



**JACKSON CONTRACTOR GROUP, INC.  
SUBCONTRACT AGREEMENT**

**This agreement (hereinafter “Subcontract”) is between**

Jackson Contractor Group, Inc.  
P.O. Box 967  
Missoula, MT 59806  
Phone: 406-542-9150  
Fax: 406-542-3515

**(hereinafter “Contractor”), and**

<SUBCONTRACTOR>  
<ADDRESS>

Contact:  
Phone:  
Email:

**(hereafter “Subcontractor”).**

**Contractor has entered into a contract with**

<OWNER>  
<OWNER’S ADDRESS>

**(hereafter “Owner”)**

**to perform certain labor and furnish materials for the construction and completion of**

<PROJECT NAME>  
<PROJECT’S ADDRESS>

**The documents include:**

- 1) Contract between Owner and Contractor, dated \_\_\_\_\_.
- 2) General, Supplementary and Special Conditions.
- 3) Project Specifications.
- 4) Project Drawings.
- 5) Addenda Nos.: \_\_\_\_\_.

**as prepared by**

<ARCHITECT/ENGINEER’S NAME>  
<ARCHITECT/ENGINEER’S ADDRESS>

**all of which documents are hereinafter referred to as the “Main Contract.”**

**In consideration therefore, Subcontractor agrees as follows:**

**1. Subcontractor shall provide all supervision, materials, labor, supplies, services, equipment and all other items necessary to complete the work set forth below and which may further be described in Appendix 1 (hereafter “Subcontract Work”):**

[Description of Work]

**Subcontractor shall provide the Subcontract Work in strict accordance with the Main Contract, which has been made, and remains, available to Subcontractor for review, the provisions of which are expressly incorporated herein by this reference.**

**2. Subcontractor is to provide bond[s] for its Subcontract Work at this time (Yes \_\_\_\_\_; No \_\_\_\_\_).**



Contractor has the option to require this Subcontractor to obtain a 100% Performance and Payment Bond at any time during the life of this Subcontract; Subcontractor to be reimbursed for actual bond costs.

**3. Subcontractor agrees to be bound by all of the terms of this Subcontract, including the General Conditions of this Subcontract Agreement, all Appendices and any other attachments to this Subcontract.**

- |                        |  |                                     |
|------------------------|--|-------------------------------------|
| Appendix descriptions: | 1 — Scope of Work                            | <input checked="" type="checkbox"/> |
|                        | 2 — Insurance                                | <input checked="" type="checkbox"/> |
|                        | 2A – Professional Liability Insurance        | <input type="checkbox"/>            |
|                        | 3 — Indemnification                          | <input checked="" type="checkbox"/> |
|                        | 4 – Guaranty Agreement                       | <input type="checkbox"/>            |
|                        | 5 – Special Provisions                       | <input checked="" type="checkbox"/> |
|                        | 6 – Subcontractor & Major Supplier Affidavit | <input checked="" type="checkbox"/> |

**For the full, complete and faithful performance of this Subcontract, Contractor agrees to pay Subcontractor (hereafter “Subcontract Price”):**

[ ] (a) a lump sum in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_),

**OR**

[ ] (b) according to unit prices as set forth in Appendix 1 here following on the basis of the Owner’s or Contractor’s estimated quantities, which yields a gross Subcontract Price of approximately \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

Unless otherwise stated, the Subcontract Price includes all applicable sales and use taxes.

This Subcontract must be executed below by an officer or duly authorized representative of Subcontractor without modification, and returned to Contractor within fifteen (15) days of its receipt. If not, and if Subcontractor elects to perform any of the Subcontract Work without first securing a fully executed Subcontract, then Subcontractor shall be deemed to have accepted this Subcontract unmodified, as issued. The effective date of this Subcontract shall be the earlier of fifteen (15) days following its receipt by Subcontractor, or the date of Subcontractor’s signature without modification. Subcontractor’s delivery to Contractor of the executed Subcontract without modification, along with suitable bonds, if required herein, and proof of insurance as required herein, are all express conditions precedent to any payment to Subcontractor.

IN WITNESS WHEREOF, Contractor and Subcontractor have executed this Agreement.

Jackson Contractor Group, Inc.

[SUBCONTRACTOR]

By \_\_\_\_\_  
CONTRACTOR (Authorized Signature)

\_\_\_\_\_  
SUBCONTRACTOR (Authorized Signature)

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Name & Title

50924  
\_\_\_\_\_  
Contractor Registration Number

\_\_\_\_\_  
Contractor Registration Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Federal Tax I.D. Number

\_\_\_\_\_  
Date



**Jackson Contractor Group, Inc.  
General Conditions of Subcontract Agreement**

**A. GENERAL RESPONSIBILITIES**

1. With respect to the Subcontract Work, Subcontractor agrees to be bound to Contractor by all of the terms and provisions of the Main Contract, and to assume toward Contractor all of the duties, obligations and responsibilities that Contractor by the Main Contract assumed toward Owner. Subcontractor agrees further that Contractor shall have the same rights and remedies against the Subcontractor as Owner, under the terms and provisions of the Main Contract, has against Contractor, with the same force and effect as though every such right and remedy were set forth herein in full. The terms and provisions of this Subcontract are intended to be and shall be in addition to and not in substitution for any of the terms and provisions of the Main Contract.

2. The provisions of this Subcontract and the Main Contract are intended to supplement and complement each other and shall, where possible, be thus interpreted. Barring other direction from Contractor, the interpretation that is more costly to or which imposes the greater duty upon the Subcontractor shall control, and if that guideline does not resolve the conflict, then the terms of this Subcontract shall control.

3. Subcontractor acknowledges the Subcontract Work may or may not be entirely contained in specification sections or plan sheets in the Main Contract where such work is customarily found. Subcontractor shall perform any work reasonably inferred from the description of Subcontract Work that may be located outside of its customary location in the Main Contract.

4. Subcontractor understands that Contractor may have entered into labor agreements with labor unions and Subcontractor hereby represents that it has made its own independent investigation of the terms of those agreements. Subcontractor agrees to comply with all of the terms and conditions of those agreements applicable to the work herein undertaken to be performed by Subcontractor.

5. Subcontractor agrees not to delay or permit the delay of work on account of any labor disputes or difficulties and to indemnify and hold Contractor harmless from any loss, damage, expense or delay, including attorney fees, occasioned by any labor disputes or labor difficulties of whatever nature or cause. In the event of any threatened strike, picket or labor activities that might delay the progress of the work because of any labor disputes or action or inaction by the Subcontractor, Contractor shall have the recourses available to it under Article R of this Agreement.

6. Contractor has implemented a Safety Program (hereafter "Program") which shall apply to the Project. Subcontractor agrees that it, its employees and its lower tier subcontractors and their employees shall be bound by and shall comply with the Program and any other program implemented by Contractor to benefit the health, safety and welfare of persons or property, including, but not limited to, any workplace drug-free programs required by state or federal law. However, nothing contained herein shall relieve Subcontractor of its obligations of implementing its own safety program and of its responsibilities towards its employees, and lower tier contractors. Subcontractor shall review and become knowledgeable about the program which has been made and remains available to Subcontractor for review. Subcontractor shall include the provisions of this paragraph in every lower tier subcontract, and shall require its subcontractors to include it in their subcontracts so that such provisions will be binding upon each subcontractor and its employees, at every tier. In the event of Subcontractor's noncompliance, this Subcontract may be canceled, terminated, or suspended, in whole or in part, at the Contractor's sole election. A complete copy of the Program will be made available by Contractor upon request.

7. Subcontractor shall furnish all tools, equipment, scaffolding, hoisting equipment, apparatus, ways, machinery and plant necessary to perform the Subcontract Work.

8. Subcontractor shall timely provide and pay for all engineering, testing, surveying, special inspections and instrumentalities as may be required by Owner or Contractor in connection with the performance of this Subcontract. Should Subcontractor fail to accomplish the foregoing on a timely basis, Contractor may perform said task and charge the account of Subcontractor for same.

9. Subcontractor shall employ no person whose employment on or in connection with this Project may be objectionable to Contractor, and shall discharge any such person when objected to by Contractor, provided that this shall not require Subcontractor to violate any law, governmental regulation or collective bargaining agreement.

10. Subcontractor consents to Contractor's assignment of this Subcontract at any time. In the event of such assignment, Subcontractor shall perform all of its obligations under this Subcontract for the assignee and Contractor shall have no further obligation to Subcontractor for matters arising out of future performance thereof.



11. Subcontractor shall provide continuous supervision utilizing a field supervisor competent and knowledgeable about the specific nature of this throughout the duration of the Subcontract Work. Contractor reserves the right of approval of Subcontractor's supervisory staffing assignments and revisions thereto. Subcontractor shall notify Contractor (10) days in advance of any proposed supervisory staffing revisions. Any supervisory staffing revision implemented without proper notification and approval may result in a \$500.00 charge per occurrence against Subcontractor's account.

12. Subcontractor shall be present at and participate in all scheduled project meetings and any additional meetings deemed necessary by Contractor to properly coordinate the Project.

13. Subcontractor shall not assign the whole nor any part of this Agreement and/or Subcontractor's Work without prior written approval of Contractor.

14. Subcontractor certifies that it now maintains and at all times during performance of this Subcontract shall maintain (1) a valid certificate of registration; (2) a current unified business identifier number; (3) state industrial insurance coverage as required in Title 39 Chapter 71 MCA; (4) an employment security department number as required by Title 39 Chapter 51 MCA; and (5) a State excise tax registration number as required in Title 15 MCA. Subcontractor further certifies that it has never been disqualified from bidding or performing work because of a lack of a valid certificate of registration or prevailing wage violation within the last 5 years. Subcontractor shall verify and cause compliance by any lower tier subcontractor with the requirements of this paragraph

15. When the Contract Documents require design-build services for performance of the Subcontract Work, Subcontractor shall provide design services through a licensed design professional so that the Subcontract Work is in strict accordance with the requirements of the Contract Documents. Subcontractor shall coordinate its design services and construction work with the requirements of Owner and Contractor and the work of other subcontractors so as to provide a complete design and construction of the Subcontract Work that will properly interface, will be fully compatible, and will properly function in accordance with the requirements of the Contract Documents. The standard of care for architectural and engineering services performed under this Subcontract Agreement shall be the highest degree of care and skill used by members of the architectural and engineering professions practicing under similar conditions at the same time and locality.

## **B. LAWS AND REGULATIONS**

1. Subcontractor shall comply with all applicable federal, state, county, municipal and local laws, codes, ordinances, rules, regulations, standards, orders, notices and requirements, including those relating to hazard notification, OSHA or other safety requirements, HIPAA regulations, fair employment practices, prevailing wage, equal opportunity, and discrimination on the basis of race, religion, sex or national origin (hereinafter "Laws"), without additional expense to Contractor. Subcontractor shall correct, at its own cost and expense, any violations thereof. Subcontractor shall require its suppliers and lower tier subcontractors to also comply with this requirement, and shall furnish such proof as Contractor may request to demonstrate compliance with such Laws.

2. All work, labor, services and materials to be furnished by Subcontractor must strictly comply with all applicable Laws now in force and hereafter placed in effect without any additional compensation.

