

Dawson

March 11, 2025

«FirmName»
«FirmAddress»
«FirmCity», «FirmState» «FirmZip»
Attn: «ContactFName» «ContactLName»

Project No.: «Project»
Project Name: «ProjectDescription»

Please review the attached Subcontract Agreement. We will return a fully executed copy for your files.

Complete and email the following items within (10) business days or prior to your work starting on site, whichever is sooner:

- Sign where indicated and provide the required registration numbers on page 4 of the Agreement.
- Unless already on file, provide a certificate of insurance, meeting the requirements of Attachment B of the Agreement. Your insurance agent should be provided with a copy of the Attachment.
- Provide written designation of office and field supervisors, and safety representative. (Form attached)

Thank you and we look forward to working with your company.

Dawson Construction, LLC

«ResponsibleFirstName» «ResponsibleLastName», Project Manager

SUBCONTRACT AGREEMENT

This document has important legal consequences. Prior to its completion or modification, consultation with an attorney is encouraged. This document, unmodified, may not be appropriate in all circumstances.

Date: March 11, 2025 (the "Effective Date")

Project: «ProjectDescription»

Owner: «Owner»

Architect: «ArchEngName»

THIS SUBCONTRACT AGREEMENT (the "Subcontract Agreement" or "Agreement") WAS PREPARED TO FAIRLY ALLOCATE RESPONSIBILITIES, RISKS, AND EXPENSES ARISING OUT OF THE PERFORMANCE OF WORK HEREUNDER, AND IS MADE AND ENTERED INTO BY AND BETWEEN:

Contractor: Dawson Construction, LLC
Address: PO Box 30920
Bellingham, WA 98228-2920
Telephone: 360.756.1000
Email: «LowerEMail»

Subcontractor: «FirmName»
Address: «FirmAddress»
«FirmCity», «FirmState» «FirmZip»
Telephone: «FirmPhone»
Email: «EMail»

Each a "Party" and collectively the "Parties."

AGREEMENT

NOW, THEREFORE, in consideration of recitals, terms and conditions set forth below, the Parties hereby agree as follows:

1. SCOPE OF AGREEMENT

- 1.1.** By entering this Agreement, Subcontractor agrees to the terms below for all work Subcontractor performs for Contractor during the term of this Agreement. This Agreement contains the general terms, covenants and conditions of the parties in connection with the performance by Subcontractor of certain work (the "Work") on the specific project awarded to Contractor by Owner (a "Project"). In addition, in connection with any Work, the Parties agree to comply with all attachments hereto and incorporated herein by reference, including but not limited to the "General Conditions" attached hereto as Attachment A.
- 1.2.** In connection with the Work, Contractor shall generally furnish, at its own cost and expense, all materials, supervision, labor, tools, equipment and transportation necessary to commence, diligently pursue and complete each Project. All Work shall be performed in a workmanlike manner and pursuant to and in accordance with all of the terms, covenants and conditions stated in this Agreement.

2. **COMPENSATION** Contractor, for full, complete, and faithful performance of this Agreement, agrees to pay Subcontractor:
- 2.1. Lump Sum in the amount of:
«TotalSubcontract * DollarText *Caps » Dollars («TotalSubcontract»),
OR
- 2.2. Unit Prices as set forth on the attached Unit Price Addendum which on the basis of Owner's estimated quantities will yield a gross contract price of approximately: **N/A**
- 2.3. Retainage percentage shall be Five Percent (5%).
- 2.4. **Change Orders** Subcontractor's overhead & profit mark-up on Change Order work shall be as listed in the Prime Contract documents. If such information is not contained in such Prime Contract documents, Subcontractor's markup percentages shall be as follows:
- 2.4.1. Labor: 10%
- 2.4.2. Materials: 10%
- 2.4.3. Subcontractors: 10%
- 2.4.4. Equipment: 10%
3. **PAY WHEN PAID** As defined in Article 4 of Attachment A, Subcontractor's right to any and all payments for performance under this Agreement is expressly contingent on Contractor's receipt of payment from the Owner.
4. **SCOPE OF WORK** The scope of Work which Subcontractor shall perform with respect to the Project shall be set forth in Attachment D, the "Scope of Work," attached hereto and incorporated herein by this reference. The scope of work is generally described as «Scope».
5. **DATE OF COMMENCEMENT** The date of commencement of the Work shall be the date of this Agreement.
6. **BONDS** Under provisions of Article 17 of Attachment A, a bond is not required in this Subcontract Agreement.
7. **TERO Requirements (only applicable if Owner is Tribal Organization)**
- 7.1. A TERO Plan will be required. Documents will be provided in a separate email.
8. **CONTRACT DOCUMENTS** The Contract Documents for this Agreement consist of:
- 8.1. this Subcontract Agreement;
- 8.2. the contract or agreement between Owner and Contractor and all of its terms and conditions (including any supplementary, special and/or other conditions, the specifications, drawings and any addenda) (the "Prime Contract");
- 8.3. if applicable, any contract (including general and special conditions of contract) between Contractor and any entity in privity with Contractor for which Contractor performs Work or assumes duties or obligations on the Project; and
- 8.4. other Contract Documents include the following:
- 8.4.1. **Attachment A – Subcontract Agreement Terms & Conditions**
- 8.4.2. **Attachment B – Insurance Requirements**
- 8.4.3. **Attachment C – Safety Responsibilities**
- 8.4.4. **Attachment D – Scope of Work**
- 8.4.5. **Attachment E - Schedule**
9. **PERFORMANCE OF WORK** Subcontractor agrees to perform its Work in strict accordance with the Contract Documents including, but not limited to all terms and conditions of the Prime Contract. Subcontractor also agrees to be bound by all applicable laws, government regulations, and orders.

10. WASHINGTON SPECIFIC REQUIREMENTS (only applicable to Public Works Projects)

10.1. State of Washington Public Works Requirements.

10.1.1. State statute RCW 39.06.020 guidelines require all public works contractors to verify responsibility criteria, listed in RCW 39.04.350(1), for a subcontractor of any tier. Subcontract shall have an established procedure which it utilizes to validate the responsibility of each of its subcontractors.

10.2. Subcontractor Bidder Responsibility Criteria Requirement.

10.2.1. This requirement applies to all subcontractors regardless of tier and must be included in all subcontracts or any tier.

10.2.2. At the time of subcontract execution of any lower tier subcontract, the Subcontractor shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:

10.2.3. Have a current certificate of registration in compliance with chapter 18.27 RCW, which must have been in effect at the time of subcontract bid submittal;

10.2.4. Have a current Washington Unified Business Identifier (UBI) number;

10.2.5. If applicable, have:

10.2.5.1. Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW;

10.2.5.2. Washington Employment Security Department number, as required in Title 50 RCW;

10.2.5.3. Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;

10.2.5.4. An electrical contractor license, if required by Chapter 19.28 RCW;

10.2.5.5. An elevator contractor license, if required by Chapter 70.87 RCW;

10.2.5.6. Not been disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3) On a project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision or outside their approved work processes as outline in their standards of apprenticeship under Chapter 49.04 RCW for the one-year period immediately preceding the date of the Owners first advertisement of the Project;

10.2.5.7. Received training on the requirements related to public works and prevailing wage under this chapter and chapter 39.12 RCW or be otherwise exempt pursuant to RCW 39.04.350(1)(f); and,

10.2.5.8. Within the three-year period immediately preceding the date of the Project's bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

10.3. Prevailing Wages – RCW 39.12.

10.3.1. Contractor, subcontractor, or employer are required to pay Washington State Prevailing Wages that are effective as of the date Contractor submitted its bid for the Project related to this Agreement.

- 10.3.2. Contractor, subcontractor, or employer are required to file Intent to Pay Prevailing Wages with the Washington Department of Labor before they can work on site.
- 10.3.3. Upon completion of Subcontractor’s work, Contractor, subcontractor, or employer are required to file Affidavit of Wages Paid.
- 10.3.4. Contractor’s Intent to Pay Prevailing Wages No. is «udDOLNo».
- 10.3.5. Contractor, subcontractor, or employer are required to keep accurate payroll records for three years from the date of acceptance of the public works project by the contract awarding agency, showing the employee's full name, address, social security number, trade or occupation, classification, straight and overtime rates, hourly rate of usual benefits, and hours worked each day and week, including any employee authorizations executed pursuant to RCW 49.28.065, and the actual gross wages, itemized deductions, withholdings, and net wages paid, for each laborer, worker, and mechanic employed by the contractor for work performed on a public works project.
- 10.3.6. Contractor, subcontractor, or employer shall file a copy of its certified payroll records using the Department of Labor and Industries' online system at least once per month. If the Department of Labor and Industries' online system is not used, a contractor, subcontractor, or employer shall file a copy of its certified payroll records directly with the Department of Labor and Industries in a format approved by the Department of Labor and Industries at least once per month.

BY SIGNING BELOW SUBCONTRACTOR ACKNOWLEDGES THEY HAVE REVIEWED THE MAIN CONTRACT BETWEEN THE OWNER AND CONTRACTOR, WHICH MAIN CONTRACT WAS MADE AVAILABLE TO SUBCONTRACTOR THROUGH THE CONTRACTOR’S PROCORE SOFTWARE SYSTEM.

THIS SUBCONTRACT CONTAINS INDEMNIFICATIONS FROM SUBCONTRACTOR TO CONTRACTOR, RELICENSES BY SUBCONTRACTOR AND A LIMITED WAIVER OF IMMUNITY UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, OR ANY OTHER SIMILAR WORKERS’ COMPENSATION SCHEMES.

IN WITNESS WHEREOF, CONTRACTOR and SUBCONTRACTOR have executed this agreement, effective the date shown on the first page hereof.

Dawson Construction, LLC

Contractor (Authorized Signature)
«ResponsibleFirstName»
«ResponsibleLastName», Project Manager

Contractor (Printed Name & Title)
DAWSOCL848CS

Contractor’s License No.

Date

«FirmName»
Subcontractor (Company Name)

Subcontractor (Authorized Signature)

Subcontractor (Printed Name & Title)

Federal Tax I.D. Number

Contractor’s License No.

