

Subcontractor Agreement

Subcontract No. 2550-XXX

<u>Contractor:</u> Katch General 929 L Street Fresno, California 93721 Tel: (559) 292-6653	<u>Subcontractor:</u> Name Address City, State and Zip Code Tel: (559) 292-6653
<u>Owner:</u> County of Kings 1400 Lacey Blvd. Hanford Ca. 93230	<u>Project:</u> Hanford Lemoore Library Remodels 401 N. Douty Street / 457 C Street Hanford, CA 93230 / Lemoore, CA 93245 PROJECT I.D. HG00020 / BID FILE NO. 12500982

This subcontract ("Subcontract") is made and entered into on **October 7th**, 2025, in Fresno County, California, by and between Katch General ("Contractor") and Name ("Subcontractor"). Contractor has entered or anticipates entering into a contract with the County of Kings ("Owner") to perform certain construction work described as the Hanford Lemoore Library Remodels ("Project"), in accordance with the terms of the contract ("Contract") between Contractor and Owner.

Section 1 - Subcontract Documents:

The Subcontract, in addition to this agreement between the Contractor and Subcontractor consists of the following documents described below:

Construction Set Drawings - Hanford – 197 Sheets and Lemoore - 134 Sheets ("Plans") – Dated May 23rd, 2025, and the Complete Project Manual ("Specifications") Dated April 2025, and including the following contract documents: Introductory Information; General Conditions for Construction; Supplementary Conditions for Construction; Specifications; Addenda including:

Add 01 07/02/2025 Add 03 07/11/2025
Add 02 07/10/2025

Attachments Included:

Attachment 1: SUBCONTRACTOR INFORMATION SHEET – FILL-OUT AND RETURN WITH SIGNED SUBCONTRACT
Attachment 2: LOWER-TIER SUBCONTRACTOR COMMITMENT – FILL-OUT AND RETURN WITH SIGNED SUBCONTRACT
Attachment 3: INSURANCE REQUIREMENTS – SEND TO INSURANCE AGENT FOR CORRECT PROJECT COVERAGE (COI)
Attachment 4: DIR INFORMATION – **TO COME**
Attachment 5: LCP TRACKER SUBCONTRACTOR INFORMATION SHEET – FILL-OUT AND RETURN WITH SIGNED SUBCONTRACT
Attachment 6: PROJECT PRELIMINARY LIEN INFORMATION
Attachment 7: MONTHLY BILLING PROCESS – IMPORTANT DEADLINES & REQUIREMENTS

- 1.1 Subcontractor certifies and agrees that it is fully familiar with all of the terms, conditions and obligations of the Subcontract and project labor agreement, including, but not limited to the Contract, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is in no way relying upon any opinions or representations of Contractor. It is further agreed that the Contract is incorporated into this Subcontract with the same force and effect as if it were set forth in full, and that Subcontractor and its Subcontractors are bound by all terms of the Contract as they relate in any way, directly or indirectly, to the work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract.
- 1.2 Nothing in this Subcontract creates or shall be construed to create a contractual relationship between persons or entities other than Contractor and Subcontractor.

Section 2 – Scope of Subcontract Work:

Scope of Work: Subcontractor to furnish all labor, materials, supplies, and tools necessary, in accordance with the Contract Documents, to perform the following:

- Spec Sections

Inclusions:

- Alternates

Exclusions:

- XXX
- XXX
- XXX

In addition, the following terms apply to this Subcontract Agreement:

- 2.0 Subcontractor shall be responsible for specified environmental conditions for installation of own work including any action required under this Subcontract which disturbs surface soils.
- 2.1 Subcontractor will comply with Storm Water Pollution Prevention Plan (SWPPP) of the Contract Specifications General Requirements
- 2.2 Subcontractor shall provide as-built drawings and/or all test results as required. As-builts shall be updated periodically as directed by the job site superintendent or project manager. Failure to perform requested as-built updates shall impact progress payments. Subcontractor shall, prior to release of final progress payment, submit to Katch General and have received Architect/Engineer/ Owner approval of all as-built drawings.
- 2.3 Hardhats are required to be worn at all times during working hours at the job site. Workers will not be allowed on site without a hardhat of their own. Katch General may assess fees per occurrence for non-compliance. Additional fines may be assessed for non-compliance with OSHA and Federal guidelines.
- 2.4 Subcontractor shall, upon SUBCONTRACTOR completing 50% of work in place, and prior to release of monthly progress payment, submit for approval all required Operating & Maintenance Manuals
- 2.5 Contracts: This entire Agreement must be fully executed, and copies must be on file in Contractor's main office prior to Subcontractor starting work on this project. Should inconsistencies or omissions appear in the contract documents, it shall be the duty of the Subcontractor to notify the Contractor in writing immediately. Upon receipt of notice, the Contractor shall instruct the Subcontractor as to the measures to be taken and the Subcontractor shall comply with the Contractor's instructions.
- 2.6 Project Labor Agreement: This project requires all Subcontractors to sign on to the project labor agreement and abide by all requirements stated by The County of Kings and the Unions who are assigned to your scope of work.

General Jobsite Requirements:

- 2.7 Subcontractor shall protect concrete flatwork from rubber tire marks caused by his vehicles while Subcontractor is performing his work
- 2.8 Subcontractor shall comply with applicable prevailing wage rates
- 2.9 Subcontractor is responsible to ensure all personnel carry the specified identification called out in the contract documents, if necessary; and stay within areas limited to the use of construction operations as noted in the drawings
- 2.10 Subcontractor shall coordinate all work activities to maintain regular activities and operations
- 2.11 Adhere to traffic, parking, and entry regulations
- 2.12 The Subcontractor is responsible for cleaning all track out generated from his scope of work
- 2.13 All items identified on the Contract Drawings with specific references to Specification Sections included in this Subcontract Agreement are specifically included in this scope of work.

- 2.14 Provide all documentation necessary to fulfill all LEED requirements as it relates to his scope of work.
- 2.15 Subcontractor to provide QC Personnel as it applies to the Subcontractor's scope of work per RFP requirements.
- 2.16 Subcontractor shall provide all signs/nameplates for Subcontractor's equipment as may be required.
- 2.17 If related to Subcontractors scope of work, Subcontractor shall have representative personnel on site for the duration of all structural concrete placements. Personnel shall be responsible for any final adjustments and/or alterations necessary for Subcontractor's installations.
- 2.18 If installing providing or installing equipment, Subcontractor shall provide sufficient training to the Owner's appointed representatives in the presence of the Contractor.
- 2.19 Contractor shall provide general survey. Subcontractor shall provide layout of work.
- 2.20 Should inconsistencies or omissions appear in the contract documents, it shall be the duty of the Subcontractor to notify the Contractor in writing within three (3) working days of discovery by the Subcontractor. Upon receipt of notice, the Contractor shall instruct the Subcontractor as to the measures to be taken and the Subcontractor shall comply with the Contractor's instructions. If it is determined that costs and/or time impact are involved, the Subcontractor will be compensated by change order based on approval of the Owner and with substantiation of the added costs and/or time impacts.
- 2.21 Subcontractor shall provide sealant, caulking, fire stopping, primer, adhesives, backing, blocking, shimming, angles, hangers, channels, plates, etc. as applicable for Subcontractors own work.
- 2.22 Subcontractor shall provide and install all straps, supports, hangers, unit-strut, restraints, seismic bracing, and the design of said braces and supports necessary for Subcontractor's own installation.
- 2.23 Contractor will provide temporary power. Subcontractor shall provide its own power cords.
- 2.24 Subcontractor shall prevent damage to existing facilities, curbs, gutters, sidewalks, and asphalt paving beyond that needed to make curb cuts and utility trenches. Any damage to the existing site or facilities shall be repaired by the Subcontractor at Subcontractor's expense and to the satisfaction of the Owner.
- 2.25 If Subcontractor or Subcontractors' Second Tier Subcontractors cause damage to trees, Subcontractor is responsible for any fines or fees levied by the Department of Forestry or Owner
- 2.26 Subcontractor shall work off-hours if required for critical tie-ins.
- 2.27 Subcontractor shall provide field measuring to ensure proper fit of Subcontractor's work.
- 2.28 Subcontractor is responsible for furnishing and installing all access doors and panels as may be required for access to system components under its scope of work. Access door locations must be coordinated and approved by Contractor and Owner. Coordination is to occur prior to the start of any wall framing work.
- 2.29 If Subcontractor is performing any earthwork or digging, Subcontractor shall be aware of any and all existing utilities and shall exercise extreme caution during excavation operations. Subcontractor shall be responsible for verifying with Owners as-built documents the location of all known underground utilities. The existence, location and characteristics of underground utility information shown on these plans have been obtained from a review of available record data. No representation is made as to the accuracy or completeness of said utilities. Subcontractor must obtain their own USA Dig Alert number three days prior to beginning any excavation work. Subcontractor is responsible for all preventive measures to protect the utility lines as shown or discovered during the work.
- 2.30 Subcontractor is responsible to verify the location of all existing utilities by pot holing prior to the beginning of excavation work. If existing utilities are damaged by this Subcontractor, repair/replacement costs are the responsibility of Subcontractor.
- 2.31 Coordination: The Subcontractor shall coordinate all work with other trades through Contractor.
- Cooperate with the Contractor and all others whose work may interfere with the Subcontractor's work. Subcontractor shall be responsible for coordination of all work with the project superintendent and other Subcontractor trades;
 - Specifically note and immediately advise the Contractor in writing of any such interference with the Subcontractor's work; and participate in the preparation of coordination drawings and work schedules in areas of congestion
- 2.32 Subcontractor shall be responsible for temporary services for performance of his own work, including scaffolding, temporary shoring/, bracing, temporary offices and storage facilities, as well as security, electrical cords, task lighting, drinking water, materials and equipment for own work.

