

Blue Spader Contractors, Inc.
PROJECT RULES AND REGULATIONS

In order to set up and complete a good project, certain rules and regulations must be established. For our mutual benefit, all Subcontractors and their employees are expected to become familiar with these rules and regulations of this project.

PARKING FACILITIES AND ACCESS TO OWNER'S FACILITIES

Cars will be parked in the area specified (if available) for construction personnel. Employees will enter the project at all times through the designated gate only, and proceed to the project site by the directed route with no deviations or short cuts. Unless authorized by Project Manager, Owner's facilities are off limits to all construction personnel.

CONDUCT ON THE PROJECT

Good conduct on the project is essential to the common good of all Subcontractors and their employees and the daily progress of the project. Therefore, conduct, including but not limited to the following violations, will subject Subcontractor's employees to appropriate disciplinary action, including termination of individual from project:

- Theft of company or employee's property.
- Smoking in restricted areas.
- Possession, use or being under influence of illegally controlled substances (drugs) or intoxicants (liquor) on company or project property.
- Damaging or mutilating company materials, tools or equipment.
- Engaging in horseplay.
- Gambling.
- Fighting on premises.
- Failure to use or wear safety equipment (i.e., hard hats and safety glasses).
- Failure to observe safety, sanitary and medical rules and practices.
- Possession and/or display of firearms.
- Possession or use of radios and other personal entertainment devices, such as tape players, i-Pods, MP3 players or TV's, etc.

HOUSEKEEPING

Good housekeeping is essential to the safe and efficient construction of the project and is the responsibility of each employee. Stairways, walkways and change rooms shall be kept clean of obstructions, scrap pipe and lumber, welding rods, rags and other debris at all times. No burnable materials will be stored adjacent to open flames or welding operations unless proper fire prevention precautions are established.

SAFETY RULES

The safety rules established by Blue Spader Contractors, Inc. are an integral part of these rules and regulations and will be observed and followed by all employees. All Subcontractor's personnel shall be required to wear hard hats and safety glasses while on project regardless of reason for being on site. Subcontractor has included in his bid all costs to abide by Blue Spader Contractors, Inc., OSHA, MIOSHA & the Owner Safety Policies.

It is the opinion of Blue Spader Contractors, Inc. that the observance of these rules and regulations be all inclusive and there may be additions, deletions and revisions at appropriate times.

SUBCONTRACT NO: **Text**

ACCEPTED: Subcontractor Name

BY: _____

CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to contracts, subcontract, and agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certified that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control where segregated facilities are maintained. The bidder, offeror, applicant or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this Contract. As used in this certification, the term "segregated facilities" means any eating rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color or national origin, because of habit, local custom otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors or specific time period) he will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certification in his files; and that he will forward the following notice to such subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

Notice to Prospective Subcontractors of Requirements for Certifications of Nonsegregated Facilities.

Notification of Nonsegregated Facilities, as required by the May 9, 1967, order on Elimination of Segregated Facilities, by the Secretary of Labor (32 Fed. Reg. 7439, May 19, 1967), must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontractor or for all subcontracts during a period (i.e. quarterly, semiannually, or annually).

Firm Company Name
<input checked="" type="checkbox"/> Subcontractor Name
Signature of Authorized Representative
<input checked="" type="checkbox"/>
Name of Authorized Representative (Print or Type)
<input checked="" type="checkbox"/>
Title of Authorized Representative
<input checked="" type="checkbox"/>

Date of Execution _____

BLUE SPADER CONTRACTORS, INC.

INSURANCE REQUIREMENTS

SUBCONTRACTOR shall secure and pay for insurance coverage as enumerated below, with insurer(s) having a minimum rating of A-, VII on the A.M. Best listing. All coverages shall be written on an occurrence based form. An original certificate of insurance, in a form acceptable to **Blue Spader Contractors, Inc.**, shall be delivered to **Blue Spader Contractors, Inc.** within ten (10) days from the full execution hereof or prior to commencement of any Subcontract Work hereunder by the Subcontractor, whichever occurs first. The certificate of insurance shall evidence insurance coverage at least in the minimum limits as follows, or as may be further increased/amended in connection with the requirements of the Contract Documents.

Subcontractor's Commercial General Liability, Comprehensive Automobile Liability, and Umbrella/Excess Liability policies shall be endorsed to add **Blue Spader Contractors, Inc.**, the Owner, and any additional parties as required by the Prime Contract Document, as additional insureds with respect to the performance of the Subcontractor's operations under this Subcontract Agreement and the Contract Documents. Such insurance afforded to **Blue Spader Contractors, Inc.** and Owner as additional insureds under Subcontractor's insurance policies shall be primary insurance and not excess over, or contributing with, any insurance purchased or maintained by **Blue Spader Contractors, Inc.** or Owner. Subcontractor hereby waives subrogation of claims against **Blue Spader Contractors, Inc.** and the Owner, and their agents, employees and servants. The certificate of insurance must contain the provision that: "The coverage afforded shall not be cancelled or materially changed until after at least thirty (30) days written notice, by certified mail, returned receipt requested, has been given to **Blue Spader Contractors, Inc.**".