3. Subcontractor agrees to defend, indemnify and save Contractor, its surety, if any, and Owner harmless from and against any and all claims, loss, fines, penalties, or expense, including attorney fees and costs, caused directly or indirectly by its failure to fully comply with any Laws or provisions of this Agreement. Subcontractor shall not settle or otherwise resolve any matters tendered to Subcontractor by Contractor, without the express written consent of Contractor.

4. Subcontractor shall pay all royalties and licensee fees, and further agrees to defend all suits or claims for infringement of any patent rights involved in the Subcontract Work, and further agrees to hold Contractor harmless from loss, cost or expense on account of such use or infringement by Subcontractor.

## **C. INSURANCE AND BOND**

1. Subcontractor shall provide all insurance which strictly complies with the requirements of Appendix 2.

2. If paragraph 2, on page 2 of the Subcontract Agreement, requires Subcontractor to supply bonds for this project, then Subcontractor shall at its own expense furnish Contractor, within ten (10) days of receipt of this Subcontract, performance and payment bonds in a form and from a surety acceptable to Contractor in amounts equal to the sum of the Subcontract Price, approved change orders and applicable tax. The bonds shall be conditioned upon the full and faithful performance of all terms, provisions, and conditions of this Subcontract, and specifically upon payment for all labor, materials, equipment and supplies used in the

prosecution of the Subcontract Work. If paragraph 2 does not require bonding, then Subcontractor shall only be required to provide the bonds described above within ten (10) days of receipt of a request therefore, and Contractor shall reimburse Subcontractor for reasonable bond premiums that result. The terms of this Subcontract Agreement are expressly incorporated into the terms of the bond(s). The provisions of such bond shall not conflict with the express terms and rights of the Contractor under this Subcontract and any such conflicting or inconsistent bond terms are hereby superseded by the terms of this Subcontract.

**D. SUBMITTALS, O&M MANUAL, AS BUILTS**

1. Subcontractor agrees to furnish Contractor complete and accurate shop drawings, specifications, final selection of materials, and other specified items in quantities required by Contractor for approval by Owner or Owner's agents sufficiently early so as to prevent delay to the progress of the Project.

2. Subcontractor agrees to furnish Contractor complete operational and maintenance manuals, as built, and spare parts in such quantities and format as may be required by the Main Contract or the Contractor. Delivery to Contractor shall be prior to Subcontractor's substantial completion, and sufficiently early so as to prevent delay to the completion of the Project.

3. Notwithstanding the dimensions in the Main Contract it shall be the obligation and responsibility of Subcontractor to take such measurements as will insure the proper matching and fitting of the Subcontract Work with all contiguous work. Should Subcontractor request or leave it to Contractor to take such measurements, the ultimate responsibility for the accuracy of these measurements shall be borne by Subcontractor.

**E. LOWER TIER CONTRACTORS**

Prior to commencing performance of any obligation herein, Subcontractor shall list, in writing to Contractor, all lower tier subcontractors and suppliers it intends to use, subject to Contractor's approval, which approval shall not be unreasonably withheld, and it shall not subsequently change such lower tier subcontractors without Contractor's prior written approval. Subcontractor shall bind all lower tier subcontractors and suppliers to Subcontractor in the same manner as Subcontractor is bound to Contractor, and as Contractor is bound to Owner. Please refer to Appendix 5 – Subcontractor & Major Supplier Affidavit for the reporting form.

**F. NATURE OF WORK**

1. Subcontractor has carefully examined and understands the Main Contract; has satisfied itself as to the nature and location of the Subcontract Work, the character, quantity and kind of conditions to be encountered, and the character, kind and quality of the equipment needed to prosecute the Subcontract Work; has visited and familiarized itself with the location, conditions and other matters visible at the job site which can in any manner affect the Subcontract Work; and here acknowledges it has had reasonable opportunity to complete same. Subcontractor accepts this Subcontract on the basis of the foregoing, and not in reliance upon any opinion or representation by Contractor or others.

2. Prior to commencing, Subcontractor shall notify Contractor in writing of any conditions which might adversely affect its work; failure to do so shall constitute a waiver of entitlement to any additional compensation or contract time arising out of such conditions.

3. Subcontractor shall regularly check the correctness of all work installed by others which may affect Subcontractor's Work. Subcontractor's failure to promptly detect or report discrepancies to Contractor before proceeding shall preclude Subcontractor from recovery for any resulting cost, expense or damage.

**G. SCHEDULING/TIME OF COMPLETION**

1. Time is of the essence in this Subcontract.

2. Subcontractor acknowledges and is bound to the substantial completion date, as well as the final completion date for the entire Project in accordance with the Main Contract, Contractor's schedule, and Appendix 1. Subcontractor agrees that all necessary costs to meet these required completion dates are included in the Subcontract Price and that no time extensions will be granted under any circumstances except as may be granted by the Owner.

3. Subcontractor shall promptly provide Contractor with any requested scheduling information, including periodic projections of its anticipated progress on the Subcontract Work and anticipated delivery dates for materials or equipment that may be in the course of preparation or manufacture. Contractor shall accept input from Subcontractor regarding developing and updating the construction schedule, but retains the right to decide the time, order and priority in which the various portions of the Project shall be performed. Contractor reserves the right to modify the sequence of Subcontractor's activities as the process warrants with no additional compensation to Subcontractor. Contractor shall make the schedule and any revisions thereto available to Subcontractor for review.



4. Subcontractor is responsible for review of original schedule and periodic updates to confirm that duration and sequencing is reasonable and attainable. Failure to notify Contractor within five (5) days of Subcontractor's receipt of original and updated schedules constitutes acceptance of the current schedule.

5. Contractor shall give Subcontractor advance notice of the anticipated starting date for Subcontract Work. Subcontractor shall start the Subcontract Work on the date established by Contractor, and shall complete it at such times as may be scheduled or rescheduled by Contractor.

6. Subcontractor shall perform the Subcontract Work as directed by Contractor in a manner that, in Contractor's opinion, benefits the overall Project schedule. Subcontractor agrees to cooperate with and coordinate its efforts with Contractor and other subcontractors whose work may interfere with the Subcontract Work. Subcontractor shall participate in the preparation of coordination drawings and work schedules as may be required by Contractor in areas of congestion, specifically advising Contractor in writing of any interference by others within twenty-four (24) hours of discovery. Should Subcontractor fall behind, it shall take necessary action to meet and maintain job progress without additional compensation, and shall be liable to and reimburse Contractor for damages resulting from or related to any delay, including, but not limited to, overtime and off-hour supervisory costs incurred by Contractor and by any of its other Subcontractors resulting from or relating to such delay.

7. Subcontractor shall comply with any written instructions given by Contractor, including instructions to suspend, delay or accelerate Subcontract Work.

8. Subcontractor assumes the responsibility to pay Contractor such liquidated damages as may be assessed against Contractor under the Main Contract for delays related to Subcontractor's work. Subcontractor shall pay such damages directly or by offset to the extent any delay is caused, in whole or in part, by Subcontractor or those third parties contracting with Subcontractor, which payment shall be in addition to any other claim Contractor may have for actual damages caused by Subcontractor's delay.

9. Contractor shall establish the normal business hours on the Project. No work shall be allowed at the Project site outside of normal business hours without first securing the express written permission of Contractor. Any work permitted outside of normal working hours shall be approved via a unilateral change order only, and is subject to the following terms and conditions: (a) No work outside of normal business hours shall be performed without

Contractor's supervision. Subcontractor shall compensate Contractor for Contractor's supervisor's time spent supervising Subcontractor's outside of-hours performance. (b) Upon demand by Contractor, Subcontractor shall compensate Owner for any additional inspection costs incurred by Owner as a result of outside of-hours performance. (c) At the sole option of Contractor, Contractor may allocate the costs detailed in (a) and (b) above among two or more subcontractors. (d) The issuance of an outside of-hours change order is at the sole discretion of Contractor. Contractor may terminate that change order at any time. Such termination shall not create a cause of action in Subcontractor against Contractor and Subcontractor acknowledges it shall retain no right to continue to work after-hours thereafter.

10. Subcontractor shall abide by Contractor's decision as to allotment of all storage and working space on the Project.

**H. MATERIALS AND EQUIPMENT**

1. Materials and equipment delivered to the job site by or for Subcontractor shall remain on the job site and shall become the property of Owner upon payment therefore. It shall be Subcontractor's responsibility to unload, store and protect the materials and equipment it furnishes, and Subcontractor shall bear the risk of loss or damage thereto. Subcontractor shall protect such materials and equipment against loss until they are actually incorporated into the Project and the Project is finally accepted by Owner, even though title thereto may previously have passed to Owner, except that Subcontractor shall not bear the risk of any such loss as may be due to the sole negligence of Contractor.

2. Subcontractor may only use Contractor's tools or equipment after first obtaining prior approval from Contractor. Contractor makes no express or implied warranties with respect to the condition or fitness of said equipment and any such warranties are expressly disclaimed. Subcontractor's use shall constitute an express agreement to rent said tools or equipment at the then prevailing rate as set forth in the current Rental Rate Blue Book. Subcontractor is responsible for complying with all laws and regulations and payment of any penalties or fines resulting from the use of same. Subcontractor shall be solely liable for and shall indemnify, defend and hold Contractor harmless from any damage to, and arising from the use of, such equipment while under Subcontractor's control.

**I. PAYMENT**

1. Prior to its first application for payment and as a condition of payment, Subcontractor shall submit to Contractor the following:



a. A schedule of values in sufficient detail and in a form and format acceptable to the Contractor for use in checking Subcontractor's monthly progress;

b. If this Subcontract is governed by prevailing wage laws, intent to Pay Prevailing Wages must be filed with the applicable agency. No pay requests will be processed until the completed form has been approved by the state or federal agency, where applicable;

c. A list of material suppliers, vendors for equipment rental, and subcontractors to be utilized on the Project. This list shall contain the name, address, phone and fax numbers, a description of the materials and services to be provided, and the anticipated contract amount for each subcontractor/supplier;

d. For work in Washington State, Subcontractor shall furnish Contractor a Premium Status report issued by the Washington State Department of Labor and Industries, in respect to Subcontractor's account with the Department of Labor and Industries;

e. A certificate of insurance and endorsements in full compliance with Appendix 2 – Insurance;

f. A fully executed Subcontract Agreement.

2. For each and every application for payment, Subcontractor shall submit to Contractor the following:

a. A fully executed and approved "Application for Payment" form and approved schedule of values reflecting progress during the contractual reporting period;

b. Subcontractor's fully executed and unmodified "Lien/Claim Release" form;

c. If necessary, an updated list of subcontractor's vendors or subcontractors if substitutions or additions are made, or costs have changed from the originally submitted form;

d. If requested by Contractor, Subcontractor shall provide Contractor's "Application for Payment" and "Lien/Claim Releases" for each of its lower tier subcontractors and suppliers.

e. If requested by Contractor, Subcontractor shall provide proof that Subcontractor is current in its required contributions with any union, public or private trust, health and welfare plan, pension plan, state or federal prevailing wage contribution requirements or the equivalent.

3. Subcontractor shall be paid for its work up to the date Contractor's last approved progress billing, provided seven days have elapsed following the date when Contractor receives its payment for such progress billing. Contractor and Subcontractor expressly agree that Subcontract's full compliance with the requirements of this Agreement is a precondition to any payment falling due.

