

GENERAL CONTRACTOR'S - SUBCONTRACT AGREEMENT

This SUBCONTRACT AGREEMENT is made this **[Day]** day of **[Month, Year]**, by and between **[Name of Subcontractor]** located at **[Address of Subcontractor]**, hereinafter-called the "Subcontractor", and **USS Cal Builders, Inc.** located at **8051 Main Street, Stanton, California 90680**, hereinafter called the "Contractor".

Section 1. - General Contract

Contractor entered into a General Contract with **[Owner Name]** (the "General Contract"), located at **[Owner Address]**, hereinafter called the "Owner", **[Day]** day of **[Month, Year]**, for the construction of:

PROJECT: [Project Name]
BID PACKAGE # Number

in accordance with the Drawings, Specifications and Conditions prepared by **[Name of Architect]** located at **[Address of Architect]**, hereinafter called the "Architect/Engineer". The General Contract is incorporated into this Agreement by reference. It is Subcontractor's obligation to review and make copies of all pertinent sections of the General Contract and any changes to or directives concerning the General Contract. It is Contractor's obligation to provide access to the General Contract and any and all changes to or directives concerning the General Contract received from the Owner or Architect. With respect to the subcontract work, the rights and obligations of Subcontractor to the Contractor are identical to the rights and obligations of the Contractor to the Owner and the rights and obligations of the Contractor to the Subcontractor are identical to the rights and obligations of the Owner to the Contractor. If there is a conflict between the terms of the General Contract and the terms of this Subcontract, the Subcontract prevails.

Section 2. - Scope of Work

Subcontractor agrees to furnish, to the satisfaction of the Contractor, all equipment, materials, supplies, services, including cost of all applicable sales or use taxes, fees, permits, etc., and labor and do all work necessary to complete the following:

SPECIFICATIONS: To Furnish and Install: [Work per Plans and Specifications]

ADDENDUM: [i.e. 1, 2, 3]

EXCLUSIONS: None.

Subcontractor will perform the work of this subcontract within the time frames outlined in the schedule prepared by the Contractor. Subcontractor shall be responsible for the quality control and timely submission of Shop Drawings. Sub contractor shall submit a list of all of their suppliers and any other sub-tier contractors utilized in this project, if any.

Section 3. - Extra Work

The right of the Contractor to change adds to and delete from the subcontract work, the Subcontractor's duty to perform such changed or extra work, and the modification, if any in the contract price, as a result thereof, shall be governed by the applicable provisions of the General Contract. If the provisions of the General Contract require Contractor to file, within a specified time period, notices, claims or other documents with the Owner in order to receive compensation for extra or changed work, the Subcontractor shall supply these to the General Contractor so as to allow Contractor to timely file them.

Subcontractor agrees not to perform any extra or change order work without written authorization from the Contractor, specifically the **Senior Project Manager of said project, and not the Project Manager or Superintendent of said project**, and further agrees that it shall be entitled to no compensation for extra or change order work performed without such written authority.

If the Contractor contends that work is within the Subcontract work and the Subcontractor contends it is not, Subcontractor shall perform the work upon the Contractor's written order to do so and the dispute shall be resolved pursuant to this Section.

Section 4 - Independent Investigation

Subcontractor represents that it is best qualified to analyze the plans and specifications and inspect the job site with respect to physical conditions impacting its work and that it has entered into this Subcontract based upon such analysis and inspection and not based upon any representations or statements of Contractor concerning those conditions.

It is clearly understood and specifically agreed that no estimate or bid of Subcontractor preceding this Subcontract, and no verbal agreement or conversation with any representative of Owner, Architect or Contractor, either before or after the execution of this Subcontract, shall affect or modify any of the terms or obligations contained herein.

Section 5 - Claim Procedure

All claims of the Subcontractor arising out of acts or omissions of the Owner shall be presented to the Owner by the Contractor on behalf of the Subcontractor and finally resolved through the claims procedure, (arbitration, litigation or otherwise) applicable between the Contractor and Owner. If the provisions of the General Contract require Contractor to file within specified time periods, notices, claims or other documents with the Owner in order to receive compensation for claims, the Subcontractor shall supply these to the General Contractor so as to allow Contractor to timely file them with the Owner. Subcontractor shall pay all costs and expenses, including attorneys' fees, related to the presentation and prosecution of such claims. Subcontractor's sole remedy shall be to receive the amount received by the Contractor from the Owner with respect to such claims.