- 2.33 Specification General Requirements included within Subcontractor's scope of work, Subcontractor shall provide Contractor with "Technical Publications", "Operating and Maintenance Manuals" (O&M), and/or "Parts Lists" in the form and format specified. O&M data shall be submitted as soon as practical, but no later than thirty (30) days after delivery of equipment to the project. All other required manuals and/or instructions shall be submitted to Contractor for approval as soon as installation operations are completed but prior to the time that system and/or equipment tests are performed. The specific formatting requirements for the O&M manuals are outlined in the specifications.
- 2.34 Protection of Existing and Completed Work: Subcontractor shall be responsible for protection of existing and completed work while he is on site performing his scope of work.
- 2.35 At the sole discretion of the Owner, Owner may approve for inclusion in an Application for Payment the cost of materials not yet incorporated in the Work but already delivered and suitably stored either (1) at the Project site, or (2) at some other appropriate location (i.e. bonded and secured warehouse) acceptable to the Owner. To be eligible for consideration for Approval by the Owner for inclusion in an Application for Payment, Subcontractor shall submit supplier affidavits and invoices with detailed line item quantity and cost breakdowns to Contractor. Approval by the Owner for inclusion in an Application for Payment shall not relieve Subcontractor in any way of its direct responsibility for all costs related to storage, theft and damage, until any stored materials and equipment, off-site or at the Project site, are properly installed for their intended use and incorporated in the Work.
- 2.36 Staging and lay down areas are limited to an area or areas designated by the Contractor. Materials must be stored within the limits defined by the Contractor.
- 2.37 Dust Control: Subcontractor shall be responsible for providing all required permits, dust control and street cleaning associated with Subcontractor's operations while actively working on site.
- 2.38 Clean up: At the end of each workday, Subcontractor must clean up all of Subcontractor's scrap and/or debris. All unused materials must be neatly stockpiled as designated by Contractor's Superintendent. If Subcontractor does not adhere to these daily requirements, Contractor shall notify Subcontractor in writing of failure to clean up and require that Subcontractor do so within forty-eight (48) hours. If Subcontractor fails to comply with Contractor's written request, Contractor shall perform clean up as deemed necessary on behalf of the Subcontractor and all costs associated with such shall be deducted from Subcontractor's contract.
- 2.39 Long Lead Items: Subcontractor shall provide Contractor a list of deliverables required by this Agreement that exceed 7 calendar days to procure. The list shall be delivered to the Contractor within 10 calendar days of the date that this Agreement was executed and contain a description of the item, the suppliers name and telephone number, and the number of calendar days required for delivery of the item to the Project Site.
- 2.40 Subcontractor fully understands and will comply with Noise Restrictions, Dust Control, and Waste Management requirements.
- 2.41 Change in Site Conditions: Subcontractor shall provide Contractor immediate written notice of any change in site conditions which would result in delay, disruption or impact to Subcontractor.
- 2.42 Written Approval: Contractor will recognize no claim for additional work by Subcontractor without written approval and / or direction by Contractor prior to commencement of such work.
- 2.43 Testing & Inspection: Subcontractor shall provide Contractor / Owner seventy-two (72) hour notice for all testing and inspections. Subcontractor shall pay for all re-testing and re-inspections due to Subcontractor's defective work. Test and inspection by others, Subcontractor is responsible for reinspection or retesting due to Subcontractor's failure to comply with any contract requirements necessary to pass the initial inspection or test.
- 2.44 Key Personnel: Subcontractor shall provide, and update as required, names, addresses and emergency phone numbers for all key personnel, including competent person, First Aid/CPR certified person on site. Supervision – Subcontractor is to assign a Project Manager and a full time Superintendent/Foreman in writing, subject to Contractor's approval, for the duration of the project. No changes will be allowed without written authorization. Contractor reserves the right to reject any proposed Subcontractor personnel. The Subcontractor or his designated authorized representative shall be present at the site of the work at all times while work is actually in progress. The designated authorized representative shall have the authority to represent and act for the Subcontractor and any written or verbal directions or requests of the Contractor.
- 2.45 Construction Schedule: Time is of the essence of this agreement. Subcontractor shall follow Contractor's construction schedule as to time and sequence of work items. It is the intent of this Agreement that this work be completed as expeditiously possible. Subcontractor shall provide adequate manpower to meet Contractor's schedule.
- 2.46 Contract Drawings: Subcontractor shall be responsible to obtain copies of Contract Drawings, Contract Specifications and Addenda at their own expense.

- 2.47 Subcontractor shall attend any required pre-installation, preparatory, coordination, partnering or pre-construction conferences. Subcontractor shall participate in weekly coordination meetings approaching the time of mobilization and during the time you are performing on site work. At a minimum, Subcontractor shall have on-site foreman (fluent in written and spoken English) in attendance. Subcontractor shall be responsible for preparing a three-week look-ahead schedule for their feature of work for current and future activities for approval of contractor. Format for the three-week look-ahead schedule shall be provided by the Contractor.
- 2.48 Subcontractor shall provide and install all concrete directly associated with his own trade, including, but not limited to, duct banks, vaults, manholes and conduit encasements complete with steel reinforcing. Include all incidental work within vaults such as weld plates, ground grids, ground rods, switches, lights and fan connections.
- 2.49 Subcontractor shall furnish and set sleeves for passage of conduit through structural masonry, concrete walls, floors, and elsewhere as required for the proper protection of each conduit passing through building surfaces. Sleeves are to extend minimum 3 inches from walls/slabs in both directions.
- 2.50 Subcontractor shall start-up, test, and demonstrate to the Architect / Contractor that the entire installation of each system is complete, properly adjusted and is in proper operating condition, prior to formal testing.
- 2.51 Provide factory start-up of all electrical and mechanical equipment as required for Subcontractor's installations.
- 2.52 Life/Safety fire alarm system is to be thoroughly tested and approved in Contractor's and Owner's presence and according to Contractor's overall project schedule prior to formal testing.
- 2.53 Subcontractor shall provide and install any pre-cast or cast in place concrete boxes with grates and/or traffic rated covers as shown and/or indicated to complete Subcontractor's own work. Subcontractor shall set all boxes to finish grade.
- 2.54 Subcontractor shall provide adequate manpower to meet construction CPM schedule.
- 2.55 Subcontract Work – Subcontractor shall provide all labor, services, materials, tools, equipment, supplies and other facilities of every kind necessary or incidental for the prompt and efficient performance of the work described in Section 2 Scope of Work under each listed spec section(s) and all Inclusions.
- 2.56 Temporary Services – Subcontractor shall provide, at its own expense and without increase in the Subcontract price of all temporary services in connection with its work, including but not limited to hoisting, scaffolding, trash/debris cleanup and disposal off-site, temporary offices and storage facilities, security, and electrical cords.

Section 3 - Subcontract Price:

- 3.1 Subject to all provisions of the Subcontract, as full compensation for strict performance of the Subcontract, Contractor shall pay Subcontractor the firm fixed price in the sum of:

\$XXX,XXX.00, Written form dollars

The Subcontractor agrees to supply all labor, material, equipment, move-ins and Subcontractors as required, to complete the Scope of work per contract. Section 2 is a general detail of the scope of work to be performed by Subcontractor. Nothing in Section 2 description is intended to create a substitution of materials, products, methods, quantities, warranty terms, etc. from those indicated in the Owner's plans and specifications. In the event of a conflict between the below general work details, inclusions, exclusions, conditions, and those stated in the Owner's plans and specifications, the Owner's plans and specifications shall govern. If Subcontractor desires to substitute any materials, products, methods, quantities, warranty terms, etc. the Subcontractor must follow the Owner's criteria for approving substitutions.

Section 4 - Payment:

- 4.1 Schedule of Values – Within five days of the execution of this Subcontract, Subcontractor shall prepare and submit to Contractor a Schedule of Values that breaks down Subcontractor's work into individual activities. Each activity contained in the Schedule of Values shall be assigned a monetary price such that the total of all such items shall equal the Subcontract Price. The Schedule of Values shall be prepared in such detail as may be required by Owner and/or Contractor.
- 4.2 Payment and Verification – Subcontractor is required to pay for all labor, materials and equipment used in the performance of Subcontractor's work through the most current period applicable to progress payments received from Contractor. Such obligation is a condition precedent to Subcontractor's right to receive payment for the work performed. Contractor may require evidence from Subcontractor to show that all obligations relating to Subcontractor's work are current through all payments received from Contractor before releasing any payment due for Subcontractor's work.