4. Final payment to Subcontractor, subject to withholding as permitted hereunder, shall not be due until:

a. Both Subcontractor's Work and the entire Project have been accepted by Owner;

b. Seven (7) calendar days have passed following the time when Contractor has been paid in full;

c. Proof of payment, in a form satisfactory to Contractor and Owner, of all amounts owed by Subcontractor in connection with this Subcontract has been provided, including conditional lien and claim waivers, releases and affidavits;

d. All other payment prerequisites in this Subcontract and the Main Contract have been satisfied.

5. To the extent the Main Contract provides for early acceptance (prior to completion of the entire Project) of portions of the Main Contract work, and for release of retainage pertaining to such work at the time of such acceptance, and provided Owner elects early acceptance and makes full payment for the Subcontract Work or any portion thereof, and paragraphs 1-3 above have been satisfied, then final payment to the Subcontractor shall be similarly accelerated.

6. Subcontractor's applications for payment for work and materials incorporated into the Project shall be for such quantities as may be determined by Contractor or Owner, shall be in Contractor's home office in proper form by the twenty-fifth day of each month noted in order to be considered for that month's payment. The schedule of values shall be used for payment purposes only, and approval of an application for payment shall not relieve Subcontractor from furnishing all work and performing all other obligations required by this Subcontractor.

7. If the Main Contract permits payment for materials delivered to the jobsite or to satisfactory storage facilities, Subcontractor may invoice for materials so delivered and receive payment therefore as outlined herein; provided however, that all such stored materials shall be stored at the sole risk and expense of Subcontractor until final acceptance of the Subcontract Work. As a condition of payment, Subcontractor shall provide a bill of sale for such

material in a form approved by Contractor and specifically identifying the material in question. Subcontractor shall segregate and label the material with identifying markings indicating the materials are held for Contractor and shall provide proof of the same upon request of Contractor. Subcontractor shall also provide proof of insurance, subject to Contractor's approval, for such materials including insurance for warehouse or bonded warehouse, and insurance in transit.

8. Subcontractor agrees that its rights to payment, if any against Contractor and its surety, are strictly governed by the terms of this Subcontract, notwithstanding any additional rights that may be granted to Subcontractor by any statute, including but not limited to the Federal Miller Act or any state bond act.

9. If required, Subcontractor shall submit certified payrolls in the form acceptable to Contractor. No pay requests will be processed until the completed forms have been approved by the state or a federal agency, where applicable.

10. Contractor may withhold retainage from Subcontractor in the same percentage as Owner withholds retainage from Contractor or in an amount not to exceed **five percent (5%)** of the money earned by the Subcontractor, whichever is greater, as a trust fund for the satisfactory completion of the Subcontract Work. Unless otherwise provided by applicable law, the retainage will not accrue interest. The retainage will be released to Subcontractor upon the later of 60 days after final completion of the Contractor's Work, final acceptance by the Owner, or Contractor's receipt of retainage from the Owner.

11. Signature by Subcontractor on periodic lien and claim waivers constitutes an agreement by Subcontractor to indemnify, defend, and hold Contractor, its surety, the Owner, and the Project harmless from any claim which arises out of or is related to labor, services, material or equipment covered by the applicable lien and claim waiver and which is asserted by Subcontractor or by a lower tier supplier, vendor, laborer, subcontractor, or other person who may have rights to assert a claim against Contractor's bond or a lien against the property.

12. Owner's payment to Contractor for the Subcontractor's account is an absolute condition precedent to Contractor's obligations to make progress or final payment to the Subcontractor under this Subcontract. Subcontractor expressly agrees to bear the risk of the Owner's non-payment. Subcontractor is relying on the credit of Owner, rather than Contractor, for payment of its efforts.

13. Subcontractor, its officers, directors and owners shall act as a fiduciary for Contractor and Subcontractor's

employees, lower tier subcontractors, and suppliers on the Project and all progress payments shall be considered trust funds intended to be held in trust to pay those parties all sums owing to them for work, materials, equipment, labor or other obligations of Subcontractor related to the Project, before paying itself any remaining funds. Subcontractor hereby grants Contractor a security interest in Subcontractor's accounts receivables to secure Subcontractor's obligations hereunder.

14. If it appears Subcontractor is not promptly paying its bills in this fashion, if Subcontractor assigns or otherwise factors its accounts receivables, or if Contractor has any other grounds for concern, Contractor may take such steps as it deems necessary to insure that progress and final payments are utilized to pay such bills, including but not limited to the issuance of third party or two party checks.

15. Progress payments are advances subject to adjustment at any time for errors, overpayment, faulty or defective work or material, or Contractor's good faith determination that the remaining balance of payments may be insufficient to insure completion of the Subcontract Work in accordance with its terms. Should the remaining unpaid Subcontract balance become insufficient to cover completion costs at any time, Subcontractor and its sureties, if any, shall promptly reimburse Contractor for such overpayment.

16. Contractor may withhold amounts otherwise due under this Subcontract, or under any other arrangement between the parties, as an offset to cover 150% of Contractor's reasonable estimate of any liability Contractor has incurred or may incur for which Subcontractor may be responsible under this Subcontract, or under any other agreement between the parties. This offset shall be subject to adjustment when the exact amounts of liability are determined, but in no event shall the amounts withheld bear interest.

17. Subcontractor shall notify Contractor in writing of any intention to assign the proceeds of this Subcontract prior to such assignment, and Subcontractor shall provide Contractor with the written acceptance by Assignee of the terms of this Subcontract, and of the obligations for adjustment and offset, before such assignment shall occur or be honored. It is agreed that the assignee of funds due or to become due under the Subcontract shall take such assignment subject to the trust fund obligations of Subcontractor and all other obligations of Subcontractor to Contractor, with respect not only to the Subcontractor's work under this Subcontract, but also with respect to any other Subcontract Work performed by Subcontractor for Contractor on other Projects.

**J. UNIT PRICE**



In the event this Subcontract contains unit price items, it is understood and agreed that any quantities mentioned are approximate only, are based upon information furnished by Owner, and are subject to change as required by the Main Contract and as ordered and directed by Contractor. Price adjustments, if any, for variations in quantity are available to Subcontractor only if they are available to Contractor under the provisions of the Main Contract, and then only proportionate to any adjustment actually obtained by Contractor from the Owner.

**K. CHANGES IN THE SUBCONTRACT WORK**

1. Contractor shall have the right by written order, to direct changes, additions, deletions, or alterations to the Subcontract Work or the time of performance. Contractor shall have this right without notice to Subcontractor's surety, if any. Should Subcontractor claim any such order or any act by Contractor or others would cause additional costs, or if Subcontractor otherwise believes it is entitled for any reason to an adjustment in the Subcontract Price or Subcontract time, Subcontractor shall submit written notice to Contractor within seven (7) calendar days of said claim arising, and prior to commencing such work; otherwise, such claim shall be deemed waived, and Subcontractor shall have no right to maintain an action in court or arbitration to recover for extra work. In no event shall Subcontractor be entitled to a change order or an equitable adjustment unless authorized in writing by Contractor. Should the parties be unable to agree as to the value of any work to be added, deleted or altered, Subcontractor shall proceed with the work promptly, but only upon written order of Contractor, and the amount due for the disputed work shall be resolved as provided, in this Article and pursuant to Article T.

2. The value of any work added, deleted or altered from the Subcontract Work shall be determined by one or more of the following methods, or combinations thereof, as Contractor may elect: (1) mutual acceptance of a lump sum with properly itemized costs; (2) unit prices established in this Subcontract or subsequently agreed upon (unit prices shall be deemed to include an allowance for all of Subcontractor's direct or indirect costs, including, without limitation, office and shop expense, overhead, profit and bond); or (3) the actual field costs necessarily incurred in the proper performance of the work. "Actual field costs" are defined as actual wages paid for labor in the direct employ of subcontractor plus actual payroll markup to cover all overhead items; the net cost of all subcontracts, materials, supplies or equipment; third party rental charges; plus an allowance for overhead and profit as defined in paragraph K.3 below.

3. Subcontractor's markup for overhead and profit shall be limited to the lesser of (i) allowances for overhead and profit

as stated in the Main Contract or (ii) 8% for work performed by lower tier subcontractors and 12% for work of Subcontractor. This allowance for overhead and profit shall compensate Subcontractor for all costs of any kind attributable to direct and indirect delay, acceleration, or impact and for all noncraft labor, temporary construction facilities, engineering, estimating and home office costs, insurance, B&O taxes, or additional overhead because of extended time and any other cost incidental to the change in the work.

4. Contractor shall not be liable to Subcontractor for any damages or additional compensation as a consequence of delays caused by any person not a party to this Subcontract unless Contractor has first recovered the same on behalf of Subcontractor from said person, it being understood and agreed by Subcontractor that apart from such a recovery from said third party, Subcontractor's sole and exclusive remedy for delay shall be an extension of the Subcontract time.

5. Subcontractor acknowledges that, unless expressly stated otherwise within a written change order, any change in the Subcontract Price and time affected through a written change order shall constitute full payment and accord and satisfaction for all costs incurred, labor performed, material and equipment furnished, and any delay, acceleration, or loss of efficiency associated with the change in the work, as well as for any schedule extensions that might be warranted.

6. Contractor shall have the right to inspect, copy and audit the books and records of Subcontractor or any lower tier subcontractor or supplier making claim for reimbursement for actual costs in order to verify the claim accuracy and to determine if costs claimed will be allowed.

**L. PERMITS/TAXES**

1. The Subcontract Price includes, and Subcontractor accepts exclusive responsibility for securing and paying for: (1) all permits, fees and licenses necessary for the performance of the Subcontract Work; (2) all federal, state, county, municipal and other taxes, including without limitation business and occupation taxes, personal property taxes, sales taxes, use taxes, penalties and interest, based upon labor, services, goods, equipment or other items acquired, performed, furnished or used in connection with the Subcontract Work; (3) paying any contributions, taxes or premiums, including penalties and interest, measured upon Subcontractor's payroll or required to be withheld from Subcontractor's employees; and (4) paying any pension, welfare, vacation, annuity and other benefit contributions owed in connection with labor agreements or applicable law.

2. Subcontractor shall apply for all required permits within ten (10) days of execution of this Subcontract. Subcontractor shall submit evidence of permit issuance to Contractor prior to the first payment to Subcontractor being considered due and payable.

**M. EMPLOYEE-RELATED PAYMENTS**

1. Subcontractor has the status of employer as defined by Industrial Insurance, the Workers' Compensation and Unemployment Compensation Acts, Social Security, and other similar laws, rules and regulations of the federal, state and local government. Subcontractor shall withhold from its payroll applicable social security taxes, workers' compensation, and unemployment compensation contributions and withholding taxes and timely pay same, and Contractor shall in no way be liable as an employer to or on account of any of the employees of Subcontractor.

2. Before final payment is made upon this Subcontract, Subcontractor shall furnish evidence satisfactory to Contractor that it has conformed and shall conform to said laws, rules and regulations. Subcontractor hereby agrees to indemnify Contractor for any and all liability arising from the Subcontract Work related to such laws.

**N. INSPECTION AND DEFECTIVE WORK**

1. Subcontractor shall at all times provide sufficient, safe and proper facilities in the field, at shops, or at any other place where materials or equipment for the Subcontract Work are in the course of preparation, manufacture, treatment or storage, for inspection by Contractor or Owner or their authorized agents.

