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www.ChambersConstruction.com CCB #114258

SUBCONTRACT AGREEMENT

Job No. XXXX

MISSION ST SE

BETWEEN: Chambers Construction Co.
3028 Judkins Rd., Ste 1
Eugene, Oregon 97403
(541) 687-9445
(541) 687-9451 (fax)
CCB No. **114258** ("Contractor")

AND: T.B.D. SUBCONTRACTOR

Federal Taxpayer I.D. No. _____
State Taxpayer I.D. No. _____
CCB No. _____
("Subcontractor")

DATED: March / April 2019

RECITAL

Contractor has entered into a contract dated with Mission XYZ, LLC, ("Owner") for the **Mission St SE**, ("Project"). The parties desire that Subcontractor furnish a portion of the labor, materials, equipment, and services necessary to complete the Project as described in this Subcontract.

AGREEMENT

For valuable consideration, the sufficiency of which is hereby acknowledged, the parties, intending to be bound, agree as follows:

1. Definitions.

1.1 In addition to the definitions of Contractor, Subcontractor, Owner, and Project set forth in the recital above, the terms below are defined as follows:

1.1.1 "Contract Documents" shall mean all documents governing the labor, materials, equipment, and services to be furnished in connection with the construction of the Project and include, but are not limited to: (a) this Subcontract; (b) the Contract; (c) any general, special, supplementary, and other conditions applicable to the Contract for the Project; (d) any plans, specifications, and addenda issued in connection with the Project; (e) any modification to any of the foregoing, whether issued before or after the execution of this Subcontract; and (f) the documents listed on the attached Exhibit 1.1.1 (if any).

1.1.2 "The Work" shall mean that portion of the work described in the Contract Documents which is to be performed by Subcontractor and is more specifically described as follows:

Provide all necessary materials, equipment, and labor to complete the work in Specification Section(s):

This Subcontract includes "Exhibit 2.2", Schedule of Values, to be completed and submitted within ten (10) days of receipt of this Subcontract agreement as per Sub Paragraph 2.2.

This Subcontract includes "Exhibit 2.3", Schedule of Participants, to be completed and submitted within ten (10) days of receipt of this Subcontract agreement as per Sub Paragraph 2.3. The list is to be updated monthly with each draw.

The requirements of "Exhibit 3.6" regarding trade damage are posted on site. Please review this policy with your work force and lower tier subcontractors prior to beginning work on the project.

Unless otherwise directed or authorized, in writing, by Contractor, all applications for payment and all supporting documents (including but not limited to lien waivers, sworn statements, and the like)

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for Subcontractor and its sub-subcontractors and suppliers, shall be in electronic format and shall be submitted to Contractor using the Textura CPM payment management system. Subcontractor shall be responsible for the fees and costs owed associated with Subcontractor's use of the Textura CPM payment management system. Subcontractor shall include a similar provision in its sub-subcontracts and purchase orders. Fees to subcontractors are calculated as 0.18% of contract value, with a minimum of \$50 and a maximum fee of \$2,500. Fees to Subcontractors' sub-subcontractors and suppliers are a fixed fee of \$50 per sub-subcontractor or supplier contract. Fees will be deducted from the first Draw and reconciled at the end of the project for change orders issued throughout the project. **DO NOT CONFIRM** a contract in Textura unless it correlates with a subcontract you have received; fees are assessed on the first confirmed amount. If this is new to your company, see enclosed "Subcontractor Pocket Guide" and "Textura Construction Payment Management for Subcontractors and Material Suppliers" for further information. First time users on the Textura Payment Management System need to contact Paula Manning at Chambers prior to their first draw. If you are already a Textura user, you will receive an invitation to participate on this project via email once the project is let.

This Subcontract includes "Exhibit 6.2", Subcontractor's Daily Construction Report, to be completed and turned in daily to the on site superintendent.

THIS WORK SHALL INCLUDE BUT IS NOT LIMITED TO THE FOLLOWING:

WORK THAT IS NOT A PART OF THIS SUBCONTRACT AGREEMENT CONSISTS OF:

2. Price.

2.1 The Price. The price is the sum of Zero Dollars and 00/100 in United States dollars. U.S. \$0.00, which is the full amount to be paid by Contractor to Subcontractor for performance of the Work subject to additions and deletions as provided in this Subcontract. The price shall be paid as provided in Section 6 and includes all taxes, licenses, fees, and other charges of any nature that may be imposed in connection with the Work. Except to the extent the Contract Documents allow for the recovery of cost escalations from the Owner, Subcontractor hereby acknowledges and assumes the risk of all increases in the cost for labor, materials and equipment, whether or not such cost increases are foreseeable.

2.2 Schedule of Values. For the purpose of determining partial payments, Subcontractor shall submit to Contractor, within ten (10) days of receipt of this Subcontract, a schedule of values (the "Schedule") allocating the Subcontract Price to the various parts of the Work on the attached "Exhibit 2.2". Upon request of Contractor, Subcontractor will provide evidence satisfactory to Contractor to support the Schedule. Unless objected to by Contractor, the Schedule, as revised from time to time, shall be used as a basis for reviewing Subcontractor's applications for payment.

