The Subcontractor shall be liable for any and all losses, costs, expenses, damages, as well as any and all liability of any nature whatsoever associated with, or in any way arising out of, any changes that it makes without written direction from the Contractor.

§4.17. No change, alteration, or modification to, or deviation from, any of the Subcontract Documents, whether made in the manner provided in this Article or not, shall release or exonerate, in whole or in part, any bond or any surety on any bond given in connection with the Subcontract, and no notice is required to be given to any such surety of any such change, alteration, modification, or deviation.

ARTICLE 5. DELAY DAMAGES

§5.1. If the Subcontractor defaults in its performance of the Subcontract, then the Subcontractor shall be liable to the Contractor for all losses, costs, expenses, liabilities, and damages, including, but not limited to, consequential damages and liquidated damages, sustained by the Contractor as a result of the Subcontractor's default.

§5.2. If the Subcontractor commits any act and/or omission which causes a delay in the completion of the Prime Contract work, then the Subcontractor shall be liable for all losses, costs, expenses, liabilities, and damages, including, but not limited to, consequential damages and liquidated damages, for which the Contractor may be liable to the Owner, or any other party, because of the Subcontractor's act and/or omission. Regardless of Contractor's liability to others for Liquidated Damages, Liquidated Damages will be assessed at a rate as per the following:

XXXX Dollars (\$ XXXX) per calendar day of delay effecting the completion of the Prime Contract Work.

ARTICLE 6. SUBCONTRACT BONDING

§6.1. Concurrent with the execution of the Subcontract, when required by the Contractor, the Subcontractor shall furnish a Performance Bond in an amount equal to the full Subcontract price.

§6.2. Concurrent with the execution of the Subcontract, when required by the Contractor, the Subcontractor shall furnish a Labor and Materials Payment Bond in an amount equal to the full Subcontract price.

§6.3. All bonds given in connection with the Subcontract shall be on a form, and executed by, a surety or sureties satisfactory to the Contractor.

§6.4. No change, alteration, or modification in, or deviation from, the Subcontract shall release or exonerate, in whole or in part, any surety on any bond given in connection with the Subcontract.

§6.5. All bonds given in connection with the Subcontract shall extend to, and cover, any and all extra work and/or changes to the Subcontract and performed by the Subcontractor.

§6.6. The requirements of Article 6 may only be waived in a writing signed by the Contractor.

§6.7. In the event of the Subcontractor's default, as defined in Article 12 of the Subcontract General Conditions, no surety on any Performance Bond given in connection with this Subcontract shall, without the prior written consent of the Contractor, have any right to hire any other person, partnership or corporation to complete, or in any way perform, the Subcontract Work.

§6.8. The Subcontractor's failure to provide the bonds required by this Article shall constitute a material breach of the Subcontract, entitling the Contractor to terminate the Subcontract for cause. All costs, fees, and expenses of any kind whatsoever, including attorney's fees, incurred by the Contractor in connection with (1) terminating the Subcontract; and (2) retaining another subcontractor to perform the Subcontract Work shall be paid by the Subcontractor in accordance with Subcontract Article 12.

ARTICLE 7. LIENS

§7.1. The Subcontractor shall promptly pay, fully discharge, or provide adequate security for the payment of, all claims asserted by any persons or entities, including union trust funds, furnishing, or claiming to have furnished, labor, materials, tools, equipment, and/or incidentals used in, upon, or for the Subcontract Work. The Subcontractor shall do so whether or not a lien, or right of enforcement, is established, or attempted to be established, against the work, the real property upon which the work is situated, upon any bond furnished by the Contractor, or upon any monies payable by the Owner to the Contractor.

§7.2. If any person or entity brings a lawsuit on any claim of lien, the Subcontractor shall defend said suit at his own cost and expense and shall pay and satisfy any lien or judgment as may be established by the decision of the court in said lawsuit.

§7.3. If any person or entity brings a lawsuit on any claim of lien, then the Subcontractor agrees to cause the effect of any suit, lien, or stop notice to be removed from the premises within ten (10) days after written demand for the same. If the Subcontractor fails to do so, then the Contractor is

authorized to use whatever means are appropriate, in its discretion, to cause said suit, stop notice, or lien to be removed or dismissed, and the Subcontractor shall immediately pay all costs of such means to the Contractor. The Subcontractor may litigate any lien or suit described above if the Subcontractor causes the effect of such litigation to be promptly removed from the premises in advance of such litigation and shall do such further things as may be necessary to cause the Owner to refrain from withholding any monies due to the Contractor from the Owner by reason of such liens or lawsuits.

§7.4. Notwithstanding anything to the contrary in this Article, the Subcontractor shall not be construed to have waived its lien rights in the event of a dispute over payments due for services rendered and materials furnished to the Project.

§7.5. The Contractor reserves the right to make payment by joint or direct check to the Subcontractor and the Subcontractor's subcontractors and/or suppliers or any other person having a right of action against the Contractor, the Contractor's surety, or the Owner under any law.

§7.6. If requested by the Contractor, the Subcontractor shall furnish sworn affidavits, stating all amounts due, or to become due, and all amounts paid to suppliers and other parties contractually related to the Subcontractor with respect to labor and materials furnished, or to be furnished, under the Subcontract. The affidavits shall be on a form provided by, or approved by, the Contractor.

§7.7. The Subcontractor agrees and covenants that monies received for performance of the Subcontract Work shall be used solely for the benefit of persons and/or entities (1) supplying labor, materials, supplies, tools, machines, equipment, plants, and/or services exclusively for the Project in connection with the Subcontract; and (2) having the right to assert liens or other claims against the land, improvements, or funds involved in the Project or against any bond or other security posted by the Contractor or the Owner.

§7.8. The Subcontractor agrees and covenants that all monies received for the performance of the Subcontract Work shall immediately constitute a trust fund held by the Subcontractor for the benefit of the persons and/or entities that performed the Subcontract Work. The Subcontractor shall not, under any circumstances, direct said trust funds to any other purpose until all of the Subcontractor's Subcontract obligations have been fully discharged and all of the claims arising from said obligations have been fully paid.

§7.9. The Subcontractor agrees to provide Executed Statutory Union Lien Releases pursuant to Civil Code 3262 and or Public Contract Code, and must be provided along with Monthly Progress Payment Applications. Failure to do so may result in the withholding of payments pursuant to Article 2.

ARTICLE 8. INSPECTION AND CORRECTION

§8.1. At all times, the Subcontractor shall furnish to the Contractor, the Owner, or any governmental authorities having jurisdiction over the work, safe and adequate facilities and full and free access for inspecting materials and the performance of the work at the construction site, shops, factories, or any of the Subcontractor and/or the Subcontractor's materialmen's places of business, where materials under the Subcontract may be in the course of preparation, process, manufacture, and/or treatment.

§8.2. The Subcontractor shall furnish to the Contractor, as often as required by the Contractor, full reports of the progress of the Subcontract Work at any place where materials under the Subcontract may be in the course of preparation or manufacture. Such reports shall show the progress of such preparation and manufacture in such detail as may be required by the Contractor, including, but not limited to, any plans, drawings or diagrams in the course of preparation.

§8.3. If the Contractor, the Owner, or any governing authority determines that any part of the Subcontract Work is improper or defective at any time during the performance of the Subcontract Work or any applicable guarantee period, then immediately upon receipt of notice of same, the Subcontractor shall remove, dispose of, replace, and correct, all defective material and/or workmanship at its own expense.

§8.4. If the Subcontractor fails to promptly and completely correct all defective material and/or workmanship, upon its receipt of notice of same, then the Contractor may, at its option and in addition to any other remedies that it may have, correct the same with its own forces or by employing others, and the Subcontractor shall pay the Contractor all costs and expenses, including attorney fees, and consequential damages incurred in connection with the Contractor's correction of the defective material and/or workmanship.

ARTICLE 9. MATERIALS AND WORK FURNISHED BY OTHERS

§9.1. If the Subcontract Work includes the installation of materials and/or equipment furnished by others or work to be performed in areas to be constructed or prepared by others, then it is the Subcontractor's responsibility to examine and to accept, at the time of delivery or first access, all items so provided. It is also the Subcontractor's responsibility, at the time of delivery or first access, to unload, hoist, handle, store, and/or install all items with the skill and care necessary to ensure the satisfactory completion of the Subcontract Work.

§9.2. The Subcontractor's use of materials and/or equipment furnished by others and/or the Subcontractor's commencement of work in areas constructed or prepared by others shall constitute (a) the Subcontractor's acceptance of all such materials, equipment and/or work, and (b) the Subcontractor's waiver of any and all claims against the Contractor for additional compensation or for damages resulting from any defects in such materials, equipment, and/or work.

§9.3. Loss or damage resulting from the Subcontractor's acts including, but not limited to, requiring that all of the Subcontractor's employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers shall be charged to the Subcontractor's account and deducted from monies otherwise due under the Subcontract.

ARTICLE 10. PROTECTION OF WORK

§10.1. The Subcontractor shall secure and protect the Subcontract Work, and it shall assume full responsibility for any and all risk of loss or damage to the Subcontract Work and all materials, tools, equipment, and incidentals until the Owner's final acceptance and release of responsibility.