2. Within twenty-four (24) hours after receiving written notice from Contractor to that effect, Subcontractor shall proceed to take down all portions of the Subcontract Work, and remove from the jobsite all materials, whether worked or unworked, which the Owner or Contractor shall condemn as unsound, defective, or in any way failing to conform to this Subcontract or the Main Contract. Subcontractor, at its own cost and expense, shall replace the same with proper and satisfactory work and materials and make good all work damaged or destroyed by or as a result of such unsound, defective, improper or nonconforming work or materials or by the taking down, removal or replacement thereof. Should Subcontractor fail to timely act on Contractor's notification, Contractor shall have the right to remedy such defective work with all associated costs to be charged against Subcontractor's account. Such action by Contractor shall not relieve Subcontractor of any other obligations stated herein.

**O. JOB DAMAGE**

1. Damage caused by Subcontractor to any work or to Existing Site or Building Improvements shall be reported immediately to Contractor, and Subcontractor shall be responsible for the cost of its repair. Job damage caused by Contractor to the Subcontract Work shall be reported immediately to Contractor in writing and Contractor shall be responsible for its repair.

2. Subcontractor shall promptly and adequately protect its Work in accordance with the Main Contract and any applicable Laws. Subcontractor shall be solely responsible for any damage resulting from its failure to do so.

**P. HOUSEKEEPING AND SAFETY**

1. Subcontractor shall regularly and promptly, at its own expense, remove all refuse, waste and debris produced by its operation. Subcontractor shall not permit its refuse to interfere with free access to the work site. In the event Subcontractor fails to remedy these cleanup obligations after notification of violation of these requirements, refuse removal may be done by Contractor and charged against the account of Subcontractor.

2. Subcontractor, at its own expense, shall legally dispose of all waste materials off site on a daily basis. Should Subcontractor leave empty boxes or crating on site which are subsequently used by others for waste disposal, Subcontractor will be held responsible for disposal of the boxes and their contents. Contractor will not be responsible for the disposal of Subcontractor's hazardous waste and will not provide a dumpster for Subcontractor's use.

3. Subcontractor shall provide all necessary employee training and shall manage, accumulate, transport and dispose all regulated hazardous waste generated by Subcontractor during its work in accordance with national, regional and local requirements.

4. Subcontractor shall conduct the Subcontract Work in a safe manner, shall comply with all safety measures initiated by Contractor or required by the Main Contract, and shall comply with all Laws relating to the safety of person or property. Subcontractor accepts responsibility to prevent accidents to workmen engaged upon or in the vicinity of the Project. Subcontractor shall be solely responsible for the protection and safety of its employees, for final selection of additional safety methods and means, and for daily inspection of its work area and safety equipment. When so ordered, Subcontractor shall stop any part of the Subcontract Work which Contractor deems unsafe until corrective measures satisfactory to Contractor have been taken, and the Subcontractor agrees it shall not have or make any claim for damages growing out of such stoppages. Should Subcontractor fail to take such corrective measures,

Contractor may attempt to remedy the condition at the cost and expense of Subcontractor and may deduct the cost thereof from any payments due or to become due Subcontractor. Failure on the part of Contractor to stop unsafe Subcontractor practices shall in no way relieve Subcontractor of its responsibility hereunder.

**Q. WARRANTY AND INDEMNITY**

1. Subcontractor warrants the Subcontract Work and materials furnished hereunder to Contractor and Owner on the same terms, and for the same period, as Contractor warrants the work to Owner under the Main Contract. With respect to the Subcontract Work, Subcontractor shall assume all warranty obligations and responsibilities of Contractor under the Main Contract. Without limiting the preceding sentences, this warranty shall run at least one year from the Owner's final acceptance of the Project. In no event shall Subcontractor's obligation in this regard be less than the obligation to promptly correct improper or defective Subcontract Work or materials discovered within one year from the date of final acceptance of the Project by Owner.

2. Subcontractor agrees to provide any special warranties required under the Main Contract. Subcontractor agrees to indemnify and hold Contractor harmless from any claims, demands, loss or damages, including attorney fees, arising or resulting from or related to any failure of Subcontractor to strictly comply with a term of this Subcontract.

3. Should any corrective work associated with improper or defective Subcontract Work be required, the original warranty shall be extended to its full duration commencing on the date when such corrective work, in Contractor's opinion, is completed.

4. Subcontractor shall further indemnify, hold harmless and defend Contractor, Contractor's surety and Owner pursuant to Appendix 3 hereto. As to any claims subject to the indemnification obligations set forth in Appendix 3 hereto and elsewhere in this Subcontract, Subcontractor agrees to make monthly status reports to Contractor or to Contractor's designee at Subcontractor's sole cost and expense. Subcontractor grants Contractor the right to replace Subcontractor's counsel with counsel of Contractor's choosing if Contractor reasonably believes Subcontractor is not adequately defending Contractor. Upon such an occurrence, Subcontractor agrees to bear all costs of representation by Contractor's counsel.

5. Subcontractor shall remove or cause to be removed any and all liens, bond claims or retainage claims of lower tier Subcontractors, suppliers, or laborers before any action is brought to enforce the same, or within ten (10) days after

written demand by Contractor, whichever first occurs. Subcontractor agrees to indemnify, defend and hold Contractor, Contractor's surety, Owner and the Project free and harmless of all liability for any and all such liens or claims, together with attorney fees and costs and expenses related thereto. Without limitation as to any such liens or claims, upon the written request of Contractor, Subcontractor shall post the cash deposit or bond provided for in any applicable statute that permits a construction lien to be "bonded off" real property. If Subcontractor fails to remove or bond off such liens or claims, all expenses, including attorney fees and costs, so incurred by Contractor in doing so, shall be immediately due from Subcontractor to Contractor and shall bear interest at twelve percent (12%) per annum.

**R. FAILURE TO PERFORM**

1. If for any reason Subcontractor fails to start the Subcontract Work as requested by Contractor, or at any time refuses or fails to supply sufficient properly skilled workmen, proper material of the proper quality, or fails or becomes unable in any respect to prosecute timely or satisfactorily complete the Subcontract Work, or commits any other breach of this Subcontract, it shall be deemed in material breach of this Subcontract. In such event, the Contractor without prejudice to any other rights or remedies, may do all or any portion of the following: (a) Contractor may provide any labor and material which in Contractor's opinion are necessary to prosecute and satisfactorily complete the Subcontract Work by whatever method Contractor deems expedient, including the hiring of another subcontractor or subcontractors, and deducting the cost thereof, including Contractor's overhead, administrative expenses, and profit margin thereupon, from any payment due or thereafter to become due to Subcontractor; (b) Contractor may withhold further payments to Subcontractor until the Subcontract Work is accepted by the Owner; (c) Contractor may declare the Subcontractor to be in default of the Subcontract and terminate Subcontractor's right to proceed with the Subcontract Work or any part thereof, and prosecute the remaining work as provided above. This termination shall be effective upon three (3) calendar days' notice, without any further notice required; (d) Contractor may, for the purposes of prosecuting and completing the Subcontract Work, take possession of and use without cost all material, equipment and tools belonging to or under the control of Subcontractor. In that event, Contractor shall not be liable for the cost of depreciation nor for any damage occurring during reasonable use. (e) Contractor may pay any bills Subcontractor incurred performing Subcontract Work, and write a unilateral deductive change order therefore.

2. Subcontractor hereby assigns to Contractor, as security for Subcontractor's performance hereunder, all lower tier subcontracts and all other contracts, purchase orders, equipment leases and other agreements entered into in connection with the Project, and appoints Contractor its attorney in fact to enforce said contracts according to their terms. Such assignment shall be operative only upon notice by Contractor and only with respect to those specific agreements designated by Contractor at the time of such notice, in the event of default by, or upon the termination of, the Subcontractor under this Subcontract. All lower tier subcontracts and other such agreements shall provide that the lower tier subcontractor consents to such assignment.

3. Neither the exercise nor non-exercise of Contractor's rights under this paragraph shall excuse Subcontractor from strict compliance with this Subcontract, nor prejudice Contractor's rights to recover damages for any material breach of Subcontractor or to pursue any other remedy that may be available to Contractor.

4. All charges by Contractor against the account of Subcontractor shall include any associated direct costs incurred by Contractor plus a markup of 15% for overhead and profit.

**S. CONVENIENCE TERMINATION**

Contractor may terminate this Subcontract, or a part of the Subcontract Work, without Subcontractor being at fault, for Contractor's convenience, and require Subcontractor to immediately stop said terminated work. If there has been a termination of the Main Contract by the Owner, the Subcontractor shall be paid the amount due from Owner to Contractor for the Subcontract Work as may be provided for in the Main Contract, less Contractor's markup, upon such payment by the Owner to the Contractor. Otherwise, Contractor shall pay Subcontractor for that work actually performed prior to termination in an amount proportionate to the Subcontract Price. In the event of such a convenience termination, Contractor shall not be liable to Subcontractor for any other costs or amounts, including prospective profits or unabsorbed overhead on Subcontract Work not performed.

**T. DISPUTES**

1. All claims, disputes or other matters in question shall be resolved in strict accordance with the following provisions:

**a. Pass through Claims:**

In the event that a claim, cause of action, dispute, or other matter in question is asserted by Subcontractor against Contractor but which Contractor, in its sole

discretion, asserts is the responsibility of the Owner, the Architect, or their agents or representatives or is asserted by Owner against Contractor but which Contractor in its sole discretion, asserts is the responsibility of Subcontractor (hereinafter "pass through claim"), Subcontractor agrees that the dispute shall be resolved in accordance with any and all dispute resolution procedures in the Main Contract and Subcontractor shall be bound to Contractor to the same extent as Contractor is bound to those procedures and to any associated rights and remedies as provided in the Main Contract.

**b. Matters under \$250,000:**

Except as provided herein, all claims, counterclaims, disputes, and other matters in question between Contractor and Subcontractor which are less than \$250,000 (exclusive of interest and attorneys fees) and which arise out of or relate to the Main Contract or this Subcontract, any breach thereof, or any work thereunder shall be decided by arbitration before one arbitrator in accordance with the then-current Construction Industry Arbitration Rules of the American Arbitration Association. This Arbitration provision shall not apply if the Contractor in its sole discretion determines that (i) complete and full relief cannot be granted by an arbitrator, (ii) if necessary or proper parties cannot be named in the arbitration, (iii) any claim, counterclaim, dispute or other matter in question between Contractor and Subcontractor exceeds \$250,000 irrespective of the size of any other claim or dispute, or (iv) if Contractor determines that some or part of a Subcontractor's claim is a "pass through claim" as defined in paragraph 1(a).

**c. All other matters:**

All other claims, causes of action, disputes or other matters in question which are not eligible for or subject to arbitration or dispute resolution under the Main Contract shall be resolved by litigation. The exclusive forum for and venue of such litigation shall be the District Court, Missoula County, Montana. If any such litigation is within the sole jurisdiction of the United States Federal Courts, then the exclusive forum for and venue of such litigation shall be with the United States District Court for the District of Montana.

2. In the event of a dispute as to the applicable dispute procedure under paragraphs 1(a)-(c), the Contractor shall have full discretion to determine the applicable procedure or exception and that decision shall be final and binding on Subcontractor.

3. As between the parties to this Subcontract, the prevailing party in any litigation, or arbitration, shall be entitled to an

award of its attorney fees and costs incurred. Contractor and Subcontractor expressly grant any arbitrator the authority to award attorney fees and costs. The parties also agree that in any action to confirm the arbitration award or in any post-arbitration court proceeding, the court shall award the prevailing party its attorney fees and costs.