Worker’s Comp.(L&I) Account I.D. Number (WA State)

Date

ATTACHMENT A
SUBCONTRACT TERMS & CONDITIONS

1. OBLIGATIONS, RESPONSIBILITIES, AND NOTICE

- 1.1.** Prime Contract. It is agreed that Subcontractor will assume toward Contractor all obligations and responsibilities which Contractor has assumed under the Prime Contract to the extent of the Work subcontracted hereunder, and Subcontractor shall be entitled to all privileges and protections granted Contractor under the Prime Contract. In case of conflict between the terms of this Subcontract Agreement and the Prime Contract, the more stringent term on Subcontractor shall control, as determined by Contractor in its sole discretion. Subcontractor shall designate in writing all lower-tier subcontractors to Contractor and shall not subsequently change lower-tier subcontractors without Contractor's approval. Contractor shall furnish to Subcontractor, upon Subcontractor's request, the legal description of the premises covered by the Prime Contract. A copy of the Prime Contract will be made available to Subcontractor through the Contractor's Procore software, and Subcontractor represents and warrants that it will review such Prime Contract prior to executing this Agreement or performing the Work.
- 1.2. Lower-Tier Subcontractors.** Any lower-tier subcontractor shall be bound to Subcontractor to the same extent Subcontractor is bound to Contractor and to the same extent Contractor is bound to Owner under the Prime Contract. Where lower-tier subcontractors are used, the term "Owner" (in this Attachment A) shall include any entity in privity with Contractor for which Contractor performs work or assumes duties and/or obligations.
- 1.3. Delays and Notice.**
- 1.3.1.** Subcontractor shall provide written notice to Contractor within 5 days or within sufficient time to allow Contractor to give notice to Owner pursuant to the Prime Contract (whichever is sooner), after occurrence of any instances of interruption, extra work, additional work, changed work, delay, hindrance and/or efficiency loss of any nature whatsoever in Subcontractor's Work, believed by Subcontractor to be caused by the acts or omissions of Contractor, other subcontractors, Owner, Architect/Engineer or the employees or agents of any of them.
- 1.3.2.** In the event Subcontractor believes it is entitled to receive compensation due to damages from such an occurrence(s) and/or is entitled to an extension of time, Subcontractor's shall set forth in writing the quantum basis for Subcontractor's claim (with supporting data and/or the entitlement basis to support an extension of time) ("Statement of Claim"), which shall be delivered to Contractor within 15 days or within sufficient time to allow Contractor to forward Subcontractor's Statement of Claim to Owner (whichever is sooner), to meet any applicable Prime Contract requirements.
- 1.3.3. FAILURE OF SUBCONTRACTOR TO PROVIDE TIMELY WRITTEN NOTICE, AS PROVIDED IN THIS ARTICLE, AND/OR FAILURE BY SUBCONTRACTOR TO TIMELY PROVIDE ITS STATEMENT OF CLAIM FOR AN INCREASE IN THE SUBCONTRACT AMOUNT, OR FOR AN EXTENSION OF TIME SHALL RESULT IN A WAIVER OF SUBCONTRACTOR'S RIGHT TO RECOVER ANY ADDITIONAL COST OR TIME RESULTING FROM SUCH CLAIM.**
- 1.3.4.** Contractor does not waive the requirement for timely written notice and/or timely written submission of the Statement of Claim unless Contractor's waiver is unequivocal, explicit, in writing, and signed by one of Contractor's Members/Managers.
- 1.3.5.** Overall and in general, Subcontractor will immediately notify Contractor of any circumstance or occurrence which may delay or interfere with the progress of the Work, including but not limited to pending change orders, field directives issued by Contractor or Owner, material acquisition, strikes or lockouts, transportation problems, or damaged or stolen stored materials.

2. DRAWINGS (SUBMITTALS)

- 2.1.** Subcontractor agrees to furnish submittals, including but not limited to product data, specifications, drawings (shop), specifications (product data, etc.), final selections of materials, and other specified items in the quantity required by the Prime Contract for approval by Owner or Owner's agent so as not to delay progress of the Work.

2.2. Closeout.

2.2.1. One (1) electronic copy & one (1) hard copy, or as specified in the Contract Documents, of the Operations & Maintenance manuals will be required (if applicable).

2.2.2. One (1) electronic copy of As-builts will be required.

3. SCHEDULING

- 3.1.** Contractor shall give Subcontractor advance notice of anticipated starting date for Subcontract Agreement Work. Contractor shall consult with Subcontractor on development and update of a construction schedule ("Project Schedule") at Subcontractor's request and shall make the Project Schedule available to Subcontractor at Subcontractor's request. Subcontractor shall follow the Project Schedule including all commencement dates, milestone dates, and completion dates. Contractor may change the Project Schedule from time to time for any reason, and Subcontractor shall perform in accordance with such modified Project Schedule(s). Subcontractor shall start work on the date named by Contractor and shall complete the several portions and the whole of the work herein described at such times as will enable Contractor to timely comply with the Prime Contract. Subcontractor shall cooperate with Contractor and other subcontractors. Subcontractor will be bound by any provisions in the Prime Contract for liquidated damages and, if liquidated damages are assessed against Contractor by Owner, shall pay such damages for any delay to the extent caused by Subcontractor. The preceding language shall not be construed to deprive Contractor of any right to recover separate or additional damages for delay to the extent caused by Subcontractor.
- 3.2.** Subcontractor shall promptly notify Contractor in writing of any and all submittals and material/equipment procurements that may impact Subcontractor's ability to timely perform its Work in accordance with the Project Schedule as provided. Subcontractor shall identify the specific date such submittals or procurements must be approved by Contractor (or otherwise be approved as required by the Prime Contract) to allow Subcontractor to timely complete its Work according to the Project Schedule. Subcontractor is responsible for ensuring submittals and procurements are provided with sufficient time to not impact its ability to perform the Work.
- 3.3.** If required by the Prime Contract or otherwise requested by Contractor, for every day Subcontractor performs Work, Subcontractor shall daily submit a report to Contractor. The daily report shall describe, at a minimum: the Subcontractor's work activities for the day; a work force count by trade for the Subcontractor and its sub-tier contractors; all major deliveries; and any adverse impacts to Subcontractor's ability to perform its Work. Subcontractor's daily reports are not a substitute for any written notice requirements of this Subcontract Agreement, and nothing in the contents of the daily reports shall be deemed to excuse Subcontractor from strict compliance with written notice and claim procedures in Article 1.

4. PAYMENTS

- 4.1.** As a condition of payment hereunder, Subcontractor shall provide the Contractor a list of any and all persons and/or entities entitled to bring any form of lien, bond, or retainage claim relating to or arising out of the Work including, but not limited to, for labor, fringe benefits, taxes, supplies, materials, equipment rental, union trust funds, or other proper charges against the Work covered by this Subcontract Agreement. The list should include the company name, address, phone, fax and contact person. Subcontractor shall provide payment status information for lower tier subcontractors and material and equipment suppliers to Contractor on a monthly basis as a condition of payment hereunder. Payment status information shall include, but not be limited to, the total contract or purchase order amount and payments made to date and shall be made on the attached Contractor provided form. In the event Contractor reasonably determines Subcontractor failed to timely pay any such persons or entities for the Project, Contractor may stop issuing payments due to Subcontractor under this Subcontract Agreement without being in breach of this Subcontract Agreement and, at Contractor's sole option, either: 1) issue joint-check payments to Subcontractor and third-party, for which Contractor reserves the right to charge \$100/per joint check; 2) start an interpleader action in Whatcom County Superior Court for the State of Washington and deposit any portion of the amounts coming due and owing under this Subcontract Agreement into the Registry of the Court until final resolution of any and

all disputes and/or claims raised by such third-party; and/or 3) withhold such amounts as Contractor reasonably determines necessary to protect itself against any and all third-party claims pending resolution of the same, but in no event less than 150% of any such claim. Subcontractor shall not have a claim against Contractor based upon Contractor's election of any remedy set forth in this Article. Contractor's rights under this Article shall be in addition to, and not in limitation of, all other rights under law or equity. Payment by joint check shall not create any contractual relationship between Contractor and Subcontractor's payees. Contractor is entitled to offset any amounts owed by Subcontractor from this Project by withholding monies otherwise due on any other project, and is entitled to offset amounts owed by Subcontractor on any other project from this Project.

- 4.2.** Subcontractor shall defend, indemnify and hold harmless the Contractor, its directors, shareholders, employees, and agents (collectively "Indemnitees") from and against all liability or claims of liability (including attorney's fees and costs) for any such third-party claims including, but not limited to, union trust fund contributions Subcontractor fails to make on a timely basis, for this Project. Contractor shall be entitled to an offset against amounts due and owing to Subcontractor under this Agreement for any and all damages, including attorneys' fees and costs, incurred by Contractor arising out of any such third-party claims related to the Project.
- 4.3.** Payment Contingent if and When Contractor receives Owner Payment. It is agreed that as a condition precedent to any payment by Contractor to Subcontractor hereunder the Contractor must first receive payment from the Owner for the Work of Subcontractor for which payment is sought. Subcontractor specifically agrees that it is relying upon the Owner's credit (not the Contractor's) for payment, and Subcontractor specifically accepts the risk of nonpayment by the Owner. At the reasonable request of Subcontractor, Contractor agrees to furnish such information as is reasonably available to Contractor from Owner regarding Owner's financial ability to pay for performance under the Prime Contract. The parties agree Contractor does not warrant the accuracy or completeness of information provided by Owner.
- 4.4.** Unit Prices. In the event this Subcontract Agreement contains unit price items it is understood and agreed that any quantities mentioned are approximations only and subject to change as required by the Prime Contract, or as ordered and directed by Contractor.
- 4.5. Pay Applications; Payment Processing; Business Email Compromise/Social Engineering.**
- 4.5.1.** Unless otherwise directed by Contractor, Subcontractor shall submit all pay applications to the Contractor on the 20th day of the month, with Work projected to the last day of the month.
- 4.5.2.** Contractor's obligation to release retainage to Subcontractor shall be subject to proof that there are no unpaid claims which would provide the basis of a lien against the premises, retainage or payment bond, or subject to (1) withholding of sufficient funds or (2) furnishing an adequate and sufficient payment and performance bond in an amount determined by the Contractor but in no case less than 150% of the claim amount. Subcontractor shall be paid for Work to date of Contractor's last progress billing date, as approved by Owner or its representative, within ten (10) days after Contractor has received payment for such progress billing.
- 4.5.3.** For public works projects, in addition to the requirements of the preceding Article, Contractor's obligation to release retainage to Subcontractor shall be subject to receiving clearances from (1) Employment Security, (2) Department of Revenue, and (3) Labor and Industries.
- 4.5.4.** Final payment for Work under this Subcontract Agreement shall be made within ten (10) days after Contractor has received final or complete payment provided Subcontractor has completed its Work and fulfilled each of its obligations under this Subcontract Agreement.
- 4.5.5.** When required by Contractor, and as a condition precedent to any payment, Subcontract Agreement shall provide in a form satisfactory to Contractor partial lien releases, claim waivers and affidavits of payment from Subcontractor (for the completed portion of Subcontractor's Work), and its lower-tier subcontractors and suppliers of any tier including. With respect to union trust funds or other third-parties to which Subcontractor is required to pay fringe benefits

or other contributions for work to be performed on the Project, Subcontractor shall provide proof it is up to date in its obligations to pay such trust funds or third-parties.