§10.2. The Subcontractor shall protect the workmen, materials, tools, equipment and property of the Owner, the Contractor, and all others on the Project against injury or damage in any way arising out

of or connected with the Subcontract Work, including persons or entities acting on the Subcontractor's behalf of pursuant to the Subcontractor's direction.

§10.3. If the Subcontractor damages the Owner's property or another subcontractor's work, then the Contractor will issue a backcharge to the Subcontractor for an adjustment in the Subcontract price, reflecting the costs to correct the damages.

§10.4. If the Owner's property or another subcontractor's work is damaged, but the person or entity that caused the damage cannot be identified, then all Subcontractors which performed work in the damaged area within the time frame in which the damage occurred will be backcharged a pro-rata share of the cost of the repair.

§10.5. If the Subcontractor fails to acknowledge a Contractor backcharge within a reasonable time, then the Contractor shall have recourse as provided in Subcontract General Conditions Article 12.1.

ARTICLE 11. LABOR RELATIONS

§11.1. The Subcontractor shall keep a project representative at the Project site at all times during the performance of the Subcontract Work.

§11.2. Prior to the commencement of the construction of the Project, the Subcontractor shall notify the Contractor of the Subcontractor's project representative's identity

§11.3. If the Subcontractor changes its project representative during the course of the performance of the Subcontract Work, then the Subcontractor shall notify the Contractor of any such change prior to the change becoming effective.

§11.4. The Subcontractor shall enforce strict discipline and good order among its employees.

§11.5. The Subcontractor shall immediately remove from the Project site any employee that the Contractor determines to be unfit, unskilled in the assigned tasks, and/or otherwise objectionable to the Contractor.

§11.6. The Subcontractor acknowledges the following:

- (a) the Contractor may have entered into labor agreements with various labor unions;
- (b) it is the Subcontractor's responsibility to consult with the Contractor to determine which labor agreements, if any, are applicable to the Project;
- (c) all labor agreements applicable to the Project are incorporated into the Subcontract by this reference; and
- (d) it is the Subcontractor's responsibility to carry out the Subcontract Work as if it were a signatory to all labor agreements applicable to the Project.

§11.7. The Subcontractor agrees to comply with all of the terms and conditions of the labor agreements incorporated into the Subcontract to the extent permissible under federal law and any applicable state laws, including, but not limited to, the following:

- (a) making payments to the labor trust funds set forth in the labor agreements;
- (b) complying with the terms and provisions of the labor agreements that set forth the jurisdiction and scope of work claimed by each craft and the procedure contained within each labor agreement for the resolution of jurisdictional disputes. In the absence of any such procedure, or if such procedure fails to promptly resolve the jurisdictional dispute and a work stoppage occurs or is threatened, then the Subcontractor agrees, at its own cost and expense, upon the request of the Contractor, to take any and all lawful steps to secure a binding and final determination of said jurisdictional dispute by the National Labor Relations Board.

§11.8. The Subcontractor acknowledges that the terms and conditions of the labor agreements incorporated into the Subcontract may require that the Subcontractor comply with additional labor agreements with unions affiliated with the AFL-CIO Building Trades. When the terms and conditions of the incorporated labor agreements so require, the Subcontractor shall be, or become, a signatory to the appropriate labor agreement with a union affiliated with the AFL-CIO Building Trades, or, if permitted by the agreement, the Subcontractor shall perform the Subcontract Work pursuant to all terms and conditions of an appropriate labor agreement without becoming a signatory.

§11.9. The Subcontractor acknowledges that the status of its relationship with AFL-CIO Building Trades affiliated unions is an important element of the Subcontract. Any change in the status of said relationship occurring subsequent to the execution of the Subcontract, which could affect the successful completion of the Project, may constitute a Subcontractor default.

§11.10. If there is picketing on the Project site, and the Contractor establishes a reserved gate system, then the Subcontractor shall be obligated to use the reserve gate to continue the proper performance of the Subcontract Work without interruption or delay. The Subcontractor shall be required to strictly comply with the Contractor's reserve gate procedures, including, but not limited to, requiring that all of the Subcontractor's employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers observe the reserve gate procedures. If the reserve gate procedures are established according to the National Labor Relations Board procedures, then all work stoppages, including sympathy strikes, or any other work stoppage by employees performing the work on, and/or delivering supplies, and/or materials to the Project-site shall not excuse any delay in the Subcontractor's proper performance of the Subcontract Work.

§11.11. If the Subcontractor defaults in the performance of the Subcontract Work for any reason specified in this Article, then the Contractor may, at its option, terminate the Subcontract for cause in accordance with Article 12 of the Subcontract General Conditions.

§11.12. The Subcontractor promises to bind and to require that all of its subcontractors and suppliers agree to all of the foregoing promises and undertakings in the same manner that the Subcontractor has promised to do.

§11.13. The Subcontractor shall comply with all equal employment opportunity and affirmative action requirements contained in the Prime Contract or promulgated by any governmental authority, including, without limitation, the requirements of the Civil Rights Act of 1964, Executive Order 11246 (as amended), 41 CFR 60-1.4, 41 CFR 60-250.5 and 41 CFR 60-741.4. The requirements of the Civil Rights Act of 1964 are incorporated into the Subcontract by this reference, and the

Subcontractor agrees that all of its subcontractors and suppliers shall be bound by, and shall observe, the provisions of this paragraph to the same extent that the Subcontractor is required to do. Furthermore, a copy of this paragraph, imposing such obligations upon the Subcontractor's subcontractors and suppliers shall be included in any subcontract, purchase order, or other agreement between the Subcontractor and its subcontractors and/or suppliers.

§11.14. The Subcontractor shall comply with, and it agrees to be bound by, all applicable federal, state, and local laws and regulations, including, but not limited to, all Fair Labor Standards Act provisions and state labor code provisions covering the Project. The Subcontractor shall submit certified payroll reports to the Contractor not later than seven (7) calendar days after labor has been paid.

ARTICLE 12. SUBCONTRACTOR DEFAULT AND CONTRACTOR REMEDIES

§12.1. Default. The Subcontract shall be deemed to be in default of its Subcontract obligations if it fails and/or refuses to do any of the following:

- (a) commence work at the required time;
- (b) furnish a sufficient number of properly skilled workers;
- (c) furnish a sufficient quantity of suitable materials;
- (d) furnish adequate equipment;
- (e) properly and diligently prosecute the Subcontract Work;
- (f) progress the Subcontract Work as required;
- (g) perform the work in the order and sequence directed;
- (h) correct or replace any damaged or defective work or materials;
- (i) make prompt payment to its workers, subcontractors or suppliers;
- (j) make timely contributions or payments to any health and welfare, pension, vacation, apprenticeship, or other employee benefit program or trust; or
- (k) commit any other material breach of any other Subcontract provision.

§12.2. Notice to Cure. If, within forty-eight (48) hours of the Subcontractor's receipt of notice to cure a default, the Subcontractor fails to commence and continue the satisfactory correction of such default with diligence and promptness, then the Contractor, at its option and in addition to and without prejudice to any other rights or remedies afforded the Contractor in the Subcontract Documents or by law, shall have the right to any or all of the remedies set forth in Subcontract General Conditions Sections 12.3, 12.4, and 12.5 below.

§12.3. Contractor Remedy. If the Subcontractor fails to cure a default as set forth in Section 12.2 above, then the Contractor shall have the right to do any of the following:

- (a) supply all necessary workers, materials, and other facilities for the correction of the Subcontractor's default and charge the entire cost of supplying workers, materials, and other facilities to the Subcontractor, who shall be liable for the payment of said costs, plus fifteen percent (15%) of said costs for the Contractor's overhead and profit; or
- (b) contract with one or more additional contractors to perform any part of the Subcontract Work that will provide for the most expeditious completion of the total work and charge the cost of contracting with other contractors to the Subcontractor, who shall be liable for the payment of said costs, plus ten percent (10%) for Contractor's overhead; or
- (c) withhold the payment of any monies due, or to become due, to the Subcontractor pending corrective action to the extent required by, and to the satisfaction of, the Contractor, and the Subcontractor shall immediately pay any unpaid balance to the Contractor.

§12.4. Emergency Recourse. In the event of an emergency, affecting the safety of persons or property, the Contractor may proceed as set forth in §12.3 above without notice to the Subcontractor.

§12.5. Termination for Default. If the Subcontractor fails to commence and continue the satisfactory correction of a default within forty-eight (48) hours after receipt of a Notice to Cure, then the Contractor may do any of the following:

- (a) terminate the Subcontractor's right to perform under the Subcontract;
- (b) use any materials, implements, equipment, appliances, or tools furnished by, or belonging to, the Subcontractor to complete the Subcontractor's work without any further compensation to the Subcontractor for such use; and/or
- (c) furnish those materials and equipment, and/or employ such workers or subcontractors as the Contractor deems necessary to maintain the orderly progress of the work. In such case, the Subcontractor shall be entitled to no further payment until the balance of the Subcontractor's work has been completed and accepted by the Owner. At that time, all of the costs incurred by the Contractor in performing the Subcontractor's work, plus a markup of fifteen percent (15%) for overhead and profit on such expenses, shall be deducted from any monies due, or to become due, to the Subcontractor. The Subcontractor shall be liable for the payment of any amount by which such expenses may exceed the unpaid balance of the Subcontract price.