4. In the event of arbitration under paragraph T.1(b), the arbitrator shall be chosen from the AAA's List of Neutrals residing in the State of Montana. The venue and location of all arbitration hearings shall be in **Missoula, Montana**. The Montana State statutes of limitations, statutes of repose, and the doctrine of laches shall apply to any Arbitration proceedings. Subcontractor agrees that Contractor at its sole election, may join other parties including, without limitation, Subcontractor's surety, if any, in said arbitration and they further agree to be bound by the findings and award of such arbitrator without recourse to any court of law other than for enforcement of the arbitrator's decision. Contractor may at its sole election, consolidate any dispute or Arbitration governed by this agreement into any other arbitration, dispute or lawsuit in which the Contractor may engage or be engaged. Any dispute over the arbitrability of any claim or the consolidation of claims and parties shall be decided by a court of competent jurisdiction, rather than by any arbitrator.

5. In the event of a pass through claim as defined in paragraph T.1(a) or other claim, cause of action, dispute or matter in question asserted by Subcontractor against Contractor but which Contractor, in its sole discretion, asserts is the responsibility of any other subcontractor, or supplier, or other participant of the Project ("third party"), Subcontractor agrees as follows:

a. to be bound to any findings, determinations, or awards made under the dispute resolution procedures of the Main Contract, or by an administrative agency, board, court of competent jurisdiction, or arbitration, and to any and all appeals therefrom, whether or not Subcontractor is a party to the proceedings;

b. to cooperate fully with Contractor and to furnish all documents, statements, witnesses, and other information required by Contractor if any dispute or claim involving the Subcontract Work is prosecuted or defended by Contractor, and Subcontractor is not a party to that proceeding, and Subcontractor further agrees to pay or reimburse Contractor for all expenses and costs, including reasonable attorney fees incurred in connection therewith, to the extent of Subcontractor's interest in such claim or dispute;

c. Contractor shall not be liable to Subcontractor therefore in any greater amount than Owner or third party is

liable to Contractor, less any markups or costs incurred by Contractor;

d. to not take, and to suspend and stay if already undertaken, any other action or actions with respect to any claims, and to pursue no independent litigation or arbitration with respect thereto pending final determination of any dispute between Owner or third party and Contractor; and

e. at the sole option of Contractor, to prosecute any claim in the name of Contractor that Contractor contends in whole or in part is based on or arises out of any breach, action or omission of the Owner, Owner's agents or third party and to pay Contractor fifteen percent (15%) of any amount thereby recovered or collected on behalf of Subcontractor, whether through Court, arbitration proceedings, or settlement in lieu of its standard mark-up for such claims and to take full responsibility for the preparation, presentation, appeal and final disposition of such claims, and shall pay all the expenses thereof including attorney fees.

6. Written notice of any claims whatsoever by Subcontractor shall be given to Contractor the earlier of, immediately upon Subcontractor's first knowledge of the event, or within seven (7) calendar days of becoming aware of the event for which such claim is to be made, whichever is earlier. Otherwise, such claims shall be deemed waived. Subcontractor must serve a demand for arbitration over all such claims no later than one hundred twenty (120) days after substantial completion or the Subcontractor will be barred from bringing any action (in arbitration or in court) over those claims.

7. Subcontractor agrees to reimburse Contractor for any damages, including Contractor's attorney fees incurred by Contractor, due to Subcontractor's failure to strictly adhere to any claims or dispute resolution provisions in this Subcontract, including but not limited to any pass through claims to the Owner or other third parties but which Contractor is unable to pass through because of Subcontractor's failure to adhere to such claims provisions. Contractor shall be entitled to assert its right of reimbursement acquired hereunder as a set off to any claim of Subcontractor.

8. As a condition precedent to submitting to any trial or arbitration of any claim or counterclaim between Subcontractor and Contractor, the parties to this Subcontract shall first submit their dispute to non-binding mediation with the assistance of a recognized professional mediation service. The parties shall each designate a representative with full settlement authority who shall participate for at least four hours in the mediation. The



parties shall bear equally all expenses, exclusive of attorney fees, associated with the mediation.

**U. MISCELLANEOUS**

1. No modification of this Subcontract and no waiver of any rights under this Subcontract shall be valid or binding on the parties unless the same be in writing signed by both parties.
2. This Subcontract shall be considered to have been made in and shall be interpreted, to the extent permitted by law, under the laws of the State of Montana.
3. Any written notice required to be given to a party shall be hand-delivered or delivered via certified mail to the address of that party indicated above.
4. The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. If any provision is invalid, in whole or in part, the balance of the provisions shall be considered reformed to reflect the intent of the parties to the greatest extent possible consistent with the law.

5. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of this Subcontract, or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right as respects further performance.
6. Termination shall not relieve Subcontractor from obligations in connection with work performed prior to termination, nor shall it abrogate any provisions herein dealing with resolution of disputes.
7. Subcontractor expressly acknowledges and agrees that all of the obligations Contractor owes to Subcontractor are contained in the express written provisions of this Subcontract and that Contractor owes no implied duties or obligations to Subcontractor.
8. This Subcontract represents the final integrated understanding of the parties and shall supersede any prior proposals, offers, negotiations, revisions, unincorporated written communications or oral discussions, statements, representations or agreements.

END OF GENERAL CONDITIONS

**APPENDIX 1**  
**Scope of Work**

**Project Number:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

**Cost Code:** \_\_\_\_\_

**Subcontractor:** \_\_\_\_\_

This Appendix 1 is hereby made a part of the Subcontract between Contractor and Subcontractor. In addition to the work described in other parts of this Subcontract Agreement, the following further describes Subcontractor's scope of work:

**A. SCOPE OF WORK.** All work necessary or incidental to complete the \_\_\_\_\_ Subcontract Work Description \_\_\_\_\_ Work for the Project in strict accordance with and reasonably inferable from the Main Contract and as more particularly though not exclusively, as specified in: \_\_\_\_\_ Specification Section(s) \_\_\_\_\_ [List] \_\_\_\_\_ and all related sections, and all applicable General Requirements for the Project.

*with the following additions and deletions:*

**Specific Inclusions:**

- {Contract Inclusions Description}

**Specific Exclusions:**

- {Contract Exclusions Description}

**Special Conditions:**

- {Contracts Notes}

**B. 1. LUMP SUM**  
[List Lump Sum Here]

**2. UNIT PRICES**  
[List Any Unit Prices Here]

**C. Subcontractor's Schedule Requirements**



APPENDIX 2

Project Number: \_\_\_\_\_

Project Name: \_\_\_\_\_

Subcontractor: \_\_\_\_\_

Insurance

This Appendix 2 is hereby made a part of the Subcontract by and between Contractor and Subcontractor.

Subcontractor shall comply with the following:

1. Standard Insurance Coverages: Subcontractor shall secure and maintain and shall ensure all of its subcontractors of every tier secure and maintain, from the earlier of commencement of work or the effective date of the Subcontract, at least the minimum insurance coverages and limits required by this Appendix 2 or, wherever any other requirement(s) would afford greater coverage than is required herein, any coverages or limits of liability specified in Contractor’s Contract with Owner (the “Main Contract”) or required by law. Such coverage shall be maintained and, in the case of sub-tier subcontractors, shall be caused to be maintained, until completion of the Subcontract Work or its final acceptance, whichever is later, or for any longer period of time specified herein. Unless otherwise specifically stated herein, all requirements in this Appendix shall apply with equal force to any coverages required in Appendices 2a, 2b, and 2c, below.

1.1 Workers’ Compensation: Workers’ compensation insurance coverage as required by statute in the state(s) in which the Subcontract Work will take place. If the Subcontract Work will involve, in whole or in part, work or operations on the navigable waters of the United States or on a flagged vessel, then Subcontractor shall obtain coverage pursuant to the Jones Act and/or the Longshoremen’s and Harbor Worker’s Compensation Act.

If Subcontractor leases one or more employees through the use of a leasing company, payroll company, employee management company, or other company (collectively “Alternate Employer”), then Subcontractor must: (1) provide Contractor with a copy of the contract or agreement with the Alternate Employer, and (2) procure workers’ compensation insurance written on an “if any” policy form, including an endorsement providing coverage for alternate employer/leased employee liability. Such insurance shall be in addition to the workers’ compensation coverage provided to the leased employee by the payroll, employee management company, or other company. Contractor, in its sole discretion, may grant an exception to allow workers’ compensation insurance to be provided by the Alternate Employer in lieu of Subcontractor. Should Subcontractor wish Contractor to consider an exception, a certified copy of the Alternate Employer’s workers’ compensation insurance policy must be provided. For the attainment of Workers Compensation in states with monopolistic state insurance funds, coverage must be secured through the state fund of that state. When coverage is secured through such a state fund, Subcontractor shall ensure that such coverage includes Employer’s liability coverage and, if it does not, shall obtain such “stop gap” employer’s liability coverage separately, pursuant to the requirements of section 1.2, below. Where applicable, coverage shall include an all states endorsement. Subcontractor shall take all steps necessary to ensure coverage is applicable in the State in which the Project is located.

If Subcontractor uses one or more employees through the use of a professional employer organization (“PEO”), then Subcontractor must provide Contractor with (1) a copy of the contract or agreement with the PEO and (2) a copy of the PEO’s Workers’ Compensation insurance policy. Subcontractor shall not be permitted to utilize any employee(s) obtained from a PEO in the performance of any aspect of the Subcontract Work, nor shall such employee(s) be permitted on the Project site, unless (1) Contractor has confirmed that Subcontractor’s agreement with the PEO and the PEO’s Workers’ Compensation insurance together provide Workers’ Compensation coverage for the employee(s) supplied by the PEO, (2) Subcontractor reports such PEO employee(s) in its own Workers’ Compensation payroll, such that its own Workers’ Compensation policy will cover the employee(s) during their time on the Project site, or (3) Contract grants an exception to Subcontractor with respect to the requirements herein.





Subcontractor shall ensure that if any of its Subcontract Work will involve equipment operators furnished pursuant to equipment lease agreements, employees of independent contractors, sole proprietors or partners, such entities are covered by workers' compensation insurance.

1.2 Employer's Liability: Employer's liability insurance with limits of at least \$1,000,000 for each bodily injury by accident, each bodily injury by disease, and annual aggregate.

1.3 Automobile Liability: Automobile liability insurance provided on an ISO CA 00 01 03 06 or later form with limits of at least \$1,000,000 per accident for bodily injury and property damage and applying on an "any auto" or ISO "1" basis, including coverage for all vehicles used in connection with the Subcontract Work, and including uninsured and underinsured motorist coverage, coverage for loading and unloading, and medical payment protection. If hauling of hazardous waste is part of the Subcontract Work, Automobile Liability Insurance with a \$1,000,000 combined single limit per occurrence for bodily injury and property damage applicable to all hazardous waste hauling vehicles, and include MCS 90 endorsement and the ISO Form CA 99 48 03 06.