Blue Spader Contractors, Inc. and/or Owner neither represent nor assume responsibility for the adequacy of the insurance required herein to protect the interest of Subcontractor. It shall be the obligation of the Subcontractor to purchase and maintain any supplementary insurance that it deems necessary to protect its interest.

A. General Liability (Including contractual liability coverage)

1. General Aggregate \$2,000,000
2. Products Completed/Operations Aggregate \$2,000,000
3. Personal & Advertising Injury \$1,000,000
4. Each Occurrence \$1,000,000
5. Fire Damage \$50,000
6. Medical Expense (Any one person) \$5,000

*Subcontractor shall endorse its Commercial General Liability (including Products/Completed Operations coverage and utilizing ISO endorsement CG2010 1001 and CG2037 1001 or equivalent) policies to add as additional insureds **Blue Spader Contractors, Inc.**, Owner and such parties as **Blue Spader Contractors, Inc.** is required under Contract Documents to name.

B. Automobile Liability (Including Hired & Non-Owned Auto Liability)

1. Combined Single Limit \$1,000,000

C. Excess Liability-Umbrella

1. Each Occurrence \$3,000,000
2. Aggregate \$3,000,000

D. Workers Compensation & Employers Liability

1. EL Each Accident \$1,000,000
2. EL Disease – Policy Limit \$1,000,000
3. EL Disease – Each Employee \$1,000,000

*******If the Subcontractor fails to procure and maintain such insurance, in addition to the option of declaring Subcontractor in default for breach of a material provision of the Subcontract, Contractor shall have the right, but not the duty, to procure and maintain the same insurance, or other insurance that provides Contractor with equivalent protection, and Subcontractor shall furnish all necessary information to make effective and maintain such insurance. At the option of Contractor, the cost of said insurance purchased by Contractor shall be charged against and deducted from any monies then due or to become due to Subcontractor or Contractor shall notify Subcontractor of the cost thereof and Subcontractor shall promptly pay such cost.*******

The issuance or maintenance of insurance of any type by Subcontractor will not be deemed or construed to release, limit, waive, or discharge Subcontractor from any and all obligations and risks imposed by the Subcontract upon Subcontractor. Neither shall any forbearance nor omission by **Blue Spader Contractors, Inc.** to require proof of insurance from Subcontractor before permitting Subcontractor to proceed or continue with the work to be performed hereunder be deemed a waiver **Blue Spader Contractors, Inc.**'s rights or Subcontractor's Obligations regarding the provision of insurance under this Subcontract.

Waiver of Subrogation: Subcontractor shall waive and require its insurers providing coverage by these requirements to waive subrogation rights against **Blue Spader Contractors, Inc.**, Owner, and all other Additional Insureds for losses and damages incurred and/or paid under the insurance policies required or other insurance applicable to Subcontractor or its sub-subcontractors, suppliers, etc., and will include this same requirement in contracts with these parties. If the policies of insurance referred to in this paragraph require an endorsement to provide for continued coverage where this is a Waiver of Subrogation, the owners of such policies will cause them to be so endorsed.

Blue Spader Contractors, Inc. Subcontractor Hold Harmless and Indemnification Agreement

To the fullest extent permitted by law, the Subcontractor shall indemnify and hold harmless **Blue Spader Contractors, Inc.**, the Owner, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of the Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity, which would otherwise exist as to a party or person described in this Agreement. The provisions of this section shall survive termination of this Subcontract.

BLUE SPADER CONTRACTORS, INC.

5 EASY STEPS TO PAYMENT

NO INVOICE WILL BE PROCESSED unless the following documentation is received and correct per the terms of this agreement:

INITIAL:

- 1.** SIGNED SUBCONTRACT: Subcontracts must be reviewed and each page signed as required within 10 working days and returned to the contract administrator for approval.
- 2.** ON THE SUBCONTRACTOR CHECKLIST (page EXHIBIT F).

MONTHLY:

- 3.** INVOICE: AIA format is preferred and will be required on most projects. The invoice must reflect only items and amounts approved for invoicing by the Blue Spader Contractors, Inc.'s Project Manager.
- 4.** SWORN STATEMENTS: Sworn Statements must accompany all AIA invoices. Waivers of liens are not required on the first draw. All subsequent draws must include the waiver of lien from the previous draw for all sub-subcontractors and material suppliers listed on the sworn statement. The waivers of liens provided by Blue Spader for sub-subcontractors and material suppliers listed on the sworn statement must be used. No other waiver of lien forms will be accepted.
- 5.** CHANGE ORDERS: Will not be processed without a written change order by Blue Spader's Project Manager. Invoices received including unapproved change orders will be returned.

**NO INDIVIDUAL MONTHLY PAYMENTS WILL BE PROCESSED
WITHOUT THE ABOVE FIVE ITEMS.**

**FOLLOW UP CALLS WILL NOT BE MADE
TO OBTAIN THESE REQUIRED DOCUMENTS.**

Please review and follow these steps to ensure prompt payment.

