

SUBCONTRACT AGREEMENT

(SHORT FORM - NOT FOR USE ON SUBCONTRACTS EXCEEDING \$35,000.00)

SUBCONTRACTOR: _____ SUBCONTRACT NO. _____

_____ PROJECT: _____

PHONE NO. _____ FAX NO. _____ PROJECT NO. _____ COST CODE: _____

THIS AGREEMENT is made this _____ day of _____, 20____, by and between Con-Quest Contractors, Inc. (Contractor) and _____ (Subcontractor). The work described in Section 1 below shall be performed in accordance with the Subcontract Documents described in Section 3.

SECTION 1. SCOPE. Subcontractor agrees to furnish all labor, materials, tools, equipment and other incidentals required to perform the following work:

SECTION 2. PRICE. The Contractor shall pay the Subcontractor for strict performance of the Subcontract work in the sum of: _____ (\$ _____), which includes all applicable taxes, subject to additions and deductions as may be directed in writing by Contractor.

SECTION 3. ENTIRE SUBCONTRACT. The Subcontract Documents consist of: (1) this Agreement; (2) the Prime Contract documents insofar as they relate in any way, directly or indirectly, to the work covered by this Subcontract Agreement; (3) other documents referenced in Section 25 of this Agreement; and (4) Modifications to this Agreement issued after its execution. These form the Subcontract, and are as fully a part of the Subcontract as if attached to this Agreement or repeated herein. Subcontractor certifies that it has carefully examined the Subcontract Documents and is fully familiar with all of the terms and conditions thereof and has fully acquainted itself with job site conditions. Subcontractor assumes full and complete responsibility for all conditions relating to the work, the site and its surroundings, and all risks in connection therewith. This document represents the entire and integrated agreement between the parties hereto and supersedes any prior oral or written representations. No changes, amendments or modifications of the terms hereof shall be valid unless reduced to writing and signed by both parties hereto. Waiver by Contractor of any breach of any provision of this Subcontract Agreement by Subcontractor shall not constitute a waiver of any other or future breach of the same or any other provision.

SECTION 4. PAYMENT SCHEDULE. From progress payments received by Contractor from Owner under the Prime Contract, Contractor shall, within fifteen (15) days after Contractor receives any such payment, pay to Subcontractor an amount equal to ninety percent (90%) of the amount which Owner's estimate shows has been earned by Subcontractor on account of work done hereunder during the period covered by it and for which Contractor has received payment. Final payment to Subcontractor shall be made within thirty-five (35) days after final completion and acceptance of the entire work in writing by the Owner or his Agent and Contractor, with funds received by Contractor from Owner in final payment for work under the Prime Contract. The acceptance by Subcontractor of final payment hereunder shall constitute a release by Subcontractor in favor of Contractor and its surety of all claims against Contractor and its surety.

Subcontractor shall provide, as a condition precedent to final payment, full and final lien waivers and releases from those materialmen and Subcontractors claiming through Subcontractor. Contractor may, at its option, make any payment or portion thereof by joint check payable to Subcontractor and any of its subcontractors, suppliers and/or materialmen. Contractor's actual receipt of each progress payment, final payment or other payment from the Owner shall be a condition precedent to any obligation of Contractor to make any progress payment, final payment or any other payment to Subcontractor, or to pay for extra or changed work or any claim for additional compensation or damages claimed by reason of acts or omissions of Owner. Payments otherwise payable hereunder may be withheld in whole or in part by Contractor on account of: (1) defective materials or work not remedied, missing materials not furnished or cleanup not performed; (2) claims filed or reasonable evidence indicating probable filing of claims by unpaid suppliers of labor, services, materials or equipment to Subcontractor or for unpaid taxes or union trust funds; (3) reasonable doubt that Subcontractor can complete the Subcontract work within the time required or for the balance of the Subcontract Price then unpaid; (4) damage to another subcontractor and/or Contractor; (5) unsatisfactory prosecution of Subcontract work; (6) failure to deliver any required "as-built" drawings, written guarantees or warranties; (7) failure to obtain the approvals required by any authority having jurisdiction over Subcontractor's scope of work (8) failure to provide Certificates of Insurance or Subcontract bond acceptable to Contractor; or (9) failure of Subcontractor to cure any default or to perform any term required by it to be performed hereunder. If the foregoing conditions are removed to Contractor's satisfaction, the withheld payments shall promptly be made. If such conditions are not so removed, Contractor may on forty-eight (48) hours' notice to Subcontractor take such steps as in its judgment may be required to rectify the same and all costs and expenses incurred by Contractor shall be paid by Subcontractor or be credited against payments otherwise payable to Subcontractor hereunder.