1.4 Commercial General Liability: Commercial general liability ("CGL") insurance written on base ISO Form CG 00 01 (edition 12 07, 04 13, or equivalent upon approval by Contractor), including coverage for damages because of property damage, bodily injury, personal and advertising injury, including those included in the products-completed operations hazard. Except as specifically approved by Contractor, such insurance shall not contain any limitations on the scope of coverage afforded by the base CG 00 01 form required above for property damage, bodily injury, and/or personal and advertising injury, unless specifically approved by Contractor. Examples of limitations that are not permitted include, but are not limited, to the following, except where specifically approved by Contractor below:

- No professional liability exclusions broader than ISO form 22 80 07 98.
- No progressive loss, continuing injury, or prior work exclusions
- No endorsement removing subcontractor exception to "your work" exclusion
- No residential coverage exclusion
- No endorsements removing the "insured contract" exception to the contractual liability and/or employer's liability exclusion
- No endorsements removing the "insured contract" exception to the contractual liability and/or employer's liability exclusion
- No Exterior Insulation and Finishing System ("EIFS") exclusions

Such CGL insurance shall include the following minimum limits of liability.

EACH OCCURRENCE	\$1,000,000
PRODUCTS-COMP/OP AGG.	\$2,000,000
PERSONAL & ADV INJURY	\$1,000,000
GENERAL AGGREGATE	\$2,000,000

Subcontractor shall obtain an endorsement stating that separate and distinct general aggregate and products-completed operations limits of liability shall apply to Subcontractor's work on the Project. Commonly known as "Aggregate per Project" endorsement.

Higher limits required if checked below

- \$2,000,000
- \$3,000,000
- \$4,000,000
- \$5,000,000

1.5 Commercial Umbrella Liability: Commercial umbrella or commercial excess liability insurance providing coverage excess to, and at least as broad as, the CGL, employer's liability, and automobile liability insurance detailed above in sections 1.2, 1.3, and 1.4. Coverage shall "drop down" for defense and indemnity in the event of exhaustion or insolvency of the underlying insurance. Subcontractor shall carry limits for this insurance of at least \$1,000,000 per occurrence and in the aggregate. Such policy shall provide that separate aggregate and per occurrence limits of the required amounts are available for the Project. Such coverage shall explicitly provide that it applies on a primary and non-contributory basis with respect to any coverage on which an additional insured or indemnified party is a named insured.

1.6 Property/Contractor's Tools and Equipment: "All risk" property insurance for Subcontractor's tools, personal property, mobile equipment, scaffolding and forms, whether owned, rented, or leased, and whether such property is located at the Project or in transit or is intended for incorporation into the Project, to the extent it is not covered by builders' risk insurance procured for the Project.

In the event Subcontractor or its sub-tier subcontractors will utilize a tower or heavy crane(s) at the project site, Subcontractor shall ensure that "all risk" property insurance is in place for the crane(s) ensuring the crane(s) for: (1) full replacement cost, (2) take-down and re-erecting, (3) damage to the Project caused by the crane, including crane collapse, and (4) time element loss including delay and soft costs resulting from damage to the crane or caused by the crane. Contractor and Owner must be named insureds on such insurance.

To the extent covered by Builder's Risk or any other property or equipment insurance, Contractor and Subcontractor waive all rights against each other and Owner, and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage, except such rights as they may have to the proceeds of such insurance. Subcontractor shall be responsible for that portion of the Builder's Risk deductible which is proportionate to the loss or damage resulting from acts or omissions attributable to the Subcontractor.

1.7 Additional Insurance Coverages: Prior to the commencement of the Subcontract Work, Subcontractor shall purchase and maintain the insurance below if marked with a selected checkbox, to be maintained until the later of completion of the Subcontract Work or its final acceptance, and for such longer period of time as specified herein.

Required

Yes No

Higher limits  
required if checked  
below

- \$2,000,000
- \$3,000,000
- \$4,000,000
- \$5,000,000

1.1 Contractor's Pollution Liability: If marked as required, then Subcontractor shall provide pollution liability insurance coverage for bodily injury and property damage with limits of not less than **\$1,000,000** per occurrence or claim. Coverage must remain in force for both on-site and off-site exposures, and remain in place for a period of not less than 5 years after substantial completion and acceptance of the Project. Such policy(ies) shall include coverage for mold and fungus.

Required

Yes No

1.2 Crane Liability and Riggers Legal Liability: If marked as required, the Subcontract Work involves the rigging, hoisting, lowering, raising or moving of property or equipment and Riggers Liability Insurance is required to insure against physical loss or damage to the property or equipment and/or equipment in the care, custody or control of the rigger, with limits sufficient for replacement of such property and/or equipment.

Required

Yes No

1.3 Watercraft and Aircraft Liability: If marked as required, the Subcontract Work involves the use of any owned, leased, chartered, or hired aircraft or watercraft of any type and Aircraft Liability Insurance or Watercraft Liability Insurance, as applicable, is required in an amount of not less than \$10,000,000 per occurrence, including Passenger Liability for bodily injury and property damage. The watercraft liability policy shall include pollution coverage, including coverage for clean-up costs, third-party property damage,

assessment of and damage to natural resources, loss of revenues and profits by third parties, defense, investigation civil penalties, criminal fines and defense and interest.

<u>Required</u>		1.4	<u>Railroad Protective</u> : If marked as required, then Subcontractor shall provide Railroad Protective Insurance with limits of not less than <b>\$1,000,000</b> per occurrence.
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>		

<u>Required</u>		1.5	<u>Marine Cargo and Goods-In-Transit</u> : If marked as required, then Subcontractor shall provide Marine Cargo and Goods-in-Transit Insurance with limits sufficient to cover the full replacement value of any delivery of cargo or materials lost or damaged plus the shipping and other transit and insurance costs of re-shipping or re-transporting the delivery to the extent that the Subcontractor is responsible for the transit of the same.
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>		

1.8 Contract-Specific Insurance Requirements: Prior to the commencement of the Subcontract Work, Subcontractor shall purchase and maintain the insurance required by any of the appendices identified below, should one be selected by Contractor as applicable to Subcontractor’s Subcontract Work.

<u>Required</u>		a.	<u>Appendix 2a - Subcontractors with Professional/Design Exposure</u> : If marked as required, Subcontractor shall obtain all of the insurance coverages required in Appendix 2a, attached to the Subcontract and incorporated therein, subject to all applicable requirements herein, as well as any additional requirements set forth in Appendix 2a.
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>		

<u>Required</u>		b.	<u>Appendix 2b - Vendors</u> : If marked as required, Vendor shall obtain all of the insurance coverages required in Appendix 2b, attached to the Subcontract and incorporated therein, subject to all applicable requirements herein, as well as any additional requirements set forth in Appendix 2b.
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>		

<u>Required</u>		c.	<u>Appendix 2c – Vendors with Design Exposure</u> : If marked as required, Vendor shall obtain all of the insurance coverages required in Appendix 2c, attached to the Subcontract and incorporated therein, subject to all applicable requirements herein, as well as any additional requirements set forth in Appendix 2c.
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>		

2. Insurer Requirements: Each insurer providing insurance coverage as required in this Appendix or any Appendix referenced herein shall be a licensed, admitted insurer authorized to issue such coverages in the state in which the Project is located, and shall have an A.M. Best rating of “A- VI” or better. Contractor, in its sole discretion, shall have the right to reject any insurance company selected by Subcontractor.

3. Additional Insureds: All insurance required by this Schedule (excluding only Workers’ Compensation and Professional Liability insurance) shall name the following parties as additional insureds: Owner, Contractor, and each of their parents, members, affiliates, lenders, directors, officers, representatives, agents, and employees, all parties required to be indemnified by the Subcontract, and all other parties reasonably requested by Contractor (hereinafter, collectively the “Additional Insureds”). All policies (including primary, excess, and/or umbrella) shall state that the insurance provided to the Additional Insureds is primary and non-contributory to any other insurance or self-insurance maintained by or available to the Additional Insureds. With respect to the Commercial General Liability insurance policy required under this Appendix, additional insured status must be provided on ISO ongoing operations forms CG 20 10 04 13 or CG 20 38 04 13 and on ISO completed operations form CG 20 37 04 13, or another endorsement explicitly approved by Contractor in writing.

- a. Scope of Coverage and Limits of Insurance: The coverage provided to the Additional Insureds must be at least as broad as that provided to the first named insured on each policy. In the event that any policy provided in compliance with this Appendix states that the coverage provided to an additional insured shall be no broader than that required by contract, or words of similar meaning, the parties agree that nothing in this Addendum is intended to restrict or limit the breadth of such coverage. Furthermore, the limits of insurance provided by Subcontractor shall be the greater of the limits maintained in the normal course of Subcontractor's business or the minimum limits specified in this Appendix. The limits of insurance stated above for each type of insurance are minimum limits only. In the event Subcontractor's policy provides greater limits than are required herein, the Additional Insureds shall be entitled to, or to share in, the full limits of such policy, and this subparagraph shall be deemed to require such full limits.
- b. Severability of Interests (Cross Liability): All insurance required by this subsection (excluding only Workers Compensation insurance and Professional Liability insurance) shall include a provision or be endorsed to provide that, inasmuch as the policy is written to cover more than one insured, all terms, conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. No cross-liability exclusions are permitted, and there may not be any restrictions in any policies that limit coverage for a claim brought by an additional insured against a named insured.
- c. Notifications to Owner: If Subcontractor does not obtain separate limits dedicated to the Subcontract Work on the Project, Subcontractor shall promptly notify Contractor in writing of the occurrence of either or both of the following: (a) a claim asserted against Subcontractor which is covered by any of the insurance required under this Appendix, if the amount paid with respect to such claim or the amount of any reserve established for such claim exceeds \$250,000.00; and/or (b) the erosion of the aggregate limit of 50% of the aggregate limit of any policy containing such a limit. Provided that for purposes of this subparagraph, "erosion" of coverage shall mean the expected total cost of claims as computed by the insurer.
- d. Waiver of Subrogation: To the fullest extent permitted by law, all insurance Subcontractor furnishes in compliance with this Appendix shall include a waiver of subrogation in favor of the Additional Insureds. Subcontractor further waives all claims and all rights of subrogation against the Additional Insureds and all of their respective assigns, subsidiaries, affiliates, employees, insurers and underwriters for loss of or damage to Subcontractor's Subcontract Work, tools, machinery, equipment, material, supplies or any other losses within the Subcontract Work of any insurance maintained by Subcontractor.
- e. Certificates of Insurance: At the earlier of the inception of the Subcontract Work or Subcontractor's entry onto the Project site, Subcontractor shall furnish the following to Contractor: (a) a current Certificate of Insurance, indicating the Project and evidencing all coverages required under this Appendix (including the amount of any deductible); (b) a copy of the provisions in the policy or the endorsement adding the parties required by this Appendix to be added as additional insureds; (c) a copy of the provisions in the policies or endorsements providing that the insurance provided to the Additional Insureds is primary and non-contributory and shall not seek contribution for any coverage carried by the Additional Insureds; and (d) a copy of the policy provisions or endorsement providing a waiver of subrogation in favor of the Additional Insureds. Any renewals, changes in coverage, or replacements in coverage shall be similarly documented and forwarded at least ten (10) days prior to expiration. Upon request, Subcontractor shall also provide Contractor with a certified copy of any policy providing coverage required by this subparagraph within ten (10) days of such request.
- f. Notice of Cancellation: All policies required under this Appendix shall contain endorsements that confirm that said insurance policies shall not be cancelled, not renewed, or materially changed except upon thirty (30) days prior written notice to Contractor. Notice from the Subcontractor shall be emailed to: Compliance Department, Certificate Compliance; Email: [compliance@paynewest.com](mailto:compliance@paynewest.com)
- g. Deductibles & Self-Insured Retentions: The policies Subcontractor furnishes in compliance with this Appendix shall not be subject to any self-insured retention and shall not be subject to any deductible in excess of **\$10,000** unless approved in writing by Contractor. Subcontractor shall be responsible for payment of any deductible or self-insured retention due under any insurance it provides. The coverage afforded to the Additional Insureds shall not be conditioned on the payment of any deductible or self-insured retention.
- h. Contractor's Right to Procure Insurance: In the event of a failure of Subcontractor to furnish and maintain said insurance and to furnish satisfactory evidence thereof, Contractor shall have the right (but not the obligation) to procure such insurance on behalf of Subcontractor, and Subcontractor shall furnish all necessary information in connection with Contractor's procurement and either pay the cost thereof to Contractor immediately upon presentation of a bill therefor, or have the cost thereof deducted from any payment otherwise due to Subcontractor under the Subcontract at Contractor's option. Should Contractor decide not to obtain insurance required herein on behalf of Subcontractor and Subcontractor continue to fail to obtain such required insurance, despite written notice by Contractor of Subcontractor's

non-compliance with the requirements of this Appendix or any appendix referenced herein, Contractor shall be entitled to terminate Subcontractor for default.