FULL, FINAL WAIVER AND RELEASE OF LIEN SUPPLIER

Project: **Text**

Location: _____

General Contractor: **Blue Spader Contractors, Inc.** _____

Subcontractor/Supplier: _____

I / We have a Contract/Purchase Order with: Subcontractor Name

To provide _____

This contract / purchase order / supplies is in connection with the improvement to the real property described in the copy of the Notice of Commencement furnished by the party with whom I / We have a contract / purchase order (or otherwise obtained under the Construction Lien Law). The owner or lessee caused the Notice of Commencement to be recorded in Liber _____ on pages _____ through _____ County records.

In Consideration of \$ _____, which represents **full and final** payment to Lienor and

is the accumulated amount paid to the undersigned (all receipts acknowledged), I / We waive, release, and surrender any and all construction liens, claims, or right to lien, against the described property.

Party waiving lien, also acknowledging herein that its contract with above has been fully paid and satisfied, hereby releases the above General Contractor from any and all claims or causes of action relating to its work on this project. This Release is full, final, and unconditional and waives any and all claims Contractor/Supplier or its successors or assignees have or may have against the General Contractor.

NAME: _____

ADDRESS: _____

Print or Type Name of Authorized Party (Supplier)

Date

Signature of Authorized Party (Supplier)

Title/Capacity

State of Michigan

County of

Notary:

Commission expires: Notarized

this day of:

PARTIAL UNCONDITIONAL WAIVER OF LIEN SUPPLIER

Project: **Text**

Location: _____

General Contractor: **Blue Spader Contractors, Inc.** _____

Subcontractor: _____

I / We have a Contract with: Subcontractor Name

To provide _____

This contract / purchase order / supplies is in connection with the improvement to the real property described in the copy of the Notice of Commencement furnished by the party with whom I / We have a contract / purchase order (or otherwise obtained under the Construction Lien Law). The owner or lessee caused the Notice of Commencement to be recorded in Liber _____ on pages _____ through _____ County records.

In Consideration of \$ _____, representing the **accumulated** amount paid to the undersigned (receipt is acknowledged), I / We waive, release, and surrender any and all liens, claims, or right to lien to the date of this waiver for material, labor, and / or services furnished.

Party waiving lien, also acknowledging herein that it, hereby releases the above General Contractor from any and all claims or causes of action relating to its work that has been paid to date on this Project.

Current Outstanding Balance Owed to Undersigned on above Project:

\$ _____

NAME: _____

ADDRESS: _____

Print or Type Name of Authorized Party (Supplier)

Date

Signature of Authorized Party (Supplier)

Title/Capacity

****Do not sign this waiver without current outstanding balance completed.
Authorized Party attests to the validity of outstanding balance owed.**

PLEASE RETURN TO: 332 South Main Street, Suite A, Romeo, MI 48065

1. INSURANCE

Before commencing its Work required under the Subcontract, the Subcontractor shall procure and maintain, at its own expense, such insurance as will protect against suits and claims for Bodily Injury or death, as well as for damage to property, that may arise in any manner out of the Subcontractor's operations and completed operations, or by any sub-subcontractor or by anyone employed by any of them, or by anyone for whose acts anyone of them may be liable. Unless the Contractor allows different coverages, the minimum coverages and limits of liability listed on **Exhibit E, Blue Spader Insurance Requirements**

Additional insureds will be listed as **item 1 on Exhibit B, "Subcontractor Checklist"**

2. INDEMNITY

The Subcontractor agrees to assume entire responsibility and liability for all damages or injury to all persons, and to all property, arising out of or in any manner connected with the execution of the Work under this subcontract and to the fullest extent permitted by law, the Subcontractor shall defend and indemnify the Contractor from all such claims, including without limitation claims for which the Contractor may be or may be claimed to be liable by reason of its own independent negligence. The Subcontractor's obligation under this paragraph expressly excludes only total liability created by the sole and exclusive gross negligence of the Contractor.

3. PAYMENT

A. Payment will be made to the Subcontractor promptly after the Owner pays Contractor for the Work and Contractor shall have no obligation to pay Subcontractor for the Subcontract work unless and until Owner pays Contractor for the same. Receipt of funds by payment from Owner for specific payment to the Subcontractor shall be a condition precedent to Contractor's obligation to pay Subcontractor. A minimum of 10% retainage shall be retained until the Project is completed and accepted. Retainage above 10% will be in the same amount as the Owner retains from Contractor. No partial payment to the Subcontractor shall operate as approval or acceptance of any Work done or materials furnished under the Subcontract; in addition, the Subcontractor agrees to reimburse the Contractor in the event that there is an overpayment on the basis of the Work performed or materials furnished under this Agreement. Payments will not be made without invoices, waivers and sworn statements. The Subcontractor agrees to accept, as complete and final, the amounts and quantities as determined by the Owner with respect to the Work. Contractor shall incorporate Subcontractor's final payment application into Contractor's application to Owner. Conditioned upon precedent payment by Owner, Contractor will pay to Subcontractor the final payment for the Subcontract work within the (10) days after receipt thereof from Owner. Acceptance of final payment shall constitute a release by Subcontractor in favor of Contractor, its Surety (if any), and Owner of all claims arising out of this Subcontract including but not limited to claims for extra work, claims for changed conditions, claims for inefficiencies, delay and/or acceleration, or the claimed breach thereof. No payment to Subcontractor shall operate as acceptance of defective workmanship or materials. Subcontractor's indemnity, warranty and other continuing Subcontract obligations shall survive completion of the Subcontract work and final payment.