All other claims and disputes between the parties shall be decided by the appropriate California State Court in the County of Orange. The prevailing party shall be entitled to recover its attorney's fees, witness fees and other expenses related to preparation and presentation of its case in a reasonable amount.

Neither party shall be entitled to recover damages from the other as a result of any act, omission or event without proof that it gave the other party, within 20 days of the first occurrence of the act, omission or event, written notice that it was being or would be damaged by such act, omission or event. A failure to provide this notice is conclusive proof of a failure to mitigate damages and a complete defense to the recovery of any damages, including damages for delay, caused by such act, omission or event and shall apply whether the theory of recovery, is legal or equitable or for a tort, including fraud, breach of contract, promissory estoppels or quantum meritis.

Section 6 - Performance

Subcontract performance shall start, continue and be completed in accordance with schedules of work furnished by Contractor as amended from time to time. Time is of the essence of the Subcontract. The starting date of the work as established by the General Contract is **[Day] day of [Month, Year]**, and the allotted time for completion of this contract is **NUMBER (#) CALENDAR DAYS**. The Subcontractor's work will commence upon notice of the General Contractor and shall proceed so as not to delay the progress of the General Contractor or any other Subcontractor. Should the Subcontractor, by his negligence or his failure to properly expedite his work, be entirely or partially responsible for the Owner taking over the work or a portion of the work or the assessment of damages, including but not limited to liquidated damages, as provided under the terms of the General Contract, Subcontractor hereby agrees to repay the Contractor his proportionate share of any additional expense occasioned by the Contractor by such action. Subcontractor shall cause no hindrance or delays to other contractors or subcontractors on said construction work and will bear all damage done to the work of such other contractors by his employees. If the material herein called for is not delivered promptly, thereby causing or threatening to cause delay in general progress of the work, the Contractor shall have the right to investigate the cause of said delay and expedite deliveries, and all expense thus incurred by the Contractor shall be charged to and paid by the said Subcontractor.

Subcontractor's right to an extension of time or damages for delays caused by Owner are governed by and limited by General Contract. If the provisions of the General Contract require Contractor to file within specified time periods, notices, claims or other documents with the Owner, in order to receive compensation or an extension of time for delay, the Subcontractor shall supply these to the Contractor so as to allow Contractor to timely file them with the Owner. Subcontractor shall pay all costs and expenses, including attorney's fees, related to the presentation and prosecution of such claims. Subcontractor's sole remedy shall be to receive the dollar amount or time extension received by the Contractor from the Owner with respect to such claims.

Section 7. - Guarantee

The Subcontractor agrees to guarantee its work in accordance with and for the period of the Contractor's guarantee to the Owner for the Subcontract work as provided for in the General Contract and as established by law.

Section 8. - Indemnity

To the fullest extent permitted by law, Subcontractor agrees to indemnify, defend and save harmless Contractor and Owner from and against any and all claims, debts, demands, damages, judgments, awards, losses, liabilities, interest, attorneys' fees, costs and expenses of any kind at any time arising out of or in any way connected with the Subcontractor's scope of work under this Subcontract Agreement including transportation of men and equipment and/or materials to and from the site of the work. This clause will apply, but not be limited, to the following:

- i. Claims relating to the infringement or violation of patent rights;
- ii. Claims relating to personal injury and wrongful death including claims by Subcontractor employees or their heirs and representatives;
- iii. Claims for destruction of, injury to or loss of use of real or personal property including property of the Owner or Contractor;
- iv. Mechanic's lien claims, stop notice claims and claims against any bond furnished with respect to the

contract work with Contractor as principal;

- v. Claims for taxes, permits, license fees, fines, penalties, and/or union contributions, allowances or deductions;

However, this section shall not indemnify Contractor or Owner from loss, damage or expense attributable to a finding of active negligence or Willful Misconduct of Contractor or Owner. The indemnity obligations of Subcontractor herein shall be for the portion or percentage of liability not attributable to the active negligence or willful misconduct of the Contractor or Owner. The indemnity set forth in this Section shall not be limited by insurance requirements or by any other provision of this Agreement to the fullest extent allowed by applicable law.

Section 9. - Assignment

Subcontractor shall not assign any rights under this Agreement or subcontract any part of the subcontract work without Contractor's written consent. Any such assignment or subcontract consented to shall impose on the assignee or sub-subcontractor all obligations imposed on the Subcontractor hereunder.