- 4.5.6.** Unless retainage is require for the Project, Subcontractor can only bill up to 95% complete until all required closeout items (as-builts, O & M's, warranty, extra stock, etc.) have been submitted for approval.
- 4.5.7.** Applications for Payments and all supporting documents (including but not limited to Lien Waivers, Sworn Statements, Project-specific reporting) shall be in electronic format and shall be submitted to the Contractor through the GCPay.com. There is no charge for subcontractors to use the GCPay.com system and training is provided.
- 4.5.8.** Subcontractor agrees to utilize Contractor's third-party payment processing system, the details of which will be provided separately and may change from time to time. Subcontractor shall be responsible for providing such third-party payment processor with its banking information. In the event Subcontractor's email or other information technology/communications systems become compromised and payments to Subcontractor are diverted and/or not received by Subcontractor, neither Contractor nor its third-party payment processor shall have any liability therefore, and Subcontractor shall not be entitled to receive any additional payment for such lost/stolen funds.
- 4.6.** If the Prime Contract permits payment for materials delivered to the jobsite or to satisfactory storage facilities, Subcontractor may invoice for materials so delivered and receive payment as outlined above; provided, however, any materials stored off-site shall be at the risk of Subcontractor until delivered to the jobsite.
- 4.7.** Subcontractor acknowledges that all payments accepted by it or which are otherwise due under this Subcontract Agreement shall constitute a trust fund in favor of laborers, materialmen, governmental authorities, union trust funds, and all others who are legally entitled to claim a lien on the premises covered by this Subcontract Agreement or otherwise file a claim against any retainage or payment bond. Subcontractor shall pay its own subcontractors and suppliers all sums owed them within ten days of receipt of payment from or on behalf of Contractor.
- 4.8.** Progress payments shall be deemed advances and are subject to adjustment at any time prior to final payment for errors, overpayment or Contractor's good faith determination that the remaining balance of payment may be insufficient to ensure completion of the Work performed under this Agreement or to pay lien, retainage, or bond claims. In making progress payments, Contractor is relying in good faith on Subcontractor's representations as to the Work it has performed. Progress payments shall not be construed as acceptance of Subcontractor's Work, performance, or entitlement to the paid amounts. If Contractor determines in good faith that Subcontractor is obligated to Contractor, lower tier subcontractors, suppliers of any tier, employees, or any other third-parties for labor, fringe benefits, taxes, supplies, materials, equipment rental or other proper charges against the Work covered by this Subcontract Agreement, the amount of such obligation may deducted by Contractor from any payment or payments, including retainage, made under this provision. Provided further that Contractor may from time to time require, and Subcontractor shall promptly provide within 3 days after written demand, a statement in writing, including supporting documents setting forth what amounts, if any, are due or payable by Subcontractor to third parties for labor, fringe benefits, taxes, supplies, materials, equipment, or other proper charges against the Work in connection with, or arising out of the performance of, this Subcontract Agreement. In the event such statement with supporting documentation is not provided by Subcontract Agreement, Contractor may withhold payment until such statement with supporting documentation is provided. Should Subcontract Agreement fail to provide such statement and supporting documentation in a timely manner, Contractor may terminate this Subcontract Agreement without further notice. In case of such termination, and in addition to any other rights and remedies Contractor may have, Contractor shall have all rights due as specified in Article 24 of this Subcontract Agreement. Upon payment from Contractor to Subcontractor of amounts due and owing under this Contract, Subcontractor shall defend, indemnify and hold Contractor harmless against all claims for

payment to third parties for labor, fringe benefits, taxes, supplies, materials, equipment, or other proper charges against the work in connection with, or arising out of the performance of, this Subcontract Agreement. If retainage is held in an interest-bearing account, then proportionate interest will be paid to Subcontractor.

- 4.9. Subcontractor agrees not to subcontract a substantial portion of the performance of this Subcontract Agreement without the prior written consent of Contractor. Subcontractor shall require any assignee, who takes an interest in the Subcontract Agreement as collateral, to agree that: (1) it shall have no right to payment unless and until all sub-subcontractors, suppliers, employees, union trust funds and taxing authorities have been paid, and any claims of Contractor have been satisfied; and (2) it will repay to Contractor immediately upon request any amount overpaid. Any assignee taking an assignment of any payment otherwise due under this Subcontract Agreement shall be bound to the terms and the limitations regarding payment contained in this Subcontract Agreement. Subcontractor shall notify Contractor of the assignment of the proceeds of this Subcontract Agreement prior to such assignment and shall require the acceptance by Assignee of the terms of this Subcontract Agreement including the obligation for adjustments and return to Contractor of overpayments. Subcontractor agrees that no assignment of any payment otherwise due under this Subcontract Agreement shall be effective without first securing the express approval of any assignee to the limitations contained in this subsection.
- 4.10. For Work Subcontractor performs on a lump sum basis, as a condition precedent to payment, Subcontractor shall submit a schedule of values that is acceptable to Contractor and Owner allocating the entire Subcontract Agreement Price to the various portions of the Work, and which shall be prepared in such form and supported by reasonable evidence to substantiate the values. Subcontractor shall bill on the percentage of completion basis unless otherwise specified in this Subcontract Agreement. All changes shall be billed as separate line items. Subcontractor's failure to submit an acceptable schedule of values entitles Contractor to withhold all monies demanded by Subcontractor without incurring any liability to Subcontractor.

5. **CHANGE ORDERS**

- 5.1. Contractor may, without invalidating this Subcontract Agreement, order in writing extra work or make changes by altering, adding to, or deducting from the Work and the Subcontract Agreement price shall be adjusted accordingly.
- 5.2. All such Work shall be executed under the conditions hereof and of the Prime Contract, except that any claims for extension of time caused thereby must be agreed upon at the time of ordering such change.
- 5.3. Subcontractor shall make no claims for extras unless the same shall be agreed upon in writing by Contractor prior to the performance of any such extra work. If additional work has been fully accepted by Owner, payment shall be made to Subcontractor within 10 days after payment to Contractor unless the request for additional work originated with Contractor, rather than with Owner, in which case payment will be made in a reasonable amount of time following acceptance of the Work by Contractor.
- 5.4. In case of any dispute over adjustment of the Subcontract Agreement price or time, if directed in writing by Contractor the Subcontractor shall proceed with the Work and the dispute shall be resolved in accordance with the procedures set forth in the Prime Contract, to the extent that Contractor is bound by such procedures, otherwise by the procedures set forth in Article 23. Subcontractor shall not be entitled to any additional compensation or extension of time unless Subcontractor shall have made written request to Contractor for such within sufficient time to permit Contractor to give timely notice to Owner.
- 5.5. Subcontractor's failure to timely comply with all contractual obligations for requesting an extension of time or increase in the contract sum relating to or arising out of changes in the Work, including, but not limited to, Article 1.3 above shall result in a waiver of any right to such increase in time or contract sum.
- 5.6. Subcontractor acknowledges that, unless expressly stated otherwise within a written change order, any change in the contract price and time effected through a written change order shall constitute full

payment and accord and satisfaction for all cost incurred, labor performed, material and equipment furnished, and any delay, acceleration, or loss of efficiency associated with the change in the Work.

6. NATURE OF WORK

- 6.1.** Subcontractor has satisfied itself as to the nature and location of the Work, the character, kind and quantity of material to be encountered, the character, kind and quantity of equipment needed, the location, conditions and other matters which can in any manner affect the Work under this Subcontract Agreement, and acknowledges that Subcontractor has had a reasonable opportunity to examine the site, all of the Prime Contract documents and this Subcontract Agreement.
- 6.2.** Prior to commencing Work, Subcontractor shall examine the site and any surfaces upon which Work is to be performed, and shall notify Contractor in writing of any conditions which might adversely affect its Work; failure to do so will constitute a waiver of entitlement to any additional compensation or contract time arising out of such conditions.
- 6.3.** This clause shall not be understood to relieve Subcontractor of any additional notice requirements under this Subcontract Agreement or the Prime Contract.

7. SUBCONTRACTOR EMPLOYER

- 7.1.** Subcontractor has the status of "employer" as defined by the Industrial Insurance, Workers' Compensation, Unemployment Compensation, Social Security, and other similar federal, state, and local statutes. Subcontractor further warrants and acknowledges the following: (i) Subcontractor is customarily engaged in an independently established business of the same nature as the Work performed under this Subcontract Agreement; (ii) Subcontractor is responsible for filing a schedule of expenses with the IRS for the type of business Subcontractor is conducting; (iii) Subcontractor has an account with the Department of Revenue and other appropriate state agencies for the payment of all applicable state taxes, and has registered for and received a unified business identifier number from the State of Washington; (iv) Subcontractor maintains a separate set of books or records that reflect all items of income and expenses of its business; and (v) Subcontractor verifies and warrants by signing this Subcontract Agreement that, as the time of bid and/or execution of this Subcontract Agreement, that it meets all responsibility criteria listed in RCW 39.04.350 and RCW 39.06.020 and is licensed to perform all work in Subcontractor's scope. Subcontractor shall include all of the verification requirements of this Article in every subcontract of every tier issued by Subcontractor for the Project.
- 7.2.** Subcontractor shall withhold from its payroll applicable Social Security taxes, Workers' Compensation and Unemployment Compensation contributions, and any other lawfully required withholding and pay the same; Contractor shall be in no way liable as an employer of, or on account of, any employees of Subcontractor. Before final payment is made under this Subcontract Agreement, Subcontractor shall furnish Contractor affidavits certifying that it has complied with these laws, rules and regulations. Subcontractor hereby agrees to defend and indemnify Contractor for any and all liability under such laws arising from the Work performed under this Subcontract Agreement.