B. Any sums due or owing the Contractor from the Subcontractor under this agreement or any other relationship or agreement between the parties may be deducted by the Contractor from the amounts otherwise owing to Subcontractor by Contractor under this Subcontract.

C. It is further agreed that in the event of any breach of any provision of this Subcontract by Subcontractor or any liability of the Subcontractor arising out of any aspect of the Subcontract, or Work performed hereunder including nonpayment of any labor, material or equipment suppliers of Subcontractor, Contractor may withhold from payment(s) otherwise due to Subcontractor an amount sufficient to protect the Contractor and/or its surety or insurer(s) against any and all loss, damage, claims, or expense incurred, alleged or reasonably anticipated by Contractor. Contractor shall have the right to retain said funds until the situation is remedied or adjusted by the Subcontractor to the satisfaction of the Contractor.

D. All sums tentatively earned by Subcontractor by the partial or complete performance of the Subcontract work and any balance of unearned Subcontract price, if and when paid by Owner to Contractor, shall constitute a fund for the purpose of (a) full and timely completion of the Subcontract work and fulfillment of all Subcontract requirements, (b) payment of any back charges or claims due Contractor from Subcontractor based upon this Subcontract or otherwise, and (c) payment to the sub-subcontractors, workers, design professionals, material and service suppliers of Subcontractor, and others who have valid and enforceable mechanic's lien or bond claims and/or rights. Such tentative earning shall not be due or payable to Subcontractor or anyone else claiming in Subcontractor's place and stead, including but not limited to a Trustee in bankruptcy or receiver, unless and until such Subcontract work is fully and satisfactorily completed and all Subcontract requirements are fulfilled.

E. Progress payments and final payment may be withheld in whole or in part by Contractor on account of: (a) defective or improper materials, equipment, services or work; (b) claims or liens, or any notice thereof; (c) any breach by Subcontractor or any provision of this Subcontract or obligation of with respect to the Subcontract Work; (d) a reasonable doubt that the Subcontract work can be completed for the balance then unpaid; (e) a reasonable doubt that Subcontractor has paid sub-subcontractors, vendors, workers, or others for work performed; (f) a reasonable doubt that Subcontractor is, for any reason, able to timely and properly complete the Subcontract work, or (g) failure of Owner to pay Contractor for such work. If the foregoing causes are remedied or secured to Contractor's reasonable satisfaction, the withheld sum shall be paid promptly. If the said causes are not so remedied or secured, where appropriate, Contractor may remedy the same for Subcontractor's account and charge the entire cost thereof to Subcontractor.

F. The execution of any waiver of lien by the Subcontractor shall also constitute and be deemed a release of any claim arising from and relating to the Subcontract through the date of the waiver of lien.

G. All costs associated with any bonds required by Contractor to cover any liens applied by the Subcontractor or its sub-subcontractors will be back charged to the Subcontractor.

4. CONFORMITY WITH LAWS AND REGULATIONS, INCLUDING SAFETY

A. The Subcontractor agrees to conform to all laws and regulations, whether State, Federal, County or Municipal, which may now apply or which may during progress of the Work, be made effective with respect to the Work required herein and to obtain and pay for all permits, licenses and official inspections made necessary by the Work.

B. The Subcontractor agrees to be bound by and comply with Fair Employment Practices provisions and regulations of Federal, State or other Government Authority having jurisdiction; as said provisions and regulations, including revisions or amendments thereto, are incorporated in or set forth in the Prime Contract, Subcontractor acknowledges that it has read said provisions, and is familiar with the terms thereof.

C. Subcontractor shall comply with all statutes and regulations relating to safety on the job site and relating to proper disclosure of the composition of all materials, substances and supplies utilized by the Subcontractor in performance of the Work, and recommended procedures in the handling of such items. By signing of the Subcontract, the Subcontractor certified it has assigned a competent employee of the Subcontractor as responsible for knowledge and awareness of OSHA and MIOSHA requirements and of "Right to Know" laws, statutes and regulations, and similar governmental requirements. Subcontractor has provided the training and informational data required by governmental laws and regulation. Subcontractor will require its subcontractors, suppliers and material suppliers to comply with all laws and regulations relating to the Project.

D. **(1)** Safety Accident Prevention: In the performance of the Subcontractor, the Subcontractor shall comply with all applicable Federal, State, Municipal and local laws and regulations governing safety, health and sanitation. In addition, Subcontractor shall comply with construction safety orders issued by the Owner, a Government Agency, or the Contractor. Failure to comply with the applicable laws or the aforesaid construction safety orders and to correct all deficiencies within five (5) days after receipt of notice of such deficiencies may be considered a breach of the Subcontract and grounds for termination and/or cancellation thereof by the Contractor; provided, however, that the Contractor may at its option in lieu of such cancellation correct such deficiencies and charge all cost of such correction to the Subcontractor.

(2) Subcontractor shall, within ten (10) days after execution of the Subcontract, submit to the Contractor, Subcontractor's proposed safety program for the Project including a list and description of the safety measures to be taken and the safety equipment to be used and issued to Subcontractor's employees by Subcontractor.