- 4.3 Progress Payment Applications – Subcontractor’s applications for payment shall be itemized and in accordance with the Subcontract, Subcontractor’s Schedule of Values and any other substantiating data as required in the Contract for Contractor’s payment applications. Subcontract payment applications may include amounts for Subcontract change orders that have been fully executed by Subcontractor and Contractor. Subcontractor may not include in its payment applications any amounts for alleged changes that have not been fully executed by Subcontractor and Contractor, or for disputed work.
- 4.4 Time for Submission of Application – Subcontractor’s progress payment application shall be submitted to Contractor on or before the 20TH of each month, with completed work projected to the end of the month. Contractor shall incorporate the amount of Subcontractor’s progress payment application approved by Owner into Contractor’s payment application to Owner for the same period and timely submit it to Owner.
- 4.5 Payroll Documents and Lien Waivers – Subcontractor shall provide, in a form satisfactory to Owner and Contractor, payroll affidavits, receipts, vouchers, and lien and claim waivers for labor, material, Subcontractors and suppliers performing work or furnishing material under this Subcontract. Contractor may refuse to pay Subcontractor if Subcontractor fails to provide such documents. If such lien and claim waivers are conditional upon payment, Contractor may choose to make payment by issuance of joint checks to Subcontractor and its Subcontractors, material men and suppliers.
- 4.6 Application Reduction, Rejection or Nullification – Contractor may reduce or reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may be necessary to protect Contractor from loss or damage, including but not limited to attorneys’ fees, based upon:
- Subcontractor’s failure to perform its work as required by the Subcontract;
 - Loss or damage to Owner, Contractor or others to whom Subcontractor may be liable arising out of or relating to the Subcontract and caused by or attributable to Subcontractor or its lower tier Subcontractors or suppliers;
 - Subcontractor’s failure to properly pay for labor, materials, equipment or supplies furnished in connection with its work;
 - Rejected, nonconforming or defective work that has not been corrected;
 - Evidence of delay in the performance of Subcontractor’s work such that the work will not be completed within the time allotted by the updated progress schedule;
 - Evidence demonstrating that the unpaid balance of the Subcontract Price is insufficient to cover the cost to complete Subcontractor’s work;
 - Third party claims against Subcontractor or evidence demonstrating that third party claims are likely to be filed;
 - Owner’s reduction, rejection or nullification of any part of a payment application; or
 - Any other failure by Subcontractor to comply with the terms and conditions of the Subcontract.
- 4.7 Retention – Contractor agrees to pay Subcontractor, out of funds received from the Owner, in monthly payments of 95% of labor and materials which have been completed by Subcontractor and accepted by the Owner and for which payment has been made by Owner to Contractor. The remaining 5% shall be retained by Contractor until he receives final payment from Owner, but not less than thirty-five days after the entire work required by the prime contract has been fully completed in conformity with the Contract Documents and has been delivered and accepted by Owner Architect, and Contractor. Subject to the provisions of the next sentence, the retained percentage shall be paid to Subcontractor promptly after Contractor receives his final payment from Owner.
- 4.8 No Acceptance of Work – Payment to Subcontractor does not constitute or imply acceptance or approval of any portion of Subcontractor’s work. In addition, the filing of notice of completion or occupancy shall not constitute or imply acceptance or approval by Contractor of any portion of Subcontractor’s work or constitute or imply a waiver by Contractor of any claims or back charges it may have against Subcontractor.
- 4.9 Final Payment Application – Contractor shall incorporate Subcontractor’s application for final payment into Contractor’s next application for payment to the Owner only after the following occur:
- Acceptance of Subcontractor’s work by Contractor and Owner.
 - If requested by Contractor, evidence acceptable to Contractor that all payrolls, bills for materials and equipment, and other indebtedness connected with Subcontractor’s work have been fully paid or will be fully paid by issuance of joint checks in return for unconditional releases.
 - If requested by Contractor, consent of Subcontractor’s surety to final payment.
 - Satisfaction of close-out procedures as may be required by the Subcontract; and

- e. If requested by Contractor, releases and waivers of liens, stop notices, bond rights, or any rights against Contractor, its surety or Owner, effective upon payment, to the extent and in such form as may be designated by Contractor.
- 4.10 Effect of Final Payment – Acceptance of final payment by Subcontractor shall constitute a waiver of claims by Subcontractor, except for claims reserved in a final release.
- 4.11 Pay When Paid – All payments are due to Subcontractor by Contractor within ten calendar days of receipt of payment from Owner for Subcontractor's approved and billed work.
- Subcontractor must submit all required paperwork in compliance with the Subcontract. In the event that payment is withheld by Owner due to Subcontractor's noncompliance with any aspect of the Subcontract, including schedule, payment may be delayed.
- 4.12 The Contractor requires use of Procore, a Construction Management Software, and LCPTTracker Pro, a Labor Compliance and Certified Payroll Software, for this project. All Subcontractors are required to utilize these platforms to manage project documentation and compliance.
- a. Procore must be used by Subcontractors for submitting and tracking all invoices and lien waivers. This ensures that these project documents are centralized, reducing miscommunication, and streamlining approvals by the Contractor.
 - b. LCPTTracker Pro must be used by Subcontractors for submitting certified payroll reports electronically. The system will automatically review submissions for errors and potential violations, ensuring compliance with labor requirements. All necessary compliance documents must be uploaded and tracked with LCPTTracker Pro.
 - The following must be returned to Katch General for initial set-up:
 - LCPTTracker Pro Information Sheet completed and returned for company set-up (Attachment 5).
 - Sub-tier Subcontractors must also complete and return this form for company set-up.
 - The following must be uploaded into the eDocuments tab in LCPTTracker Pro before the first Certified Payroll Report submission:
 - Fringe Benefit Statement (FBS) Form(s)
 - DAS 140/142 Forms
 - c. These platforms will be provided to Subcontractors and sub-tier Subcontractors at no cost for online use. Subcontractors must include this requirement in all sub-tier subcontracts and purchase orders.
- 4.13 Monthly billing process, important deadlines and requirements are outlined in Attachment 7 of this Contract. Subcontractor is bound to adhere to these procedures when signing the Contract.

Section 5 - Subcontract Bonds:

- 5.1 If required by Contractor, within 10 days of execution of this Subcontract or at any time during the performance of its work, Subcontractor shall furnish a performance bond in an amount equal to the full amount of the Subcontract Price and a payment bond in an amount equal to the full amount of the Subcontract Price. Such performance and payment bonds shall name Contractor as obligee. The surety/sureties on such bonds shall be listed on the most current U.S. Treasury Circular #570, shall have an underwriting limit in excess of the bond amount, and shall have a rating of "A-" or better in the current A.M. Best rating Guide of Property/Casualty Insurance Companies. The cost of the bond is not included in your subcontract. If a bond is required, the cost is to be paid by Contractor as a change order.
- 5.2 If Subcontractor fails to provide any required bonds within 48 hours of Contractor's written notification to do so, Contractor may terminate this Subcontract for cause. All costs and expenses incurred by Contractor as a result of such termination shall be paid by Subcontractor in accordance the terms of this Subcontract.
- 5.3 The surety/sureties on any required bond shall stand in the same place as Subcontractor to the fullest extent permitted by law. No change, alteration, modification, directive, clarification, or communication regarding this Subcontract, whether made in the manner specified in the Subcontract or not, shall release or exonerate, in whole or part, any surety on any required bond, and neither Owner nor Contractor shall be under any obligation to notify the surety/sureties of any such change, alteration, modification, directive, clarification or communication.

Section 6 - Performance of Subcontractor Work:

- 6.1 Subcontract Performance – Subcontractor shall use its best care, skill and diligence in supervising, directing and performing its work, and every part of Subcontractor's work shall be executed in strict accordance with the Subcontract and in the most sound and workmanlike manner. All materials needed or used by Subcontractor shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the work and shall be new and the best of their respective kinds, except such materials as may be expressly provided in the Subcontract to be otherwise.
- 6.2 Time Is of the Essence – Time is of the essence in this Subcontract. Subcontractor shall ensure the performance of its work and the work of its Subcontractors and/or suppliers allows for the entire project to be completed in accordance with the Contract and Contractor's schedule, as updated by Contractor.
- 6.3 Schedule of Work – Subcontractor shall begin its work as soon as instructed by Contractor, and shall perform its work promptly, efficiently and at a speed that will not delay or disrupt the progress of Contractor's work or the work of other Subcontractors. Subcontractor shall perform and complete its work in accordance with Contractor's progress schedule, as updated by Contractor. Subcontractor shall timely prepare and obtain approval as required by the Subcontract for all shop drawings, details, and samples; shall timely perform any required Subcontractor testing; and shall do all other things necessary and incidental to the prosecution of the Subcontract, in order to comply with Contractor's schedule. Subcontractor will coordinate the work covered by this Subcontract with Contractor. If requested by Contractor, Subcontractor shall have an acceptable representative present at all job meetings and shall timely submit progress reports to Contractor.
- 6.4 Contractor shall have the right to decide the time or order in which the various portions of the work shall be installed, the priority of Subcontractor's work as it relates to the work of other Subcontractors, and, in general, all matters representing the timely and orderly performance of Subcontractor's work on the project. If, in Contractor's opinion, Subcontractor falls behind in the progress of the work, Contractor may direct Subcontractor to take such steps as Contractor deems appropriate to improve the rate of progress, including but not limited to requiring Subcontractor to increase the number of shifts, personnel, overtime, operations, days of work, equipment or other remedies, and to submit to Contractor for Contractor's approval an outline schedule demonstrating the manner in which the required rate of progress will be regained without additional cost to Contractor. Contractor may require Subcontractor to prosecute, in preference to other parts of work, such part or parts of the work as Contractor may specify.
- 6.5 Use of Contractor's Equipment – Subcontractor may use Contractor's equipment and/or facilities only with the express written permission of Contractor's designated representative and in accordance with Contractor's terms and conditions for such use. Should Subcontractor so use Contractor's equipment and/or facilities, Subcontractor shall reimburse Contractor at a predetermined rate, and Subcontractor shall be responsible for, and shall defend, indemnify and hold Contractor harmless from, any and all claims, actions, demands, damages, liabilities or expenses, including attorneys' fees, resulting from such use.