Section 10 - Insurance

Subcontractor and its subcontractors shall each, at their own expense, purchase, carry and maintain at all times (except for O.C.I.P as described below) on the Subcontract work, insurance of the following types of coverage and limits of liability with insurers rated "A-VII or better by A.M. Best Co." However, if the current project is subject to an Owner Controlled Insurance Program (O.C.I.P.), then subcontractor shall, at its own expense, purchase, carry and maintain for purposes of protecting from liabilities arising from *operations performed away from the project or by excluded parties*, the following types of coverage and limits of liability with insurers rated "A-VII or better by A.M. Best Co.," in the form and manner required under the General Contract.

A. Commercial General Liability: with limits of Insurance not less than:

\$2,000,000.00	General Aggregate
\$2,000,000.00	Products / Completed Operations Aggregate
\$1,000,000.00	Each Occurrence
\$1,000,000.00	Personal & Advertising Injury

- 1.1 The Aggregate Limit shall apply separately to this project. Occurrence-based form of policy is required. Claims-made from is unacceptable.
- 1.2 CGL coverage shall be written on ISO Occurrence form CG00011093 or a substitute from providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury. Use of any CGL form covering defense costs within the limits of insurance requires the prior written consent of the contractor.
- 1.3 General Contractor, Owner and all other parties required of the General Contractor, shall be included as insured on the CGL, using ISO Additional Insured Endorsement CG20101185 or an endorsement providing equivalent coverage to the additional insured(s). This contract requires that coverage afforded the additional insured(s) under any form other than CG20101185 must be as broad as the coverage provided under CG20101185.
- 1.4 Claims Made/Self-Insurance Provisions. Subcontractor shall not provide general liability insurance under any claims-made General Liability form without express prior written consent of Contractor. Any self-insurance program providing coverage in excess of \$25,000 per occurrence requires the prior written consent of the contractor.
- 1.5 The Subcontractor agrees to name the Contractor and the Owners as additional insured on all General Liability Insurance Policies. The Additional Insured endorsement must be a CG2010 11/85 or it's equivalent, and be attached to the Certificate of Insurance. The policy shall stipulate that the insurance afforded the additional insured shall apply as primary insurance and that any other insurance carried by the Contractor or Owner will be excess only and will not contribute with this insurance. A waiver of Subrogation in favor of the Contractors shall apply.
- 1.6 Subcontractor shall maintain CGL coverage for itself and all additional insured(s) for the duration of the project and maintain Completed Operations coverage for itself and each additional insured for at least 3 years after completion of the Work. Completed Operations coverage shall be maintained for at least ten (10) years if the project is residential or habitational.
- 1.7 If Subcontractor's Scope of Work includes work within 50 feet of any railroad, Subcontractor's Commercial General Liability policy shall be endorsed to delete the Contractual Liability

exclusion for work performed within 50 feet of a railroad. A copy of such endorsement shall be provided to Contractor prior to commencement of such work.

B. Business Auto Liability:

- 1.1 \$1,000,000.00 Combined Single Limit for bodily injury and property damage.
- 1.2 The policy shall include Owned, Leased, Hired Auto Liability and Non-Owned Auto Liability coverage for the amount listed above.
- 1.3 General Contractor, Owner and all other parties required of the General Contractor, shall be included as insured on the auto policy.

C. Commercial Umbrella:

- 1.1 Umbrella limits must be at least \$5,000,000.00.
- 1.2 Umbrella coverage must include as insureds all entities that are additional insureds on the CGL.
- 1.3 Umbrella coverage for such additional insureds shall apply as primary before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverage maintained by the Subcontractor.

D. 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:

- | | |
|----------------|---|
| \$1,000,000.00 | Each Accident for Bodily Injury by Accident |
| \$1,000,000.00 | Policy Limit for Bodily Injury by Disease |
| \$1,000,000.00 | Each Employee for Bodily Injury by Disease |

E. Waiver of Subrogation:

Subcontractor waives all rights against Contractor, Owner and Architect and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by Commercial General Liability, Commercial Umbrella Liability, Business Auto Liability or Workers' Compensation and Employers Liability insurance maintained per requirement stated above.

F. Hazardous Materials:

If Subcontractor and/or its subcontractors or suppliers, regardless of tier, perform remediation of hazardous material, or if their operations create an exposure to hazardous materials as those terms are defined in federal, state, or local law, Subcontractor and its subcontractors and suppliers must obtain a "Contractor's Pollution Liability" policy with limits not less than \$1,000,000 per Occurrence and \$2,000,000 aggregate for Bodily Injury, and Property Damage, naming Contractor and Owner as additional insured. If Subcontractor or its subcontractors or suppliers haul hazardous material (including, without limitation, waste), they must carry Auto Liability insurance with a \$1,000,000 Combined Single Limit for Bodily Injury and Property damage applicable to all hazardous waste hauling vehicles, and include MCS 90 and CA9948.