§12.6. Discretionary Termination. If more than two Notices to Cure are issued to the Subcontractor, and the Subcontractor's performance of the Subcontract remains unsatisfactory, then the Contractor may, in its discretion, terminate the Subcontract. The fact that the Subcontractor timely and satisfactorily responded to any Notices to Cure shall have no bearing on the Contractor's right to terminate.

§12.7. Demobilization at Discretionary Termination. In the event of a discretionary termination, the Subcontractor shall have a reasonable time to demobilize after the termination.

§12.8. Payment of Subcontract Price at Discretionary Termination. In the event of a discretionary termination, the Subcontractor shall be entitled to payment for only the proportionate share of the Subcontract price that represents the work, labor and materials that have been satisfactorily performed and furnished in compliance with the requirements of the Subcontract, less any set-offs, back charges or retention which the Contractor may be entitled to withhold under the terms of the Subcontract. No anticipatory profit or overhead shall be paid with respect to the unperformed portion of the Subcontract Work.

§12.9. Payment of Non-Standard Items at Discretionary Termination. In the event of a discretionary termination, the Subcontractor's sole and maximum compensation for non-standard commercial items actually ordered from, and fabricated by, a sub-subcontractor or supplier shall be limited to payment (a) for completed and delivered items at the Subcontractor's ordered price and (b) for the Subcontractor's actual costs directly attributable to items partially fabricated, if any, plus a reasonable profit, which shall compensate for all overhead costs incurred by the Subcontractor. The Contractor shall have the right of assignment and delivery of all such non-standard items, whether completed or partially fabricated, and to all unused material and inventory acquired and included in the Subcontractor's billings and requests for compensation, or to a credit for the agreed value of any such items.

§12.10. Payment of Standard Items at Discretionary Termination. In the event of a discretionary termination, the Contractor shall have the right to terminate, without obligation or liability whatsoever, all of the Subcontractor's orders for standard commercial items, except for items delivered prior to such termination.

§12.11. Assignment at Discretionary Termination. In the event of a discretionary termination, the Contractor shall be entitled to assignment of any or all of Subcontractor's contracts with sub-subcontractors and suppliers in connection with the Subcontract Work.

§12.12. No Right to Payment for Superfluous Costs. If the Subcontract is terminated for any reason whatsoever, the Contractor shall not be liable to the Subcontractor for labor, materials, or production costs or changes that are unsubstantiated, unrelated, excessive, or inconsistent with the minimum needs to meet the requirements of the Subcontract.

§12.13. Default for Lack of Adequate Assurances. If, at any time, the Contractor reasonably doubts that the Subcontractor has the ability to perform or to complete the Subcontract Work in the time and manner required under the Subcontract Documents because of the Subcontractor's financial condition, or insufficient manpower, equipment or materials, the Subcontractor shall furnish to the Contractor adequate assurances of its ability to satisfactorily perform within seven (7) calendar days after the Contractor's written demand for the same. The failure of Subcontractor to furnish such assurances shall be deemed a Subcontract default and shall entitle the Contractor, without further notice to the Subcontractor, to exercise any appropriate remedy or remedies provided for in the Subcontract Documents.

§12.14. Termination for Convenience. The Contractor may order the Subcontractor to stop, suspend, or terminate the performance of the Subcontract Work, if the Owner, with or without cause, does any of the following acts:

- (a) terminates the Prime Contract;

- (b) stops or suspends the Prime Contract work; or
- (c) fails to timely pay any sum payable under the Prime Contract.

§12.15. Contractor's Liability in Case of Termination for Convenience. If the Contractor stops, suspends, or terminates the performance of the Subcontract Work for convenience, as set forth in §12.14 above, then the Contractor shall only be liable to the Subcontractor for the expenses or costs incurred as a result of any such termination or suspension if, and to the extent that, the Owner pays the Contractor.

§12.16. Bankruptcy Termination Absent Cure. If any of the following events occurs, then the Contractor may terminate the Subcontract forty-eight (48) hours after written notice to cure is sent, via certified mail, to the Subcontractor, its trustee, and its surety:

- (a) the Subcontractor is appointed a receiver;
- (b) the Subcontractor makes an assignment for the benefit of creditors;
- (c) the Subcontractor seeks protection under the Bankruptcy Code; or
- (d) the Subcontractor commits any other act of insolvency.

§12.17. Curing Acts of Insolvency. If the Subcontractor, its trustee, or its surety immediately performs any of the following acts, then the Contractor may not terminate the Subcontract pursuant to Subcontract General Conditions §12.16 above:

- (a) cures all defaults;
- (b) provides adequate assurances of future performance;
- (c) compensates the Contractor for actual pecuniary losses resulting from such defaults;
- (d) assumes the obligations of the Subcontractor within the statutory time limits.

§12.18. Bankruptcy-Interim Remedies. If the Subcontractor is not performing in accordance with the terms of the Subcontract at the time an order for relief is entered, or at any subsequent time, then the Contractor, while awaiting the assurance of the Subcontractor or its trustee of its intent and ability to perform the Subcontract, may avail itself of remedies under this Article that are reasonably necessary to maintain the schedule of work.

§12.18. The Contractor may offset all costs incurred in pursuing any of the remedies provided under the Subcontract Documents against all sums due, or to become due, to the Subcontractor. The Subcontractor shall be liable for the payment of any amount by which such expense may exceed the unpaid balance of the Subcontract Price.

ARTICLE 13. INDEMNIFICATION

§13.1. Article 13 is not intended, and shall not be construed, to require the Subcontractor to indemnify the Contractor to a greater extent than permitted under the public policies of the applicable jurisdiction.

§13.2. The Subcontractor shall indemnify and save harmless, the Owner, the Contractor, and their respective officers, agents, employees, affiliates, sureties, parents, and subsidiaries, and each of them, of, and from, any, and all, claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses, or liability, in law, or in equity, of every kind, and nature, whatsoever (hereinafter referred to as "Claims") arising out of, or in connection with, the Subcontract Work, including, but not limited to the following:

- (a) Personal injuries and property damages, of any kind whatsoever, caused or allegedly caused, in whole or in part, by any of the Subcontractor's negligent acts and/or omissions or any act and/or omission of any person directly or indirectly employed by the Subcontractor or anyone for whose acts the Subcontractor may be liable, regardless of whether such personal injuries or damages are caused, or allegedly caused, by a party indemnified under this Article;
- (b) Penalties imposed for the violation of any law, order, citation, rule, regulation, standard, ordinance, or statute, caused, or allegedly caused, by the Subcontractor's acts and/or omissions;
- (c) Patent, trademark, copyright or other intellectual property rights infringement claims against the Contractor or the Owner arising out of the Subcontractor's work;
- (d) Claims and liens (see Article 7) for labor performed, or materials used, or materials furnished to be used on the Project, including all bond premium costs and incidental or consequential damages incurred by the Contractor or the Owner as a result of such claims or liens;
- (e) The Subcontractor's failure to fulfill the covenants set forth in each subpart of Article 11 - Labor Relations;
- (f) The failure of the Subcontractor to comply with the provisions of Article 14 - Insurance;
- (g) Any Subcontractor violation or infraction of any law, order, citation, rule, regulation, standard, ordinance or Statute in any way relating to the occupational health or safety of employees, including, but not limited to, the use of the Contractor's or other's equipment, hoist, elevators, or scaffolds.

§13.3 Except as to liability arising solely from the Contractor's active negligence or willful misconduct, the indemnification provisions of (a) through (g) above shall extend to Claims occurring after the Subcontract is terminated, as well as while it is in force. The indemnity provisions apply regardless of any active and/or passive negligent act or omission of the Owner or the Contractor or

their agents or employees or independent contractors who are directly responsible to the Owner or the Contractor, or for defects in design furnished by such persons.

§13.4. The Subcontractor shall:

- (a) At the Subcontractor's own cost, expense, and risk, defend all Claims as defined in this Article that may be brought or instituted by third persons, including, but not limited to, governmental agencies or employees of the Subcontractor, against the Contractor or the Owner or their agents or employees or any of them;
- (b) Pay and satisfy any judgment or decree that may be rendered against the Contractor or the Owner or their agents or employees, or any of them, arising out of any such Claim; and
- (c) Reimburse the Contractor or the Owner or their agents or employees for any and all legal expense incurred by any of them in connection with the indemnity granted in Article 13.

ARTICLE 14. INSURANCE

§14.1. Casualty Insurance. Prior to the commencement of any questions, relating to the Project, by, or on behalf of, the Subcontractor, and with respect to any and all such operations, the Subcontractor shall, at its sole expense, procure, maintain in force, and provide to the Contractor, Certificates of Insurance and, at the Contractor's request, certified copies of policies, evidencing the issuance of the following forms of insurance in companies and amounts of deductibles, if any, acceptable to the Contractor. Certificates of Insurance shall provide that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to the Contractor. In addition to the forgoing, Subcontractor shall comply with any and all Insurance Requirements set forth in Exhibit E, Insurance Requirements.