2.3 Schedule of Participants. Subcontractor shall submit to Contractor an original schedule of all persons or entities scheduled to furnish labor, materials, equipment, or services in connection with the Work within ten (10) days of receipt of this Subcontract but in no event later than the start of work, on the attached

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“Exhibit 2.3.” All lower tier subcontractors must be approved by Contractor prior to start of work. Subcontractor will maintain true and correct copies of all contracts with such persons and entities, and provide them to Contractor upon request. Contractor may contact any such person or entity to verify any fact relating to the Work, the schedule, or payment, and all contracts with any such persons or entities must require the disclosure of such information to Contractor. Each draw application submitted by Subcontractor shall include an updated list of all persons or entities that performed work on the project during the billing period covered by the draw.

3. Subcontractor's Duties.

3.1 Performance of the Work. Subcontractor shall furnish all supervision, labor, materials, equipment, and services necessary for the performance of the Work.

3.2 Time for Performance. Subcontractor shall prosecute the Work in a prompt and diligent manner with adequate manpower whenever such work, or any part of it, becomes available or at such other times as Contractor may direct, and so as to promote the general and uninterrupted progress of the construction of the Project. Subcontractor shall cooperate with related work and shall not interfere in any manner with the work of Contractor or other subcontractors. If Subcontractor fails to initiate or complete any portion of the Work by the time specified in the schedule, or if it becomes apparent to Contractor that the Work will not be completed in a timely fashion, and if such failure is due in whole or in part to any fault of Subcontractor, then Contractor may, in addition and without prejudice to any other remedies it may have pursuant to other portions of this Subcontract or applicable law, require Subcontractor to increase or supplement the working force and equipment and perform the Work on an overtime or multiple shift basis to such extent as to give reasonable assurance of compliance with the schedule and the required quality of the Work. Any premium for such overtime or additional shifts, the cost of employing additional workers and equipment, together with any additional costs thereby incurred, shall be at Subcontractor's sole expense. Subcontractor shall furnish all submittals required by the Contract Documents or requested by Contractor in a prompt and timely fashion so as to expedite the progress of the Work.

Without limiting the foregoing, Subcontractor agrees the Work described in this Subcontract shall commence on or about as per Project Schedule and/or Superintendent and will be completed not later than as per Project Schedule and/or Superintendent. Subcontractor is required to meet the construction schedule deadline for Owner to take possession of the Project for its intended purpose. Subcontractor shall use all lawful means necessary to have sufficient labor, materials, and equipment on site when needed to complete the Work in accordance with the construction schedule. Subcontractor shall have a qualified foreman onsite to schedule and coordinate the Work with the work of other integral subcontractors. Subcontractor will not change foreman without the prior written consent of Contractor.

3.3 Standard of Performance. Subcontractor shall perform the Work under the general direction and supervision of Contractor and shall comply with instructions given by Contractor. Subcontractor shall perform the Work in a good and workmanlike manner, consistent with the highest standards of the industry, and in strict accordance with the Contract Documents and all building codes and state, federal, and local laws, ordinances, rules, regulations, and orders applicable to the Work. If there is any discrepancy between the

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plans or the specifications, or both, and any governmental laws or regulations, then those which are more stringent shall govern. Regardless of the provisions of the Contract Documents, Subcontractor is obligated to be familiar with all governmental laws or regulations pertaining to the Work. Subcontractor agrees that should any change be required by any governmental authority, such change shall be made by Subcontractor without any increase in the price, if such change could have reasonably been anticipated. If the Contract Documents provide for any performance contrary to applicable laws or regulations, Subcontractor shall notify Contractor, in writing, so that the Contract Documents may be corrected. Subcontractor shall not perform any such Work until the corrected Contract Documents have been approved in writing by Contractor. Subcontractor shall immediately remove from the Project any person, material, or equipment determined by Contractor to be inadequate or inappropriate for performance of the Work.

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3.4 Acceptance of Prior Activities. If any portion of the Work depends upon prior performance of any other activities of Contractor, other subcontractors, Owner, or any other person or entity involved in the construction of the Project, then commencement of such portion of the Work by Subcontractor shall be deemed an acceptance of the adequacy and completeness of such other activities.

3.5 Cooperation. Subcontractor shall cooperate with Contractor in scheduling and performing the Work to avoid delay in or interference with the activities of Contractor, Subcontractor, other subcontractors, Owner, or other persons or entities involved in construction of the Project. In the event of any conflicts in the construction schedule, Subcontractor and Contractor or any other subcontractor, Contractor shall decide which work shall have precedence and the decision of Contractor shall be final.

3.6 Protection of Project. Subcontractor shall fully protect all portions of the Work, including all materials and equipment to be furnished in connection with the Work, until the Work is fully completed and accepted by Contractor and Owner. Until that final acceptance, all risk of loss with respect to the Work shall remain with Subcontractor. Subcontractor will make good or replace, at no expense to Contractor or Owner, any damage to the Work which occurs prior to that final acceptance. Subcontractor shall take necessary precautions to protect the activities of Contractor, other subcontractors, Owner, and other persons and entities involved in construction of the Project, from damages caused by performance of the Work or other operations of Subcontractor.

3.7 Compliance with Laws. Subcontractor shall fully and timely comply with applicable federal, state, and local laws, ordinances, rules, regulations, and orders affecting the Work or Subcontractor.

3.8 Safety. Safety is of paramount concern on the Project. Subcontractor shall have in full force and effect a comprehensive safety program to prevent personal injuries and property damage. The program shall include, but not be limited to, detailed and comprehensive education and training of all of Subcontractor's employees as to applicable OSHA and other worker safety requirements to ensure the safe completion of the Work.

3.8.1 Subcontractor shall take all necessary safety precautions with respect to the performance of the Work. Subcontractor shall properly train all workers to review the work area to ensure it is safe and to remedy any unsafe conditions prior to commencing work in any area.