Section 7 - Subcontractor's Obligations:

- 7.1 Responsibilities – Subcontractor shall furnish all labor, services, materials, tools, equipment, supplies and other facilities of every kind necessary or incidental to perform its work in accordance with the Subcontract.
- 7.2 Independent Contractor – Subcontractor shall perform all obligations of the Subcontract as an independent contractor.
- 7.3 Compliance with Laws – Subcontractor shall, at its sole expense, comply with all laws, orders, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, whether federal, state, local or otherwise, including all amendments and promulgations that become effective during the performance of Subcontractor's work; pay all manufacturers' taxes, sales taxes, use taxes, and processing taxes; and pay all federal and state taxes, insurance and contributions for Social Security, unemployment and workers' compensation that are measured by wages, salaries or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations. Subcontractor shall give adequate notices to all required parties pertaining to Subcontractor's work, and secure and pay for all permits, fees, licenses, assessments and inspections necessary to complete its work in accordance with the Subcontract. Any conflicts between or among such laws, orders, rules, ordinances and regulations shall be resolved in favor of the stricter requirement.
- 7.3.1 Subcontractor is responsible for prevention of accidents arising from or relating to its work. In addition to complying with all applicable laws, orders, rules, ordinances and regulations relating to accident prevention, safety and health, including but not limited to the Occupational Safety and Health Act and any like state law, Subcontractor shall comply with the accident prevention, safety and health rules, regulations and programs of Owner and Contractor. Establishment of accident prevention, safety and health rules, regulations and programs by Contractor or Owner shall not relieve Subcontractor of its responsibilities. Subcontractor shall establish its own accident prevention, safety and health rules, regulations and/or programs implementing measures, policies and standards conforming to those required by governmental authorities having

jurisdiction over the work and by Contractor and Owner. Subcontractor shall maintain an accurate record of all accidents incidental to the Subcontract work resulting in death, injury, occupational disease or damage to property, materials, supplies or equipment. Subcontractor shall notify Contractor immediately following such an accident and promptly confirm the notice in writing. A detailed written report shall be furnished to Contractor. Subcontractor shall provide Contractor with copies of all accident reports filed with federal, state and/or local governmental agencies and such additional data as may be requested by Contractor. Subcontractor shall notify Contractor of any unsafe condition it discovers or observes and shall stop work until informed by Contractor that it may resume work.

- 7.3.2 While it is Subcontractor's sole responsibility and obligation to furnish a safe place to work for its employees, Contractor may notify Subcontractor of any noncompliance with applicable safety requirements and the corrective action required. Such notice, when delivered to Subcontractor or Subcontractor's representative at the site of work, shall be deemed sufficient notice of noncompliance. After receiving such notice, Subcontractor shall promptly take corrective action. If Subcontractor fails or refuses to promptly take corrective action, Contractor may issue an order suspending all or part of Subcontractor's work until satisfactory corrective action has been taken. Contractor's failure to so suspend Subcontractor's work shall not relieve Subcontractor of its responsibilities. Subcontractor shall not base any claim or request for additional time or compensation upon any suspension issued under or in connection with this section.
- 7.3.3 Should Subcontractor encounter any hazardous substances at the project site that are potentially harmful to persons or property, Subcontractor shall take all steps required by the Subcontract and by law to protect persons and property from injury or damage, including stopping Subcontractor's work in the affected area(s) and promptly notifying Contractor in writing of the conditions encountered at the site. Should Subcontractor be required to stop work in any area of the project as a result of hazardous substances located at the project site, Subcontractor shall not resume work in the affected area(s) until the hazardous substances have been removed or made harmless, all necessary approvals to resume work are obtained and Contractor gives Subcontractor written direction to resume work.
- 7.3.4 Subcontractor shall be responsible for the fulfillment of the obligations set forth in Sections 7.3, 7.3.1, 7.3.2 and 7.3.3 by those working under Subcontractor in the performance of the Subcontract work.
- 7.3.5 Upon Contractor's request, Subcontractor shall provide to Contractor satisfactory evidence that the obligations set forth in Sections 7.3, 7.3.1, 7.3.2, 7.3.3 and 7.3.4 have been fulfilled.
- 7.3.6 Subcontractor's failure to comply with the obligations of Section 7.3, 7.3.1, 7.3.2, 7.3.3, 7.3.4 and 7.3.5 shall constitute a material breach of this Subcontract and Contractor may in its discretion exercise all of the rights and remedies provided by law or under the terms of this Subcontract, including but not limited to withholding from amounts due or that may become due to Subcontractor a sum equal to 150 percent of the amount by which Contractor reasonably believes it may be damaged as a result of such failure to comply by Subcontractor.
- 7.4 Site Visitation – Subcontractor acknowledges that it has visited the project site and visually inspected the general and local conditions that could affect its work. Any failure of Subcontractor to reasonably ascertain, from a visual inspection of the site, the general and local conditions that could affect its work will not relieve Subcontractor from its responsibility to properly complete its work without change in the Subcontract Price.
- 7.5 Shop Drawings, Samples, Product Data and Manufacturers' Literature – Subcontractor shall submit to Contractor for review and approval all shop drawings, samples, product data, manufacturers' literature and similar submittals as required by the Subcontract in a format acceptable to the architect and Contractor by date(s) set by Contractor. Subcontractor shall be responsible to Contractor for the accuracy of its submittals and their compliance with the Subcontract. Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the progress schedule and in such time and sequence so as not to delay Contractor or others in the performance of the Contract work. The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of the Subcontract. In the event the Contract does not contain submittal requirements pertaining to Subcontractor's work, Subcontractor agrees upon request to submit to Contractor in a timely fashion for approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as may reasonably be required. Should Subcontractor's submittals be in an unacceptable or incomplete format, Contractor may, after notice to Subcontractor, reassemble and reorganize the submittals as required and Subcontractor shall be liable for all resulting costs incurred by Contractor.
- 7.5.1 All safety sheets, plans, submittals or other such documents required by law or the Subcontract pertaining to materials or substances used or consumed in the performance of Subcontractor's work shall be submitted to Contractor by Subcontractor. Any such safety sheets, plans or submittals obtained by Contractor from other Subcontractors or sources shall be made available to Subcontractor by Contractor.