§14.2. Workers' Compensation and Employers' Liability Insurance. Workers' Compensation insurance shall be provided as required by any applicable law or regulation. Employers' liability insurance shall be provided in amounts not less than:

- (a) \$1,000,000 each accident for bodily injury by accident;
- (b) \$1,000,000 policy limit for bodily injury by disease; and
- (c) \$1,000,000 each employee for bodily injury by disease.

If there is an exposure of injury to the Subcontractor's employees under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

§14.3. General Liability Insurance. The Subcontractor shall carry Commercial General Liability insurance, covering all operations by, or on behalf of, the Subcontractor. Such insurance shall provide insurance for bodily injury liability and property damage liability for limits of liability not less than those indicated below and including coverage for the following:

- (a) premises and operations;
- (b) products and completed operations;
- (c) contractual liability insuring the obligations assumed by subcontractor in this Agreement;
- (d) broad form property damage (including completed operations);
- (e) explosion, collapse and underground hazards;
- (f) personal injury liability; and
- (g) liability which Subcontractor may incur as a result of operations, acts or omissions of its subcontractors, suppliers or materialmen, and their agents or employees.

§14.4. Minimum Limits of General Liability Insurance. The minimum limits of liability are as follows:

- (a) \$1,000,000 each occurrence (combined single limit for bodily injury and property damage);
- (b) \$1,000,000 for personal injury liability;
- (c) \$1,000,000 aggregate for products-completed operations; and
- (d) \$1,000,000 general aggregate.

Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit, where applicable, shall apply separately to the Subcontractor's work under the Subcontract. If the policy does not have an endorsement providing that the general aggregate limit applies separately to the Project, or if defense costs are included in the general aggregate limit, then the required aggregate limit shall be \$2,000,000. Furthermore, if the Subcontractor fails to provide a proper certificate as required under the Subcontract, then the Contractor may withhold 2% of the Subcontract price as a premium for general liability.

§14.5. Automobile Liability Insurance. The Subcontractor shall carry automobile liability insurance, including coverage for all owned, hired, and non-owned automobiles. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage. If the Subcontractor's general liability insurance is provided by a Commercial General Liability policy, then the Subcontractor's automobile liability insurance policy shall include coverage for automobile contractual liability.

§14.6. Property Insurance. The Contractor and the Subcontractor waive all rights against each other, and against all other subcontractors and the Owner, for loss or damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Article require an endorsement or consent of the insurance company to provide for

continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

§14.7. **Builder's Risk Insurance.** Upon the Subcontractor's written request, the Contractor shall provide the Subcontractor with a summary of policy sheet for the Builder's Risk policy of insurance or any other property or equipment insurance in force for the Project and procured by the Contractor. The Subcontractor shall satisfy itself as to the existence and extent of such insurance prior to the commencement of the Subcontract Work. If Builder's Risk insurance purchased by the Owner or the Contractor provides coverage for the Subcontractor for loss or damage to the Subcontract Work, then the Subcontractor shall be responsible for the insurance deductible amount applicable to damage to the Subcontract Work and/or damage to other work caused by the Subcontractor. If not covered under the Builder's Risk policy of insurance, or any other property or equipment insurance required by the Prime Contract documents, then the Subcontractor shall procure, and maintain at its own expense, property and equipment insurance for portions of the Subcontract Work stored off the Project site or in transit. If the Owner or the Contractor has not purchased Builder's Risk or equivalent insurance, including the full insurable value of the Subcontract Work, then the Subcontractor may procure such insurance at its own expense as will protect the interests of the Subcontractor, and its subcontractors in the Subcontract Work. Such insurance shall also apply to any of the Owner's or the Contractor's property in the care, custody or control of the Subcontractor.

§14.8. **Subrogation Waiver.** All insurance required under the Subcontract shall contain a waiver of subrogation as to the Contractor and the Owner and their directors, officers and employees, and the Subcontractor expressly waives any and all such subrogation as well.

§14.9. **Additional Insureds.** The Contractor and the Owner and their directors, officers and employees shall be named as additional insureds, via an ISO CG 20 10 11 85 endorsement or equivalent, on each policy required under the Subcontract and any Excess General Liability policies held by the Subcontractor. Each policy shall stipulate that the insurance afforded to the additional insured shall apply as primary insurance and that any other insurance carried by the Contractor or the Owner, or their directors, officers or employees will be excess only and will not contribute to the primary insurance.

§14.10. **Contractor's Approval Required.** The insurance required under this Article shall be subject to the approval of the Contractor, but any acceptance of insurance certificates by the Contractor shall in no way limit or relieve the Subcontractor of its duties and responsibilities under the Subcontract. If higher limits or other forms of insurance are required in the Subcontract Documents, then the Subcontractor shall comply with such requirements.

§14.11. **Contractor's Remedies.** The Contractor may take such steps as are necessary to assure the Subcontractor's compliance with its obligations under this Article. If the Subcontractor fails to maintain any insurance coverage required under the Subcontract, then the Contractor may maintain such coverage and charge the expense to the Subcontractor, or terminate the Subcontract.

§14.12. **Waiver.** The Contractor's failure to timely enforce any of the provisions of this Article shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of the Subcontract. Any exceptions to the provisions of this Article must be delineated in the Subcontract.

§14.13. Carrier Rating. The Subcontractor's insurance carrier shall be at least AM Best Rated A-VII or better.

§14.14. Primary v. Secondary Policies. The insurance policies obtained pursuant to the Subcontract shall be deemed the primary insurance policies. Any policies obtained by the Contractor or the Owner shall be deemed excess or secondary policies.

§14.15. Special Requirements. All of the Subcontractor's certificates of insurance shall reference the Project name, including a full description of the Subcontract Work and the limits covered. Certificates which read "... all operations ..." are not acceptable. The Contractor will reject the Subcontractor's payment requests if the insurance certificates do not comply with this section.

ARTICLE 15. DISPUTE RESOLUTION

§15.1. Initial Dispute Resolution. If a dispute arises out of or relates to this Agreement, or its breach, the parties shall endeavor to settle this dispute first through direct discussions. If the dispute cannot be settled through direct discussions, the parties shall endeavor to settle this dispute by mediation under the Construction Industry Mediation Rules of the American Arbitration Association before recourse to arbitration. Issues to be mediated are subject to the exceptions in Section 15.3 for arbitration. The location of the mediation shall be mutually agreed upon. Once a party files a request for mediation with the other party and with the American Arbitration Association, or an alternative dispute resolution provider, the parties agree to conclude such mediation within one hundred eighty (180) days of filing the request.

§15.2. Agreement to Arbitrate. Contractor and Subcontractor agree that except as provided in Section 15.9, all claims, disputes, and questionable matters, arising out of, or relating to, the Subcontract or breach thereof, except for claims which have been waived by the making, or acceptance of, final payment, shall be decided by the claims procedure, including any arbitration clause, specified in the Prime Contract between the Contractor and the Owner. In the absence of a Prime Contract agreement to arbitrate, then the Arbitration Procedure set forth in Section 15.3 shall apply.

§15.3. Arbitration Procedures. Contractor and Subcontractor agree to the following Arbitration Procedures:

- (a) A written Notice of Demand for Arbitration shall be filed with the other party to the Subcontract, and it shall conform to the requirements of the Prime Contract arbitration provisions.
- (b) The Notice of Demand for Arbitration shall be made within a reasonable time after written notice of the claim, dispute, or other questionable matter has been given. In no event shall the Notice of Demand for Arbitration be made after the date when the institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.
- (c) Any arbitrator award shall be final, and judgment may be entered upon it in accordance with the applicable law of any court having jurisdiction.

- (d) Unless otherwise agreed in writing, the Subcontractor shall carry on the Subcontract Work, maintain the schedule of the Subcontract Work, and continue to make payments in accordance with the Subcontract.
- (e) Unless otherwise prohibited by contracts with others, the claims and disputes of the Owner, the Contractor, the Subcontractor, and any other subcontractors involving a common question of law or fact shall be heard by the same arbitrator(s) in a single proceeding. In such case, and to the extent that the proceedings are related to the Subcontract, it shall be the Subcontractor's responsibility to prepare and present the Contractor's case. If the Contractor enters into an arbitration proceeding with any person or entity, and the subject of the proceeding is related to the Subcontract, then the Subcontractor shall be bound by the result of the arbitration proceeding to the same degree as the Contractor.
- (f) In the absence of an express waiver, this Article shall not limit the Subcontractor's rights or remedies under any federal or state mechanic's lien laws or under any applicable labor and material payment bonds.

§15.4 Consolidation. To the extent not prohibited by the Prime Contract, the claims and disputes of the Owner, Contractor, Subcontractor and other Subcontractors or suppliers involving a common question of fact or law shall be heard by the same arbitrator(s) in a single proceeding.

§15.5 Forum Selection. All demands for arbitration or lawsuits relating to this Subcontract Agreement shall be brought in the appropriate office or court in the County of Los Angeles, State of California. The location of the arbitration proceedings shall be mutually agreed to.

§15.6 Award. The award rendered by the arbitrator(s) shall be final and judgment may be entered upon the award in accordance with applicable law in any court having jurisdiction. The prevailing party, in the award rendered by the Arbitrator, shall be entitled to recovery of all reasonable attorney's fees and cost.