3.8.2 Subcontractor shall comply with all safety measures set forth in the Contract Documents or initiated by Contractor or Owner, and shall strictly comply with all applicable laws, ordinances, rules, regulations, and orders of public authorities for the safety of persons or property. Safety signs posted by Contractor or Owner shall be followed by Subcontractor and its employees. Subcontractor shall immediately notify Contractor if it notices that a safety sign has been removed. Subcontractor will be back charged \$50 per person for each infraction of any safety requirement or any time the Contractor's representative has to instruct Subcontractor to correct an unsafe practice. Subcontractor is responsible for all fines issued to its employees, or to anyone on site employed by Subcontractor or for Subcontractor's benefit.

3.8.3 Subcontractor shall not commence work if any unsafe condition is present and will

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immediately correct the condition. Subcontractor shall stop work immediately if an unsafe condition arises and correct said condition before continuing work. If Subcontractor fails to so stop work or correct an unsafe condition, Contractor may remedy the safety hazard which it has recognized and back charge Subcontractor at the rate of \$150 per man hour for labor plus any associated material and equipment costs.

3.9 Clean Up. At all times during the course of construction, Subcontractor shall perform the Work in a manner that keeps the site and the surrounding area in a clean and orderly condition. Rubbish, waste material, and surplus material shall be collected and removed daily, or as Contractor may require. Upon completion of the Subcontract Work, Subcontractor shall remove from the site all temporary structures, equipment, surplus materials, waste materials, and rubbish remaining from performance of the Work and clean all surfaces, fixtures, equipment, etc., related to the Work. If Subcontractor fails to clean up as required, Contractor may perform the Work and charge it back to Subcontractor at the rate of \$100 per man hour for labor plus the cost of any materials and equipment Contractor deems necessary or convenient for such clean up, including an allocation of the cost of cleanup not identifiable to any source.

3.10 Accounting: Change in Conditions. Subcontractor will keep true and correct books and records on a cash basis for the performance of the Work, and will maintain adequate reserves for all contingencies. If required by Contractor, Subcontractor will submit to Contractor at such times as Contractor requires a statement which accurately shows the application of all funds expended by Subcontractor to date in connection with the Work and the source of those funds, as well as Subcontractor's best estimate of the funds needed to complete the Work and the source of those funds. Subcontractor will promptly supply Contractor with any financial statements or other information concerning its affairs as Contractor may reasonably request, and will promptly notify Contractor of any material adverse change in its financial condition or in the physical condition of the Work.

3.11 Progress Reports. Subcontractor shall furnish to Contractor, daily progress reports on the attached Exhibit 6.2. Upon request of Contractor, Subcontractor shall furnish information on the status of materials and equipment, including those in the course of preparation or manufacture.

3.12 Payments by Subcontractor. Except as otherwise provided in the Contract Documents, Subcontractor shall immediately pay in full all payrolls, bills for material and equipment, and all other indebtedness connected with portions of the Work that are covered by progress payments received from Contractor.

3.13 Purchase of Materials. No materials, equipment, or other articles of personal property purchased by Subcontractor for incorporation into the Work shall be purchased or installed under any agreement where the seller reserves or purports to reserve title or the right of removal or repossession, or the right to consider those items personal property after their incorporation into the Project, unless authorized by Contractor in writing.

3.14 Adequate Assurances. Upon request by Contractor, Subcontractor shall furnish to Contractor such evidence as Contractor may require relating to Subcontractor's ability to fully perform the Work in the manner and within the time specified herein.

3.15 Labor. Subcontractor shall comply with and be bound by any labor agreements executed by Contractor

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or on Contractor's behalf to the extent that the provisions of such agreements apply to subcontractors. Subcontractor shall comply with all requirements of applicable law and the Contract Documents concerning equal employment opportunity, nondiscrimination, and affirmative action in hiring policies.

3.16 Payment and Performance Bond. Upon Contractor's request, Subcontractor will obtain a performance and labor and material payment bond in an amount equal to the Price, for the benefit of Contractor and Owner, and in a form and with a surety acceptable to Contractor, covering the performance of Subcontractor under the Contract Documents.

4. Insurance.

4.1 Subcontractor agrees to obtain and continuously maintain during the period this Subcontract remains in force, and for 10 years thereafter, such insurance as is required by the Contract Documents and is required by law in a form satisfactory to Contractor. Such insurance shall be provided by an insurer that is acceptable to Contractor. Unless greater insurance coverage is required under the preceding sentence, Subcontractor shall provide and maintain the minimum insurance coverage as follows:

4.1.1 Statutory workers' compensation insurance as required by law.

4.1.2 Employer's Liability Insurance with minimum limits of \$1,500,000 each incident, \$1,500,000 policy limit, and \$1,500,000 per each employee.

4.1.3 Commercial General Liability Insurance including bodily injury, property damage and personal injury coverage, as provided by insurance policy form CG 00 01, or its equivalent, without modification, (any modifications to said policy will be disclosed to Contractor) with minimum limits of \$2,000,000 for each occurrence and \$2,000,000 in the aggregate for all claims arising from a single occurrence, on a per project basis. The insurance policy shall name Contractor, its owners, directors, and officers, and Owner as additional insureds. The additional insured coverage shall cover the ongoing and completed operations of Subcontractor and shall apply on a primary and non-contributory basis.