8. LICENSES, TAXES

Subcontractor shall obtain and pay for all permits, fees, and licenses necessary for the performance of this Subcontract Agreement and shall pay any and all federal, state, and local taxes, applicable to the Work to be performed under this Subcontract Agreement. Owner or Contractor shall obtain and pay for the initial building permit applicable to the Prime Contract.

9. MATERIALS

- 9.1.** Materials delivered by or for Subcontractor and intended to be incorporated into the construction hereunder shall remain on the jobsite and shall become property of Owner upon payment, but Subcontractor may repossess any surplus materials remaining at the completion of the contract.
- 9.2.** All scaffolding, apparatus, ways, works, machinery, and plants brought upon the premises by Subcontractor shall remain its property.

- 9.3. It shall be Subcontractor's responsibility to unload, store, and protect its materials, to bear the risk of loss thereof and to protect such material against loss until actually delivered to the jobsite, even though title thereto may previously have passed to the Owner under the preceding provisions.
- 9.4. All materials provided by Subcontractor which are to be painted, must be left in a "ready to paint" condition. Pre-finished materials must be left ready for final cleaning that does not require the use of special solvents or detergents. All temporary labels, not used for instruction or operation, must be removed. All excess glazing compounds and caulking must be removed.
- 9.5. Subcontractor is responsible for inspection and approval of all substrate, as applicable. Upon Subcontractor's complete acceptance of substrate, finish materials may be applied.

10. QUALITY/WARRANTY

- 10.1. Materials or Work condemned by Contractor, Architect/Engineer, or Owner as failing to conform to the Prime Contract, shall, upon notice from Contractor, be immediately removed by Subcontractor. Failure of Contractor to immediately condemn any Work or materials as installed shall not in any way waive Contractor's right to object thereto at any subsequent time.
- 10.2. Subcontractor warrants the Subcontract Agreement 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 Prime Contract, but in no case shall such warranty be for less than one (1) year after Substantial Completion. With respect to Subcontractor's Work, Subcontractor shall owe all warranty obligations and responsibilities of Contractor under the Prime Contract, but in no case shall such warranty be for less than one (1) year after Substantial Completion.
- 10.3. Punch list call backs as the result of the Subcontractor not completing their punch list will be at the expense of the Subcontractor.
- 10.4. All Subcontract Agreement warranties shall be in addition to and not in limitation of other warranties or remedies required and/or were arising pursuant to applicable law.
- 10.5. All warranty obligations herein shall survive any termination of this Subcontract Agreement.

11. QUALITY CONTROL

- 11.1. Subcontractor shall comply with all requirements of Contractor's Quality Control ("QC") program and shall participate in QC review, planning, mock-ups, inspections, etc. as required.
- 11.2. Subcontractor must have a foreman on site at all times who is able to speak and understand English.
- 11.3. Subcontractor to provide a work plan prior to starting Work on site that includes:
 - 11.3.1. Resume of experienced English-speaking foreman that is dedicated to the Project;
 - 11.3.2. Items that Contractor needs to provide;
 - 11.3.3. Work sequence.
- 11.4. Subcontractor's foreman will go through Subcontractor Orientation with Contractor's superintendent before any Work is performed on site.
- 11.5. Subcontractor's foreman will come to the jobsite prepared with plans, specifications & approved submittals.
- 11.6. Subcontractor's foreman will have a clear understanding of their scope of work and the work plan.
- 11.7. Subcontractor will demonstrate that their materials are per the approved submittal(s).

12. MANAGEMENT

- 12.1. Subcontractor shall have a foreman on site at all times while Work is performed. Subcontractor will keep the same foreman on site for the duration of Subcontractor's Work on the Project. If Subcontractor needs to make a foreman change, it is the Subcontractor's responsibility to ensure that the new foreman understands the Project. If Contractor's personnel are required to bring the Subcontractor's foreman up to speed on the project, Subcontractor will be charge a fee of \$1,000.00.

- 12.2. Subcontractor's crew will be sent home if they come unprepared to the jobsite.
- 12.3. Subcontractor shall designate one office contact person for all aspects of their Work. If Subcontractor is providing more than one section of Work, Subcontractor may have one contact person for each section. Subcontractor shall have a representative on site at all times during the course of their Work that shall have the authority to act on behalf of the Subcontractor. Subcontractor shall remove from the Project site any employee Contractor determines unacceptable in terms of quality of work, cooperation with other trades, or who does not follow reasonable Project rules and procedures established by Contractor's Superintendent.

13. CONTRACTOR'S EQUIPMENT

- 13.1. Use of Contractor's provided forklift, crane or other equipment:
 - 13.1.1. If Subcontractor uses Contractor's equipment or requests Contractor's personnel to operate equipment on Subcontractor's behalf, Subcontractor accepts all responsibility, cost impacts and/or liability resulting from use and/or operation of equipment including, without limitation, repairing any damage caused thereto.
 - 13.1.2. Subcontractor shall defend, indemnify, and hold Contractor harmless from any and all damages (including, without limitation, attorneys' fees and costs) related to or arising out of Subcontractor's use of Contractor's equipment including, but not limited to, any personal injury or property damage arising therefrom. If Contractor's personnel are operating the equipment on behalf of the Subcontractor, Subcontractor is not responsible for the loss to the extent it is a direct result of the negligence of the Contractor's personnel.
- 13.2. **Certification.** All equipment operators must be certified and/or have industry-standard training verified to operate the equipment or machines they are using, with documentation provided to Contractor's superintendent. If Subcontractor does not have a certified operator they will have to pay for Contractor's personnel time to operate required equipment. Crane operators must meet all the requirements called out in the Safety and Security Requirements in Attachment C.

14. JOB DAMAGE

Job damage caused by Subcontractor, its lower-tier subcontractor or supplier of any tier, to Work other than its own shall be reported immediately to Contractor and Subcontractor shall be responsible for its repair. Job damage caused by Contractor to Work of Subcontractor shall be reported immediately to Subcontractor and Contractor shall be responsible for its repair.

15. HOUSEKEEPING, CLEAN UP AND HAZARDOUS MATERIALS

- 15.1. No smoking on the jobsite.
- 15.2. Subcontractor shall regularly remove all refuse, waste and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the jobsite or creates a safety hazard. Avoidance of safety hazards through good housekeeping is an important part of Subcontractor's obligations. In the event Subcontractor or its lower-tier subcontractor fails or refuses to meet these requirements, Contractor may remove refuse and charge all costs to the Subcontract Agreement, provided that Subcontractor has received 24 hours or one full working day, whichever is greater, prior written notice. In the event Contractor determines emergency conditions exist, Contractor may proceed as above without prior notice.
- 15.3. Subcontractor shall comply with all applicable hazardous waste regulations under federal, state or local laws. Subcontractor shall provide Contractor with all Material Safety Data Sheets for any and all hazardous substances covered under all applicable laws before commencing Work. Subcontractor shall, prior to commencing Work, inform Contractor of its intent to use any hazardous substances at the Project and shall continuously update the Contractor of any new hazardous substance brought to the Project during performance of the Work. Failure to comply with this Article may result in fines and damages being assessed to Subcontractor. Subcontractor shall defend, indemnify and hold Contractor harmless from any and all costs and expenses, including attorneys' fees, arising from the use or discharge of any hazardous substance by Subcontractor at or off the Project site.

- 15.4. Grease, oil, glue, dirt, etc., that is a result of Subcontractor's Work, must be removed.
- 15.5. Final cleaning will be performed by Contractor, and will include vacuuming, dusting, mopping, and window washing.

16. COMPLIANCE WITH EQUAL EMPLOYMENT OPPORTUNITIES

- 16.1. Contractor and Subcontractor acknowledge the requirement to undertake affirmative action to overcome any discrimination or underutilization. Subcontractor confirms that it is eligible to hold government contracts and that it shall comply with any affirmative action requirements of this Subcontract Agreement.
- 16.2. During the performance of Work under this Subcontract Agreement, the Subcontractor agrees as follows:
 - 16.2.1. The Subcontractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Subcontractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
 - 16.2.2. The Subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
 - 16.2.3. The Subcontractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - 16.2.4. The Subcontractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - 16.2.5. The Subcontractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 16.3. In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this Subcontract Agreement or with any of such rules, regulations, or orders, this Subcontract Agreement may be cancelled, terminated or suspended in whole or in part and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 16.4. For public projects, the Subcontractor will include the provisions of Articles 16 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each of Subcontractor's subcontractors or vendors. The Subcontractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, That in the event the Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor

as a result of such direction by the contracting agency, the Subcontractor may request the United States to enter into such litigation to protect the interests of the United States.

17. BONDS

If the Contract Documents require Subcontractor to supply bonds for the Project, then Subcontractor shall as its own expense furnish contractor, within ten (10) days of receipt of this Subcontract Agreement, performance and payment surety bonds, acceptable to Contractor, in an amount equal to the Subcontract Agreement price. The bonds shall be conditioned upon the full and faithful performance of all terms, provisions, and conditions of this Subcontract Agreement and upon payment for all labor, materials, equipment and supplies used in the prosecution of the Work described herein. If Subcontractor fails to timely provide the required bond Contractor may terminate this Agreement without further notice or liability to Subcontractor.

18. SAFETY AND SECURITY REQUIREMENTS

See Attachment "C", attached hereto and incorporated herein by this reference.