- 7.5.2 Contractor, Owner and Architect are entitled to rely on the accuracy and completeness of any professional certifications required by the Subcontract concerning the performance criteria of systems, equipment or materials, including all calculations and any governing performance requirements.
- 7.6 Tests, Inspections and Approvals – Subcontractor shall coordinate and notify Contractor of all required tests, inspections and approvals of Subcontractor’s work so as not to delay the performance of the work. Subcontractor shall schedule and provide proper written notice to all required parties of such tests, inspections and approvals.
- 7.7 Authorized Representative – Before starting its work, Subcontractor shall notify Contractor in writing who Subcontractor’s authorized representative(s) is/are to be and provide the contact information of such representative(s). In the event of any change of such representative(s), Subcontractor shall notify Contractor who the new representative(s) is/are to be, and the contact information of the new representative(s), before such change becomes effective. Such authorized representative(s) shall be authorized to receive orders and have full authority to make decisions regarding Subcontractor’s work and shall be the only person(s) to whom Contractor shall issue instructions, orders or directions, except in an emergency. Such authorized representative(s) shall be present at the job site at all times when Subcontractor’s work is in progress.
- 7.8 Communications – Subcontractor communications with Owner, Architect, separate contractors and/or other Subcontractors and suppliers of Contractor, regardless of tier, shall be through Contractor only.
- 7.9 Materials or Equipment Furnished by Others – In the event the scope of Subcontractor’s work includes installation of materials or equipment furnished by others, it shall be the responsibility of Subcontractor to inventory, examine, handle, store and install the items with such skill and care as to ensure a satisfactory and proper installation. Subcontractor shall promptly notify Contractor in writing of any defective materials or equipment. Loss or damage arising from or in connection with materials or equipment furnished by others shall be charged to the account of Subcontractor and deducted from sums due or to become due to Subcontractor under this Subcontract.
- 7.10 Substitutions – No substitutions shall be made by Subcontractor unless permitted by the Contract, and only then upon Subcontractor first receiving all approvals required under the Contract and this Subcontract for such substitutions. Subcontractor shall be liable for, and defend, indemnify and hold Contractor and Owner harmless from and against, any and all claims, losses, damages, delays, costs or expenses arising from or in connection with such substitutions, whether or not Subcontractor made such substitutions in accordance with the Contract and this Subcontract.
- 7.11 Coordination and Cooperation – Subcontractor shall:
- 7.11.1 Cooperate with Contractor and all others whose work may interface with Subcontractor's work so as not to delay the work.
 - 7.11.2 Specifically note and immediately notify Contractor in writing of any interference with Subcontractor’s work; and
 - 7.11.3 Participate in the preparation of coordination drawings and work schedules involving Subcontractor’s work.
- 7.12 Warranty – Subcontractor warrants all materials and workmanship, shall replace any materials that are determined to be defective or improperly installed at Subcontractor’s sole expense and to the satisfaction of Contractor, and shall defend, indemnify and hold Contractor and Owner harmless from and against any liability, loss or damage arising from or relating to such materials and installation through the period of Subcontractor’s performance of its work and for a period of one year from completion and acceptance of the work covered by the Contract. If the period of warranty is specified in excess of one year by the Contract, Subcontractor shall be bound for the longer period specified.
- 7.13 Correction of Work – Subcontractor is required to correct in a timely fashion any of it’s work rejected by Contractor or Owner for failing to comply with the Subcontract, whether observed prior to the commencement of the warranty period or during the warranty. Cleanup – Subcontractor shall follow Contractor’s cleanup directions, and:
- 7.13.1 during the course of construction, place waste materials in supplied dumpsters with such recurrence as necessary to maintain the premises in a clean and orderly conditions.
 - 7.13.2 at all times keep the building and premises free from debris resulting from Subcontractor’s work.
 - 7.13.3 broom or rake clean each work area prior to discontinuing work
- 7.14 Subcontractor’s work shall not be considered complete until Subcontractor removes from the site all temporary structures, debris and waste incidental to its operation and cleans all surfaces, fixtures, equipment, etc., relative to the performance of its work. If Subcontractor fails to perform the above cleanup obligations, Contractor may implement cleanup measures as it deems appropriate, without additional justification and in any manner it deems expedient, and all costs associated with such implementation shall be charged to Subcontractor and deducted from any amounts due or to become due to Subcontractor under this Subcontract. Should it be impossible for Subcontractor to perform the above cleanup obligations because of the continuing work of other Subcontractors, Subcontractor shall share the costs associated with Contractor’s

implementation of remedial cleanup measures on a prorated basis with such other Subcontractors. The proration of such costs is to be made by Contractor in its discretion.

- 7.15 Layout – Subcontractor shall layout in accordance with the Subcontract, be strictly responsible for the accuracy of Subcontractor’s work, and ensure actual final conditions and details result in alignment of finish surfaces in accordance with the Subcontract. Subcontractor shall be liable for any loss or damage arising from or in connection with Subcontractor’s failure to set out or perform its work correctly. Subcontractor’s failure to promptly notify Contractor in writing of any alleged defects in any work performed by others in or adjacent to the area of Subcontractor’s work shall be an acknowledgement by Subcontractor that such other work is fit and proper for the reception, attachment or covering by Subcontractor. Upon such failure of Subcontractor, no alleged defects in such other work may be asserted by Subcontractor to justify any failure to perform on its part.
- 7.16 Supervision – Subcontractor shall provide efficient and knowledgeable supervision of its Subcontract work, using its best skill and attention. Should Subcontractor fail to perform its duties under this paragraph or perform the same negligently, Subcontractor shall be liable to Contractor for any and all resulting costs.
- 7.17 Inspecting Materials – Subcontractor shall furnish to Contractor ample facilities at all times for inspecting materials under this Subcontract at the project site, at the shops or any place where such materials may be in the course of preparation, process, manufacture or treatment. As often as required, Subcontractor shall furnish to Contractor full reports of the progress of the work at any place where materials under this Subcontract may be in the course of preparation, process, manufacture or treatment. Such reports shall show the progress of such preparation, process, manufacture or treatment in such details as may be required by Contractor, including any plans, drawings or diagrams. Contractor and/or Owner may have a full or part-time quality control individual or inspector on the project site or may conduct inspections of all or any part of the work at various times. Any such individual or inspector shall not relieve or diminish Subcontractor’s responsibility to ensure that its Subcontract work is in full and complete compliance with the Subcontract and approved by Owner.
- 7.18 Delegation or Subcontracting of Duties – Subcontractor is prohibited from delegating, transferring, conveying, subcontracting, relinquishing or otherwise disposing of its duties under this Subcontract, in whole or part, without the prior written approval of Contractor, which shall not be unreasonably withheld. Subcontractor shall incorporate all terms of this Subcontract in any subcontracts or purchase orders with its Subcontractors and suppliers. Subcontractor shall cause its lower tiers to submit to Contractor a completed Organization and History Form on Contractor’s standard Organization and History Form.
- 7.19 Duty to Proceed – In the event of any dispute or controversy with Contractor, another Subcontractor or other third party involved with the project, Subcontractor shall not cause or permit any delay or cessation of its work or cause delay or disruption to the work of any other Subcontractor or Contractor on the project, but shall proceed with the performance of its work pending resolution of such dispute or controversy.
- 7.20 Workers – Contractor may order the removal from the job of any workers of Subcontractor or Subcontractor’s lower-tiers that Contractor finds disruptive, incompetent, in violation of safety requirements/programs or otherwise detrimental to the successful completion of the project.
- 7.21 Contractor Expending Money – Whenever any money is expended or costs or expenses are incurred by Contractor on behalf of or on account of Subcontractor, which amounts Subcontractor should have paid, and for which amounts Subcontractor is required to reimburse Contractor, or if Contractor continues or completes the work after default by Subcontractor, Subcontractor shall pay to Contractor interest at the rate of 10 percent per annum from the time such money is expended or such costs or expenses are incurred until those amounts are repaid to Contractor by Subcontractor. Nothing contained in this provision or the Subcontract shall require or be construed as requiring Contractor to make any such expenditures, advance any such money, or incur any such expenses. In the event that the balance of the money due under this Subcontract is insufficient to cover Contractor’s damages or exposure, then Contractor shall have the right to offset against money owed to Subcontractor on other projects, if any.
- 7.22 Subcontractor is responsible for his tools and materials if left on site.
- 7.23 Subcontractor Business Type Designation – If Subcontractor has represented itself as an entity that performs under a small business, a disadvantaged business or some other designation, as identified below, that requires Subcontractor to act within certain regulations and/or rules set forth by various authorities. Subcontractor warrants that it will abide by such regulations and/or rules. Further, Subcontractor will, upon reasonable notification, make available to Contractor documentation that substantiates its compliance with the applicable regulations and/or rules.

Subcontractor designation(s) are as follows:

- ☐ Small Business Enterprise (e.g., 8(a) approved Mentor/Protégé JV, WBE, etc.)

Type: _____

- ☐ Disadvantaged Business Enterprise (e.g., SDVOSB, WOSB, HUBZone, etc.)

Type: _____

- ☐ Minority Business Enterprise (e.g., Native Hawaiian, Native Alaskan, African American, Native American, Asian American, Hispanic American, etc.)

Type: _____

- ☐ Veteran-Owned Business

Type: _____

- ☐ Other

Type: _____

- ☐ None of the above

WARNING: Any erroneous, incorrect or wrongful representations above or failure to comply and follow all applicable regulations and/or rules will potentially render Subcontractor liable for criminal or civil penalties or subject Subcontractor to debarment or suspension proceedings.

- 7.24 Waiver of Excuse/Defense – Subcontractor waives any claim that its failure to perform the Subcontract work is excused because of an act or omission of Contractor unless Subcontractor notifies Contractor of its intent to assert such a claim within 10 days after the occurrence of any such act or omission. To a claim of poor, improper, substandard, incorrect or noncomplying work or materials, Subcontractor waives any asserted defense that such work or materials were inspected and/or approved by Contractor, Owner or Owner's representatives, including but not limited to the architect

Section 8 – Labor Relations:

- 8.1 General Provisions – Employment of labor by Subcontractor shall be affected under conditions that are satisfactory to Contractor.
- 8.1.1 Subcontractor is required to comply with the State of California Department of Industrial Relations (DIR) labor compliance requirements including but not limited to Prevailing Wage Rates, Apprenticeship Requirements, Certified Payroll Reporting and proof of Training Fund Contributions.
- 8.1.2 Subcontractor shall require all of its Subcontractors and their Subcontractors to comply with the State of California Department of Industrial Relations (DIR) labor compliance requirements including but not limited to Prevailing Wage Rates, Apprenticeship Requirements, Certified Payroll Reporting and proof of Training Fund Contributions.
- 8.1.3 Subcontractor will defend, indemnify and hold Contractor harmless from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses and attorneys' fees arising out of or in connection with Subcontractor's failure to comply with Subcontractor's obligations set forth in Sections 8.1, 8.2 and 8.2.1 of this Subcontract.
- 8.2 Work Stoppages – Strikes, work stoppages (including sympathy strikes), picketing or any other stoppage of work by employees performing work on, or delivering supplies or materials to, the job site shall not excuse any delay of Subcontractor in the performance of its work, regardless of whether the strike, picketing or other work stoppage is attributed to union action or the act or omission of an individual employee.
- 8.3 Reserved Gate Usage – Subcontractor shall notify in writing and assign its employees, materialmen and suppliers to such gates or entrances as may be established for their use by Contractor and in accordance with such conditions and at such times as may be imposed by Contractor. Strict compliance with Contractor's gate usage procedures shall be required by Subcontractor who shall be responsible for such gate usage by its employees, materialmen, suppliers, Subcontractors, and their materialmen and suppliers.
- 8.4 Staggered Days and Hours of Work and for Deliveries – Subcontractor shall schedule the work and the presence of its employees at the job site and any deliveries of supplies or materials by its materialmen and suppliers to the job site on such days, and at such times and during such hours, as may be directed by Contractor. Subcontractor shall assume responsibility for such schedule compliance not only for its employees but for all its materialmen, suppliers and Subcontractors, and their materialmen and suppliers.
- 8.5 Default – Notwithstanding any other provision of this Subcontract, Contractor has the absolute right to terminate this Subcontract in accordance with the termination provisions of this Subcontract if Subcontractor defaults in the performance of its work for any of the reasons specified in Section 8 of this Subcontract, or if, due to a labor dispute (which

includes but is not limited to a dispute between a union and any other entity resulting in a work stoppage, work slowdown, or interruption of delivery of materials), there is an interruption in the performance of Subcontractor's work, including but not limited to Subcontractor's unwillingness or inability to continue the proper performance of its work, or Subcontractor's unwillingness or inability to provide qualified workers.