5. MINIMUM WAGE

Subcontractor shall comply with any prevailing wage provisions of the Prime Contract relating to its Work.

6. TRAFFIC CONTROL

The Subcontractor agrees to maintain, at its own expense, traffic barricades or any other means necessary for traffic control, as may be required for the Work.

7. EXTRA OR CHANGED WORK

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

B. Subcontractor agrees not to perform any extra or change order work without written authorization from the Contractor and further agrees that it shall be entitled to no compensation for extra or change order work performed without such written authority.

C. If there is a dispute between Contractor and Subcontractor as to the scope of Subcontractor's Work, Subcontractor shall perform the Work upon the Contractor's written order to do so and the dispute shall be resolved pursuant to this Section.

D. No claims for additional compensation or damaged for delays, changed conditions, acceleration, unforeseen circumstances, altered character of the Work, or delays caused by the Contractor, the Owner, or other subcontractors shall be recoverable from the Contractor and an extension of time for completion timely requested and granted shall be the sole remedy of Subcontractor; provided, however, that in the event that Contractor obtains additional compensation from Owner on account of such delays, changed conditions, acceleration, unforeseen circumstances, altered character of the Work, delays caused by the Contractor, the Owner, or other subcontractors, Subcontractor shall be entitled to such portion of the additional compensation so received by Contractor from Owner for or on behalf of Subcontractor. Subcontractor must comply with all requirements in dealing with Contractor as are required by Contractor in dealing with the Owner in the Prime Contract as it relates to such claims. In the event that Contractor prosecutes a claim against the Owner for additional compensation for any delays, changed conditions, acceleration, unforeseen circumstances, altered character of the Work, delays caused by the Owner or other Subcontractors, Subcontractor shall cooperate fully with Contractor in the prosecution thereof and shall pay costs and expenses incurred in connection therewith, including actual attorney's fees, to the extent that such claim is made by Contractor at the request of or on behalf of Subcontractor.

E. If the Subcontractor deems that the services or Work to which its Work is to be applied or affixed are unsatisfactory or unsuitable, written notification of said conditions shall be given to the Contractor within five (5) days after the Subcontractor knew or should have known of such unsatisfactory or unsuitable conditions. The Subcontractor shall have no claim for extra compensation nor will any consideration be given to non-responsibility for the Subcontractor's Work due to or caused by such unsatisfactory or unsuitable conditions

if the provisions of this paragraph are not complied with

8. SUBCONTRACTOR CLAIMS

Subcontractor represents that it is best qualified to analyze the plans and specifications and has inspected the job site with respect to physical conditions impacting its Work and that it has entered into this Subcontract based upon such analysis and inspection and not based upon any representation or statements of Contractor concerning those conditions. Subcontractor acknowledges that all of the Subcontract Documents are on file in the Contractor's office and have been made available to Subcontractor for examination. Subcontractor represents that it has carefully examined all of such Subcontract Documents or waives examination thereof.

A. All claims of the Subcontractor arising in whole or part out of acts or omissions of the Owner, design professional or any entity other than Contractor, shall be presented to the Owner by the Contractor on behalf of the Subcontractor and finally resolved through the claims procedure (arbitration, litigation or otherwise) applicable between the Contractor and Owner. Subcontractor shall pay all costs and expenses, including reasonable attorney's fees, related to the presentation and prosecution of such claim(s). Subcontractor's sole remedy against Contractor shall be to receive the amount received by the Contractor from the Owner with respect to Subcontractor's Work.

B. Unless precluded by the Prime Contract, any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall take place at offices of the American Arbitration Association in Southfield, Michigan, and the arbitrator(s) shall be bound to utilize the laws of the State of Michigan in rendering their decision.

9. MONTHLY STATEMENT

A. The Subcontractor shall submit to Contractor by the 25th of each month or as otherwise directed an itemized statement listing all Work by item completed to date on the Project and an itemized statement listing all work by item completed in the preceding month(s). Included in this statement shall be all additional or extra work performed that was required. No estimates will be paid until the monthly statement is received.

B. If required by the Prime Contract, the Subcontractor shall submit weekly payrolls as required. These payrolls shall be submitted directly to the Contractor.

10. AFFIDAVITS AND SWORN STATEMENTS

The Subcontractor shall submit to Contractor affidavits concerning payments of bills, liens and other claims when required by Contractor. The Subcontractor shall submit by the 25th of each month or as otherwise directed a detailed sworn statement listing all expenses incurred on the Project to date and if required by Contractor, Subcontractor shall submit waivers of lien. Contractor may take such steps as it may reasonably deem necessary to protect itself, its surety and the Owner against any such bills, liens or other claims attributable to Subcontractor, including the withholding of payments to the Subcontractor. It is agreed that the Contractor shall have the right at its option to cancel this Subcontract in the event that Subcontractor makes an assignment for the benefit of creditors or becomes involved in bankruptcy proceedings whether initiated by the Subcontractor or others or otherwise becomes unable to timely perform this Subcontract. In that event, the rights of the parties shall be the same as if Subcontractor had failed to perform the contract in whole or in part

11. CLEAN-UP

A. The Subcontractor shall at times keep streets and any public or private premises temporarily occupied by it for purposes of Work under this Contract free from accumulation of waste material or rubbish caused by its employees or Work to the satisfaction of Contractor, including but not limited to: Construction equipment, temporary buildings, and excess material shall be properly removed from the site as they become no longer needed for the progress of the Work; all working areas shall be left broom clean; dust control shall be provided at all times during construction; trucks hauling excavated materials, cement, sand, stone or other loose materials from or to the site, shall be tight so that no spilling will occur (before trucking start away from site, their loads shall be carefully trimmed to prevent spillage). This requirement likewise applies to suppliers making deliveries to the site and the Subcontractor will be held responsible for compliance by its suppliers.