§15.7 Work Continuation and Payment. Subcontractor shall carry on the Work and maintain the Schedule of Work pending arbitration or litigation, and if so, Contractor shall continue to make payments in accordance with this Subcontract Agreement, except for the disputed amount(s) which may be withheld.

§15.8 Exceptions. This agreement to arbitrate shall not apply to any claim: (a) of contribution or indemnity asserted by one party to this Subcontract against the other party which arises out of an action brought in a state or federal court or in an arbitration by a person who is under no obligation to arbitrate the subject matter of such action with either of the parties hereto, or does not consent to such arbitration; (b) asserted by Subcontractor against Contractor if Contractor asserts said claim, either in whole or in part, against Owner and the Prime Contract does not provide for binding arbitration, or does so provide but the two arbitration proceedings are not consolidated, or Contractor and Owner have subsequently agreed not to arbitrate said claim; or (c) which have been waived by the making, or acceptance of, final payment. In any dispute arising over the application of this Section 15.8, the question of arbitrability shall be decided by the appropriate court in the County of Los Angeles, State of California, and not by arbitration.

ARTICLE 16. SAFETY PRACTICES

§16.1. The Subcontractor shall do all of the following:

- (a) fully comply with all laws, orders, citations, rules, regulations, standards, and statutes with respect to occupational health and safety, the handling and storage of hazardous materials, accident prevention, safety equipment and practices, including the accident prevention and safety programs of the Owner and the Contractor;
- (b) conduct inspections to determine that safe working conditions and equipment exist;
- (c) accept sole responsibility for providing a safe work place for its employees and for the employees of its subcontractors and suppliers;
- (d) accept sole responsibility for the adequacy of, and the required use of, all safety equipment; and
- (e) accept sole responsibility for full compliance with the foregoing laws, orders, citations, rules, regulations, standards and statutes.

§16.2. The Subcontractor agrees to provide the Contractor with the following documents:

- (a) a current copy of the Subcontractor's safety program (in California - the Injury & Illness Prevention Program);
- (b) a list of the Subcontractor's "Designated Competent Person(s)"; and
- (c) copies of all documents relevant to the Subcontract Work and required by the Federal Occupational Safety and Health Administration or any state operated OSHA program with jurisdiction in the area of the Project (both hereinafter referred to as "OSHA"), including, but not limited to an erection plan, a fall protection plan, a respirator program, a Hazard Communications program, a scaffold safety program, etc.).

§16.3. Prior to the Subcontractor's commencement of the Subcontract Work, the Subcontractor shall provide the Contractor with information regarding the Subcontractor's safety record for the past five (5) years, including, but not limited to, OSHA citations issued for the violation of any regulation and any fines or other penalties assessed against the Subcontractor.

§16.4. During the Subcontractor's performance of the Subcontract Work, the Subcontractor shall comply with the more stringent of either OSHA's requirements for safety practices, the Contractor's requirements for safety practices, or the Owner's requirements for safety practices.

§16.5. Prior to the Subcontractor's commencement of the Subcontract Work, the Subcontractor shall prepare, and provide to the Contractor, a safety checklist, addressing the particular safety issues associated with the Subcontract Work. The Subcontractor shall provide the Contractor with copies of its completed safety checklist at least once each month.

§16.6. The Subcontractor shall provide the Contractor with weekly documentation of the Subcontractor's safety meetings.

§16.7. The Subcontractor shall provide the Contractor with weekly documentation of the Subcontractor's Project site inspections performed to ensure that no employee is exposed to any unsafe, unhealthy, or otherwise hazardous condition(s).

§16.8. The Subcontractor shall immediately report and correct any unsafe, unhealthy, or otherwise hazardous condition(s) created, in whole or in part, by the Subcontractor at the Project site.

§16.9. The Subcontractor shall immediately report any unsafe, unhealthy, or otherwise hazardous conditions at the Project Site.

§16.10. If (a) OSHA issues a citation to the Contractor in its capacity as either the "controlling employer" or the "correcting employer," as those terms are defined by OSHA, for the violation of any OSHA rules and regulations at the Project site, and said citation is related to the Subcontract Work, and (b) the Subcontractor, whether or not cited, is considered by OSHA to be the "creating" and/or "exposing" employer responsible for the violation, then the Subcontractor shall immediately pay to the Contractor an amount equal to any penalty paid by the Contractor to OSHA as a result of said citation. The Subcontractor shall also immediately reimburse the Contractor for all costs, expenses, and fees, including attorney's fees, that the Contractor incurs in defending against the citation.

§16.11. If the Subcontractor fails to meet the requirements of Article 16 or fails to enforce the required safety procedures and regulations of the Contractor or OSHA, then the Subcontractor shall be deemed to be in default of the Subcontract, and the Contractor's recourse shall be pursuant to Article 12 of the Subcontract General Conditions.

ARTICLE 17. WARRANTIES

§17.1. The Subcontractor warrants the Subcontract Work as follows:

- (a) it shall strictly comply with the Subcontract Documents;
- (b) it will be warranted to the extent, and for the time, specified in the Prime Contract;
- (c) it will include all new materials and equipment, unless otherwise specified;
- (d) it will be of good quality, free from faults and defects and fit for its intended use as to both workmanship and materials.

§17.2 The Subcontractor shall use the warranty forms provided by the Contractor or attached as Exhibit H, Subcontractor Warranty Form. The warranties shall be printed on 8-1/2" x 11" 20lb weight white bond paper, and they shall contain an original "wet" signature.

ARTICLE 18. USE OF CONTRACTOR'S EQUIPMENT

§18.1. If the Subcontractor uses the Contractor's equipment, materials, labor, supplies, and/or facilities, then the Subcontractor shall reimburse the Contractor for the same at a predetermined rate, except as provided in Article 12 or as otherwise stated in the Subcontract General Conditions.

§18.2. If the Subcontractor uses the Contractor's equipment, materials, labor, supplies, and/or facilities, then the Subcontractor accepts the same as furnished.

§18.3. If the Subcontractor uses the Contractor's equipment, materials, labor, supplies, and/or facilities, then the Subcontractor assumes full responsibility for physical damage to the same.

§18.4. If the Subcontractor uses the Contractor's employees, then the Subcontractor assumes full responsibility for all acts and/or omissions of the Contractor's employees during such use.

ARTICLE 19. ASSIGNMENT AND SUBLETTING

§19.1. If the Subcontractor assigns, transfers, sublets, or delegates any part of the Subcontract Work, or any claim arising under the Subcontract, without the Contractor's prior express written consent, then the same shall be void.

§19.2. The Contractor shall not recognize, or be bound by, any assignment of any right to payment earned, or to be earned, by the Subcontractor's performance of the Subcontract, unless, and until, the Contractor receives written notice which reasonably proves the assignment and identifies the rights assigned.

§19.3. The Subcontractor's assignment of any part of the Subcontract Work shall be subject to the Contractor's reservation of all rights and remedies possessed by, or available to, the Contractor against the Subcontractor, its sureties, and its assigns, including, but not limited to, the Contractor's rights of set-off, to retain monies, to amend or modify the Subcontract, and to assert all other defenses and claims whether or not arising under the Subcontract.

§19.4. The Subcontractor's assignment of any part of the Subcontract Work, or the Contractor's consent to the same, shall not, in any event, relieve the Subcontractor or its sureties from any of their obligations, duties, responsibilities, or liabilities.

§19.5. The Subcontractor's assignment of any part of the Subcontract Work shall be on the express condition that the further agreement shall be subject to the terms and conditions of the Subcontract and the Subcontractor shall incorporate all of the terms and conditions of the Subcontract into any such further agreement.

ARTICLE 20. INDEPENDENT CONTRACTOR

§20.1. The Subcontractor represents that it is an independent contractor and not an agent of the Contractor.

§20.2. The Subcontractor represents that it is fully experienced and properly qualified as an expert to perform the class, or classes, of work required under the Subcontract.

§20.3. The Subcontractor represents that it is properly licensed, equipped, organized, and financed to perform the Subcontract Work.

§20.4. The Subcontractor shall, at its sole cost and expense and without increase in the Subcontract price, do all of the following:

- (a) comply with all applicable laws, ordinances, statutes, rules, and regulations, whether federal, state, county or municipal, including, but not limited to those relating to wages, hours, and working conditions;
- (b) procure, and pay for, all permits, licenses, and inspections required by any governmental authority for any of the Subcontract Work;
- (c) furnish any bonds, security, or deposits required by any governmental authority to permit the performance of the Subcontract Work;
- (d) pay any and all taxes, excises, assessments or other charges, including sales and use taxes, levied by any governmental authority on, or because of, the Subcontract Work, or on any labor, materials, tools, equipment or incidentals used, or supplied, in the performance of the Subcontract Work;
- (e) pay all taxes and contributions for social security and unemployment insurance and old age retirement benefits whether measured by wages, salaries, or other remunerations paid to the Subcontractor's employees, or by hours worked or otherwise, and whether levied under existing or subsequently enacted laws, rules or regulations;
- (f) take all precautions which are necessary and adequate against any conditions created during the progress of the Subcontract Work which involve a risk of bodily harm to others or a risk of damage to property, including the property of the Owner and the Contractor;

§20.5. The Subcontractor shall, upon receipt of the Contractor's request and at its own expense, furnish evidence satisfactory to the Contractor that any or all of the foregoing obligations have been fulfilled.