4.1.4 Automobile liability insurance for all owned, nonowned, and hired vehicles with minimum limits of \$2,000,000 for bodily injury and property damage liability, as provided by insurance policy form CA00 01 or its equivalent, without modification. (any modifications to said policy will be disclosed to Contractor). This insurance policy shall name Contractor, its owners, directors, and officers, and Owner as additional insureds.

4.1.5 Certificates for the foregoing insurance shall be forwarded to Contractor upon execution of the Subcontract. Each insurance certificate shall identify any endorsements or amendments to the general liability, automobile, excess or umbrella liability policies outlined above and provide that the policy shall not be cancelled or revoked, or materially changed without at least thirty (30) days' prior written notice to Contractor. Subcontractor will provide a complete copy of forgoing insurance policies to Contractor upon request.

4.1.6 In no event shall Subcontractor's deductible on its commercial general liability insurance policy or automobile liability insurance policy exceed the sum of \$5,000 without the prior written consent of Contractor, which consent may be withheld by Contractor in its sole discretion.

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4.1.7 Subcontractor shall immediately notify Contractor if the available limit of Subcontractor's commercial general liability insurance coverage is reduced to \$1,500,000 or less or automobile liability insurance coverage is reduced to \$1,500,000 or less by virtue of paid claims or otherwise. In such event, Contractor may require Subcontractor to purchase additional insurance. At Subcontractor's sole expense, Subcontractor shall immediately notify Contractor of any or all policy addendum or endorsements that restrict or reduce the coverage required under this section 4.

4.1.8 Limits of insurance as required above may be satisfied by a single primary policy or in combination with an excess liability or umbrella policy.

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4.2 Guaranty of Work. Subcontractor guarantees the Work to the same extent that Contractor is obligated to guarantee its work under the Contract Documents, and shall promptly furnish any warranties or guarantees required by the Contract Documents, in a form satisfactory to Contractor. If the Contract Documents do not stipulate guaranty or warranty requirements, Subcontractor hereby guarantees the Work to be free from any defects in material or workmanship, defects in designs which are the responsibility of Subcontractor or its sub-subcontractors or suppliers, and deviations from the requirements of the Subcontract or the Contract Documents for a period of one (1) year from the date of final completion of the Project. If such defects or deviations are latent, i.e. not reasonably ascertainable prior to or within one (1) year after completion and acceptance, then such guarantee shall apply to each such latent defect or deviation that appears within ten (10) years after completion or acceptance of Work, or for the period for which Contractor is obligated to Owner to correct said latent defect or deviation, whichever is longer.

4.2.1 Without in any way limiting paragraph 4.2 above, and in addition thereto, Subcontractor makes the following guarantees with respect to the Work: All roofing, waterproofing, gravelstops, flashing, counterflashing, glass, glazing, curtain or window wall, precast members, marble, granite, tile, storefronts, entrances, piping and conduit, including Project site utilities, furnished, caulked or sealed by Subcontractor or any of its Sub-subcontractors shall be maintained in a watertight and leakproof condition for two (2) years after the completion and acceptance of the Work, or for such longer period as may be required by the Contract Documents.

4.2.2 The obligations of Subcontractor under paragraphs 4.2 and 4.2.1 above shall not be limited to the correction of the defect or deviation, but shall extend to the removal and replacement of other work that is necessary to gain access to the work to be corrected, the repair or replacement of any damage caused by such defect or deviation, and all consequential damages suffered by Contractor or Owner as a result of said defect or deviation or the failure of Subcontractor to promptly and properly correct same.

4.3 Obligation Under Contract Documents. Subcontractor assumes toward Contractor all obligations and responsibilities that Contractor assumes toward Owner under the Contract Documents, to the extent those obligations and responsibilities apply to the Work.

5. Contractor's Duties.

5.1 Payment. Contractor shall make payments to Subcontractor in accordance with Section below.

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5.2 Cooperation. Contractor shall cooperate with Subcontractor in scheduling and performing the Work to avoid conflicts, delay in or interference with the Work.

5.3 Information. Contractor shall make available to Subcontractor information which affects the Work and which becomes available to Contractor subsequent to execution of this Subcontract.

5.4 Scheduling. Contractor shall provide Subcontractor with copies of Contractor's construction schedule and schedule of submittals, together with such additional scheduling details as will assist Subcontractor in planning and performing the Work properly. Contractor shall notify Subcontractor of subsequent changes in the construction and submittal schedules and additional scheduling details. Contractor shall notify Subcontractor at least three (3) working days before Subcontractor is to commence the Work.

6. Payments to Subcontractor.

6.1 Application for Payment.

6.1.1 Contractor shall make progress payments and a final payment on the Price to Subcontractor based upon applications for payment submitted by Subcontractor to Contractor, in such form as Contractor shall reasonably prescribe.

6.1.2 The period covered by each application for payment shall be one (1) calendar month ending on the date of the month specified by Contractor from time to time.

6.1.3 If an application for payment is received by Contractor by the 25th day of the month, Contractor shall include that portion of the Work covered by the application in the current application for payment which Contractor is entitled to submit to Owner or Owner's representatives. If an application for payment is received by Contractor after that date, the portion of the Work covered by the application shall be included by Contractor in the next application for payment submitted by Contractor to Owner or Owner's representatives.

6.1.4 Each application for payment shall be based upon the most recent schedule of values submitted by Subcontractor in accordance with Section 2.2 and shall indicate the percentage of completion of each portion of the Work at the end of the period covered by the application for payment.

6.2 Time for Payment. Contractor shall not be obligated to make payment to Subcontractor on an application for payment until: (i) all conditions to payment have been fulfilled, and (ii) Contractor has received payment from Owner for that portion of the Work included in Subcontractor's application for payment.