G. Rigger's Liability and Aircraft Liability

Should Subcontractor's work involve the moving, lifting, lowering, rigging or hoisting of property or equipment, Subcontractor shall carry Rigger's Liability Insurance to insure against physical loss or damage to the property or equipment. If Subcontractor (or its subcontractors or suppliers, regardless of tier) use any owned, leased, borrowed, chartered or hired aircraft of any type in the performance of this subcontract, they shall maintain aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence, including Passenger Liability. Evidence of coverage in the form of a certificate of insurance shall be provided prior to the start of the project.

H. Other Coverage:

1. If Subcontractors work requires special insurance and/or bonds to comply with any utility, railroad or governmental body or if awarding authority requires limits of insurance greater than set forth in this document, Subcontractor agrees to obtain such additional coverage to his expense.
2. The Subcontractor agrees to furnish to the Contractor signed originals of the insurance coverage set forth above, together with a commitment by the insurance company or companies to notify Contractor thirty (30)



days prior to the expiration, cancellation or any material change of any of the insurance policies required hereunder.

3. In the event the subcontractor fails to obtain and maintain such insurance coverage, the Contractor may, at its opinion withhold any and all future progress payments due to the Subcontractor until such time that the requirements are complied with. In Addition Contractor may, at its opinion, obtain and maintain such insurance at the expense of the Subcontractor for the duration of this Subcontract agreement.
4. The Cancellation notice of all policies shall read strictly as follows: “should any of the above described policies be canceled before the expiration date thereof, the issuing company will mail 30 days written notice to the certificate holder names to the left.” Any “endeavor to” verbiage and “failure to identify” provision should be deleted in its entirety.
5. The certificate shall be issued specifically for the following project and this description must appear on the face of the certificate.

[PROJECT NAME]

Project # xx-xx-xxx-xx

Location: [Project Location]

6. *USS Cal Builders, Inc.* shall be named as the Certificate Holder.

Section 11 - Remedies for Breach

In addition to any other remedies allowed by law or the provisions of this Subcontract, if Subcontractor fails to start work as scheduled or make the progress required or furnish sufficient skilled workmen or a sufficient quantity of suitable materials or adequate equipment or correct or replace any damaged or defective work or materials or honor its guarantee, Contractor may, at its option, and in addition to any other rights or remedies provided by this agreement or law, after giving Subcontractor **(48) hours notice to cure** the defects and Subcontractor's failure to completely cure the defects within that time required, take steps to cure the defects itself and charge the entire cost and expense, including attorney's fees, of such cure to Subcontractor and deduct such amount from any sums due Subcontractor. If there is still an amount due Contractor after such deduction, it shall be paid by Subcontractor to Contractor. Failure to cure defects within the notice period set forth above, shall also give Contractor the right at its option, and in addition and without prejudice to any other rights under this agreement and by law, to terminate Subcontractor's performance and to take possession, for the purpose of completing the work under this Subcontract, of all tools, equipment, materials and supplies owned or controlled by the Subcontractor and to complete the work itself or through others. Subcontractor will be entitled to no further payment until completion of the Subcontract work. There shall be deducted from such payment, Contractor's cost to complete which shall include all other sums due Contractor under this agreement. A balance shall be paid to Subcontractor. If the cost to complete exceeds the Subcontract balance, Subcontractor will pay that amount to Contractor. Before paying any amount due to the Subcontractor as provided in this Agreement, the Contractor is hereby authorized to deduct therefrom and offset an amount equal to any and all sums or obligations owing by the Subcontractor to the Contractor and any and all claims liquidated or unliquidated, by the Contractor against the Subcontractor, arising hereunder or under any other contract or agreement between the Subcontractor and the Contractor.

Section 12 - Non-Discrimination

Subcontractor, in performing work to be performed under this Subcontract shall not discriminate against any worker because of race, creed, color, natural origin, gender, sexual orientation or religion.

Section 13 - Compliance with Laws

Subcontractor agrees that in the performance of this Subcontract, to observe and comply with all laws, ordinances, and regulations of all constituted authorities relating to the manner of doing the work under this contract or to the materials supplied therein.

Section 14- Contract Compliance

Subcontractor agrees that in the performance of this Subcontract, to observe and comply with all the rules and policies of Contractor and timely furnish all documents requested by Contractor. Subcontractor will furnish to Contractor, prior to construction, two fully executed originals of the Subcontractor Package Acknowledgement Letter and of all documents referenced therein.