- i. Sub-Tier Subcontractors: Before permitting any sub-tier contractor to perform work under a subcontract relative to the Project, Subcontractor shall require, by written contract, that such sub-tier contractors maintain insurance in like form and amounts to that required by this Appendix. Subcontractor shall be responsible to ensure that each of its sub-tier contractors maintains insurance in like form and amounts and shall provide evidence of same to Contractor if requested. Any exception to the requirements of this paragraph will be ineffective unless explicitly set forth in a writing signed by Contractor.
- j. No Limitation: The insurance coverages maintained by Subcontractor shall not limit any of Subcontractor's indemnity obligations or other liabilities under the Subcontract.

4. No Waiver: Any waiver or modification of the insurance requirements stated in this Appendix or any appendix referenced herein must be agreed to in writing by Contractor.

5. Conformance to Law. IN THE EVENT THAT THE LAW OF THE STATE IN WHICH THE PROJECT IS LOCATED (OR APPLICABLE LAW) LIMITS THE APPLICABILITY OF ANY OF THE INSURANCE COVERAGE THAT CONTRACTOR MAY REQUIRE FROM SUBCONTRACTOR, THEN SUBCONTRACTOR SHALL BE REQUIRED TO OBTAIN COVERAGE TO THE FULLEST EXTENT OF COVERAGE AND LIMITS ALLOWED BY APPLICABLE LAW AND THIS AGREEMENT SHALL BE READ TO CONFORM TO SUCH LAW.

6. Inquiries: To the extent Subcontractor has any questions concerning the insurance requirements set forth in this Appendix, Subcontractor should contact Contractor's risk management department.



**APPENDIX 3**

**Project Number:** \_\_\_\_\_  
**Project Name:** \_\_\_\_\_  
**Subcontractor:** \_\_\_\_\_

**Indemnification**

**This Appendix 3 is hereby made a part of the Subcontract by and between Contractor and Subcontractor.**

Throughout this Agreement, "Indemnified Parties" means Contractor, the Owner, any party required to be indemnified pursuant to the Contractor's contract with the Owner, and any of their respective officers, agents, servants, or employees, and affiliates, parents and subsidiaries.

Except as otherwise provided below, Subcontractor hereby assumes responsibility and liability for any and all claims, damages, losses and expenses, including, but not limited to, attorneys' fees, resulting from, arising out of or occurring in connection with the Subcontract Work. Subcontractor agrees to indemnify and hold harmless the Indemnified Parties from and against any and all claims, whether or not such claims are based upon the Indemnified Parties' alleged fault or upon any alleged breach of any statutory duty or obligation on the part of the Indemnified Parties, and further from and against any and all loss, cost, expense, liability, damage, penalties, fines or injury, including legal fees and disbursements, that the Indemnified Parties may directly or indirectly sustain, suffer or incur as a result thereof. However, this provision shall not be construed in any way to require the Subcontractor, its agents, and its employees to indemnify the Indemnified Parties for any claims caused by or resulting from the Indemnified Parties' own fault or negligence.

The Subcontractor agrees to and does hereby assume, on behalf of the Indemnified Parties the defense of any action at law or in equity which may be brought against the Indemnified Parties upon or by reason of such claims and to pay on behalf of the Indemnified Parties, upon demand, the amount of any judgment that may be entered against the Indemnified Parties in any such action. In the event that any such claims, loss, cost, expense, liability, damage, penalties, fines or injury arise or are made, asserted or threatened against the Indemnified Parties, Contractor shall have the right to withhold from any payments due or to become due to the Subcontractor an amount sufficient in its judgment to protect and indemnify the Indemnified Parties from and against any and all such claims, loss, cost, expense, liability, damage, penalties, fines or injury, including legal fees and disbursements.

Nothing in this Agreement shall be deemed to relieve the Subcontractor of its immediate duty to defend any and all Indemnified Parties, as specified in this Agreement, pending a determination of the respective liabilities of the Subcontractor, and the Indemnified Parties, by legal proceeding or agreement.

IN THE EVENT THAT THE LAW OF THE STATE IN WHICH THE PROJECT IS LOCATED LIMITS THE INDEMNITY OBLIGATIONS OF THE SUBCONTRACTOR, THEN THE INDEMNITY OBLIGATIONS OF THE SUBCONTRACTOR SHALL BE ENFORCED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND THIS ARTICLE SHALL BE CONSTRUED TO CONFORM TO SUCH LAW.

**THE UNDERSIGNED HEREBY CERTIFY THAT THIS APPENDIX WAS MUTUALLY NEGOTIATED.**

Jackson Contractor Group, Inc.:  
By: \_\_\_\_\_  
Name & Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[Subcontractor]:  
By: \_\_\_\_\_  
Name & Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## APPENDIX 5 Special Provisions

**This Appendix 5 is hereby made a part of the Subcontract by and between Contractor and Subcontractor.**

### 1. TEMPORARY MEASURES

- 1.1. **Temporary Office and Break Trailers** - Subcontractors will be responsible for providing their own break and office spaces in the space designated by Jackson Contractor Group. Subcontractor is responsible for their own power and sewer connections and utility bill.
- 1.2. **Temporary Sanitary Facilities** - Temporary toilets will be provided by Contractor during construction.
- 1.3. **Temporary Electric and Lighting** - Temporary electrical power will be provided at each floor of the building. Subcontractor shall bear the cost of hook-up of its tools and equipment to the power distribution system. Jackson Contractor Group will provide OSHA required site and access / egress lighting. Subcontractor will be responsible for job-specific task lighting.
- 1.4. **Temporary Heat** - Jackson Contractor Group will provide limited temporary heat inside the building once enclosed. If Subcontractor's work requires climate conditions other than what is noted, Subcontractor shall inform Contractor of requirements and timing. Temporary heat sources are to be coordinated in advance with the Project Superintendent.
- 1.5. **Telephone and Data** - Subcontractor must provide for their own telephone, data or communication services.
- 1.6. **Drinking Water** - Subcontractors are responsible to provide their own drinking water for their crews.
- 1.7. **Temporary Protection** - Subcontractor shall provide temporary protection for all work adjacent to or susceptible to damage by its own work, including, but not limited to, protection of floors, walls, ceilings, roofs, fixtures, and mechanization equipment. Costs to repair damaged work will be the responsibility of each subcontractor. The decision of the Jackson Contractor Group Superintendent shall be final in determining who damaged, or likely damaged the work.

### 2. DESIGNATED AREAS

- 2.1. **Laydown & Storage** - The location and quantity of all equipment and materials must be submitted to and approved by Contractor prior to delivery to the site. Contractor reserves the right to direct Subcontractor to relocate any said equipment and materials at no cost to Contractor.
- 2.2. **Break and Eating Areas** - Eating will be allowed only in areas so designated by Contractor. **Eating is not allowed inside the building.** Designated break areas must be cleaned daily by all Subcontractors and all waste removed from the building into containers on the site.
- 2.3. **Parking** - Parking for Subcontractor's personnel is the responsibility of the Subcontractor. Subcontractor has included parking arrangements as necessary as part of the Subcontract agreement.

### 3. HOISTING & DELIVERIES

- 3.1. **Traffic Control** - Subcontractor shall include in their bid, and be responsible for, any and all traffic control measures to safeguard construction activities from pedestrian and vehicular traffic as required by Jackson Contractor Group and the City. Project Superintendent shall have the final authority over any and all traffic related matters associated with the project site. All deliveries shall be coordinated through the Project Superintendent. Subcontractor shall be responsible for all necessary permits associated with their scope of work including, but not limited to, street use, oversized vehicles, and traffic control.
- 3.2. **Hoisting / Cranes** - Limited craning will be provided for this project.
- 3.3. **Material Lift** - A material lift will be provided for this project.
- 3.4. **Deliveries** - Subcontractor's material deliveries must be documented to and scheduled with Jackson Contractor Group's Project Superintendent with advanced notice. Major deliveries will be scheduled a minimum of two weeks in advance. Contractor reserves the right not to allow deliveries onto the project site if the material delivery is improperly scheduled. Contractor will designate the area for unloading and storage of the material. Driveways and entrances are to remain clear and available to emergency vehicles at all times. Only trucks insured to the limits specified in the Subcontract will be allowed access to the project site. Subcontractor shall have representative onsite to accept all deliveries.
- 3.5. **Subcontractor Installed Materials and Equipment Furnished by Others** - When materials are to be furnished to this Subcontractor by others, it will be understood such materials are to be furnished and delivered FOB jobsite adjacent to the material laydown area, and the receiving, unloading, inventorying, inspection, handling, and all other work thereafter will be by this Subcontractor. Materials must be immediately moved to respective area of work or properly stored.