6.3 Amount of Progress Payments. The amount of each progress payment shall be the amount paid to Contractor by Owner upon payment certificates on account of Subcontractor's work to the extent of Subcontractor's interest therein less retainage of any other amounts to be deducted or withheld pursuant to the Contract Documents.

6.4 Retainage. Retainage shall be the greater of percent (0%) or the percentage retainage withheld by Owner from Contractor under the Contract Documents with respect to the Work. Retainage shall be withheld by Contractor until the final payment conditions set forth in Section 6.7 have been fulfilled.

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6.5 Progress Payment Conditions. Contractor is not required to make a progress payment to Subcontractor until all of the following conditions are satisfied: the Work is proceeding diligently, in a proper, efficient, and workmanlike manner, and in strict accordance with the Subcontract; Subcontractor submits evidence satisfactory to Contractor that all payrolls, bills for materials and equipment, and all other indebtedness connected with that portion of the Work covered by prior progress payments have been paid in full; Subcontractor has delivered to Contractor executed lien releases, satisfactory to Contractor, with respect to all portions of the Work covered by prior progress payments; Subcontractor has delivered to Contractor executed lien releases, satisfactory to Contractor, with respect to all portions of the Work covered by pending applications for payment, which lien releases may be conditioned upon payment; any surety has consented to payment; making the payment does not cause the cost of completing the Work to exceed the unpaid balance of the Price; Subcontractor is not in default under the Contract Documents; and Owner has paid Contractor for that portion of the Work covered by Subcontractor's application for payment.

6.6 Amount of Final Payment. The final payment shall equal the entire unpaid balance of the Price.

6.7 Final Payment Conditions. Contractor is not required to make final payment to Subcontractor until all of the following conditions are satisfied: the Work is fully performed strictly in accordance with the requirements of the Contract Documents, and has been accepted by Contractor and Owner; Subcontractor submits evidence satisfactory to Contractor that all payrolls, bills for materials and equipment, and all other indebtedness connected with the Work have been paid in full; Subcontractor has delivered to Contractor separate executed lien releases, satisfactory to Contractor, with respect to all portions of the Work; any surety has consented to the payment; Subcontractor is not in default under the Contract Documents; and Contractor has received full payment from Owner with respect to the Work.

6.8 Waiver of Payment Conditions. Any waiver by Contractor of any condition of payment must be made in writing. The making of a payment prior to fulfillment of one or more conditions shall not be construed as a waiver of such conditions, and Contractor reserves the right to require their fulfillment prior to making any subsequent payments.

6.9 Disbursement of Payments. Contractor, in its sole discretion, may disburse payments: directly to Subcontractor; by joint check or directly to any other person or entity to whom Subcontractor is indebted in connection with the Work; or by setting off amounts owing to Subcontractor against any amounts that are or will become due from time to time to Contractor in connection with the Work, or otherwise. Payments made directly to Subcontractor shall be used by Subcontractor first to pay all sums owing by Subcontractor in connection with the Work. The right of Subcontractor to receive any payment from Contractor with respect to any portion of the Work is conditioned upon Contractor's receipt of payment from Owner with respect to that portion of the Work. Subcontractor assumes the risk of nonpayment by Owner to Contractor, regardless of the cause for such nonpayment.

7. Changes in the Work.

7.1 Changes by Owner. Owner may make changes in the Work by issuing modification to the Contract Documents. Upon receipt of such a modification issued subsequent to the execution of this Subcontract, Contractor shall promptly notify Subcontractor of the modification. Unless otherwise directed by Contractor,

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Subcontractor shall not thereafter order labor, materials, equipment or services which would be inconsistent with the changes made by the modification.

7.2 Changes by Contractor. Subcontractor may be ordered in writing by Contractor without invalidating this Subcontract, to make changes in the Work within the general scope of this Subcontract consisting of additions, deletions or other revisions, including those required by modification to the Contract Documents issued subsequent to the execution of this Subcontract. Subcontractor must submit final cost of change with appropriate backup within fourteen (14) days of completion of the change.

7.3 Adjustments; Damages. Upon any change in the Work, or if Subcontractor's performance of the Work is delayed or interfered with by acts of Contractor, other subcontractors, Owner, or any other person or entity involved in the construction of the Project, then either party may submit to the other a written claim for adjustment to the Price or the time for performance, or for damages. Such claim must be made not later than fourteen (14) days after the date of occurrence or the claim is waived and time barred. However, Subcontractor shall not be entitled to any increase in the Price or extension of the time for performances or to damages, as a consequence of any changes, delays or interference, except to the extent that the Contract Documents entitle Contractor to increases, extensions and damages, and then only to the extent of any increases, extensions or damages that Contractor may, on behalf of Subcontractor, recover from Owner as a result of such changes, delays or interferences. Specifically, but without limitation, Subcontractor waives any claim against Contractor for increases, extensions or damages as a result of any changes, delays or interference, except to the extent the same is allowed to Contractor by Owner.

7.4 Subcontractor Claims. Subcontractor shall make claims promptly to Contractor for adjustments and damages resulting from changes, delays, interference or other causes in accordance with the Contract Documents. A claim which will affect or become a part of a claim which Contractor is required to make under the Contract Documents within a specified time period or in a specified manner shall be made in sufficient time to permit Contractor to satisfy the requirements of the Contract Documents. Such claim shall be received by Contractor not less than five (5) working days before the time when Contractor's claim must be made. Failure of Subcontractor to make such a timely claim shall bind Subcontractor to the same consequences as those to which Contractor is bound.