ARTICLE 21. PROJECT RULES AND CLEAN-UP PROCEDURES

§21.1. The Subcontractor, including its employees and workmen, shall present themselves in a friendly and professional manner. Everyone at the Project site shall be treated with the utmost respect.

§21.2. The Subcontractor, including its employees and workmen, shall maintain a neat and clean appearance at all times. Work boots, hardhats, and safety glasses must be worn at all times. If an employee is not wearing a hardhat, then the Contractor will provide a hardhat, and the Subcontractor will be backcharged \$100.00 per occurrence.

§21.3. The Subcontractor, including its employees and workmen, shall use the rental toilets provided by the Contractor. If the Project has existing public facilities, then they are not to be used under any circumstances.

§21.4. All tasks which generate noise must be coordinated with the Contractor. No radios shall be permitted at any time.

§21.5. No smoking will be permitted in any of the Project work areas at any time. The Contractor will designate a smoking area.

§21.6. No alcoholic beverages will be permitted at the Project site at any time.

§21.7. Contractor t-shirts or employee badges must be worn at all times.

§21.8. At all times during the performance of the Subcontract Work, the Subcontractor shall maintain the Project site in a clean, safe, and orderly condition.

§21.9. Upon the termination, or completion, of the Subcontract Work, the Subcontractor shall remove from the Project site all unused or excess materials, temporary structures, debris, and waste incidental to the Subcontract Work, and clean all surfaces, fixtures, equipment, etc., relative to the performance of the Subcontract.

§21.10. If the Contractor orders the Subcontractor's representative to perform a clean-up function within twenty-four (24) hours, and the Subcontractor fails to comply with the order, then the Contractor may proceed to perform the clean-up function, and the Subcontractor shall pay the Contractor all cost, expenses, and fees associated with the same.

ARTICLE 22. SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§22.1. The Subcontractor agrees to furnish, within 14 calendar days of written Notice to Proceed from the Contractor and in such sequence as to comply with the Project Schedule and cause no delay in the work or activities of other subcontractors, Seven (7) sets of all shop drawings, product data, and samples that may be required by the Subcontract Documents or the Owner or the Owner's agent for the complete installation of Subcontract Work. Should Contractor not issue a written Notice to Proceed, Subcontractor shall provide written notice to the Contractor no less than two (2) calendar days prior the date Contractor's failure to provide the written Notice to Proceed would cause Subcontractor to be delayed in the prosecution of its work or delay the Project Schedule or other subcontractors.

§22.2. The Subcontractor shall perform no portion of the Subcontract Work, requiring submittal and review of shop drawings, product data, samples, or similar submittals until the respective submittal has been approved.

§22.3. By submitting shop drawings, product data, samples, or similar submittals, the Subcontractor represents that it has determined and/or verified all materials, field measurements, and field construction criteria related to the submittal and has checked and coordinated the information contained within the submittal with the requirements of the Subcontract Documents.

§22.4. The Subcontractor agrees to provide all "as-built" drawings, maintenance and operation manuals, etc., that are called for in the Subcontract Documents.

ARTICLE 23. LAYOUT RESPONSIBILITY

§23.1. The Contractor shall establish the principal axis lines and levels.

§23.2. After the Contractor establishes the principal axis lines and levels, the Subcontractor shall lay out its work and shall be strictly responsible for the accuracy of its work.

§23.3. If the Subcontractor fails to set out or perform its work correctly, then the Subcontractor shall be strictly responsible for any loss and/or damage to other persons or entities engaged in work on the Project.

§23.4. The Subcontractor shall exercise prudence so that actual final conditions and details shall result in the alignment of finish surfaces required by the Subcontract Documents.

ARTICLE 24. NOTICES

§24.1. Any notices required by the Subcontract Documents shall be in writing and must be sent by U.S. Mail, return receipt requested.

§24.2. Notices to the Contractor or the Subcontractor shall be sent to the Contractor's or the Subcontractor's respective addresses that are set forth in the Subcontract Documents.

§24.3. All notices shall be deemed served when they are deposited in the United States mail, addressed as required, with prepaid postage.

ARTICLE 25. CHOICE OF LAW

§25.1. The Subcontract shall be governed by, and construed in accordance with, the laws of the State of California, unless the Owner is an agency of the United States Government.

§25.2. If the Subcontract concerns a project in which the Owner is an agency of the United States Government, then the Subcontract shall be governed by, and construed in accordance with, applicable federal contract law and regulations and the laws of the State of California shall apply only where there is an absence of federal law.

ARTICLE 26. PROJECT CLOSE-OUT

§26.1. All Project close-out documentation shall be due two weeks prior to substantial completion of the Project.

§26.2 The Subcontractor is responsible for consulting with the Contractor to determine the number of sets of close-out documentation that the Subcontractor must submit.

§26.3. Project close-out documentation shall include the following documents and all other documentation identified in the Subcontract Documents as set forth in the Project Specifications (including but not limited to):

- (a) Warranties.
- (b) Product Data Sheets. Approved copies of product data sheets are required at close-out. All shop drawings should be sized or neatly folded to fit in binders.

- (c) Operations and Maintenance Manuals. The specific requirements of the Operations and Maintenance Manuals are set forth in the Subcontract Documents. However, at a minimum, they should contain cleaning instructions, operating instructions, product data sheets, shop drawings, submittals, and warranties.
- (d) As-Built Drawings. Provide 2 CDs and blueprint/bond format.
- (e) Test Certificates. If required by the Subcontract Documents.
- (f) Extra parts. Provide all spare parts, tools, and/or materials required by the Subcontract Documents.

ARTICLE 27. COMPLIANCE WITH LAWS

§27.1 Subcontractor shall observe and abide by and shall require its employees, subcontractors, and all others directly or indirectly employed or engaged by Subcontractor to observe and abide by all valid applicable laws, statutes, ordinances, rules, and regulations of the national, state, and local governments (and subdivisions or agencies thereof) in connection with any and all work performed hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract Agreement, the day and year first above written.

THIS SUBCONTRACT AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY BE ENFORCED BY THE PARTIES.

SUBCONTRACTOR	CONTRACTOR
Name: _____	Name: _____
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____

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Gonzales Construction
Project:
Project No.:

Prepared By:

Subcontractor shall initial and date below in acceptance of all Exhibits

Subcontractor Initials: _____ Date: _____

Exhibit “A”

Original Letter of Intent

Exhibit “B”

General Scope

EXHIBIT "B"
GENERAL SCOPE / ALL TRADES

Work performed under this Agreement includes submittals required of the Subcontractors. Any applicable Architects, Designers, Owners, Engineers and Gonzales Construction must approve all submittals

Subcontractor agrees to comply with all related duties and/or procedures and/or materials using industry standards.

Subcontractor acknowledges that the Project is being built on a "Fast Track" schedule. The Agreement includes a flexible work schedule to maintain the General Contractor's work schedule provided in this Agreement.

No claim by the Subcontractor for an adjustment in the Subcontract Sum for changes in the work, whether on account of extra labor and/or materials furnished, or otherwise, shall be payable by Contractor to Subcontractor unless furnished pursuant to a written authorization or change order signed by the President **(NO OTHER SIGNATURE IS VALID)**. Work authorizations or change orders must include a detailed breakdown of the cost of work and any time adjustments if necessary. Failure to submit a written authorization or change order prior to commencement of any additional work will result in the work being included in the original "Scope of Work".

Prior to execution of this Agreement, Subcontractor must provide the following:

- A. Evidence of Insurance per EXHIBIT "E".
- B. Proof of required licensing for the project locality.

Subcontractor acknowledges "Scope of Work" includes any design/build requirements, local building codes and any city requirements known or unknown at the time of signing this Agreement.

Subcontractor acknowledges all requirements of general conduct as included in **EXHIBIT "F"** of this Agreement.

Subcontractor acknowledges that the site will remain open to all employees and visitors during the period of construction and will maintain all emergency egress and safety requirements at all times.

EXHIBIT "B"
Gonzales Construction
Project:
Job No.:

Subcontractor Initials_____

Exhibit “C”

Specific Scope

EXHIBIT "C"

SPECIFIC SCOPE

Subcontractor shall provide all labor, material, equipment and supervision required to perform the work as follows:

1. Furnish and install all work in accordance with the following Specifications and Sections including but not limited to any referenced codes not specifically stated below including but not limited to sections: Contract General Conditions, Supplementary Conditions, General Requirements and all general notes on drawings.

Division Codes:

All work performed shall be in accordance with all Plans (Reference Drawing list Exhibit "M" attached), Specification(s,) and Addendum XXXXX for the XXXXXX Project dated XXXXXX.