Provision of the Subcontractor Package Acknowledgment Letter, the documents referenced therein and all other documents requested by Contractor, is a condition precedent to the validity of this Subcontract. Failure to provide said documents will void this Subcontract in its entirety and entitle Contractor to any and all damages resulting from such failure, in addition to any other remedies allowed by law or the provisions of this Subcontract.

Section 15 - Labor Codes

This Project is governed by Labor Code of the State of California. Attached hereto and incorporated by reference



are copies of Labor Code sections 1771, 1775, 1776, 1777.5, 1813 and 1815 (Attachment A). The Subcontractor is responsible for paying a prevailing wage to its employees. The Contractor will monitor the payment of the specified prevailing wage by periodic review of the certified payroll records of the Subcontractor. **ACCORDINGLY, IT IS THE OBLIGATION OF THE SUBCONTRACTOR TO PROVIDE THE CERTIFIED PAYROLL RECORDS BY THE SUBCONTRACTOR TO THE CONTRACTOR ON A WEEKLY BASIS; TWO ORIGINALS, BOTH WITH WET SIGNATURE.**

A copy of a California Labor Code 1775/1777.7(d)(4) affidavit is attached hereto. This must be signed and returned as part of the subcontractor agreement package. This Affidavit is to be signed and submitted to contract compliance on a monthly basis as a material part of the contract requirements.

Any subcontractor performing carpentry work must be signatory to the Carpenter’s Union.

If it is determined that a prevailing wage has not been paid by the Subcontractor, the Contractor may withhold a sufficient amount of funds from the Subcontractor to pay Subcontractor’s employees a prevailing wage.

Prior to making any payment to Subcontractor and as a condition precedent to any payment, the Subcontractor shall provide to contractor an affidavit signed under penalty of perjury that the Subcontractor has paid the specified prevailing wage to his/her employees and any amounts due pursuant to section 1813 of the Labor Code.

Section 16 - Overtime

Provided the Subcontractor be not in default in any of the provisions herein, and in order to expedite the final completion of the building, or general or special work thereon, if the Contractor requests the Subcontractor to work overtime, it is agreed that the Subcontractor shall work said overtime, and it is understood that the Contractor is to pay only the actual extra cost over the rate for regular overtime. Time slips covering said overtime must be checked and approved by the Contractor's authorized agent at the jobsite. No commission is to be charged by or allowed to the said Subcontractor for, or on account of, said overtime. If, however, the Subcontractor is behind in the work herein contemplated or in the opinion of the Contractor delays the progress of the work necessary to complete the building, then, if requested by the Contractor, the Subcontractor shall use such overtime as may be necessary to keep abreast with the general progress of the work, and the cost and expense incurred by the use of said overtime shall be borne entirely by the Subcontractor.

Section 17 - Risk of Loss

Subcontractor shall be responsible for and shall bear any and all risk of loss or damage for its work and all material, tools, equipment or incidentals until Owner's final acceptance of and / or release of Contractor's responsibility for the subcontract work. Subcontractor shall perform its work so that the work site is at all times clean, orderly and free from debris. All debris shall be removed from the site on a daily basis at the expense of the Subcontractor. Upon completion of the work, Subcontractor shall remove all unused or excess materials and all equipment, incidentals, utilities and facilities furnished by it and shall clean up any soiled areas and all refuse and debris, and leave the premises clean, orderly and in good condition. Storage on the job site will be where directed by the Contractor but at the expense, if any, of the Subcontractor.

Section 18 - Representatives

Subcontractor and Contractor shall inform each other in writing of the name(s) of the job site representative(s) who are authorized to represent them with respect to the Subcontract work and shall promptly notify each other in writing of subsequent change in representatives(s). Subcontractor’s representative(s) shall be at the job site at all times Subcontract work is in progress.

Section 19 - Notices

Any notices under this Subcontract shall be in writing and may be served personally on a job site representative or by certified mail at the address set forth above. Notice by mail is complete upon deposit.

Section 20 - Bonds

Subcontractor will furnish to Contractor, prior to construction, performance and labor and materials / payment bonds in the amount of the total subcontract price, written by corporate sureties authorized to issue such bonds in the State of California. The corporate surety and the bond form shall be subject to the approval of the Contractor.

Provision of the performance and payment bonds is a condition precedent to the validity of this Subcontract. Failure to provide said bonds will void this Subcontract in its entirety.