Section 9 – Insurance:

- 9.1 Contractor and Subcontractors shall procure and maintain for the Contract Time and for ten (10) years thereafter insurance against claims for injuries to persons or damages to property, which may arise from or in connection with, the performance of the Work by Contractor, his or her agents, representatives, employees, or Subcontractor. Coverage shall be at least as broad as the specifications set forth below.
- 9.2 Commercial General Liability Insurance (CGL): Subcontractor shall obtain CGL as provided in Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than five million dollars (\$5,000,000) per occurrence for bodily injury, personal injury, and property damage. If a general aggregate term applies, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
- 9.3 Automobile Liability: Subcontractor shall obtain automobile liability insurance as provided in Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits of no less than five million dollars (\$5,000,000) per accident for bodily injury and property damage.
- 9.4 Workers' Compensation: Subcontractor shall carry workers' compensation insurance as required by California law in at least the amounts set forth in the applicable statutes and shall also carry Employers' Liability insurance with a limit of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease.
- 9.5 Professional Liability: For Design/Build projects, Subcontractor shall have professional liability insurance in an amount of not less than one million dollars (\$1,000,000) per occurrence or claim and with a three million dollars (\$3,000,000) policy aggregate
- 9.6 Contractor's Pollution; Asbestos Liability; Errors and Omissions: If the Work includes environmental hazards, Subcontractor shall have contractors' legal liability, asbestos legal liability, and/or errors and omissions insurance with limits of no less than one million dollars (\$1,000,000) per occurrence or claim and two million dollars (\$2,000,000) policy aggregate.
- 9.7 Deductibles and Self-Insured Retentions: Subcontractor shall declare to and obtain the approval of Owner for any deductibles or self-insured retentions. At the option of Owner, through the Contractor, Subcontractor shall either cause the insurer to reduce or eliminate such deductibles or self-insured retentions with respect to Owner, its officers, officials, employees, and agents, or Subcontractor shall provide a financial guarantee satisfactory to Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- 9.8 Endorsement: Subcontractor shall endorse all insurance policies with the following provisions:
- 9.9 Katch General, The County of Kings, its officers, officials, employees, and agents are to be covered as additional insured on the CGL and automobile liability policies with respect to liability arising out of the Work or operations performed by or on behalf of Contractor, including materials, parts, or equipment furnished in connection with such Work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of Contractor. General liability coverage can be provided in the form of an endorsement to Contractor's insurance in language at least as broad as ISO Form CG 20 10, 11 85, or both CG 20 10 and CG 23 37 forms if later revisions are used.
- 9.10 Subcontractor's insurance shall be the primary insurance for any claims related to the Work with respect to Owner, its officers, officials, employees, and agents. Any insurance maintained by Owner, its officers, officials, employees, or agents shall be in excess of Contractor's insurance and shall not contribute thereto.
- 9.11 Each insurance policy obtained as required herein shall provide that coverage shall not be reduced or canceled, except with a minimum of thirty (30) days written notice to Owner.
- 9.12 In the event the Work includes trenching or construction of a tunnel, Subcontractor shall ensure that an exclusion of loss arising from explosion, collapse, and underground shall be endorsed out of the insurance policy.

- 9.13 Acceptability of Insurers: Subcontractor shall obtain insurance from insurers with a current A.M. Best Rating of no less than A: VII, unless otherwise acceptable to Owner.
- 9.14 Waiver of Subrogation: Subcontractor hereby agrees to waive rights of subrogation. Subcontractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. Subcontractor shall endorse his or her workers' compensation policy with a waiver of subrogation in favor of Owner for all Work performed by Subcontractor, its employees, agents, and lower-tiered subcontractors.
- 9.15 Verification of Coverage: Subcontractor shall furnish Owner and Katch General with original certificates and endorsements, or copies of the applicable insurance language, effecting coverage required by the Contract Documents. All certificates and endorsements are to be received and approved by Owner before the commencement of any Work. Owner's failure to obtain the required documents prior to the commencement of the Work shall not constitute a waiver of Subcontractor's obligation as provided herein. Owner reserves the right to require complete, certified copies of all required insurance policies, including endorsements, at any time.
- 9.16 Lower-Tiered Subcontractor(s): Subcontractor shall require and verify that all lower-tiered subcontractors maintain insurance coverage that meets or exceeds all of the requirements stated herein.
- A. Acceptability of Insurers:**
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.
- B. Verification of Coverage:**
Contractor shall furnish the Owner on Owner approved forms the original endorsements affecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the Owner before work commences. The Contractor's insurer shall provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.
- C. Rating:**
All insurers shall have a minimum A.M. Best's rating of A-VI and be admitted in California.
- D. Cancellation Clause:**
Subcontractor shall oblige its insurance carrier to provide Contractor with a 30-day notice of cancellation (except for nonpayment for which a 10-day notice is required) or nonrenewal of coverage for each required coverage.
- E. Certificates:**
All Certificates must be received by Contractor prior to the commencement of work. Subcontractor failure to send Certificate of insurance or maintain the insurance coverages required pursuant to this Agreement shall be deemed a Subcontractor default. In such event, Contractor may terminate this Agreement and obtain damages from Subcontractor resulting from said default. Alternatively, Contractor may purchase such required insurance coverage and without further notice to Subcontractor, Contractor may deduct from sums due to Subcontractor any premium costs advanced by Contractor for such insurance.

Section 10 - Indemnification:

10.1 General Indemnity

To the fullest extent permitted by law, including California Civil Code Section 2782, Subcontractor shall indemnify, defend, and hold harmless Contractor, and each of their officers, officials, employees, agents, and volunteers from and against any and all claims, demands, actions, losses, liabilities, fines, penalties, forfeitures, interest, costs (including reasonable attorney's fees), and damages of any kind (whether arising in contract, tort, or strict liability, and including but not limited to personal injury, death, or property damage) that arise out of or relate to:

- 1 Any act or omission of Subcontractor or its officers, employees, agents, or anyone acting on its behalf;
- 2 Any error, omission, or negligence of Subcontractor; or
- 3 The performance or nonperformance of any work, services, or obligations under this Subcontract.

Subcontractor's obligations under this Section apply regardless of whether Contractor, Owner, or any of their officers, officials, employees, agents, or volunteers are passively negligent; however, these obligations shall not apply to any loss, liability, or damage caused by the active or sole negligence or willful misconduct of Contractor, Owner, or their officers, officials, employees, agents, or volunteers.

10.2 Duty to Defend

To the fullest extent permitted by law, and in addition to the duty to indemnify Subcontractor shall have a separate, independent, and broader duty to defend Contractor, Owner, and their officers, officials, employees, agents, and volunteers from and against any claim, loss, injury, or damage that arises out of or is in any way related to Subcontractors performance or nonperformance under this Subcontract.

This duty to defend includes all costs of litigation, attorney's fees, settlement costs, and related expenses, whether or not the claims are valid, false, or groundless, provided that such claims could reasonably be determined by Contractor to be connected to Subcontractor's work.

10.3 Tender of Defense

Upon tender by Contractor or Owner, Subcontractor shall immediately assume the defense of Contractor, Owner, and their officers, officials, employees, agents, and volunteers, including the duty to pursue and negotiate settlement. Subcontractor shall pay and discharge all settlements, judgments, awards, or expenses resulting therefrom without reimbursement from Contractor or Owner.

10.4 Failure to Assume Defense

If Subcontractor fails, refuses, or neglects to assume the defense of any claim tendered by Contractor or Owner, Contractor and/or Owner may defend, compromise, or settle such claim, and Subcontractor shall reimburse Contractor and/or Owner for all amounts expended in doing so, including attorney's fees and costs.

10.5 Independence from Insurance

The defense and indemnity obligations set forth in this Section are direct obligations of Subcontractor and are independent of, and not limited by, any insurance coverage provided or approved under this Subcontract. These obligations arise immediately upon the assertion of any claim or the occurrence of any loss, injury, or damage and are not conditioned upon the entry of judgment, arbitration, or litigation.