B. If the Subcontractor refuses or fails to perform this cleaning as directed by the Contractor, the Contractor shall have the right and power to proceed with said cleaning and the Subcontractor shall, on demand, repay to the Contractor the actual costs of labor plus 15% thereof to cover supervision, Insurance, overhead, etc..

12. ASSIGNMENT OF SUBCONTRACT

The Subcontractor shall not assign or sublet this Subcontract or any part thereof without written consent of the Contractor. If such written consent is granted by the Contractor, the Subcontractor shall require its subcontractor to provide insurance as required under **Section 1** of this Subcontract. Certificates of such insurance shall be provided to the Contractor prior to performance of any Work by the Subcontractor. The Subcontractor shall further furnish the Contractor written proof from its subcontractor that the provisions and requirements of this Subcontract are familiar to it and have further been made a part of the agreement between Subcontractor and its subcontractor. It is likewise agreed that the Subcontractor shall not assign any of the monies payable to it under this Contract, or its claim thereto, except with the written consent of Contractor.

13. TIME

A. It is understood and agreed that time is of the essence in the performance of Subcontractor's Work, and that the Work shall be conducted and scheduled by the Subcontractor as to **ensure** its completion in accordance with the contract schedule. The Subcontractor shall commence Work upon five days' notice and continue until completion where possible. If the contract has various stages the Subcontractor shall schedule its Work accordingly to be completed as the contract requires. If the Prime Contractor's operations are delayed, then the Subcontractor shall revise its schedule accordingly.

B. Should the Subcontractor fail to timely prosecute its Work thereby causing actual or liquidated damages against Contractor, Subcontractor hereby agrees to repay the Contractor its proportionate share of any additional expense or damages incurred by the Contractor by such action. Subcontractor shall cause no hindrance or delays to other contractors or subcontractors. Subcontractor shall be responsible for all damage done by Subcontractor or its subcontractors or suppliers to the Work of other contractors or subcontractors. If Subcontractor's material is not delivered promptly thereby causing or threatening to cause delay in general progress of the Work, the Contractor shall have the right to investigate the cause of said delay and expedite deliveries, and all expense thus incurred by the Contractor shall be charged to and paid by Subcontractor.

14. CANCELLATION OR COMPLETION OF WORK BY CONTRACTOR

In the event that the Subcontractor for any reason whatsoever fails to timely or properly perform any item of Work, including warranty or guarantee obligations or to furnish sufficient labor, equipment or materials so called for after seventy-two (72) hours' notice from the Contractor to so perform or furnish, the Contractor *may*, in addition to its other rights held under the Subcontract, cancel the Subcontract or without cancelling the Subcontract, complete said item or items of Work, use any or all of the Subcontractor's material and supplies on the Project to complete its items of Work, or furnish said materials at its own expense either through its own sources or through contractual arrangements with third parties. The Subcontractor shall be indebted to the Contractor for the amount of such expense incurred by Contractor in performing Subcontractor's Work (including attorney's fees) to which shall be added a 10%

15. NOTICE OF PROBLEMS / COORDINATION

Subcontractor shall:

A. Immediately notify Contractor orally and in writing of any defect, inconsistency, error or omission in the Subcontract Documents, or any instruction, process, unsafe condition, hazardous waste, asbestos, PCB's, toxic substances, work not in proper condition to receive Subcontract work, or other problems encountered or associated with the Subcontract Work;

B. Cooperate with Contractor and all others whose work may interfere with Subcontractor's Work and specifically note and immediately advise Contractor within 3 days in writing of any such interference, Subcontractor's failure to comply with the foregoing notice provisions shall constitute a waiver of any claims that the Subcontractor may have to the extent permitted by the Subcontract Documents relating to or arising from any of the conditions or matters which may be the subject of the notice; and

C. Participate in the preparation of coordination drawings and work schedules in areas of congestion;

D. Not take pictures, including without limitation, still photos, videos or motion pictures, without the advance written consent of Contractor;

E. Not use toxic or hazardous substances of the project site without giving all notices required by law;

F. Be responsible for all costs and damages, including, but not limited to, Contractor's attorney's fees and costs resulting from Subcontractor's failure to comply with the above requirements.

16. PROPERTY FURNISHED BY OTHERS

If the scope of Subcontractor's work includes installation of materials or equipment furnished by others, Subcontractor shall receive and immediately examine the items so provided. Any shortage or defects must be called to Contractor's attention immediately and confirmed by a written notice within three (3) working days or any claim relative thereto is waived and all resulting costs and damages shall be for Subcontractor's account. Otherwise Subcontractor shall accept, handle, store and install the items with such skill and care as to ensure a satisfactory and proper installation.