19. WORKERS' COMPENSATION

19.1. Subcontractor shall furnish to Contractor evidence that it has in force Workers' Compensation Insurance including Employer's Liability, as may be required by the jurisdiction(s) in which the Work is being performed. Where applicable, this shall include United States Longshoremen's and Harbor Workers' Insurance including Coverage B – Employer's Liability (Maritime) with limits not less than the Bodily Injury limits required of the Contractor by the Prime Contract, but in no event less than \$1,000,000.

20. MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES

Contractor and Subcontract Agreement expressly waive any and all claims for consequential damages against one another unless consequential damages are recoverable from the Owner under the Prime Contract, and then only to the extent such damages are actually recovered from, or awarded to, the Owner under the Prime Contract. Liquidated damages are not considered consequential damages for purposes of this Article.

21. INSURANCE

See Attachment "B", attached hereto and incorporated herein by this reference.

22. INDEMNIFICATION

22.1. Subcontractor shall defend, indemnify and hold harmless Contractor, the Owner, any other party required to be indemnified by the Contract Documents, and their respective officers, employees and agents (the "Indemnified Parties") from every claim, risk, loss, damage, demand, suit, judgment and attorney's fee, and any other kind of expense arising from, resulting from, or in any manner directly or indirectly connected with, performance of the Work under this Subcontract Agreement, by Subcontractor or Subcontractor's agents, employees, subtier Subcontractors or suppliers, to the fullest extent permitted by law and subject to the limitations provided below:

22.1.1. Subcontractor's indemnity obligations hereunder do not extend to liability resulting from the sole negligence of the Indemnified Parties.

22.1.2. If the claim, suit, or action for injuries, death, or property damage is caused by or results from the concurrent negligence of (a) the Subcontractor or its officer, employee or agent and (2) the Indemnified Parties, this indemnity provision shall be enforceable only to the extent of the negligence of the Subcontractor, its officers, employees, or agents.

22.2. Subcontractor's duty to defend, indemnify and hold the Indemnified Parties harmless hereunder is independent of any insurance requirements imposed on Subcontractor by this Agreement. Subcontractor shall defend, indemnify, and hold the Indemnified Parties harmless to the fullest extent of this Article even if Subcontractor's insurer denies coverage and/or if the insurer provides coverage which is later determined not to apply and the insurer demands reimbursement of defense costs from the insureds and/or additional insureds defended under Subcontractor's policy.

- 22.3. FOR PURPOSES OF THE FOREGOING INDEMNIFICATION PROVISION ONLY, AND ONLY TO THE EXTENT OF CLAIMS AGAINST SUBCONTRACTOR BY CONTRACTOR UNDER SUCH INDEMNIFICATION PROVISION, SUBCONTRACTOR SPECIFICALLY WAIVES ANY IMMUNITY IT MAY BE GRANTED UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW. THE INDEMNIFICATION OBLIGATION UNDER THIS SUBCONTRACT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD PARTY UNDER WORKERS' COMPENSATION ACTS, DISABILITY BENEFIT ACTS, OR OTHER EMPLOYEE BENEFIT ACTS.**
- 22.4.** Defense cost recovery shall include all fees (of attorneys and experts), and costs and expenses incurred in good faith. In addition, Contractor shall be entitled to recover compensation for all of its in-house expenses (including materials and labor) consumed in its defense.
- 22.5.** In the event of a dispute relating or pertaining to Subcontractor's indemnity and defense obligations, Contractor shall be entitled to its attorney's fees, expert fees, costs, and expenses incurred in proving Subcontractor's indemnity obligation.
- 22.6.** Subcontractor agrees that Contractor's rights to defense, indemnity and to be held harmless by Subcontractor as set forth herein shall accrue upon discovery by Contractor of a claim, risk, loss, damage, demand, suit, or expense within the scope and coverage of this indemnification provision.

23. DISPUTES

23.1. Pass-through Claims.

23.1.1. In the event of any dispute or claim between Contractor and Owner which directly or indirectly involves the Work performed or to be performed by Subcontractor, or in the event of any dispute or claim between Contractor and Subcontractor caused by or arising out of conduct for which Owner may be responsible, Subcontractor agrees to be bound to Contractor and Contractor agrees to be bound to Subcontractor to the same extent that Contractor is bound to Owner by the terms of the Prime Contract and by any and all procedures and resulting decisions, findings, determinations, or awards made thereunder by the person so authorized in the Prime Contract, or by an administrative agency, board, court of competent jurisdiction or arbitration. If any dispute or claim of Subcontractor is prosecuted or defended by Contractor together with disputes or claims of Contractor's own, and Subcontractor is not directly a party, Subcontractor agrees to cooperate fully with Contractor and to furnish all documents, statements, witnesses, and other information required by Contractor for such purpose and shall pay or reimburse Contractor for all expenses and costs, including reasonable attorneys' fees incurred in connection therewith, to the extent of Subcontractor's interest in such claim or dispute.

23.1.2. Subcontractor agrees to be bound by the procedure and final determinations as specified in the Prime Contract and agrees that it will not take, or will suspend, any other action or actions (including but not limited to any arbitration(s) or action(s) commenced pursuant to the Federal Miller Act, state lien statutes, Bond or Retainage Act(s)) with respect to any such claims and will pursue no independent litigation with respect thereto, pending final determination of any dispute resolution procedure between Owner and Contractor. It is expressly understood and agreed that as to any and all claims asserted by Subcontractor in connection with this Project arising from the actions or fault of Owner, Contractor shall not be liable to Subcontractor for any greater amount than Owner is liable to Contractor, less any markups or costs incurred by Contractor. As to any claims asserted by Subcontractor for or on account of acts or omissions of Owner or its agents or design professionals, at the sole option of Contractor, Subcontractor agrees to prosecute such claims in Contractor's name. For any amount recovered or collected (whether through proceedings or settlement) by Subcontractor, Contractor shall be entitled to 10% of such amount received or collected as its mark-up for such claims. Subcontractor shall have full responsibility for preparation and presentation of such claims and shall bear expenses thereof including attorneys' fees.

23.2. Arbitration/Litigation.

23.2.1. At the Contractor's sole option, all other claims, disputes, and other matters in question between Contractor and Subcontractor arising out of, or relating to, the Prime Contract or this Subcontract Agreement, the breach thereof, or Work thereunder (for which a dispute resolution procedure is not otherwise provided in the Prime Contract), shall be decided by arbitration conducted in accordance with the Construction Industry Arbitration Rules of the AAA then governing, or by an arbitrator mutually agreed upon by the parties. If Contractor elects to arbitrate any such dispute, Contractor and Subcontractor shall be bound by any findings and award of such arbitration finally and without recourse to any court of law other than for the enforcement of the arbitrator's decision. As between the parties to this Subcontract Agreement, the substantially prevailing party in any arbitration shall be entitled to an award of its attorneys' fees, costs and expert fees incurred. Contractor and Subcontractor expressly grant the arbitrator the authority to award attorneys' fees and costs.

23.2.2. If the Contractor does not select Arbitration as the means of dispute resolution, all other claims, disputes and other matters in question between Contractor and Subcontractor arising out of, or relating to, the Prime Contract, this Subcontract Agreement, the breach thereof, or the Work thereunder (for which a dispute resolution procedure is not otherwise provided in the Prime Contract), shall be decided by an action filed exclusively in the Whatcom County Superior Courts regardless of where the Project occurred. Subcontractor expressly consents to jurisdiction exclusively in Whatcom County Superior Courts, regardless of where the Project is located. Both parties irrevocably and expressly waive their rights to a trial by jury and to federal court jurisdiction. The substantially prevailing party in any such litigation shall be entitled to an award of its attorneys' fees and costs.

23.3. Mediation: As a condition precedent to the hearing of any trial or arbitration, the parties to this Subcontract Agreement shall submit any and all disputes between them to non-binding mediation with the assistance of an experienced mediator. The parties shall each designate a representative with full settlement authority who will participate for at least four hours in the mediation. The parties shall bear equally all expenses, exclusive of attorneys' fees, associated with the mediation.

23.4. No claim, dispute, or controversy shall interfere with the progress and performance of the Work and, unless otherwise agreed in writing, Subcontractor shall carry on the Work and maintain the Construction Schedule as directed by Contractor pending resolution of any dispute, including arbitration or litigation, and, if so, Contractor shall continue to make payment of undisputed amounts due to Subcontractor in accordance with this Subcontract Agreement.

24. TERMINATION; SUSPENSION; TAKEOVER

24.1. Termination/Suspension by Owner.

24.1.1. In the event Contractor's Work under the Prime Contract is terminated, other than for Contractor's default, prior to Project completion, an equitable adjustment to the Subcontract Agreement Price for Work performed under this Subcontract Agreement prior to such termination will be made as provided for in the Prime Contract; if no such provision exists, then by mutual agreement; or, failing either of these methods, by dispute resolution as provided for in the Disputes clause of this Subcontract Agreement. Subcontractor shall be entitled to prospective profits on unperformed Work only to the extent Contractor is able to recover such profits from the Owner.

24.1.2. In the event Owner, for any cause other than Contractor's default, temporarily suspends Work under the Prime Contract, Contractor may order Subcontractor to suspend Work under this Subcontract Agreement. Subcontractor shall be entitled to reimbursement for actual costs to preserve and protect work in progress or damage for such suspensions only to the same extent Contractor receives additional compensation from Owner under the provisions of the Prime Contract for Subcontract Agreement Work.

24.2. Termination/Suspension for Convenience. Upon three (3) business day's written notice to Subcontractor, Contractor may terminate this Subcontract Agreement in whole or in part for Contractor's convenience and/or at its option. Subcontractor's remedy for such convenience or optional termination is limited to the following: (1) payment pursuant to the terms of this Subcontract Agreement for all Work properly performed prior to termination; (2) partial payment for lump sum items of Work on the basis of the percent complete of such items at the time of termination; and (3) Subcontractor's reasonably close-out costs. In no event shall Subcontractor be entitled to any compensation for loss of anticipated profits or unallocated overhead on Work not performed.