10.6 Survival

The obligations under this Section shall survive the termination or expiration of this Subcontract.

10.7 Sub-Subcontractors

If Subcontractor subcontracts any portion of the work under this Subcontract, Subcontractor shall require each lower-tier Subcontractor to indemnify, defend, and hold harmless Contractor, Owner, and their officers, officials, employees, agents, and volunteers in accordance with the terms of this Section.

Section 11 - Changes:

- 11.1 Performance – Subcontractor shall adhere strictly to the Subcontract unless directed otherwise in writing. Subcontractor shall not make any changes to the work set forth in the Subcontract, either as additions or deductions, without the written direction of Contractor. When directed in writing by Contractor, Subcontractor shall perform such additional work as directed by Contractor. Subcontractor shall proceed with all written directions issued by Contractor so as not to delay the project.
- 11.2 If Subcontractor initiates a substitution, deviation or change in the work that affects the scope of the work or the expense of other Subcontractors, Subcontractor shall be liable for all resulting costs and expenses.
- 11.3 Incorporating Changes – All provisions of this Subcontract shall apply to any changes or extras in a like manner and to the same extent as though such changes or extras were incorporated into the Subcontract.
- 11.4 Notification of Additional Costs or Time – Subcontractor shall immediately, but not more than 48 hours provide written notification to Contractor if a written direction could result in additional costs or time of performance so that Contractor has sufficient time to take actions to minimize any additional costs or time and has sufficient time to provide notification to Owner in accordance with the Contract.
- 11.5 Submission of Cost Proposals – Subcontractor shall immediately, but not more than 48 hours submit in writing its cost proposal(s) for alleged changes in the work so that Contractor has sufficient time to comply with any and all submission requirements of Owner. All such cost proposals shall itemize with particularity any alleged change in costs or time for performance that result from a written direction issued by Contractor to Subcontractor
- 11.6 Cost Proposal Negotiations – At Contractor's request, Subcontractor shall attend and participate in negotiations with Owner or others that relate to settlement or resolution of Subcontractor's cost proposals.

Section 12 - Delays:

- 12.1 Subcontractor-Caused Delays – Subcontractor-caused delays are delays caused by the failure of Subcontractor, or any party for which Subcontractor is responsible, to perform any portion of its work in accordance with the Subcontract. Should Subcontractor-caused delays occur, Subcontractor shall be liable for all costs and damages sustained by Contractor,

including but not limited to costs and damages for which Contractor may be liable to Owner, other Subcontractors or any other party. Such costs or damages include but are not limited to consequential damages, incidental damages, liquidated damages and Contractor's extended field and home office overhead costs. **Liquidated damages for this project are \$3,000 per day.**

- 12.2 Owner-Caused Delays – Owner-caused delays are delays caused by the acts or omissions of Owner for which Contractor is entitled to a time extension and/or additional compensation under the terms of the Contract or by other events for which Contractor is entitled to a time extension and/or additional compensation under the terms of the Contract. To the extent such a delay occurs and affects Subcontractor's ability to complete its work in accordance with the Subcontract, Subcontractor shall notify Contractor in writing within 48 hours of such occurrence and may request an extension of time for the performance of its work and additional compensation as a consequence of such delay, but shall be entitled to such extension of time and/or additional compensation only to the extent allowed by Owner.
- 12.3 Other Delays – With respect to all delays other than those set forth in Sections 12.1 and 12.2 that are caused by circumstances or events beyond the control of Subcontractor and without the fault or negligence of Subcontractor, to the extent such a delay occurs and affects Subcontractor's ability to complete its work in accordance with the Subcontract, Subcontractor's sole remedy shall be limited to an extension of time for the performance of its work, provided Subcontractor notifies Contractor in writing within 48 hours of such occurrence.
- 12.4 Disputed Delays – If Subcontractor disputes the determination of any alleged delay and wishes to pursue that dispute, it must comply with the Claims section of this Subcontract.

Section 13 – Claims:

- 13.1 Claim – For purposes of the Claims and Dispute Resolution sections of this Subcontract, a claim is a written demand by Subcontractor seeking an adjustment in the Subcontract Price and/or time, or the recovery of withheld disputed funds.
- 13.2 Notification of Claims – Subcontractor shall provide written notification to Contractor of any claims within 48 hours so that Contractor has enough time to take actions to minimize any additional costs or time and has enough time to provide notification to Owner in accordance with the Contract. Subcontractor's compliance with the obligations set forth in this section is a condition precedent to Subcontractor's recovery of any such claims. Subcontractor's failure to comply with the obligations set forth in this section waives any and all rights it may have with respect to such claims.
- 13.3 Submission of Claims – Subcontractor shall submit its claims in enough time for Contractor to comply with any and all submission requirements of Owner. All such claims shall itemize with particularity any additional costs or time for performance being sought by Subcontractor. Subcontractor's compliance with the obligations set forth in this section is a condition precedent to Subcontractor's recovery of any such claims. Subcontractor's failure to comply with the obligations set forth in this section waives any and all rights it may have with respect to such claims. Subcontractor is required to supply any requested documentation to support the claim in the manner the Owner has outlined in the Prime Contract.
- 13.4 Claims with Owner – To the extent Contractor determines Subcontractor's claim is one for which Owner may be liable, the following procedure shall apply:
 - a. Contractor shall present Subcontractor's claim to Owner's first level designated representative. The decision of such representative shall be conveyed in writing to Subcontractor and such decision shall be final unless Subcontractor notifies Contractor in writing of its desire to proceed further in sufficient time for Contractor to comply with any notification or submission requirements of Owner.
 - b. Upon receipt of Subcontractor's notice to proceed further, at Contractor's option, Subcontractor's claim may be further pursued with Owner. In such event, Contractor may allow Subcontractor to act in its own behalf and with its own consultants/attorneys at Subcontractor's sole cost to continue the required process and any subsequent administrative proceeding or litigation. If Contractor does not allow Subcontractor to act in its own behalf or it is procedurally impermissible for Subcontractor to proceed in its own behalf, and Contractor elects to allow the continued pursuit of Subcontractor's claim, then at the written request of Subcontractor, Contractor will proceed with the dispute on condition that Subcontractor pay to Contractor all of its actual costs arising out of such process, including but not limited to attorneys' fees, court costs and the costs of Contractor's personnel employed in pursuing the case against Owner.
 - c. If Contractor elects to not allow further pursuit of Subcontractor's claim against Owner, and Subcontractor disputes such decision, Subcontractor may pursue its claim pursuant to the Dispute Resolution section of this Subcontract.
 - d. Nothing shall prevent Contractor from accepting a contract modification from Owner that preserves the rights of Subcontractor.

- e. If, because of Subcontractor's claim, Owner withholds any sums due to Contractor, then Subcontractor shall pay to Contractor interest on the amounts so withheld at the rate of 10 percent per annum.

Section 14 – Dispute Resolutions:

- 14.1 Claims Not Involving Owner – To the extent Subcontractor submits a claim that Contractor determines is one for which Owner may not be liable or is one that Contractor elects to not allow Subcontractor to further pursue with Owner, or to the extent Contractor wishes to pursue a dispute or controversy against Subcontractor, the following procedures shall apply and begin within 60 days of notification.
- 14.2 If the dispute cannot be settled through direct discussions, the parties shall attempt to settle the dispute by mediation before recourse to any other method of dispute resolution. Unless the parties agree otherwise, the mediation shall be conducted in accordance with the Construction Mediation Rules of the American Arbitration Association.
- a. If mediation does not resolve the dispute, then such dispute shall be submitted to and resolved by binding arbitration in Fresno, Fresno County, California, in accordance with the Construction Arbitration Rules of the American Arbitration Association. The arbitrator(s)' decision shall be final, binding and enforceable in a court of law, and judgment upon the award shall be entered in accordance with such decision.
- 14.3 Participation in Proceedings – If a dispute or controversy arises between Contractor and any other party for which Contractor determines Subcontractor may be liable, in whole or part, then Subcontractor agrees to be joined or not joined as a party in such dispute resolution process at Contractor's sole discretion; to cooperate with Contractor in the defense or prosecution of such dispute or controversy at Contractor's sole discretion and at Subcontractor's sole expense; and to be bound to the same extent as Contractor.
- 14.4 Indemnity / Contribution – Section 14.1 of this Subcontract shall not apply to any assertion of contribution or indemnity by one party to this Subcontract against the other party that arises out of an action or arbitration by a person, firm or entity who is under no obligation to arbitrate the subject matter of such action with either Subcontractor or Contractor or who does not consent to such arbitration.

Section 15 – Recourse by Contractor:

- 15.1 Failure of Performance – If Subcontractor refuses or fails to fully and timely perform any of its obligations under the Subcontract, Contractor may, after 48 hours' written notice to Subcontractor, commence and continue satisfactory correction of such failure, and without prejudice to any other rights or remedies, provide the most expeditious correction of the failure by whatever means Contractor deems appropriate and charge the resulting costs to Subcontractor plus a markup of 15 percent for overhead and 10 percent for profit. A failure to fully and timely perform shall include but not be limited to failing to supply enough properly skilled workers or proper materials; failing to maintain performance in accordance with the updated progress schedule; failing to make prompt payment to its workers, Subcontractors or suppliers; disregarding laws, ordinances, rules, regulations or orders of any authority having jurisdiction; or otherwise failing or refusing to comply with any provision of the Subcontract. In the event of an emergency affecting the safety of persons or property, Contractor may proceed to commence and continue satisfactory correction of such failure without first giving 48 hours' written notice to Subcontractor.