Section 21 - Time is of the Essence

Time is of the essence in the performance of the work under this Subcontract. The Subcontractor must comply with all construction schedules and any revisions and / or adjustments to the schedules. Any delay to the project as a whole, or to other trades, due and attributable to Subcontractor will be subject to the same liquidated damages contained in the General Contract, as well as the delay damages suffered by the Contractor and attributable to the delay.

Furthermore, the Subcontractor shall be held liable for any extended overhead that the Contractor might incur due to delay in completing Subcontractor's scope of work including, without limitation, construction, punch list work, contract compliance requirements, etc.

Section 22 - Shop Drawings

In the event any deviations from the General Contract plans and specifications are incorporated in any shop drawings of or by the Subcontractor, such deviations and the reasons therefore shall be fully explained in writing by separate letter to the Contractor and Owner at the time the shop drawings are submitted to the Contractor and Owner. Failure to specify and explain any such deviation will automatically void any inadvertent approval of the same by the Contractor, Architect, Engineer and / or Owner.

Section 23 - Non-Acceptance by Owner

Subcontractor understands and agrees that Owner and Architect have the right to reject Subcontractor as an acceptable Subcontractor on this job. This Subcontract may, at Contractor's option, be terminated and rendered null and void if the Owner or Architect states in writing to Contractor that Subcontractor is not acceptable. This option is exercisable within ten (10) days after written notification from the Owner or Architect and shall be given in writing to the Subcontractor. The termination of the Subcontract pursuant to this section shall relieve the Contractor of any liability for any damages, including but not limited to lost profits, claimed or suffered by the Subcontractor. However, the Subcontractor shall not be relieved of any liability to the Contractor.

Section 24 - Changes Not to Affect Bond

It is agreed that no change, alteration or modification in or deviation from this Subcontract or the plans and specifications, whether made in the manner herein provided or not, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract.

Section 25 - Payment

In consideration of the faithful performance by the Subcontractor of all the terms, conditions and requirements of this Subcontract, the Contractor agrees to pay the Subcontractor for his work the sum of:

******* Amount /100ths US Dollars (\$0.00) *******

Payment shall be as follows:

- a. Assuming that payment has been received by Contractor from the Owner for the work performed by Subcontractor, partial payment will be made as the work progresses, on or before seven (7) days after receipt of payment from the Owner for work completed during the preceding estimate period, pursuant to estimates approved by the Owner. In making such partial estimates, there shall be retained at least five percent (5%) or greater in instances when allowed by applicable law on the estimated amount until thirty five (35) days after final completion and acceptance of all work covered by the Contract, and final payment has been received by the Contractor;
- b. Payments to the Subcontractor are conditioned on Subcontractor furnishing to Contractor sufficient evidence that its Subcontractors, suppliers and employees have been paid to date or will be so paid out of the payment due it. Payments shall also be subject to all deductions authorized by this Subcontract and by law;
- c. Subcontractor agrees to submit to the Contractor applications for payment in such reasonable time as to the Contractor to apply for payment under the General Contract.

Section 26 - Integrated Agreement

This Subcontract is a fully integrated agreement and contains the complete agreement between the parties with respect to the subcontract work and nullifies and supersedes all prior negotiations, proposals, stipulations and agreements whether written or oral. There are no prior or contemporaneous agreements in any dealing with the subcontract work not included. No agent, representative, employee, officer or director of either party has or had authority to make any statement, representation, promise or agreement with respect to the subcontract work no set forth in this agreement. Each party agrees that it was not bound or in any way liable because of any such statement, representation, promise or agreement. The effective date of this agreement is the date on the first page irrespective of whether the parties signed it before, on or after that date. The parties, in signing this agreement, are only agreeing to the terms of this agreement alone, not any added addenda, references, proposals, or exhibits. Any added documents or language must be independently acknowledged by both parties in order to be incorporated into this agreement.

Section 27 - Change Order Authorization and General Contractor's Right to Carry-Out the Work

Project Manager or Superintendents on any project are not authorized to sign any Change Order Directive. This authorization can only be made by the Senior Project Manager.

If the Subcontractor and/or their sub-tiers default or neglect to carry out the Work in accordance with the Contract Documents, and fails within 48 hours after receipt of written notice from Contractor to commence and continue correction of such default or neglect with diligence and promptness, Contractor may, after 48 hours following receipt by the subcontractor and/or their sub-tiers of an additional written notice, and without prejudice to any other remedy available to Contractor, make good such deficiencies.