24.3. Termination for Default.

24.3.1. If Subcontractor (i) refuses or fails to supply enough properly-skilled workers or materials to maintain the schedule of Work, (ii) refuses or fails to make prompt payment to lower-tier subcontractors or suppliers of labor, materials or services, (iii) fails to correct, replace, or re-execute faulty or defective Work done or materials furnished, (iv) disregards the law, ordinances, rules, regulations or orders of any public authority having jurisdiction, (v) files for bankruptcy, or (vi) is guilty of a breach of this Subcontract Agreement (each a "Default"), and fails to correct the Default and maintain the corrected condition within not less than three (3) business days of receipt of written notice of the Default, then Contractor, without prejudice to any rights or remedies otherwise available to it, shall have the right to any or all of the following remedies:

24.3.1.1. Supply such numbers of workers and quantity of materials, equipment, and other facilities as Contractor deems necessary for the completion of Subcontractor's Work, or any part thereof, which Subcontractor has failed to complete or perform after the above notice, and to charge the cost thereof to Subcontractor who shall be liable for the payment of same including reasonable overhead and profit;

24.3.1.2. Contract with one or more additional subcontractors to perform such part of Subcontractor's Work as Contractor shall determine to provide prompt completion of the Project and charge the cost thereof to Subcontractor;

24.3.1.3. Withhold payment of any monies due or to become due Subcontractor pending corrective action to the extent required and to the satisfaction of Contractor; or

24.3.1.4. Terminate this Subcontract Agreement, use any materials, implements, equipment, appliances, or tools furnished for the job and paid for or will be paid for by Contractor to complete Subcontractor's Work and furnish those materials, equipment, and/or employ such workers as Contractor deems necessary to maintain the orderly progress of the Work. All of the costs, including reasonable overhead, profit and attorneys' fees, incurred by Contractor in arranging to and performing Subcontractor's Work shall be charged to Subcontractor and Contractor shall have the right to deduct such expenses from monies due or to become due Subcontractor. Subcontractor shall be liable for the payment of any expenses incurred in excess of the unpaid balance of the Subcontract Agreement Price.

24.3.2. In the event Contractor terminates Subcontractor for Default and it is later determined by the dispute resolution proceedings set forth herein that Subcontractor was not in default, then such termination shall be automatically deemed a termination for convenience under Article 24.1 above and Subcontractor shall be compensated accordingly. In the event of any emergency (life & death, fire or natural disasters), Contractor may proceed as above without notice.

24.4. In the event of any emergency, Contractor may proceed to terminate Subcontractor as above without notice.

24.5. If Subcontractor files or otherwise becomes subject to bankruptcy proceedings, Contractor and Subcontractor agree that any delay attendant to the assumption or rejection of the Subcontract Agreement by the bankruptcy Trustee or a debtor-in-possession will be prejudicial to Contractor.

Consequently, Subcontractor, to minimize delay to the Project and to mitigate damages and/or other prejudice suffered by Contractor, hereby stipulates to a notice period of ten (10) calendar days for Contractor's motion to require Trustee or debtor-in-possession to assume or reject the Subcontract Agreement.

25. MISCELLANEOUS

- 25.1. Governing Law, Jurisdiction, Venue.** This Subcontract Agreement shall be considered to have been made in and shall be interpreted under the laws of the State of Washington. The site of any arbitration or litigation arising out of this Subcontract Agreement or the Work hereunder shall be exclusively in Bellingham, Washington. The venue for any lawsuit arising out of this Subcontract Agreement or the Work hereunder shall be held exclusively in the Whatcom County Superior Courts, Bellingham, Washington, regardless of where the Project occurred.
- 25.2. Entire Agreement.** This Subcontract Agreement represents the entire integrated agreement between Contractor and Subcontractor with respect to the Project and supersedes all prior negotiations, proposals, price terms, assumptions, clarifications, correspondences, representations or agreements, whether written, oral, express, or implied. This Subcontract Agreement represents the final understanding of the parties and Contractor assumes no responsibility for any different understanding or any representations made by any of its officers, agents, or others prior to the execution of this Subcontract Agreement unless expressly stated herein.
- 25.3. Modifications.** No modification to, or waiver of any rights under, this Subcontract Agreement shall be valid or binding on the parties to this Subcontract Agreement unless the same be in writing. Without limiting the generality of the foregoing, the terms and conditions of Subcontractor's proposal, if any, shall not amend, add to or modify the terms of this Subcontract Agreement. If any Subcontractor proposal is attached to hereto, the only term or condition of the proposal which shall be binding on the Parties is the pricing contained therein.
- 25.4. Waiver.** Failure of Contractor to insist upon strict performance of any term or condition of this Subcontract Agreement, or to exercise any option herein conferred on one or more instances, shall not be construed to be a waiver of such performance or option, or of any other covenants or agreements, on subsequent occasions, but the same shall be and remain in full force and effect.
- 25.5. Notice.** Any written notice required to be given to a party shall be hand-delivered, emailed to either party's or mailed by certified mail return receipt requested to the address of that party indicated above.
- 25.6. Compliance with Law.** Subcontractor shall comply with all federal, state and local laws, regulations and orders prohibiting discrimination on the basis of race, religion, sex or national origin.
- 25.7. Time.** Time is of the essence in this Subcontract Agreement.
- 25.8. Order of Precedence.** In the event of any conflict between any of the Contract Documents, the more stringent term on Subcontractor shall control, as determined by Contractor in its sole discretion.
- 25.9. Standard of Care.** If Subcontractor's work includes professional services, Subcontractor's professional services shall meet or exceed: (i) the standard for similar services performed by similarly licensed professionals performing work in the Project's location or (ii) such higher standard of care set forth in the Contract Documents, if any.

ATTACHMENT B
INSURANCE REQUIREMENTS

1. **OBLIGATION** Subcontractor warrants that Prior to starting the Work, Subcontractor shall, during the Term of this Subcontract Agreement and the applicable Statute of Repose and/or statute of limitations for claims relating to Subcontractor's Work on the Project (whichever is longer), procure, maintain, and pay for such insurance as will protect against claims for bodily injury or death, or for damage to property, including loss of use, which may arise out of operations by Subcontractor or by any of its lower tier subcontractors or by anyone employed by any of them, or by anyone for whose acts any of them may be liable.
2. **FORMS**
 - 2.1. Such insurance shall be on policy forms satisfactory to Contractor in its sole discretion.
 - 2.2. Upon request, the Subcontractor agrees to provide to Contractor, in a timely manner, the insurance policy (or policies) documents where Contractor is named as additional insured. Failure to provide these documents is a breach of this agreement.
3. **LIMITS** Such insurance shall not be less than the greater of coverages and limits of liability specified in Articles 3.1 to 3.5 below, or as required by the Contract Documents, or coverages and limits required by law:
 - 3.1. **Commercial General Liability**
 - 3.1.1. \$1,000,000 each occurrence
 - 3.1.2. \$2,000,000 aggregate (applicable on a per project basis)
 - 3.1.3. Or such higher limits specified in the Contract Documents
 - 3.2. **Automobile Liability**
 - 3.2.1. \$1,000,000 combined single limit
 - 3.2.2. Or such higher limits specified in the Contract Documents
 - 3.3. **Workers' Compensation**
 - 3.3.1. Statutory limits
 - 3.3.2. Or such higher limits and/or required coverages specified in the Contract Documents
 - 3.4. **Professional Liability. (Errors and Omissions) (if required by Article 6 below)**
 - 3.4.1. \$2,000,000 per claim
 - 3.4.2. \$2,000,000 annual aggregate
 - 3.5. **Contractor's Pollution Liability (if required by Article 7 below)**
 - 3.5.1. \$1,000,000 per claim
 - 3.5.2. \$2,000,000 annual aggregate
4. **COMMERCIAL GENERAL LIABILITY INSURANCE**
 - 4.1. Commercial General Liability insurance required hereunder shall be written on an occurrence form (ISO Form CG 00 01 or equivalent) and shall include coverage for Products/Completed Operations extending two (2) years after final acceptance of the Project by Owner or such longer period as the Contract Documents may require, Broad Form Property Damage, including Completed Operations, Personal Injury, Blanket XCU and Blanket Contractual Liability insurance applicable to Subcontractor's defense and indemnity obligations under Article 2 of Attachment A, and other contractual indemnities assumed by Subcontractor under the Contract Documents.
 - 4.2. Commercial General Liability insurance shall include "stop gap" coverage for Work in those states where Workers' Compensation insurance is provided through a state fund if Employer's Liability coverage is not available.
 - 4.3. The Commercial General Liability insurance shall:
 - 4.3.1. name Contractor as additional insured for liability arising out of the Subcontractor's work, including completed operations losses, without qualification, limitation or reservation by way of an endorsement;
 - 4.3.2. be endorsed to be primary and non-contributory with any insurance maintained by Contractor or Owner;