SECTION 5. TIME. Time is of the essence of this Agreement. Subcontractor shall commence work immediately upon being notified by Contractor, shall perform field work at such points as Contractor may from time to time designate, and shall conform to Contractor's progress schedule and detailed schedules and all revisions or changes made thereto. Subcontractor shall prosecute its work in a prompt and diligent manner without delaying or hindering Contractor's work or the work of other contractors, subcontractors, and Contractor in a manner that will facilitate the efficient and timely completion of the entire Work.

SECTION 6. DELAY. In the event that Subcontractor's work is delayed for any reason beyond Subcontractor's control, including acts of the Contractor, Subcontractor's sole remedy shall be an extension of time equal to the period of delay, provided Subcontractor has given Contractor written notice of the commencement of delay within 48 hours of its occurrence. If Contractor, in its sole discretion, seeks compensation from the Owner as a result of any delay, Subcontractor shall be entitled to an equitable portion of any amount recovered by Contractor, minus an equitable share of the cost of pursuing said claim.

SECTION 7. CHANGES IN THE WORK. Subcontractor shall make no changes in the work described in the Subcontract Documents unless so directed by the Contractor in writing. Subcontractor shall not be compensated for any change which is made without such written direction. No changes in the work covered by this Agreement shall exonerate any surety on any bond given in connection with this Agreement.

SECTION 8. CLAIMS. In the event of a dispute between Contractor and Subcontractor regarding performance of the work, or any alleged change in the work, Subcontractor shall timely perform the disputed work and shall give written notice of a claim for additional compensation within ten (10) days after commencement of the disputed work. Subcontractor's failure to provide such written notice constitutes an agreement by Subcontractor to waive all rights to extra compensation for the disputed work.

SECTION 9. DAMAGES CAUSED BY SUBCONTRACTOR DELAYS. If Subcontractor defaults in performance of the work described in Section 1 or otherwise commits any act which causes delay to the Prime Contract work, Subcontractor shall be liable for all losses, costs, expenses,

liabilities and damages, including without limitation, consequential damages and liquidated damages, sustained by Contractor, or for which Contractor may be liable to Owner or any other party due to Subcontractor's default.

SECTION 10. BONDS. When Contractor so elects, Subcontractor shall furnish to the Contractor Labor and Materials Payment and Performance Bonds in such form as shall be specified by Contractor, executed by a corporated surety satisfactory to Contractor.

SECTION 11. LIENS. Subcontractor shall promptly pay or discharge in full or provide adequate security for the payment of all claims of any persons, union trust funds, firms or corporations furnishing or claiming to have furnished labor, materials, tools, equipment, or incidentals used in, upon or for Subcontractor's work. If suit on such claim is brought, Subcontractor shall defend said suit at his own cost and expense, and will pay and satisfy any such lien or judgment as may be established by the decision of the court in said suit. Subcontractor agrees within ten (10) days after written demand, to cause the effect of any suit, lien or Stop Notice to be removed from the premises.

SECTION 12. INSPECTION AND CORRECTION. Subcontractor shall make the work accessible at all reasonable times for inspection by the Contractor. Subcontractor shall inspect all material and equipment provided by others to be used in, or incorporated into, Subcontractor's work and give Contractor prompt notice of any defect therein. Subcontractor assumes full responsibility to protect the work done hereunder until final acceptance by the Owner or his Agent and Contractor. If any part of Subcontractor's work or materials are determined by Owner, Contractor or governing authorities to be improper or defective, either during performance of the work or on or before final inspection or during any applicable guarantee period, Subcontractor shall, upon written notification by Contractor, immediately and at its own expense, correct all such defective material and workmanship.

SECTION 13. LABOR RELATIONS. Subcontractor shall maintain labor relations policies in conformity with the directions of the Contractor and shall comply with those labor agreements applicable to the work performed under this Agreement. Subcontractor and its subcontractors and nonexempt suppliers shall comply with all equal employment opportunity and affirmative action requirements of the Prime Contract or of any governmental authority, including the Civil Rights Act of 1964.

SECTION 14. RECOURSE BY CONTRACTOR, DEFAULT, TERMINATION. If Subcontractor fails to commence work at the time required, or fails to properly and diligently prosecute the work covered by this Agreement or make the progress required, or fails to correct or replace any damaged or defective work or materials, or is otherwise guilty of a breach of a provision of this Agreement and fails within forty-eight (48) hours after receipt of written notice to commence and satisfactorily continue correction of such default with diligence and promptness, then Contractor, at its option and in addition and without prejudice to any other rights or remedies afforded herein or by law, shall have the right to take any action it deems necessary to correct Subcontractor's default. Advance notice shall not be required in the event of any emergency affecting the safety of persons or property. If Subcontractor fails to commence and satisfactorily continue correction of a default within forty-eight (48) hours after receipt by Subcontractor of the notice issued hereunder, then Contractor may terminate Subcontractor's right to perform under this Agreement and may use any materials, equipment or tools furnished by or belonging to Subcontractor to complete Subcontractor's work without further compensation to Subcontractor for such use. Contractor also may furnish those materials and equipment and/or employ such workers or subcontractors as Contractor deems necessary to maintain the orderly progress of the work.