DRAWINGS AND SPECIFICATIONS:

Specifications are intended to establish the standards for quality, performance, and technical requirements for all labor, workmanship, material, methods, and equipment necessary to complete the work shown or reasonably implied on the Drawings and Specifications. The Drawings are intended to establish the scope, arrangement, graphic detail, and to illustrate the contract requirements. The Drawings and Specifications are intended to compliment and supplement one another, and any part of the Work that may be mentioned or indicated in the one and not represented in the other shall be done the same as if it had been mentioned or represented in both. Work, materials, or equipment of a minor nature which may not be specifically mentioned in the Specifications or indicated on the Drawings, but which may be reasonably assumed as necessary for completeness of the Work, shall be performed and or supplied by the Subcontractor the same as if it were shown on the Drawings or described in the Specifications. In case of a discrepancy either in the figures, on the drawings, or in the specifications, the matter shall be promptly submitted in writing to Gonzales Construction, who shall submit to XXXXXX, who shall promptly make a determination in writing.

EXHIBIT "C"
Gonzales Construction
Project:
Job No.:

Subcontractor Initials: _____

Exhibit “D”

Project Schedule

SAMPLE

TO FOLLOW

Exhibit “E”

Insurance Requirements

EXHIBIT "E"

**GONZALES CONSTRUCTION
SUBCONTRACTOR INSURANCE REQUIREMENTS**

1. Certificates of insurance are required prior to any commencement of work. All Certificates must comply with the following minimum standards:

- A. Subcontractor's insurance carrier shall be at least AM Best Rated A-VII or better
- B. Original "wet signed" certificate in our Tarzana office.
- C. Gonzales Construction and owner/client to be named as additional insured.

Must read as follows: **XXXXXX**

D. A Waiver of Subrogation will be required for General Liability and for Workers Compensation Insurance.

E. Minimum Coverage's required:

- Workers' Compensation Insurance
- General Liability Insurance (insurance shall have an endorsement similar to CG 2010 11 85 or it's equivalent) - \$1,000,000 per occurrence,
- \$2,000,000 aggregate
- Automobile Insurance (to include either "Any Auto" or "All Owned, Non-Owned, and Hired Auto" coverage) - \$1,000,000 per accident

F. Certificate of Insurance will include the following statement:

" It is further understood and agreed that these insurance policies comply with the Contract requirements of this project including but not limited to this Exhibit "E". "

G. Cancellation language must read as follows:

"Should any of the above described policies be canceled before the expiration date thereof, the issuing insurer will mail 30 days written notice to the certificate holder named to the left."

2. No payments will be made unless our main office in accordance with this Exhibit has received original certificates.

Continued on page 2

EXHIBIT "E" - Continued

EXHIBIT "E"
Gonzales Construction
Project::
Job No.:

Subcontractor Initials_____

3. Please note that Certificates of Insurance must address the job to which they pertain and include a full description of the work and limits covered. Our accounting department will reject any request for payment not showing the job name/address on the Certificate of Insurance. Therefore we urge you to have your agent send a proper Certificate to us immediately. Please note Certificates, which read "...all operations..." are not acceptable. The specific job (XXXXXX) must be named.
4. Insurance obtained pursuant to this agreement shall be deemed primary insurance to any other insurance policy which the Owner or Contractor may obtain for their own benefit, which policies shall be deemed excess or secondary, and not contributing with insurance obtained by subcontractor to fulfill the insurance requirements herein, regardless of any language contained in the any or all policies at issue.
5. Contractor's inadvertence in enforcing these requirements shall not be deemed a waiver of the requirements or the obligation of the subcontractor to provide insurance as required under this contract and in accordance with this Exhibit E.
6. Contractor at its sole discretion may withhold 2% of the subcontractor's contract amount as premium for general liability if subcontractor fails to provide a proper certificate as required under this contract and in accordance with this Exhibit E.
7. Please instruct your agent to forward all original Certificates of Insurance to:

Gonzales Construction, 19531 Ventura Blvd, 2nd Floor, Tarzana CA 91356
8. Insurance Certificate information:

Job No.:
Job Name:
Job Address:
Owner:
9. This Exhibit "E" shall control any inconsistencies between its provisions and Sections 13.2 – 13.8 of the Subcontract Agreement.

EXHIBIT "E"
Gonzales Construction
Project::
Job No.:

Subcontractor Initials_____

Exhibit “F”

Job Site Rules and Conduct

EXHIBIT "F"

JOBSITE RULES AND CONDUCT

It is imperative that all contractors inform their employees about the importance of all the following guidelines to ensure that the professional image of each and every employee is upheld at all times. Gonzales Construction has a reputation for carrying out quality work in a professional manner and always remaining sensitive to our clients' every concern.

1. **Conduct-** All subcontractors and their employees/workmen are expected to present themselves in a friendly and professional manner. Guests and employees of the premises are to be treated with the utmost respect.
2. **Dress-** Employees/workmen are required to maintain a neat and clean appearance at all times. Work boots, hardhats and safety glasses must be worn at all times. If an employee is not wearing a hardhat, Gonzales Construction will provide a hardhat with a back charge to the subcontractor for \$100.00 per each occurrence.
3. **Safety-** In addition to hardhats, safety goggles and work boots, all OSHA requirements must be complied with. Subcontractors will be directly accountable for any OSHA violations or penalties issued during the course of this project. **HARDHATS MUST BE WORN AT ALL TIMES.**
4. **Restricted Areas / Facilities-** All employees/workmen are required to use the rental toilets located near the site office trailer. No use of the public facilities, eating areas, cafeterias, pools, jacuzzi's etc will be permitted under the terms of this Agreement. Lunches may be eaten at designated areas only. These restrictions include after hours as well.
5. **Noise-** All tasks, which will generate noise, must first be arranged with the Site Manager. Absolutely no job radios are permitted at any time.
6. **Site Meetings-** All trades must have a competent foreman (familiar with the project requirements) on site each day at all times. A mandatory pre-construction meeting will be held each and every morning to discuss the schedule and events of the day. It is mandatory that all foremen attend these meetings for each day that work is scheduled to be performed. **NO EXCEPTIONS!** These meetings are to be held from 7:00 – 7:30 each morning.
7. **Clean-up-** All Subcontractors are responsible for every area and piece of trash that is pertinent to their work. The work areas must be kept clean at all times. A thorough cleanup is expected at the end of each day. All plastic and drop cloth prep is the responsibility of each Subcontractor. Any time Gonzales Construction has to clean up a Subcontractor's area a \$100 hourly labor charge will be back charged against the Agreement.
8. **Smoking-** Smoking will not be permitted in any work areas on the project premises other than designated smoking areas.
9. **Alcohol Beverages-** NOT PERMITTED AT ANY TIME.
10. **Identification-** Company t-shirts or Gonzales Construction employee badges must be worn at all times. Security Badges as per project specifications must be worn by all employees of all Subcontractors at all times (obtained from the University Security Office through Gonzales Construction). All subcontractors are responsible to provide an employee list to the General Contractor.

EXHIBIT "F"

Gonzales Construction

Project:

Job No.:

Subcontractor Initials_____

Exhibit “G”

Contract Closeout

EXHIBIT "G"

CONTRACT CLOSEOUT

Contract Closeout documents are due two weeks prior to substantial completion of the project. A notice will be sent to your office when this time occurs. Documents shall include all requirements in accordance with the Specifications and Sections that apply to your specific work scope, including but not limited to any referenced Specifications and/or Sections that may apply. Closeout requirements for specific construction activities are included in each appropriate section(s). Seven sets of each will be required (6 for Cal State Fullerton, 1 for Gonzales Construction). Be advised, XXXXXX may return for corrections and you will be required to resubmit all 7 sets.

The following is a partial list of closeout documents that may be required, actual documents to be submitted shall include all requirements in accordance with the Specifications (review Spec Section XXXXXXXX for more information) and Sections that apply to your specific work scope, including but not limited to any referenced Specifications and/or Sections that may apply:

1. **Warranty-** A minimum of 1 original and 6 additional copies are required. Warranty requirements are as follows (but not limited to) – 8-1/2" x 11" white bond, at minimal 20lb weight paper; neatly written or printed. **Warranty must have original signature. See Exhibit "H".**
2. **Product Data-** Seven copies of approved product data. While product data is provided in the submittal process, confusion can be caused due to rejections and approvals therefore, clean originals and approved copies of product data are required for close out packages. All shop drawings to be submitted 11" in height to fit in a binder.
3. **Operation & Maintenance Manuals-** Seven copies of Operation & Maintenance Manuals (O & M) required, as per details in specifications. O & M Manuals includes cleaning instructions, and operations for any and all equipment installed, including glass and paint.
4. **As-Built Drawings-** Seven blueprint or bond As-Built Drawings are required, as well as 2 CD copies (one for Owner and one for Gonzales Construction).
5. **Test Certificates-** (When Applicable)
6. **Final Cleaning- (on all Finish products installed by the subcontractor)**
7. **Extra Supplies-** Provide spare parts, tools and materials as required per Specifications.

EXHIBIT "G"
Gonzales Construction
Project:
Job No.:

Subcontractor Initials_____

Exhibit “H”

Subcontractor Warranty Form

EXHIBIT "H"

SUBCONTRACTOR WARRANTY FORM

Project:

Location:

Owner:

We, _____ Subcontractor for the above
(Company Name)
referenced project, do hereby warrant that all labor and materials furnished and work performed are in accord with the Contract Documents and authorized modifications thereto, and will be free from defects due to defective materials or workmanship for a period of one year from Date of Substantial Completion.