ATTACHMENT B
INSURANCE REQUIREMENTS

- 4.3.3. not contain a "cross liability" or similar exclusion that would bar coverage for claims between or among insureds;
 - 4.3.4. contain a severability of interest provision in favor of Contractor and Owner;
 - 4.3.5. be "non-eroding" (defense costs "outside the limit"), whereby any defense costs incurred by the Subcontractor will not reduce the policy limit available for payment of any claims; and
 - 4.3.6. contain a waiver of subrogation against Contractor and Owner.
- 4.4. Before commencing work, Subcontractor shall provide a copy of the additional insured endorsement to Contractor as evidence of additional insured status.
5. **AUTOMOBILE LIABILITY INSURANCE** Automobile Liability insurance required under this Article shall include coverage for all owned, hired and non-owned automobiles.
6. **PROFESSIONAL LIABILITY AND/OR ERRORS & OMISSIONS**
- 6.1. If Subcontractor's work includes professional services, Subcontractor shall provide evidence of Professional Liability Insurance covering claims that arise from the actual or alleged errors, omissions, or acts of the Subcontractor or any entity for which the Subcontractor is legally responsible for the provision of all professional services necessary or incidental to the fulfillment of all contract obligations hereunder. Such insurance shall be in an amount as stated in Article 3.5.
 - 6.2. The policy shall be effective from the date of commencement of all professional services in connection with the fulfillment of all contract obligations hereunder.
 - 6.3. The policy may be issued on a claims made form or an occurrence form. If written on a claims made form, the following additional terms apply to the policy: (i) coverage shall be maintained for a minimum of six (6) years after completion, with evidence of the same provided to the Contractor annually, (ii) the Retroactive Date must be shown and must be before the date of this Subcontract Agreement or commencement of any work or professional services hereunder, (iii) if the policy is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the date of the Subcontract Agreement or commencement of any work or professional services hereunder, the Seller must purchase "extended reporting" coverage for a minimum of six (6) years after completion of the Subcontract Agreement.
 - 6.4. Coverage shall not include any exclusion or other limitations related to scopes of services or project type or construction type, or delays in project completion and cost overruns. Subcontractor is required to provide notice to the Contractor if their Professional Liability limits are impaired by payments or reserves for claims or expenses in excess of twenty percent (20%) of the policy limit, regardless of whether such payments or reserves are related to work performed for this Project.
 - 6.5. In the event the professional services are provided by a sub-tier subcontractor or design consultant, Subcontractor and each sub-tier subcontractor and/or design consultant in the chain of privity, to the lowest tier to and including the actual designer of record, shall each provide such insurance.
 - 6.6. Contractor reserves the right, in its sole discretion, to specify higher limits for such insurance depending upon the circumstances; provided, however, Contractor shall be obligated to pay the reasonable increase in premium actually incurred as a result.
7. **CONTRACTOR'S POLLUTION LIABILITY**
- 7.1. If the Work includes any portion of (a) building enclosure systems (including, without limitation, vapor or moisture barriers, roofing or flashing, exterior windows, curtainwall components or systems, plaster or stucco or exterior stone or masonry), (b) plumbing, heating, ventilating or air conditioning systems, (c) drywall or insulation, (d) abatement and/or demolition, or (e) building foundations, Subcontractor shall procure, maintain and pay for Contractor's Pollution Liability insurance.

ATTACHMENT B
INSURANCE REQUIREMENTS

- 7.2. Such insurance shall include coverage for Completed Operations extending four (4) years after final acceptance of the Project by Owner or such longer period as the Contract Documents may require. The definition of Property Damage shall include clean-up costs. The definition of Pollutant shall include any form of fungus, including mold.
- 7.3. If such insurance is written on a claims-made basis, the policy retroactive date shall be prior to the start of Subcontractor's Work. Renewal policies during this period shall maintain the same retroactive date.

8. OTHER ENDORSEMENTS

8.1. Additional Insured.

8.1.1. Subcontractor shall endorse its Commercial General Liability (including Products/Completed Operations coverage and utilizing ISO endorsements CG 20 10 10 01 and CG 20 37 10 01 or equivalent), Automobile Liability, Umbrella/Excess Liability, Contractors Pollution Liability (if required herein, and including Completed Operations coverage) policies to add Contractor and such other parties as Contractor is required under the Contract Documents to name as additional insureds on Contractor's insurance, as "additional insureds" with respect to liability arising out of (a) operations performed for Contractor or Owner by or for Subcontractor, (b) Subcontractor's completed Work, (c) acts or omissions of Contractor or Owner in connection with their general supervision of operations by or for Subcontractor, (d) Subcontractor's use of Contractor's tools and equipment, and (e) claims for bodily injury or death brought against any of the additional insureds by Subcontractor's employees, or the employees of its subcontractors of any tier, however caused, related to the performance of operations under the Contract Documents.

8.1.2. Such additional insured endorsement shall also include a Waiver of Subrogation.

8.1.3. Additional insured endorsement shall not be limited to ongoing operations.

8.1.4. Additional Insured Endorsement, including Completed Operations coverage shall be maintained throughout the applicable state and federal statutes of limitations/repose or six (6) years, whichever is greater.

8.2. Waiver of Subrogation. Subcontractor shall provide a waiver of subrogation endorsement in favor of the Contractor shall be provided by Subcontractor for General Liability, Automobile, Umbrella, Pollution Liability, Professional Liability and Worker's Compensations policies.

8.3. Primary and Non-Contributory. Such insurance afforded to Contractor, Owner, and others as additional insureds under Subcontractor's policies shall be primary Insurance and not excess over, or contributing with, any insurance purchased or maintained by Contractor or Owner or others required to be included as additional insureds.

8.4. Completed Operations. Completed Operations coverage must be for all limits carried and not limited to the minimum acceptable as required herein.

9. COMBINED POLICIES

9.1. Employer's Liability, Commercial General Liability and Automobile Liability insurance may be arranged under single policies for full minimum limits required, or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability policy. The general aggregate on the Commercial General Liability policy shall apply on a project-specific basis.

9.2. Professional Liability and Contractor's Pollution Liability insurance may be arranged under single policies for full minimum limits required, or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability policy.

**ATTACHMENT B
INSURANCE REQUIREMENTS**

- 10. LICENSES AND RATING** Subcontractor shall maintain in effect all insurance coverages required under this Attachment B, and by the Contract Documents, at Subcontractor's sole expense and with insurance carriers licensed to do business in the jurisdiction(s) in which the Project is located and having a current A.M. Best rating of not less than A-VII, unless a different A.M. Best rating is accepted by Contractor in writing.
- 11. CONTRACTOR MAY PROCURE INSURANCE** In the event Subcontractor fails to maintain any and all insurance required by this Subcontract Agreement during the entire life of this Subcontract Agreement, Contractor may at its option, and without waiver of other available remedies, purchase such insurance in the name of Subcontractor and deduct the cost of same from payments due Subcontractor.
- 12. BUILDERS RISK** If Builder's Risk or any other property insurance is provided by others, Contractor and Subcontractor waive all rights against each other and Owner, and subcontractors, agents and employees each of the other, for loss or, damage to the extent covered by Builder's risk or any other property or equipment insurance, 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 policy's deductible (or self-insured retention) which is proportionate to the loss or damage resulting from acts or omissions attributable to Subcontractor. Subcontractor shall procure and maintain, at Subcontractor's own expense, property and equipment insurance for portions of the Subcontract Agreement Work stored off the site or in transit. Contractor and Owner neither represent nor assume responsibility for the adequacy of the Builder's Risk insurance to protect the interests of Subcontractor. It shall be the obligation of Subcontractor to purchase and maintain any supplementary property insurance that it deems necessary to protect its interest in the Work.
- 13. NO REPRESENTATIONS** Contractor makes no representations that the required minimum amount of insurance is adequate to protect Subcontractor. The procuring and/or carrying of insurance shall not limit Subcontractor's obligation or liability pursuant to this Subcontract Agreement or as a matter of law.
- 14. FULL POLICY LIMITS** If the Subcontractor maintains higher insurance limits than the minimums required herein, the Contractor shall be insured for the full available limits of Commercial General and/or Excess or Umbrella liability maintained by the Subcontractor, irrespective of whether such limits maintained by the Subcontractor are greater than those required by this Agreement or whether any certificate of insurance furnished to the Contractor evidences limits of liability lower than those maintained by the Subcontractor.
- 15. NON-ERODING POLICIES**
- 15.1.** Wherever available, all policies required herein shall not be "eroding" policies (also known as burning policies, wasting policies, defense-within-limits policies, self-reducing policies, and cannibalizing policies).
- 15.2.** At a minimum, the Commercial General Liability insurance policy shall not be an eroding policy, and in the event such policy is eroding, and a claim against such policy is filed by Contractor, Subcontractor shall indemnify Contractor for any and all reductions in policy limits such that the full policy limit remains available to respond to such claim(s).
- 16. CERTIFICATES**
- 16.1.** Subcontractor shall furnish to Contractor evidence of the insured required in this Attachment B, including the provision regarding notice of cancellation or reduction in coverage.
- 16.2.** Such evidence of insurance shall:
- 16.2.1.** be in the form of a Certificate of Insurance issued by Subcontractor's broker or one or more insurance carriers and shall provide for not less than 30 days prior written notice to Contractor of cancellation or reduction in coverage;
- 16.2.2.** either confirm or attach the required endorsements and provisions outlined herein;
- 16.2.3.** attach a cancellation endorsement (CG 80 61 01 88 or equivalent) that indicates 30 days written notice will be sent in the event of cancellation or changes to the policy that reduce or restrict the coverage.

**ATTACHMENT B
INSURANCE REQUIREMENTS**

- 16.2.4.** Indicate the "Best Rating" of A-VII and rating on the certificate(s) by Subcontractor's insurance broker and/or carrier(s).
- 16.2.5.** disclose all non-standard coverage exclusions that would potentially exclude work covered under the subcontractor's scope of work on the certificate and hard copies of the non-standard exclusions provided to the Contractor.

17. SPECIAL PROVISIONS If applicable, the following insurance may be required for certain marine-related scopes of work:

- 17.1.** U.S. Longshore and Harbor Worker's Compensation Act (evidence of coverage under the subcontractor's Worker's Compensation policy).
- 17.2.** Marine Liability coverage (Protection & Indemnity with a limit of \$1,000,000 Limit of Liability).
- 17.3.** Evidence of Maritime Employee Liability coverage under the Subcontractor's Worker's Compensation policy.

SAMPLE

**ATTACHMENT B
INSURANCE REQUIREMENTS**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
XX/XX/XX

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	ABC INSURANCE BROKERS, INC. P.O. BOX XXXXX SEATTLE, WA XXXXX	CONTACT NAME:	
		PHONE (A/C, No, Ext):	FAX (A/C, No):
	PHONE: FAX:	E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
INSURED	CBS SUBCONTRACTORS, INC. P.O. BOX XXXXX SEATTLE, WA XXXXX	INSURER A:	XYZ INSURANCE COMPANY A+ VI
		INSURER B:	Show Carrier and Specify AM Best Rating
		INSURER C:	
		INSURER D:	SAMPLE
		INSURER E:	(MUST BE AT LEAST AN "A-" VII)
		INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	X	XXXXXXXXXX	MM/DD/YY	MM/DD/YY	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> WA STOP GAP						PERSONAL & ADV INJURY \$ 1,000,000
GEN'L AGGREGATE LIMIT APPLIES PER:							GENERAL AGGREGATE \$ 2,000,000
<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY	X	X	XXXXXXXXXX	MM/DD/YY	MM/DD/YY	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident) \$
UMBRELLA LIAB <input type="checkbox"/> OCCUR							EACH OCCURRENCE \$
EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE							AGGREGATE \$
DED <input type="checkbox"/> RETENTION \$							\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	N/A		XXXXXXXXXX (AI DOESN'T APPLY)	MM/DD/YY	MM/DD/YY	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

ACORD 101, Additional Remarks Schedule, if more space is required)

RE: All Operations
Dawson Construction, LLC, its agents, representatives, officers, directors, officials and employees; and any other party required in the written Prime Agreement with respects to work performed by or on the behalf of the named insured per the attached CG2010 11/85 endorsement or CG2010 10/01 and CG2307 10/01 or a Blanket Additional Insured form that is equivalent to the above.