Contractor also reserves the right to perform any portion of the work due to an emergency threatening the safety of the Work, Public, Owner, and any property or equipment. In either case an appropriate Change Order shall be issued unilaterally deducting from the payments then or thereafter due the Subcontractor and/or their Sub-tier the cost of correcting such deficiencies and/or for performing such work, including compensation for the General Contractor, the Architect's, the Construction Manager's, and Owner's additional services made necessary by such default, neglect, failure or emergency.

Section 28– Safety

The subcontractor will perform its work in a safe manner, comply with all environmental safety and health requirements of the contract documents and as issued by the contractor and comply with all applicable laws, codes, ordinances, rules, regulations, and lawful orders of all public authorities.

The subcontractor will have, and exercise, full legal responsibility for compliance to safety rules and regulations by itself, its agents, employees, material, men, and subcontractors with respect to its portion of the work on the project; and will directly receive, respond to, defend and be responsible for any citation, fine or penalty by reason of subcontractor's failure or failure of subcontractor's agents, employees, material, men, and subcontractors to so comply.

The subcontractor will promptly correct all identified safety hazards which are its responsibility. In the event subcontractor fails to comply with safety regulations and/or fails to correct identified safety hazards, the contractor may, without prejudice to any other legal or contractual rights of the contractor, issue an order stopping all or any part of the work; thereafter, a start order for resumption of work may be issued at the discretion of the contractor. The subcontractor will make no claim for an extension of time or for compensation of damage by reason of, or in connection with, such work stoppage.

The subcontractor will immediately notify the contractor of all OSHA inspections and shall afford the contractor the opportunity to observe the inspection. The subcontractor will provide the contractor with a copy of all citations received and all subcontractor responses issued as a result of such inspections within 2 working days of receipt or issuance.

The subcontractor shall submit its safety program for review to the contractor prior to start of work at the project site. A copy of the contractor's safety program manual is available for review and copying at either the contractor's field or corporate offices. The subcontractor may adapt any part of the contractor's safety program which is appropriate to its organization and scope of work. The subcontractor's safety program will be subject to approval by the contractor. Approval by the contractor does not relieve the subcontractor from its responsibility for compliance with all applicable safety requirements.

The subcontractor will designate a member of its organization as its safety representative and notify the contractor, in writing, of its designated safety representative. The safety representative must be submitted for approval prior to start of work at project site. This individual will be provided the authority, responsibility and organizational freedom necessary to implement the subcontractor's safety program and enforce the safety rules

The contractor will perform periodic inspections of the subcontractor's safety activities. The subcontractor's safety representative will accompany the contractor's safety supervisor during these inspections and take prompt action to correct all identified deficiencies. Subcontractor's management will participate in scheduled safety walk-throughs with contractor management. Such inspections and identification of deficiencies by the contractor does not relieve the subcontractor from its responsibility to comply with all applicable safety regulations and rules. The Safety Program Checklist (Exhibit 9-3) will provide a basis to evaluate contractors' and subcontractors' Environmental, Safety and Health Programs and Submittals.

The subcontractor will report all injuries recordable on its OSHA 300 log, all accidents resulting in property damage and all environmental incidents to the contractor promptly, and follow up in writing within 24 hours. Within 2 working days, the subcontractor will provide the contractor with a written report documenting the alleged cause(s) of the accident and action(s) taken, or planned to be taken, to preclude recurrence. A copy of each insurance first report of injury shall be provided to the contractor. A monthly summary of occupational injuries and illnesses, including man-hours, is to be provided to the contractor. Report immediately to contractor all fatal or serious occupational injuries or illnesses (requiring hospitalization). Should an injury result in lost time, the subcontractor will notify the contractor in writing if it desires not to provide continued employment, on a modified basis, for its employees who sustain an on-the-job partially disabling injury. This notification must be provided a minimum of 24 hours prior to the discontinuance of employment. This reporting is in addition to any reporting responsibilities that the subcontractor may have to OSHA or any other agency. The contractor reserves the right to perform an independent investigation at no additional cost to the contractor.

The subcontractor will provide first-aid and medical treatment for its employees. The contractor's first-aid facilities and personnel may be used by the subcontractor at the subcontractor's risk.

The subcontractor will provide specific instructions to its employees regarding the use of personal protective equipment, personal safe work practices and shall instruct all employees, on matters pertaining to employee's obligations and rights under the subcontractor's and the contractor's safety policies. The subcontractor will provide, at its own expense, all required personal protective equipment for its employees and all required safety equipment and supplies as needed.