#### 4. SITE POLICIES

- 4.1. **Construction Work Hours** - Construction Work hours will be set by Jackson Contractor Group's Superintendent as allowed by the City. All work will take place within these work hours unless alternate work hours are pre-approved in writing by the Superintendent
- 4.2. **Security and Access** - Tradesmen and Supervisors--N/A.
- 4.3. **Contract and Insurance** - No work on site will be allowed by a subcontractor without an executed subcontract and approved insurance.
- 4.4. **Coordination Meetings** - The Construction Manager and/or Project Superintendent will schedule weekly coordination meeting with all subcontractors and major material suppliers to review job progress, resolve problems and disseminate information concerning schedules, changes or any other matters of general information. Attendance at these meetings is mandatory. Failure of subcontractor to attend regular scheduled meetings will not relieve the subcontractor of its responsibility to perform work or otherwise comply with instructions given out during the meeting.
- 4.5. **Overtime Requests** - Subcontractor shall not perform any work at the Project site other than the times stipulated above, Monday through Friday, unless it has given prior written notification to the Contractor. Subcontractor shall give Contractor at least forty-eight (48) hours' notice if it or its Sub-subcontractor's employees will be working after hours or during a weekend or holiday. Jackson Contractor Group supervision is required if Subcontractor has employees working after hours or during a weekend or holiday. Subcontractor is responsible for all costs for having the project open after hours or during a weekend or holiday including the cost of Jackson Contractor Group's supervision.
- 4.6. **Smoking/Tobacco Products** - Smoking is prohibited on the jobsite except in designated areas. Subcontractor shall police their own employees and their Sub-subcontractor's employees to ensure compliance with this policy.
- 4.7. **Personnel Behavior** - Use of vulgar, obscene or harassing language, gestures or behavior will not be tolerated per the Owner's harassment policy. Violators will be subject to immediate removal from the project.
- 4.8. **Visitors** - No visitors shall be admitted to the jobsite without first obtaining the approval of the Contractor. Visitors will be escorted at all times by badged personnel who are responsible for the visitor at all times.
- 4.9. **Dumpsters** - Recycling and trash dumpsters will be provided by Contractor, unless specifically noted otherwise in the Specific Scope of Work. Subcontractor will be responsible for transporting of debris and recyclable materials to the trash and recycling dumpsters.
- 4.10. **Jobsite Signage** - No jobsite signage except required workplace signage will be allowed to be posted without prior approval of the Project Superintendent.
- 4.11. **Schedule** - Pursuant to Provisions of the subcontract, an essential subcontract requirement shall be completion of work activities within the time durations provided in the project schedule. This subcontractor must review the work to familiarize itself with the time required for construction and recognize the possibility of multiple move-ins, overtime, and shift work to complete its scope of work as required by the project schedule. If subcontractor fails to meet scheduled completion dates for individual activities, Jackson Contractor Group, Inc. shall have the right to require additional manpower and/or multiple shift work of the subcontractor at no cost to Jackson Contractor Group until the delayed activity has been corrected. Subcontract will also be responsible for the cost of accelerating subsequent trades if required by subcontractor's failure to meet schedule requirements.

#### 5. SAFETY

- 5.1. **Safety Program** - Subcontractor agrees to abide by all aspects of Jackson Contractor Group's safety program. This subcontractor shall comply with OSHA law that requires any and all suppliers or manufacturers to supply a Material Safety Data Sheet (MSDS) for products used on the above-mentioned job. Jackson Contractor Group, Inc. will be making periodic requests for this information as required. This subcontractor agrees to comply with these requirements in a timely manner.
- 5.2. **Site Specific Safety Plan** - Prior to mobilization on site, subcontractor must submit to Jackson Contractor Group, Inc. a written Safety Plan or a copy of the company's safety program. The subcontractor must submit the name of the individual who is responsible for the implementation of the safety plan or program. This individual must have authority to direct job site foremen and superintendents to comply with company directives. No payments for any work performed on the project will be made until satisfactory completion of the foregoing requirements.
- 5.3. **Hot Work** - This subcontractor shall provide fire extinguishers, flash screens, and watchmen at the location of welding and torch cutting. The subcontractor is responsible for procuring any required cutting and burning permits if required. Protection of all work is included by subcontractor.
- 5.4. **Safety Meetings** - Weekly Tool Box Safety Meetings will be held by all subcontractors. Subcontractor will furnish meeting notes to Jackson Contractor Group, Inc. on a weekly basis. Special safety meetings will be scheduled by Jackson Contractor Group, Inc.



from time to time as job conditions warrant. Subcontractors notified of these safety meetings will be expected to have their representatives in attendance.

- 5.5. **Cleanup** - Subcontractor shall provide continuous cleanup necessitated by its operations including daily sweeping of all work areas. Subcontractor shall provide adequate labor, brooms, shovels, mobile trash containers, carts, buggies, and other cleaning equipment to support the quantity of trash and waste generated by the Work. All trash and debris shall be deposited in Contractor's dumpsters and recycling bins, or removed from the project site, on a daily basis by the Subcontractor. Subcontractor shall participate in weekly jobsite-wide cleanup activity, which will involve the clean-up of a geographical area assigned by Contractor. Cleanup of all leaks, spills or overruns must be completed immediately. Subcontractor's loose materials will be organized daily as coordinated with the Project Superintendent.
- 5.6. **Personal Protective Equipment (P.P.E.)** - All personnel at the jobsite, including but not limited to craft workers, office personnel, management, and visitors are to wear the following P.P.E. at all times while on the construction site: hard hat, eye protection, work boots, and high visibility reflective vests or shirts. Task appropriate gloves or hearing protection may also be required. Each Subcontractor is responsible for its employees' compliance.
- 5.7. **Jobsite Orientations** - Every Subcontractor employee on the Project site will be required to attend an orientation program prior to the start of Work. Subcontractor shall allow for one (1) hour per employee for this requirement. Each employee will be required to sign the "Acknowledgment" page stating that this employee understands all the rules, regulations, and procedures as a condition of their employment on the project.
- 5.8. **Radios** - No music radios, iPods, music phones, mp3 players etc. will be permitted on the jobsite. Personal Phones are a luxury that if found by the Project Superintendent to be a safety issue by distraction, can be ordered to be removed off site.
- 5.9. **Daily Reports** - All Subcontractors shall be required to submit the previous day's Daily Report by 10AM each day. Report will confirm craft numbers on site, areas worked, safety issues, material received and construction challenges. The Daily Report does not constitute formal notice to Jackson Contractor Group of changes in the contract.
- 5.10. **Weather Provisions** - Subcontractor understands and has made provisions for continuing safe installation per the schedule during anticipatable project weather in this area, for the time of year in which the installation will be taking place, and has included these costs in Subcontractor's price to the Contractor and Owner. There will be no additional cost paid to Subcontractor, or claim for change order submitted by Subcontractor, based on unusual, unforeseen, or unanticipated climate or weather conditions.
- 5.11. **Fumes, Odors, Noise and Dust** - Contractor reserves the right to stop any operation on the Project site causing excessive noise, dust, fumes, odors, etc. Subcontractor shall immediately take whatever steps are necessary to correct the situation. Subcontractor agrees that it will not submit any claim for extra compensation resulting from excessive noise, dust, fumes, odors or other similar scope related stoppage.
- 5.12. **Safety Barricades and Controls** - Subcontractor agrees that if in the performance of this subcontract it becomes necessary, convenient or advisable to remove, replace or interfere with any safety devices or controls installed by the contractor or another subcontractor; this subcontractor will replace or restore such devices or controls at his expense. In the event such safety devices or controls are not so replaced or restored, subcontractor agrees to reimburse the contractor for doing so for subcontractor's account.
- 5.13. **Safety Violations** - Safety violations will be enforced financially as follows. 1st time offence will be a written warning sent to the subcontractor office, 2nd offence will be a written violation and a \$50.00 penalty deducted from your monthly pay request/retention, 3rd offence same as second but \$100.00, increasing incrementally. These violations are not per employee and are per company. Repeat offenders will be removed at the discretion of Jackson Contractor Group, Inc.

## 6. QUALITY CONTROL

- 6.1. **Survey/Layout** - This Subcontractor will be responsible for all surveying and setting out of lines and levels required for their work, both horizontal and vertical control, off of control points established by Contractor.
- 6.2. **Substrate** - Subcontractor will review the conditions of work in place precedent to their start and notify Contractor in writing of any deviations discovered that vary from design or bid criteria.
- 6.3. **Cutting, Patching & Coring** - Subcontractor is responsible for its' own cutting, patching, and coring.
- 6.4. **Preconstruction and Quality Control Meetings** - Subcontractor shall attend preconstruction and quality control coordination meetings scheduled by the Contractor with other trade Subcontractors, the Owner and Design Team. At Contractor's request, Subcontractor must have competent representatives from their sub-tier subcontractors present at the preconstruction meeting.
- 6.5. **Coordination with other Trades** - Coordination with other trades will be the responsibility of the subcontractor. Subcontractor shall provide coordination drawings and resolve conflicts with structure and other trades as required. 3D CAD for BIM as well as participation in clash detection resolution meeting may be required if BIM is a requirement of the contract documents. Interference due to lack of complete coordination will be the responsibility of each subcontractor. Potential conflicts, delays, and quality concerns must be aggressively pursued by the subcontractor with the other trades before they affect the construction progress.



Subcontractor shall be responsible for all notes and details pertaining to its scope of work, regardless of what area of the plans or specifications the notes and/or details are found.

- 6.6. Inspections and Tests** - Subcontractor will furnish all incidental labor and equipment necessary to support testing and inspection requirements as related to this Subcontractor's work. Subcontractor acknowledges that, due to the nature of this work and due to the ongoing activities in the neighborhood, some tests and inspections will be required to be performed on off hours. Subcontractor will account and pay for all associated premium costs.
- 6.7. Embeds and Sleeves** - Provide any embeds or sleeves required for casting into walls, footings, or slabs. Subcontractor shall be responsible for the timely furnishings, layout and installation of all nailers, insets, blockouts, penetrations, sleeves, etc., as may be specified and/or required for their scope of work.
- 6.8. Access Doors** - Access doors are to be provided as required for your work. All access panel locations must be provided to the Contractor framing the opening prior to constructing the element to receive the access door. Failure to locate panels will result in your account being charged the cost of reframing and repairing finishes if necessary.
- 6.9. Continuous As-Built Drawings** - Each subcontractor is required to maintain monthly as-built drawing updates. This is a requirement before receiving monthly progress payments. The master set will be located in Jackson Contractor Groups site offices. All underground conduit and piping must be identified and dimensioned off grid line.
- 6.10. Drawings and Submittals** - Jackson Contractor Group will provide contractor with one electronic set of contract documents all additional sets must be purchased by the subcontractor. Submittals will be submitted and processed electronically via Jackson's Procore document control software.
- 6.11. Caulking and Firesafing** - Subcontractor shall provide fire safing, fire/security sealants, escutcheons, and sleeves, for all penetrations through walls, slabs, floors, and roofs where required by the documents



**APPENDIX 6  
Subcontractor & Major Supplier Affidavit**

**Project Number:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

**Cost Code:** \_\_\_\_\_

**Subcontractor:** \_\_\_\_\_

This affidavit is to be completed by each subcontractor or supplier (including lower tier subcontractors) and submitted to Jackson Contractor Group. The Subcontractor shall submit the completed affidavits to Jackson Contractor Group no later than 5:00 p.m. on the fifth business day following the award of contract. The Subcontractor may attach additional sheets if more space is required to provide complete information.

**You are required to complete and return this form per your contract terms prior to commencement of any work, for approval of all subcontractors to be used on the above referenced project. If no work is to be subcontracted, please write "Not Applicable".**

**1. Please list major vendors/suppliers of goods/services/supplies for this project:**

Name	Phone	Product(s)	Amount (\$)

**2. Please describe scope of work:**

**3. Check one:**

We will NOT subcontract out ANY portion of our work to another subcontractor:

We WILL subcontract out        % of our work to:

Firm, Contact Person, Phone Number	Amount (\$)

We WILL subcontract out        % of our work to:

Firm, Contact Person, Phone Number	Amount (\$)

We WILL subcontract out        % of our work to:

Firm, Contact Person, Phone Number	Amount (\$)

Please submit progress and final lien waivers for the above-listed subcontractors and suppliers together with your lien releases and monthly acknowledgements. Please only submit said waivers grouped together and not independently throughout the month.

I declare, under penalty of perjury, that the above information is true and correct and that if our firm engages into contract or purchase order with any other firm not listed above, that this additional information will be given to Jackson Contractor Group immediately upon execution of contract or purchase order.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title (Print)

\_\_\_\_\_  
Phone