7.5 Continuation of Work. The fact that a claim for adjustment of the Price or the time for performance, or for damages, has not been resolved shall not be grounds for Subcontractor discontinuing performance of the Work. Upon direction from Contractor, Subcontractor shall proceed with the Work or any changed Work.

7.6 Avoidable Delays and Interference. Notwithstanding anything in this Subcontract to the contrary, no claim shall be made by Subcontractor when Subcontractor, by the exercise of reasonable diligence and judgment, could have anticipated and avoided the delay or interference.

8. Inspection.

Contractor, Owner and Owner's representatives shall have the right at any reasonable time to inspect the Work and all other matters relating to the Work. Contractor, Owner and Owner's representatives will also have the right to examine, copy, and audit the books, records, accounting data and other documents of Subcontractor relating to the Work. If Contractor in good faith determines that any portion of the Work does not conform to the Contract Documents, or otherwise departs from any of the requirements of this Subcontract,

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Contractor may require Subcontractor to immediately correct the Work. In such event, Subcontractor will correct the Work to Contractor's satisfaction. No such action by Contractor will affect Subcontractor's obligation to complete the Work promptly in accordance with the Contract Documents. Neither Contractor, Owner, nor Owner's representatives are under any duty to supervise or inspect the Work or examine any books and records. Any inspection or examination by Contractor, Owner or Owner's representatives is for the sole purpose of protecting and preserving the rights of Contractor, Owner and Owner's representatives. No default of Subcontractor will be waived by any inspection. In no event will any inspection be a representation that there has been or will be compliance with the Contract Documents or that the Work is free from defective materials or workmanship.

9. **Indemnification.**

9.1 Indemnity. Subcontractor shall indemnify and hold harmless Owner and Contractor, and their respective officers, directors, agents, employees, sureties and insurers ("Indemnitees") from any and all loss, damage, liability, fines or expense, including attorney fees, arising out of or resulting from: performance of the Work, specifically including but not limited to any defective workmanship or materials occurring in the performance of the Work; any default by Subcontractor under the Subcontract; the violation of any environmental statute, ordinance, rule or regulation arising out of or related to the Work or performance thereof; and the acts or omissions of Subcontractor, its agents and employees, and any sub-subcontractor or other independent contractor hired by Subcontractor. Provided, however, that Subcontractor shall not be required to indemnify Indemnitees against liability for damage arising out of death or bodily injury to persons or damage to property to the extent such death, injury or death is caused in whole or in part by the negligence of such Indemnitee.

9.2 Claims by Employees and Agents. In claims by an employee of Subcontractor, Subcontractor's sub-subcontractors, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under this paragraph shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Subcontractor or Subcontractor's sub-subcontractors under workers' compensation acts, disability benefit acts or other employee benefit acts.

9.3 Defense. Upon demand by Contractor, Subcontractor will defend any action or proceeding brought against Contractor to which Subcontractor's indemnity obligations apply, or Contractor may elect to conduct its own defense at the expense of Subcontractor.

9.4 Survival. The provisions of this article will survive the termination of this Subcontract.

10. **Default and Remedies.**

10.1 Default by Subcontractor. Subcontractor will be in default under this Subcontract if: Subcontractor fails to begin to correct any portion of the Work that does not conform with the Contract Documents within twenty-four (24) hours after written notice from Contractor, Owner or Owner's representatives specifying the nonconformity, or if Subcontractor thereafter fails to diligently complete the correction; Subcontractor fails to comply with any other covenant contained in the Contract Documents and does not cure that failure within the period of time, if any, that Contractor may elect at its discretion to grant in writing to Subcontractor to cure that failure; in Contractor's good faith opinion, Subcontractor is delaying, interfering with or jeopardizing the timely or satisfactory completion of the Project; construction of the Work is halted prior to completion for any period of two (2) consecutive working days for any cause which is not beyond the reasonable control of Subcontractor and its sub-subcontractors; performance of the Work is abandoned; at any time Contractor has

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reasonable grounds for insecurity with respect to the performance by Subcontractor of its obligations under the Contract Documents; Subcontractor repudiates the Contract Documents with respect to any performance not yet due; or Subcontractor makes an assignment for the benefit of Subcontractor's creditors of all or any portion of the assets of Subcontractor, proposes or consents to a composition with unsecured creditors of Subcontractor, any interest of Subcontractor hereunder is levied upon by legal process or the enforcement of any debt of Subcontractor, individually or jointly, or if Subcontractor becomes insolvent.

10.2 Default by Contractor. Contractor will be in default if Contractor fails to comply with any duty owed to Subcontractor under this Subcontract and does not begin to cure that failure within five (5) working days after written notice from Subcontractor specifying the noncompliance, or thereafter fails to diligently correct that failure.

10.3 Contractor's Remedies. If Subcontractor is in default under this Subcontract, Contractor may exercise any right or remedy it has under this Subcontract or any of the other Contract Documents, or otherwise available at law or in equity or by statute, and all of Contractor's rights and remedies will be cumulative. Contractor's remedies include, but are not limited to the following:

10.3.1 Contractor shall be entitled to recover from Subcontractor any and all damages arising out of Subcontractor's default.

10.3.2 In addition to any other damages, Contractor shall have the right to recover from Subcontractor any and all liquidated damages that may be assessed against Contractor which are attributable to or caused by Subcontractor.