Section 29 – General Requirements & Regulations

1. In the specifications where reference is made to "Contractor" and to the work performed or directed by "Contractor", and where such work is a part of the Subcontractor's trade, said work shall be done by the Subcontractor.
2. If any changes or substitutions made by the Subcontractor increase the cost of the work of the General Contractor or the cost of the work of another subcontractor, then the increased cost shall be borne by Subcontractor.
3. Subcontractor shall at all times during the progress of the work have an authorized representative of its company at the jobsite who can receive orders and has full authority to make decisions regarding the work to be performed hereunder and who has complete responsibility for the work insofar as this Subcontract is concerned. The Subcontractor shall provide the name and emergency or home telephone number of the corporate or company officer, general superintendent, and the project superintendent or foreman.
4. All traffic control of Subcontractor's own operations including that of his suppliers is included in subcontract amount. This includes flagmen, barricades, permits, etc., as may be required by any governing agency having jurisdiction over this project.
5. Subcontractor shall cooperate with General Contractor and other subcontractors to coordinate space requirements required by each subcontractor's equipment and material storage. Hoisting of Subcontractor's materials and equipment will be at Subcontractor's expense.
6. Subcontractor shall bear all costs for Subcontractor's employees' parking, drinking water and ice.
7. Reports shall be submitted daily to the General Contractor, no later than 9:00 a.m. the following day indicating the number of personnel working on the project site the previous day along with a description of activities and equipment used in the conduct of the work.
8. The Subcontractor shall be responsible for coordinating his work with that of other trades. In the event that the completed work of any trade has to be removed, replaced or modified due to the Subcontractor's negligence in completing his work within a reasonably scheduled period, or due to lack of coordination on the part of the Subcontractor, the cost of removing, replacing and modifying such work will be from the Subcontractor's account notwithstanding anything in this agreement to the contrary.
9. It shall be the sole responsibility of the Subcontractor to ensure that their work is performed in compliance with the health and safety requirements prescribed by the Occupational Health and Safety Act as well as the requirements of the state and local agencies having authority and jurisdiction over matters of industrial and construction occupational health and safety.
10. Progressive construction cleanup and disposal off jobsite of Subcontractor's waste materials is to be performed by Subcontractor. If the subcontractor fails to perform cleanup of his work within 24 hours of notification by the General Contractor, General Contractor shall proceed to have the cleanup performed for subcontractor and charge the costs to the Subcontractor's account.
11. All Subcontractor's equipment, material, means and methods will be designed and attached for seismic loading in accordance with governmental agencies having jurisdiction over the work.
12. Subcontractor shall furnish and install without any extra charge, all work and materials not mentioned or shown, but generally included under this class of contract, necessary for the proper execution and completion of the work, and also any work or materials of the kind herein contracted as required to conform this work to all laws, rules and regulations as administered by Municipal, State, Federal and Public agencies having jurisdiction over the work. Subcontractor shall assure that all work performed will pass final inspection by the appropriate jurisdiction.
13. Subcontractor shall procure and pay for all licenses, permits, approvals, certificates and authorizations necessary to the prosecution and completion of its work and deliver evidence of same to General Contractor unless otherwise noted. Subcontractor shall promptly notify the General Contractor and the respective departments or official bodies when its work is ready for inspection and shall, at once, do all work required to remove any violations or to comply with such inspections without additional charge to General Contractor.
14. Subcontractor shall furnish and install without any extra charge, all work and materials in conformance with the Quality Requirements of the project contract documents and in conformance with USS Cal's approved Contractor's Quality Control Program or they may submit their own Quality Control plan for review and



approval. A copy of USS Cal's approved Quality Control plan shall be made available to the contractor upon request.

- 15. If it is necessary for the Subcontractor to remove or relocate any safety barricades, perimeter cables, toe boards, planking, etc. at building perimeter, shafts and floor openings, Subcontractor shall:
 - a. Notify the General Contractor's superintendent prior to removing said barricades, etc.
 - b. Maintain a safety watchman at said area during the entire time barricades, etc is removed.
 - c. Reinstall said barricades, etc. at completion of work in that area in accordance with all codes or regulations.

Under no circumstances is any area to remain unprotected and unsupervised for any length of time.

[NAME OF SUBCONTRACTOR]

Date: _____

By _____

[NAME OF REP, Title]

Contractor's License No. **XXXXXXXX**

USS CAL BUILDERS, INC.

Date: _____

By _____

ERIC OTHMAN, Senior Project Manager

Contractor's License No. **654454**