Please include all endorsements

CERTIFICATE HOLDER	CANCELLATION
Dawson Construction, LLC PO Box 30920 Bellingham, WA 98228-2920	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

ATTACHMENT C
SAFETY RESPONSIBILITIES

1. EXPECTATIONS AND OBLIGATIONS

- 1.1.** When working on Contractor's project, you are part of a team that operates with a high degree of interdependence upon which the successful outcome of the project is reliant. One area that is crucial in this respect is safety and the expectation of sending everyone home without injury. Our goal of zero injuries requires team effort from management, supervisors, employees, and subcontractors to eliminate unsafe conditions and behaviors.
- 1.2.** Subcontractor and its lower-tier subcontractors shall take all reasonably necessary safety precautions pertaining to its Work and its Work performance, including compliance with applicable laws, ordinances, regulations and orders issued by a public authority, whether federal, state, local or other, and any safety measures requested by Contractor.
- 1.3.** Subcontractor shall at all times be responsible for providing a safe jobsite and be responsible for the Work performance and safety of all employees, personnel, equipment and materials within Subcontractor's or its lower-tier subcontractors' care, custody or control.
- 1.4.** Subcontractor and its lower-tier subcontractors shall furnish all required safety equipment for its Work and ensure all of their employees and lower-tier subcontractors' employees have and wear personal protective equipment in compliance with applicable law and regulations, and Contractor's safety rules, as provided in writing to Subcontractor.
- 1.5.** Subcontractor certifies that it and its lower-tier subcontractors are registered contractors.
- 1.6.** Subcontractor certifies that it and its lower-tier subcontractors maintain a written Accident Prevention Plan and a project-specific safety plan in compliance with applicable law and regulations. Subcontractor's Accident Prevention Plan should address subcontractor's role and responsibilities pertaining to safety on the jobsite, training and corrective action and be tailored to safety and health requirements for the Work involved. Subcontractor shall have and enforce a disciplinary action schedule in the event safety violations are discovered. When and as requested by Contractor, Subcontractor shall provide information regarding safety matters.
- 1.7.** Subcontractor shall promptly provide Contractor with written notice of safety hazard(s) or violation(s) found on the jobsite or of any injury to its or its lower-tier subcontractors' workers incurred on the jobsite.
- 1.8.** Contractor's supervisor may direct Subcontractor's superintendent to remove employees not in compliance with the requirements of this Agreement. In the event Subcontractor does not promptly correct its safety violation, Contractor may order Subcontractor to stop Work until the violation is corrected, and may correct the violation and charge all costs of compliance to the Subcontractor.
- 1.9.** Subcontractor agrees to defend, indemnify and hold Contractor harmless from all claims, demands, proceedings, violations, penalties, assessments or fines from regulatory bodies that arise out of or relate to Subcontractor's failure and sole negligence to comply with any safety-related laws, ordinances, rules, regulations, orders or its obligations hereunder. Contractor may charge against the sums otherwise owing to Subcontractor the Amount of the fine and the fees, costs and expenses incurred by Contractor in the defense of the claims citation and/or fine arising from or relating to the Subcontractor's above-referenced failure.
- 1.10.** As a subcontractor working for us, we are committed to preventing injuries. All work will be done in a safe manner, meeting all applicable OSHA standards and the Contractor's work practices including, but not limited to, those summarized in this document.
- 1.11.** Furthermore, Subcontractor understands its responsibilities for safety to its employees and those working around us, when working on multi-employer jobsites.

ATTACHMENT C
SAFETY RESPONSIBILITIES

- 2. GENERAL SAFETY RESPONSIBILITIES** As employers, ALL Contractors have an ethical and regulatory responsibility to provide a safe workplace. The following is a list of general key employer responsibilities in the construction industry:
- 2.1.** Provide a safe job site and comply with all applicable standards, rules and regulations including developing a project-specific safety plan appropriate to the scope of work and hazards anticipated;
 - 2.2.** Maintain a list of hazardous chemicals used on the jobsite and corresponding Safety Data Sheets (formally called MSDS);
 - 2.3.** Communicate safety requirements, hazards & provide safety training;
 - 2.4.** Ensure employees use safe tools and equipment; and
 - 2.5.** Designate a competent person to implement and enforce the safety requirements.
- 3. SPECIFIC SAFETY RESPONSIBILITIES** Contractor recognizes that accident prevention, productivity and quality of performance go hand in hand, and that safety is an integral part of all activities. Working towards our goal of zero injuries and no safety citations, we require that all subcontractors working on our jobsite have the following responsibilities:
- 3.1.** PM/site supervisor shall participate in a pre-construction meeting led by the Contractor that includes a review of subcontractor responsibilities and reaffirms the importance of safety;
 - 3.2.** All employees shall complete a jobsite orientation with the Contractor's superintendent or designee before starting work. The orientation will cover general safety rules and site-specific policies and a verbal warning that safety violations will not be tolerated;
 - 3.3.** Subcontractor will complete a Pre-Task Assessment (PTA) for each phase of work;
 - 3.4.** Subcontractor will take immediate corrective actions for unsafe practices and conditions when observed, or immediately report the hazard to the Contractor's superintendent;
 - 3.5.** Subcontractor will stop all unsafe work whenever there is imminent danger to life and/or health;
 - 3.6.** Conduct frequent and regular safety inspections of the work area(s) (inspections must be documented at least weekly);
 - 3.7.** All onsite crews shall attend the Contractor's weekly toolbox safety training meetings;
 - 3.8.** Subcontractor to provide two copies of Material Safety Data Sheets/Safety Data Sheets (MSDS/SDS sheets) for all materials to be used in conjunction with the Work;
 - 3.9.** Subcontractor to designate a safety representative and provide a written safety program, and if applicable, an excavation program, fall protection plan, and Material Safety Data Sheets/Safety Data Sheets (MSDS/SDS) for materials provided or used in connection with Subcontractor's work. All safety materials and / or devices required under the scope of this subcontract will be provided by the Subcontractor.
 - 3.10.** All electrically powered equipment or devices provided by Subcontractor shall be U.L. listed and approved.
 - 3.11.** Subcontractor will enforce all safety requirements;
 - 3.12.** Subcontractor and any lower-tier subcontractors are required to fully comply with the terms of the Contractor's jobsite specific Health & Safety Plan (HASP). This includes all Contractor's mandated safety requirements. In the event of a conflict between applicable local, state, or federal health and safety laws, regulations, or the Contractor's HASP, the more stringent shall apply.

**ATTACHMENT C
SAFETY RESPONSIBILITIES**

- 3.13. The use, possession, purchase, sale, or distribution of illicit drugs, being under the influence of alcohol, or misuse of legal drugs while in Contractor's offices, vehicles, job sites, and/or while conducting Contractor's business is strictly prohibited. This includes subcontractor employees at any tier; and
- 3.14. To ensure that the Contractor provides a workplace safe and free of violence for all personnel, the possession or use of firearms on jobsites is prohibited. A license to carry the firearm does not supersede this clause. Any person not complying with this clause will be removed from the jobsite.

4. MULTI-EMPLOYER JOBSITES

- 4.1. OSHA's "Multi-Employer" or "Parallel" citation policy allows any contractor on the jobsite to be cited for safety violations created by another contractor, even if their own employees were not in danger or had no knowledge of the violation. OSHA determines who created a hazard, whose employees are exposed to it, who can control the hazard but didn't, and who is required to correct it. OSHA will issue a citation to one or more contractors for any given safety violation.
- 4.2. General Contractors are generally considered the "controlling contractor" and may receive a parallel citation for a hazard created by a subcontractor unless reasonable care is taken to communicate safety responsibilities, monitor/inspect the jobsite for hazards, take corrective actions, and enforce the rules.
- 4.3. Without limiting the generality of any of Subcontractor's obligations set forth herein, Subcontractor shall defend, indemnify and hold Contractor harmless from any fines, costs or expenses (including, but not limited to, attorneys' fees and costs) related to or arising out of any "parallel" safety citation Contractor receives from any governmental agency arising out of the sole negligence of, Subcontractor or any of its employees or agents.

5. CRANES

- 5.1. Full responsibility to provide equipment with sufficient hoisting capacity for all cranes or hoisting equipment shall rest with the party providing said equipment, however, Contractor shall reserve the right to obtain any necessary information regarding the equipment's capacity, the anticipated loads, and the staging plan prior to allowing access to the site for mobilization or operation. If hoisting equipment provided is deemed to be inadequate for any reason, the equipment shall be rejected and not allowed on site, with any costs to re-mobilize properly sized equipment being the responsibility of the party that provided the inadequate equipment.
- 5.2. Any crane that has not been certified, or crane operator without current operator's certification, will not be allowed to operate on a contractor's project.

6. CITATIONS

- 6.1. Contractor may issue a safety citation for unsafe actions or volatile conditions to the offending subcontractor. Depending on severity, corrective action may include removal of offending personnel from the jobsite.
- 6.2. Any subcontractor that is issued two or more Safety Citations by the Contractor for similar safety violations on the jobsite will be responsible for providing an immediate and effective solution to prevent reoccurrence.
- 6.3. Should a third Safety Citation be issued, Contractor reserves the right to provide a site safety person to continuously monitor work and enforce all safety regulations and be authorized to remove persons from the jobsite for non-compliance.
- 6.4. All costs of the site safety person or due to removal of personnel from jobsite will be the responsibility of the subcontractor. This is in addition to, and not limitation of, Contractor's other rights and remedies under this Subcontract Agreement

**ATTACHMENT D
SCOPE OF WORK**

SAMPLE

See following page(s)

SAMPLE