SECTION 15 INDEMNIFICATION. To the fullest extent permitted by law, Subcontractor shall indemnify and save harmless Owner and Contractor, including their officers, agents, employees, affiliates, parents and subsidiaries, sureties and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Subcontractor's operations to be performed under this Agreement. Subcontractor's obligations hereunder shall not be limited by the Insurance requirements set forth in Section 16 and shall apply regardless of any active and/or passive negligent act or omission of Owner or Contractor or their agents or employees or independent contractors who are directly responsible to Owner or Contractor.

SECTION 16. INSURANCE. Prior to commencement of any operations by or on behalf of Subcontractor under this Agreement and at its sole expense, Subcontractor shall procure and maintain insurance in amounts acceptable to Contractor and as required by the Prime Contract, including but not limited to at least the following coverage's: (a) Workers' Compensation and Employer's Liability Insurance - statutory amount; (b) Comprehensive General Liability or Commercial General Liability - \$1,000,000; and (c) Automobile Liability Insurance - \$1,000,000, including coverage for all owned and non-owned vehicles. Subcontractor shall provide Certificates of Insurance to Contractor which shall name Contractor and Owner as additional insured's and provide that coverage is primary and any coverage held by Contractor and Owner is excess and non-contributory. Waiver of Subrogation endorsement for WC/GL/Auto in favor of the Contractor and the Project Owner.

SECTION 17. CLAIMS RESOLUTION PROCEDURE. All claims, disputes and matters in question arising out of or relating to this Agreement or the breach thereof, except for claims which have been waived by the making or acceptance of final payment or the failure to provide notice, shall be decided by the claim procedure specified in the Prime Contract. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California.

SECTION 18. WARRANTY. Subcontractor warrants to Owner and Contractor that the materials furnished and the work performed will strictly comply with the Subcontract Documents and shall be satisfactory to Owner and Contractor. Subcontractor further guarantees its work to such extent and for such time as may be specified in the Prime Contract but in no event for less than one (1) year. Subcontractor warrants that all materials and equipment furnished shall be new unless otherwise specified and that all work under this Agreement shall be of good quality, free from faults and defects and fit for its intended use.

SECTION 19. ASSIGNMENT AND SUBLETTING. Subcontractor shall not subcontract, assign or transfer this Subcontract Agreement or any part thereof without the written consent of Contractor.

SECTION 20. INDEPENDENT CONTRACTOR. Subcontractor is an independent contractor and not an agent of Contractor and represents that it is licensed, equipped, organized, financed, fully experienced and properly qualified to perform the Subcontract work.

SECTION 21. CLEAN-UP. At all times during the course of construction, Subcontractor shall maintain its work areas in a clean, safe and orderly condition. Upon completion of its work, Subcontractor shall remove from the site all unused or excess materials, temporary structures, debris and waste incident to its operations and clean all surfaces, fixtures and equipment.

SECTION 22. SHOP DRAWINGS, PRODUCT DATA AND SAMPLES. Subcontractor shall timely furnish all shop drawings, product data and samples required by the Subcontract Documents for the complete installation of the Subcontract work. Subcontractor shall perform no portion of the Subcontract work requiring the review and approval of submittals until approval of the respective submittal.

SECTION 23. NOTICES. Notices hereunder shall be in writing and may be served personally on a party's designated representative at the job site, or by mail. Service by registered or certified mail, postage prepaid, shall be complete upon deposit.

SECTION 24. CONTRACTOR'S LICENSE. (Notice required for work in California)

LEGAL NOTICE REQUIRED BY BUSINESS & PROFESSIONS CODE SECTION 7030:
CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTOR'S STATE LICENSE BOARD WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR YEARS OF THE DATE OF THE ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSION PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN TEN YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACT MAY BE REFERRED TO THE REGISTRAR, CONTRACTOR'S STATE LICENSE BOARD, P. O. BOX 26000, SACRAMENTO, CALIFORNIA 95826.

SECTION 25. ADDITIONAL TERMS. (including unit pricing if applicable) Attached hereto are any additional terms and conditions as set forth in supplemental pages SP-_____ to SP-_____, which are included herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract Agreement by their proper officers or duly authorized agents as of the date and year first above written.

SUBCONTRACTOR

CON-QUEST CONTRACTORS INC.

BY _____
(Name)

BY _____
(Name)

(Printed)

(Printed)

(Title)

(Title)

(Subcontractor's License No. and Classification)

818668

(Contractor's License No.)