Section 16 – Termination:

- 16.1 Termination for Cause – If Subcontractor refuses or fails to fully and timely perform any of its obligations under the Subcontract, Contractor may, after 48 hours' written notification and in lieu of or in addition to any other remedies, terminate the Subcontract. If such a termination occurs, Contractor shall have the right, for the purpose of completing any remaining Subcontract work, to enter upon the premises of the project and take and use any materials, equipment, appliances or tools furnished by, belonging or delivered to Subcontractor and located at the project, and employ any other person(s) to complete the Subcontract work and provide the materials for such work. In the event the Subcontract is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the Contract work is completed and accepted. At that time, if the amounts earned but not paid to Subcontractor before the termination exceed the expenses incurred by Contractor in completing Subcontractor's work, any excess shall be paid by Contractor to Subcontractor; but if Contractor's expenses to complete Subcontractor's work exceed the amount earned and unpaid, Subcontractor shall promptly pay the excess amount to Contractor. The expenses incurred by Contractor shall include Contractor's costs for completing the work, including but not limited to overhead, profit and attorneys' fees, and any damages sustained by Contractor by reason of Subcontractor's default, plus a markup of 15 percent for overhead and 10 percent for profit on any and all such expenses. In order to secure Subcontractor's payment of such expenses of

Contractor, Contractor shall have a lien upon all materials, tools, equipment and appliances of which Contractor has taken possession pursuant to this section.

- 16.2 Termination by Owner – If Owner terminates the Contract, or any part that includes any portion of Subcontractor's work, Contractor shall notify Subcontractor in writing and Subcontractor shall immediately stop the performance of the terminated work, follow Contractor's instructions regarding any shutdown and termination procedures, and mitigate all costs. If Owner's termination partially eliminates Subcontractor's work, Contractor may terminate the Subcontract in its entirety.
- 16.3 Contractor's liability to Subcontractor for any damages incurred or claims resulting from Owner termination for convenience shall be limited to the extent of Contractor's recovery on the Subcontractor's behalf under the Contract for Subcontract work and material furnished as of the date of such termination. Contractor's liability to Subcontractor for Owner's termination for cause shall be determined pursuant to the Claims and Disputes Resolution sections of the Subcontract.
- 16.4 Termination for Convenience – Contractor shall have the absolute right at any time by written notice to the Subcontractor to terminate this Subcontract or any part of it without cause and require Subcontractor to cease its work under the Subcontract. Upon notification of termination, Subcontractor shall immediately stop performance of the terminated work, follow Contractor's instructions regarding any shut down and termination procedures, and mitigate any costs. In the event of such termination for convenience, Contractor shall have no liability to Subcontractor, except that Subcontractor shall be entitled to payment only as follows:
- a. the cost of the work actually completed in accordance with the Subcontract up to the date of the termination; and
 - b. 5 percent of the costs referred to in paragraph (a) above, for overhead and profit.

The amount of any and all payments made to Subcontractor before the date of termination shall be deducted from the sums set forth in paragraphs (a) and (b) above. If no work has been performed by Subcontractor, then Subcontractor is not entitled to any payment as a result of the termination. Should it be found that Subcontractor is wrongfully terminated under this Subcontract, Subcontractor shall be entitled to be paid only for actual and verified work performed in accordance with the Subcontract up to the date of the termination and a reasonable termination cost of One Thousand Dollars (\$1,000.00). This payment is agreed to compensate Subcontractor for all damages resulting from wrongful termination of all or any part of Subcontractor's work and is consideration for entering into this termination for convenience clause. Subcontractor may not seek and may not recover anticipatory or lost profits, damages and/or consequential damages under any theory of recovery.

Section 17 – Suspension of Subcontract Work:

- 17.1 Contractor may, at any time and in its sole discretion, direct Subcontractor by written notice to suspend all or any portion of the work under this Subcontract for such period of time as Contractor deems appropriate. During any suspension, Subcontractor shall immediately discontinue the suspended work, place no further orders or subcontracts related to that work, and take all reasonable measures to protect and secure its materials, equipment, and work in place.

Contractor's liability, if any, to Subcontractor for delay, disruption, or other impacts resulting from a suspension ordered by Contractor shall be limited to such adjustment, if any, as may be determined pursuant to the Claims and Disputes Resolution provisions of this Subcontract.

If the suspension is directed or caused by Owner, Contractor's liability to Subcontractor shall be strictly limited to the amount, if any, that Contractor actually receives from Owner on account of such suspension as compensation for Subcontractor's damages. Subcontractor expressly waives any right to recover from Contractor any greater amount.

Chapter 2 Section 18 – Assignment of Subcontract:

- 18.1 Subcontractor shall not, without written consent of Contractor, assign its rights of all or any part of the Subcontract to others. Contractor may assign or transfer all or any part of this Subcontract to any person, firm or entity.

Section 19 – Subcontract Interpretation:

- 19.1 Inconsistencies, Errors and Omissions – Subcontractor shall carefully study and compare the plans, drawings, specifications and all other portions of the Subcontract. Should inconsistencies, errors or omissions appear in the Subcontract, it shall be Subcontractor's duty to notify Contractor of such inconsistencies, errors and/or omissions within three days of Subcontractor's discovery. Upon receipt of such notice, Contractor shall inform Subcontractor as to the

measures to be taken, if any, and Subcontractor shall comply with Contractor's instructions. Should Subcontractor fail to perform its duties under this section or perform those duties negligently, Subcontractor shall be liable to Contractor for any and all resulting costs.

- 19.2 If Subcontractor performs work it believes or knows to be contrary to any applicable laws, statutes, ordinances, building codes, rules or regulations without prior written notice to Contractor and/or without prior written approval by appropriate authorities, including Contractor, then Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees and expenses incurred in connection with remedying the violation(s).
- 19.3 Disputes over Responsibility for Performance – In the event of a dispute between Subcontractor and Contractor, or between Subcontractor and another Subcontractor, as to who has the responsibility to perform a particular item of work or repair any particular item of work, the determination of who shall perform the work shall be made by Contractor.
- 19.4 Law and Effect – This Subcontract shall be governed by the laws of California.
- 19.5 Severability – Should any provision in the Subcontract be held or declared partially or completely void or invalid, all other provisions shall remain in full force and effect.
- 19.6 Recoverable Fees and Costs – Should either party institute a court action or arbitration to enforce any of the provisions of Subcontract, to protect its interests in any manner arising under the Subcontract, or to recover on a surety bond furnished by a party to the Subcontract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, charges and expenses (including but not limited to expert fees) expended or incurred.
- 19.7 Titles – The titles given to the sections of this Subcontract, and the order of their placement, are for ease of reference only and shall not be relied upon or cited for any other purpose.
- 19.8 Entire Agreement – This Subcontract represents the entire and integrated agreement between the parties with respect to the Subcontract work and project, and unless specifically stated otherwise, this Subcontract supersedes all prior negotiations, representations or agreements, either written or oral, with respect to the Subcontract work and project.
- 19.9 Waiver of Any Breach – The failure of Contractor in any one or more instances, to insist upon the strict performance of any term, covenant, or condition of this Subcontract, or to exercise any right or remedy provided herein, shall not be deemed or construed as a waiver or relinquishment of such term, covenant, condition, right, or remedy with respect to any subsequent performance or default.
- Any waiver by Contractor of any breach or alleged breach of any provision, covenant, or condition of this Subcontract shall not be deemed or construed as a waiver of the same or any other provision, covenant, or condition on any other occasion, nor shall such waiver constitute an estoppel or bar to the enforcement of any other right or remedy available to Contractor.
- 19.10 Ambiguities or Uncertainties – Any rule of construction to the effect that ambiguities or uncertainties are to be resolved against the drafting party or against the party alleged to have caused the ambiguity or uncertainty, including but not limited to California Civil Code section 1654, shall not apply in interpreting this Subcontract.
- 19.11 Condition of Subcontract Enforceability – This Subcontract is subject to the award of the Project to Contractor by Owner and becomes null and void if award and notice to proceed with the Project are not received, and Subcontractor shall have no rights to receive payment or compensation of any sort from Contractor.
- 19.12 Subcontractor warrants that it is properly licensed by the Contractors' State License Board of the State of California with the proper license classifications for performance of the work described in this Subcontract. Subcontractor further warrants that its license is and will remain current, active and in good standing at all times during the performance of its work.
- 19.13 The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assignees at the place and on the day and year first written above.

Signatures:

Subcontractor:

Company

Print Name Title

Signature Date

List all CA License Numbers, Classifications Expiration(s)

DIR No. Expiration

General Contractor:

Katch General

Company

Paul Katchadourian

Print Name President Title

Signature Date

933096, A, B & C-39-ASB-HAZ-C21-C22-C57 11/30/2025

List all CA License Numbers, Classifications Expiration(s)

1000010211 06/30/2026

DIR No. Expiration