10.3.3 Contractor may elect to terminate this Subcontract and any and all interest and claim of Subcontractor by virtue of the Contract Documents, and all interest of Subcontractor in the Work. Such termination shall, at the election of Contractor, also terminate any sub-subcontracts by Subcontractor, whether or not Contractor has theretofore consented to such sub-subcontract. If Contractor elects to terminate this Subcontract, rights and obligations accruing under this Subcontract at or prior to the effective date of termination shall not be affected.

10.3.4 Contractor may elect to complete construction of the Work as an agent for Subcontractor.

10.3.5 If Contractor elects to terminate this Subcontract, or elects to complete construction of the Work as the agent for Subcontractor, Contractor shall have the right in its discretion to take any and all action necessary in its judgment to complete construction of the Work, including but not limited to making changes in the labor, materials, equipment and services furnished in connection with the Work, subject to Contractor's right at any time to discontinue performance of the Work without liability. Contractor may take possession of all materials, tools and equipment of Subcontractor at the site for the purpose of completing the Work. If Contractor elects to complete the Work, it will not assume any liability to Subcontractor for completing the Work or for the manner or quality of construction of the Work, and Subcontractor expressly waives any such liability. Subcontractor irrevocably appoints Contractor as its attorney-in-fact, with full power of substitution, to complete the Work in Subcontractor's name.

10.3.6 If Contractor elects to terminate this Subcontract and complete construction of the Work, then in addition to any other damages, Contractor shall have the right to immediately recover from Subcontractor any

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amount by which the cost of completing the Work (including a reasonable allowance for overhead and profit) exceeds the unpaid balance of the Price.

10.3.7 If Contractor elects to complete the Work as agent for Subcontractor, then in addition to any other damages, Contractor shall have the right to recover from Subcontractor the entire cost of completing the Work (including a reasonable allowance for overhead and profit).

10.3.8 Contractor may deduct from any amounts due or to become due Subcontractor any sum or sums owed by Subcontractor to Contractor.

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10.3.9 Contractor shall have the benefit of all rights, remedies and redress against Subcontractor, which Owner, under the Contract Documents, has against Contractor.

11. Suspension or Termination of Work.

11.1 Suspension by Owner. If Owner suspends the Project or any part of the Project, which includes the Work, Contractor shall notify Subcontractor in writing and upon receipt of such notice Subcontractor shall immediately suspend the Work. In the event of such Owner suspension, Contractor's liability to Subcontractor is limited to the extent of Contractor's recovery on Subcontractor's behalf under the Contract Documents. Contractor agrees to cooperate with Subcontractor, at Subcontractor's expense, in the prosecution of any Subcontractor claim arising out of an Owner suspension. Contractor shall permit Subcontractor to prosecute said claim, in the name of Contractor, for the use and benefit of Subcontractor or, at Contractor's sole discretion, Contractor shall assign the claim to Subcontractor.

11.2 Termination by Owner. If Owner terminates the Project or any part of the Project, which includes the Work, Contractor shall notify Subcontractor in writing and upon receipt of said notice, this Subcontract shall also be terminated and Subcontractor shall immediately stop the Work. In the event of such Owner termination, Contractor's liability to Subcontractor is limited to the extent of Contractor's recovery on Subcontractor's behalf under the Contract Documents. Contractor agrees to cooperate with Subcontractor, at Subcontractor's expense, in the prosecution of any Subcontractor claim arising out of Owner termination. Contractor shall permit Subcontractor to prosecute said claim, in the name of Contractor, for the use and benefit of Subcontractor, or, at Contractor's sole option, Contractor shall assign the claim to Subcontractor.

11.3 Termination for Convenience. Contractor may order Subcontractor in writing to suspend, delay or interrupt all or any part of Subcontractor's Work for such period of time as may be determined to be appropriate for the convenience of Contractor. In addition, Contractor has the right, at any time, to terminate this Subcontract with or without cause. If this Subcontract is terminated for convenience, Subcontractor shall be entitled to be paid a portion of the Price based on the reasonable value of the Work properly performed prior to termination plus reasonable direct close out costs, less progress payments previously made, except that if there is also a termination for convenience of the Contract, termination settlement shall be as provided in the Contract Documents.

12. Arbitration.

12.1 Any controversy or claim between Contractor and Subcontractor arising out of or related to the Work, shall be settled by arbitration, which shall be conducted in the same manner and under the same provisions as provided in the Contract Documents with respect to claims between Owner and Contractor. If the Contract Documents do not provide for arbitration or fail to specify the manner and procedure for arbitration, it shall be conducted in accordance with the construction industry arbitration rules of the American Arbitration Association currently in effect unless the parties mutually agree otherwise.

Assignment of Subcontract.

13.1 Assignment by Contractor. In the event of termination of the Contract by Owner, Contractor may assign this Subcontract to Owner, subject to the provision of the Contract Documents and to the rights of the surety, if any, obligated under bonds relating to the Contract.

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13.2 Assignment by Subcontractor. This is a personal services contract, and Subcontractor acknowledges that Contractor is relying on the skill and expertise of Subcontractor to perform the Work. Subcontractor shall not assign all or any portion of its rights or obligations under the Contract Documents, or assign or subcontract all or any portion of the Work, without the written consent of Contractor and Subcontractor's Surety, when bonded. If any portion of the Work is subcontracted, Subcontractor shall cause its subcontractor to assume and fully comply with all obligations of Subcontractor under the Contract Documents. Lower-tier subcontractors are subject to the provisions of this Subcontract, and Subcontractor shall insert in Subcontractor's subcontracts all provisions required or necessary to enable Subcontractor to comply with the terms hereof. Upon Subcontractor's default, Subcontractor assigns to Contractor all Subcontractors' subcontracts, effective only upon Contractor's acceptance of the assignment via written notice to Subcontractor and Subcontractor's subcontractors. Contractor shall have no liability to any of Subcontractor's subcontractors unless and until Contractor accepts the assignment as provided above.