17. PRIME CONTRACT INCORPORATED BY REFERENCE

The Work shall be done to the complete satisfaction of Contractor and the Owner. The Subcontractor shall assume toward this Contractor all obligations and responsibilities which the Contractor assumes toward the Owner and all agreements between the Contractor and Owner (Prime Contract) are hereby incorporated by this reference.

18. SUBCONTRACTOR WARRANTY AND GUARANTEE

The Subcontractor warrants and guarantees the material and workmanship supplied hereunder, and agrees to make good at Subcontractor's expense any defect in workmanship or materials which may occur prior to Contractor's release from warranty or guarantee liability therefore to Owner.

19. PUNCH LIST

Punch list items which are not completed within two (2) weeks of punch list issuance will be completed by Contractor and charged to the Subcontractor, including but not limited to supervision, general conditions, liquidated damages assessed by the Owner, and other direct costs.

20. SUBCONTRACTOR ASSUMPTION OF RISK

A. The Subcontractor shall be responsible for its own Work, property and/or materials and shall bear true risk of *any* loss or damage until completion and final acceptance of the Project by the Owner. In the event of loss or damage of Subcontractor's Work, Subcontractor shall proceed promptly to make repairs or replacement of the damaged Work, property and/or materials at its own expense, as directed by the Contractor. Subcontractor has the duty to control the manner in which the Work Is performed and no directions or assistance of the Owner or Contractor shall relieve the Subcontractor of its responsibility to comply with the plans and specifications by its own means and methods.

B. It is understood and agreed that the Work constitutes only a part of the work being performed for the Owner by the Contractor and other subcontractors. The Subcontractor, therefore, agrees to perform the Work in such a manner that it will not injure or damage any other work performed by the Contractor or any other subcontractor and further agrees to pay the Contractor for any damage that may be caused to such other work by the Subcontractor or by its agents or employees.

21. CHANGES / CLAIMS

A. Contractor may, at any time, by written order, direct Subcontractor to make changes, additions and deletions concerning the Subcontract Work. Subcontract shall within five (5) days provide Contractor in writing with appropriate pricing and time of performance information. All change order work is subject to the terms of all Subcontract Documents.

B. Unless otherwise directed by Contractor in writing, any increase or decrease in the Subcontract price and time of performance resulting from changes shall be agreed upon in writing by the parties hereto in advance of performance of the work, using lump sum or until prices stipulated in this Subcontract, if any, and supported by detailed data and information to be furnished by Subcontractor as requested by Contractor. Unless otherwise provided, change order prices, including unit prices, shall include all overhead, profit, direct and indirect costs of performance of both changed and unchanged Subcontract work. In case the parties cannot agree thereon, which increase or decrease and any time extension or reduction necessitate thereby shall be reasonable determined by the Contractor subject to the dispute resolution procedures of the Subcontract Documents, if any. Any claim for an increase in the Subcontract price or time for performance based upon Contractor's written or verbal order, or other act or omission of Contractor, Owner, or A/E whether denominated as a change order or not, must be made by Subcontractor to Contractor in writing within five (5) working days from the date of such claimed order, act or omission, or at such earlier date required by the Subcontract Documents, but in any event prior to starting work involved in the claim; otherwise, the claim shall be barred. All such written claims must furnish full details and supporting documentation. In no event shall Subcontractor be entitled to claim nor shall Subcontract be compensated for any delays, or any claims for acceleration, inefficiency, interruption, interference or the like.

C. Subcontractor shall not be entitled to any increase in the Subcontract price or extension of time unless the amount of any such increase and/or time extension has been agreed upon in writing, accepted by Owner, A/E and/or other Owner representatives as provided in the Subcontract Documents, and as a condition precedent, paid by Owner to Contractor. Subcontractor shall not delay or suspend work in any way pending such determination, but shall perform all work as ordered by Contractor.

D. If required by Contractor, Subcontractor shall have a Performance and Payment Bond in an amount equal to the full Subcontract price. Such bond shall be on a form furnished and with a U.S. Treasury listed surety satisfactory to Contractor. Subcontractor will obtain and pay premiums for these bonds unless otherwise noted.

22. CONTRACTOR USE OF PREMISES

Whenever it may be useful or necessary to the Contractor to do so, the Contractor shall be permitted to occupy and/or use *any* portion of the Work which has been either partially or fully completed by the Subcontractor before final inspection and acceptance thereof by the Owner, but such use and/or occupation shall not relieve the Subcontractor of its guarantee of said Work and materials nor of its obligation to make good at its own expense any defect in materials and workmanship which may occur or develop prior to Contractor's release from responsibility to the Owner, provided, however, the Subcontractor shall not be responsible for the maintenance of such portion of the Work as *may* be used and/or occupied by the Contractor, nor for any damage thereto that is due to or caused by the sole negligence of the Contractor during such period of use.