This warranty commences on _____ (Dates of Substantial Completion affixed by Architect)
and expires on _____ (Expiration Date)

Should defects develop during the warranty period due to improper materials, workmanship or arrangement, the same, including adjacent work displaced, shall be made good by the undersigned at no expense to the Owner.

The General Contractor will give Subcontractor written notice of defective work. Should Subcontractor fail to correct defective work within 15 days after receiving written notice, the General Contractor may, at his option, correct defects and charge Subcontractor costs for such correction. Subcontractor agrees to pay such charges upon demand.

Nothing in the above shall be deemed to apply to work, which has been abused or neglected by the Owner.

For: _____
(Company Name)

By: _____

Title: _____

Date: _____

End of Subcontractor Warranty Form

Exhibit “I”

Payment Applications
(Instructions/Pay Request/Waiver Releases)

Pay Request Instructions

First Pay Request:

Submit the following:

- (1) Completed Pay Request in the format attached
- (2) Completed Conditional Waiver and Release Upon Progress Payment
- (3) Conditional Waiver and Release from Subcontractor's suppliers/vendors that a Preliminary Notice has been filed by on the Project.
- (4) Sufficient backup documentation to support Pay Request Amount/Percent Complete, including but not limited to stored/delivered materials, supplies and equipment.
- (5) Proof of compliance of all required EEO/AA Compliance Requirements. (If Applicable)
- (6) Certified Payroll Report with Statement of Compliance and/or Statement of Non-Performance .

Second and subsequent Pay Requests:

Submit the following:

- (1) Completed Pay Request in the format attached
- (2) Completed Conditional Waiver and Release Upon Progress Payment for current request
- (3) Conditional Waiver and Release from Subcontractor's suppliers/vendors that a Preliminary Notice has been filed by on the Project and are yet to be paid.
- (4) Completed Unconditional Waiver and Release Upon Progress Payment for previous amount paid
- (5) Unconditional Waiver and Releases from Subcontractor's suppliers/vendors that a Preliminary Notice has been filed by on the Project that have been paid from previous pay request.
- (6) Sufficient backup documentation to support Pay Request Amount/Percent Complete, including but not limited to stored/delivered materials, supplies and equipment.
- (7) Proof of compliance of all required EEO/AA Compliance Requirements. (If Applicable)
- (8) Certified Payroll Report with Statement of Compliance and/or Statement of Non-Performance .

Final Pay Request (Retention):

Submit the following:

- (1) Completed Pay Request showing 100% complete and paid less retention in the format attached
- (2) Completed Conditional Waiver and Release Upon Final Payment
- (3) Completed Unconditional Waiver and Release Upon Progress Payment for previous amount paid
- (4) Unconditional Waiver and Release from all Subcontractor's suppliers/vendors that a Preliminary Notice has been filed by on the Project.
- (5) Proof of compliance of all required EEO/AA Compliance Requirements, Submittals and Close Out Documentation.
- (6) Certified Payroll Report with Statement of Compliance and/or Statement of Non-Performance .

EXHIBIT "I"
Gonzales Construction
Project:
Job No.:

Subcontractor Initials _____

PAY REQUEST

Subcontractor Info:

(Name) _____
(Address) _____
(Address) _____
(Phone) _____
(Fax) _____

Invoice Date: _____
Invoice #: _____

To: Gonzales Construction
19531 Ventura Blvd. 2nd Floor
Tarzana, CA 91356
Attention: Accounts Payable

Job Name: _____
Job #: _____
Trade: _____
Cost Code: _____

Billing Period: _____
(Month Ending)

Contract Amount	_____
Total All Approved Change Orders	_____
Revised Contract Amount	\$ -
Approved _____ (% Completed to Date)	\$ -
Less {XX} Retention	\$ -
Total Amount	\$ -
Less Previous Amount Paid	_____
Net Amount of This Pay Request:	\$ -

(Date Signed)

(Signature)

(Printed Name & Title)

EXHIBIT "I"
Gonzales Construction
Project:
Job No.:

Subcontractor Initials _____

Conditional Waiver and Release Upon Progress Payment

CALIFORNIA CIVIL CODE SECTION 3262 (d)(1)

Upon receipt by the undersigned of a check from _____
(Maker of Check)

in the sum of _____
(Amount of Check)

payable to _____
(Payee or Payees of Check)

and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanics' lien, stop notice, or bond right the undersigned has on the job of _____
(Owner)

located at _____
(Job Description)

to the following extent. This release covers a progress payment for labor, services, equipment, or material furnished to _____
(Your Customer)

through _____
(Date)

only and does not cover any retentions retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanics' lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or right of the undersigned to recover compensation for furnished labor, services, equipment, or material by this release if the furnished labor, services, equipment, or material was not compensated by the progress payment. Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

Date: _____
(Company Name)

By: _____
(Title)

NOTE: CIVIL CODE 3262 (d)(1) PROVIDES:

When the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a progress payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint check is given in exchange for a waiver and release, the waiver and release shall follow substantially the form set forth above.

Unconditional Waiver and Release Upon Progress Payment

CALIFORNIA CIVIL CODE SECTION 3262 (d)(1)

The undersigned has been paid and has received a progress payment in the sum of _____
(Total Amount Paid)

for labor, services, equipment, or material furnished to _____
(Your Customer)

on the job of _____
(Owner)

located at _____
(Job Description)

and does hereby release date; extras furnished before the release date for which payment has been received; extras or items furnished after the release date. Rights based upon work performed on items furnished under written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanics' lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment, or material was not compensated by the progress payment.

Date: _____
(Company Name)

By: _____
(Title)

"NOTICE TO PERSONS SIGNING THIS WAIVER: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM."

NOTE: CIVIL CODE 3262 (d)(1) PROVIDES:

When the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a progress payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint check is given in exchange for a waiver and release, the waiver and release shall follow substantially the form set forth above.

Conditional Waiver and Release Upon Final Payment

CALIFORNIA CIVIL CODE SECTION 3262 (d)(1)

Upon receipt by the undersigned of a check from _____
(Maker of Check)

in the sum of _____
(Amount of Check)

payable to _____
(Payee or Payees of Check)

and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanics' lien, stop notice, or bond right the undersigned has on the job of _____
(Owner)

located at _____
(Job Description)

This release covers a final payment to the undersigned for all labor, services, equipment, or material furnished on the job, except for disputed claims for additional work in the sum of _____
(Dollar Amount)

through _____
(Date)

Date: _____
(Company Name)

By: _____
(Title)

NOTE: CIVIL CODE 3262 (d)(1) PROVIDES:

When the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a progress payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint check is given in exchange for a waiver and release, the waiver and release shall follow substantially the form set forth above.

Unconditional Waiver and Release Upon Final Payment

CALIFORNIA CIVIL CODE SECTION 3262 (d)(1)

The undersigned has been paid in full for labor, services, equipment, or material

furnished to _____
(Your Customer)

on the job of _____
(Owner)

located at _____
(Job Description)

and does hereby waive and release any right to a mechanics' lien, stop notice, or any right against a labor and material bond on the job, except for disputed claims of extra work in the amount of _____
(Dollar Amount)

Date: _____
(Company Name)

By: _____
(Title)

"NOTICE TO PERSONS SIGNING THIS WAIVER: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM."

NOTE: CIVIL CODE 3262 (d)(1) PROVIDES:

When the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a progress payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint check is

Exhibit “J”

Responsibility Chart

EXHIBIT "J"

RESPONSIBILITIES CHART			
Project: Location: Owner:	Furnished/Installed By Owner and/or Architect	Furnished/Installed By Gonzales	Furnished/Installed by Subcontractor
General Permit			
Sub-Trade Permits (Pick up Only)			
Remove Existing Furniture Fixtures & Equipment (FF&E)			
Install Existing or New Furniture Fixtures & Equipment (FF&E)			
Asbestos / Abatement			
Temporary Power Service (If power is down)			
Plans & Specifications (including general notes & ADA requirements)			
Warranty Manuals for all Equipment			
Project Meetings (Daily)			
48-Hour Notice to Owner for all Utility Shutdowns			
Emergency Procedures and Phone No.'s Provided			
Site Supervision & Crew Lodging/Perdiums			
Provide submittals & samples for approval			
Dumpsters			
Daily Site Clean-up			
Employee/workmen Conduct and Appearance			
Site Safety			
Perform all work per Drawings and Specifications			
Site Review & Plan Verification			
All testing equipment			
Cleaning of sub-contractors own equipment/fixtures			
Equipment to perform sub-contractors own work			
Debris Recycling Report (submitted monthly)			
Certified Payroll (submitted bi-weekly) - Prevailing Wage Project			

EXHIBIT "J"

Gonzales Construction

Project:

Job No:

Subcontractor Initials_____

Exhibit “K”

Drawing List

EXHIBIT "K" DRAWING LIST

Description	Sheet No.	Rev. No.	Sheet Date
General Information			
Civil			
Landscape			
Architectural			

SAMPLE

EXHIBIT "K" **DRAWING LIST**

Description	Sheet No.	Rev. No.	Sheet Date
Structural			
Mechanical			
Plumbing			
Electrical			
Addendum(s)			

END OF LIST