14. Subcontractor Representations and Warranties. As a material inducement to Contractor to enter into this Subcontract, Subcontractor warrants and represents to Contractor that Subcontractor and all its lower tier Subcontractors: are familiar with all requirements of the Subcontract and Contract Documents; have investigated the Project and have satisfied themselves regarding the character of the Work and local conditions that may affect them or the performance of the Work; are satisfied that the Work can be performed and completed in conformance with the Subcontract; accepts all risk directly or indirectly connected with the performance of this Subcontract; except as expressly provided in the Contract Documents, have not been influenced by any statement or promise of Contractor, Owner or their representatives in entering into this Subcontract; are financially solvent; are experienced and competent to perform this Subcontract; are qualified, licensed in good standing and authorized to do business as a contractor in the state in which the Project is located; are familiar with all general and special laws, ordinances and regulations that may affect the Work, its performance or those persons employed by Subcontractor with respect thereto. Subcontractor further acknowledges that Contractor is not an insurer or guarantor of the Project or any part thereof, of the performance by Owner under the Contract Documents, or of the sufficiency of any of the Contract Documents (specifically including, but not limited to, any plans, specifications, and drawings).

15. Miscellaneous.

15.1 Conflict in Terms. In the event of any conflict between the terms of this Subcontract and the terms of the Contract Documents, the terms of this Subcontract shall govern.

15.2 Time of Essence. Time is of the essence of this Subcontract.

15.3 Notices. Any notice or other communication required or permitted to be given under the terms of this Subcontract, or by law, shall be in writing and may be given by personal delivery, telephone facsimile, or certified mail, directed to the parties at the addresses set forth in the caption above or such other address as any party may designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law. Any notice or other communication shall be effective when actually received or if given by certified mail, then forty-eight (48) hours after the deposit of such notice in the United States mail with postage prepaid.

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15.4 Binding Effect. All of the covenants, agreements, conditions and terms contained in this Subcontract shall be binding upon, apply and inure to the benefit of the successors and assigns of the parties. However, nothing in this paragraph shall be construed as modifying in any way any restrictions on assignment or transfer provided in this Subcontract.

15.5 Waiver. Any waiver by Contractor must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure by Contractor to take action on account of any default of Subcontractor. Consent by Contractor to act or omission by Subcontractor will not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for Contractor's consent to be obtained in any future or other instance.

15.6 Integration. This Subcontract constitutes a final and complete statement of the agreement between the parties, and fully supersedes all prior agreements or negotiations, written or oral.

15.7 Legal Proceedings. In the event any legal or arbitration proceeding is commenced for the purpose of declaring or enforcing any provision of this Subcontract, the prevailing party in such proceeding shall be entitled to recover a reasonable attorney's fee in such proceeding, or any appeal thereof, to be set by the court or arbitrator, in addition to the costs and disbursements allowed by law.

15.8 Applicable Law. The applicable law for the purpose of interpretation of this Subcontract, or the enforcement of any rights or obligations hereunder, shall be the laws of the state in which the Project is located.

15.9 Partial Invalidity. If any provision of this Subcontract is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

15.10 Captions. The captions are inserted only for convenience and are not part of this Subcontract nor a limitation on the scope of the particular paragraph to which each refers.

15.11 Warranty of Authority. The person or persons executing and delivering this Subcontract on behalf of Subcontractor represents and warrants that each of them is duly authorized to do so and that the execution and delivery of this Subcontract is the lawful and voluntary act of Subcontractor.

15.12 No Third Parties Benefited. This Subcontract is made and entered into for the sole protection and benefit of Contractor and Subcontractor and their successors and permitted assigns. No trust fund is created by this Subcontract and no other person or entity will have any right of action under this Subcontract.

15.13 Authority to File Notices. Subcontractor irrevocably appoints Contractor as its attorney-in-fact, with full power of substitution, to file for record, at Subcontractor's cost and expense and in Subcontractor's name, any notices of completion, notices of cessation of labor, or any other notices that Contractor considers necessary where Subcontractor's failure to do so interferes with the work in any way.

15.14 Relationship of Parties. The relationship of Subcontractor to Contractor is that of an independent contractor. Subcontractor shall not, for any purpose, be or be deemed to be a partner, joint venturer, agent or servant of Contractor. Subcontractor shall not have authority to bind Contractor in any contractual obligation

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or incur any liability for or on behalf of Contractor.

15.15 Waiver of Subrogation Rights. Each of the parties hereto hereby releases the other, and the agents, employees and successors of such other party, from all claims, demands and liabilities arising from acts or omissions of the other party which result in loss for which the party sustaining such loss is indemnified under a policy or policies of insurance.

15.16 Amendments. This Subcontract may not be modified or amended except by written agreement signed by the parties.

15.17 Additional Provisions. The attached Exhibit A (if any) contains additional provisions which are incorporated into this Subcontract.

CONTRACTOR:
Chambers Construction Co.

SUBCONTRACTOR:
No Assigned Vendor

Printed Name: Deborah K. Creager

Printed Name: _____

By: _____

By: _____

Title: Controller

Title: _____

Date: T.B.D 2018

Date: _