23. SUBCONTRACTOR IS INDEPENDENT CONTRACTOR

A. The Subcontractor specifically agrees that it is an independent employing unit subject as an employer, to all applicable Unemployment Compensation Statutes so as to relieve the Contractor of any responsibility or liability for treating Subcontractor's employees as employees of the Contractor for the purpose of keeping records, making reports and payment of Unemployment Compensation Taxes or contributions; and the Subcontractor shall indemnify and hold the Contractor harmless and reimburse it for any expense or liability incurred under said statutes in connection with employees of the Subcontractor, including a sum equal to benefits paid to those who were Subcontractor's employees, where such benefit payments are charged to the Contractor under any Merit Plan or to its individual reserve account pursuant to any State Unemployment Compensation Statute or any other authority.

B. The Subcontractor further agrees and regards, (a) the production, purchase and sale, furnishing and delivering, pricing, and use or consumption of materials, supplies, and equipment, (b) the hire, tenure or conditions of employment of employees, and their hours of Work and rates and the payment of their wages, and (c) the keeping of records, making of reports, and the payment, collection and/or deduction of federal, state and municipal taxes and contributions that the Subcontractor will keep and have available all necessary records and make all payments, reports, collections and deductions and otherwise do any and all things so as to fully comply with all Federal, State and municipal laws, ordinances and regulations in regard to any and all said matters insofar as they affect or involve the

Subcontractor's performance of this Subcontract so as to fully relieve the Contractor from and protect it against any and all responsibility or liability therefore or its regard thereto.

24. SATISFACTORY EMPLOYEES

Employment of labor by Subcontractor shall be effected under conditions which are satisfactory to Contractor. Subcontractor shall remove or cause to have removed from the Project any employee or employees who are reasonably considered unsatisfactory by the Contractor. In no event shall any extension of time or additional compensation be granted to Subcontractor as the result of having to replace employee(s) in accordance with this paragraph.

25. DOCUMENTATION

Subcontractor shall furnish promptly all samples, lists, drawings, schedules, etc. required in connection with the Work and which may be called for under the provisions of the Prime Contract. All such items shall be furnished directly to the Contractor, transportation costs to be paid by the Subcontractor.

26. TERMINATION OF PRIME CONTRACT

Should the Owner terminate the Prime Contract prior to completion the Contractor shall have the right to terminate this Subcontract. Upon such termination the rights and liabilities of the parties will be governed by this Agreement except that Subcontractor shall have no duty to perform nor shall Contractor have the duty to pay for Subcontract Work not completed as of the termination date (including reasonable profit on the uncompleted work).

27. CONTRACTOR'S RIGHT TO OFFSET CONTRACTS

Subcontractor specifically agrees and acknowledges that Contractor, and only Contractor, may offset and/or combine this Subcontract with any other contracts between Subcontractor and Contractor. To the extent Subcontractor owes Contractor any monies or performance on any other contract between Subcontractor and Contractor, Contractor may at its sole discretion offset the amounts owed on these other contracts by withholding and offsetting any monies owed to Subcontractor on this Subcontract.

28. NON-WAIVER / APPLICABLE LAW

Failure by Contractor in any instance to inspect, test or insist upon observance or performance by Subcontractor of any of the terms, conditions, or provisions of this Subcontract shall not be deemed a waiver by Contractor, as no waiver shall be binding upon the Contractor unless the same is in writing signed by the Contractor and shall then be for the particular instance referred to in said writing only; waiver of any one breach shall not be deemed a waiver of any other breach; payment of any sum by the Contractor to Subcontractor with knowledge of any breach shall not be deemed to be waiver of such breach or any other breach. The remainder of this Subcontract will not be voided by the invalidity of one or more of the terms hereof. The Subcontract shall be governed by Michigan law except that arbitration, if applicable under other provisions of this Subcontract, shall be governed by Title 9, United States Code.

29. TERMINATION

Contractor may, at its option, terminate this Subcontract for convenience without Subcontractor being in default by giving Subcontractor a written notice stating an effective date of termination. In such event, Contractor will pay to Subcontractor that part of the Subcontract price that is proportionate to the percentage of completion of the subcontract work attained by Subcontractor as of the date of the termination plus reasonable costs of demobilization from the site. Contractor shall not be liable to Subcontractor for any other costs nor for possible overhead and profit on work not performed. However, if the reason for the termination is due to any default or action by Owner, or as a result of court order of public authority, then Contractor shall not be liable to Subcontractor for any sum greater than that which Contractor receives from Owner with respect to Subcontractor's performance, less any costs incurred by Contractor. Any default termination of Subcontractor by Contractor subsequently determined to have been erroneous, shall be treated as a termination for convenience.

30. EFFECTIVE DATE

This agreement is effective the date set forth on the first page even though it may have been signed by one or both parties on date either before or after the effective date.

31. INTEGRATION CLAUSE

This contains the complete agreement between the parties with respect to the Subcontract Work and nullifies and supersedes all prior negotiations, proposals, stipulations and agreements whether written or oral. There are no prior or contemporaneous agreements in any way dealing with the Subcontract Work not included herein. No agent, representative, employee, officer or director of either party has or had authority to make any statement, representation, promise or other agreement. Each party agrees that it was not induced to enter into this agreement by any such statement, representation, promise or agreement and that the other party is not bound or in any way liable because of any such statement, representation, promise or agreement. This Subcontract *may* only be modified or amended in writing signed by the parties hereto.