

SUBCONTRACT AGREEMENT

**Imperial Construction Ltd.
P.O. Box 967
Weatherford, Texas 76086
Phone (817) 341-8886
Fax (817) 341-0191**

This Subcontract Agreement (herein the "Agreement") is made and entered into as of the Effective Date, by and between Imperial Construction Ltd. and the Subcontractor listed below, for the performance of the Subcontract Work on the Project. If the Contract Number refers to a prime contract between the Owner of the Project and the Contractor, then the term "Owner" refers to that owner. If the Contract Number below refers to a subcontract, then the term "Owner" refers to the party to the Contract with which Contractor is in privity. Capitalized terms shall have the meaning ascribed to them in this Agreement.

1. DEFINITION AND BASIC AGREEMENT TERMS:

Contractor: Imperial Construction Ltd. d/b/a ICI

Subcontractor:

Owner:

Job# :

Cost Code:

Contract Number:

Effective Date:

Subcontract Price:

Retainage:

Certified Payroll:

Monthly Pay Application Date:

Project:

2. SUBMITTAL ITEMS:

2.1. If Owner disapproves a Submittal Item or if the Submittal Item does not confirm the requirements of the Contract Documents in Contractor's opinion, Subcontractor shall confirm the Submittal Item and re-submit it within three (3) business days of Contractor's written notice of the disapproval or nonconformity. If the re-submitted Submittal Item(s) still is disapproved by Owner or does not confirm in Contractor's opinion, or if a non-conforming Submittal Item is not re-submitted timely, the original, disapproved and/or nonconforming Submittal Item will be deemed to have never been delivered to Contractor.

2.2. Submittal Items. The Submittal Items required by this Agreement are as follows:

2.2.1. Subcontractor shall tender to Contractor one copy of the following Contract Documents:

SCHEDULE OF VALUES	
CERTIFICATE OF WORKMAN'S COMP INSURANCE	
CERTIFICATE OF GENERAL LIABILITY INSURANCE, COPY OF POLICY	
ORIGINAL CONTRACT	
W-9	
STANDARD FORM 1413	
PAYMENT AND PERFORMANCE BOND	
MATERIAL SAFETY DATA SHEETS	Prior to Start of Work
SUBCONTRACTOR SAFETY MANUAL	Prior to Start of Work

2.2.2. Subcontractor shall tender to Contractor nine copies of the following Project submittal Items:

Product Data/Manuf. Literature, Samples & MSDS Sheets	
Shop Drawings (if applicable)	
List of Products with Lead Time Letters (if applicable)	
Closeout Documents	Prior to Retainage Paid

2.3. Submittal Requirements. Subcontractor will provide all Submittal Items in accordance with the following terms and conditions:

2.3.1. Subcontractor represents that Subcontractor's Work described herein specifically meets the requirements of the Contract Documents in all respects, unless the Subcontractor has called out in writing any deviations, potential deviations, or questions, both in the shop drawings themselves and in their transmittal to Contractor.

2.3.2. If Subcontractor identifies any deviations, potential deviations, or questions regarding contract compliance as described in herein, Contractor will attempt to obtain answers to those questions (or approval for any deviations) from Owner or Architect. However, Subcontractor is responsible for submitting shop drawings or any submittals in sufficient time to allow time for Owner (or Architect) to respond (and to allow any re-submittals and re-response necessary) without delaying Subcontractor's Work on the Project. Under no circumstances will Subcontractor be granted additional time or relieved from delay damages because of the timing of its provision of shop drawings or submittals.

2.3.3. In the event that Owner approves a deviation from the Contract Documents, the Subcontractor shall immediately process a Change Order to reflect this deviation. In the absence of a Change Order signed by Owner, or written direction from Owner, no approval of any shop drawings or submittals shall relieve the Subcontractor of full compliance with all the terms of Contract Documents, including the correction or replacement of any non-conforming work or materials.

2.3.4 The Subcontractor will notify Contractor of any specific dimensions which are necessary for complete shop drawings. Contractor will either provide these dimensions to the Subcontractor within a reasonable time or will direct Subcontractor as to how these dimensions can be obtained. The Subcontractor is responsible for obtaining these dimensions if they are not provided by Contractor.

2.4 Withholding of Payments. If Subcontractor fails to submit a Submittal Item on or by the date set forth herein, Contractor may withhold payments hereunder until the missing Submittal Item is provided to Contractor.

3. SCOPE OF WORK:

3.1. Subcontract Work. Subcontractor shall furnish all labor, materials, fuel, equipment, tools, machinery, and supplies; perform all work; obtain all necessary permits; pay all state sales taxes, state and federal unemployment taxes, and all other taxes and fees associated with the subcontract labor or materials; provide all required construction layout and surveying; provide the insurance required herein; and do all things necessary to complete the work described on Exhibit A, attached hereto and incorporated herein (herein called the "Subcontract Work"), together with all appurtenant and related work in strict compliance with the Contract Documents .

3.2. Contract Documents.

3.2.1. The Contract Documents shall include, in addition to this Agreement, all documents reflecting the agreement between the Owner and Contractor for the Project, the Work Scope Clarifications identified in Exhibit A, those documents referenced in Exhibit B, the Project Schedule, the Special Provisions, the plans, specifications, general conditions, special conditions, addenda, performance bond and/or payment bond, if any, and all other documents referenced or incorporated herein. All Contract Documents are available for inspection and/or copying in the office of the Contractor during regular business hours.

3.2.2. Subcontractor acknowledges having read the Contract Documents and is familiar with each and every part thereof affecting the Subcontract Work. Subcontractor by examination has satisfied itself as to the nature and location of the Subcontract Work; the character, quantity, and kinds of work and materials necessary; the adequacy of any surface or subsurface conditions necessary to assure proper performance and installation of the Subcontract Work; the kinds and quantity of equipment needed; and other local conditions or matters affecting compliance with the Contract Documents.

3.2.3. Any questions arising with respect to interpretation of the Contract Documents or any related drawings, plans, or specifications shall be submitted through the Contractor to the Owner or Owner's representatives for review. The Subcontractor shall follow the directions of the Owner or the Owner's representative, as conveyed by the Contractor, with respect to such matters. The Subcontractor agrees that the Owner's (or its representative's) interpretation of the requirements of the Contract Documents and its decision in matters relating to artistic effect shall be final and not subject to appeal.

3.2.4. The Subcontractor agrees to be bound to Contractor under this Agreement according to the same terms and conditions as the Contractor is bound to the Owner under the Contract. The Subcontractor shall assume and perform all of the obligations and responsibilities of the Contractor under the Contract, which pertain or relate to the scope of the Subcontract Work. Further, Subcontractor is familiar with the respective rights, powers, benefits, and liabilities of the Contractor and the Owner under the Contract and hereby agrees (i) to comply therewith insofar as same are applicable to the Subcontract Work, and (ii) to perform all provisions thereof which are applicable with the Subcontract Work.

4. PERFORMANCE AND PROSECUTION OF WORK:

4.1. Independent Contractor. The Subcontractor agrees that it is an independent contractor under this Agreement. The Subcontractor is solely responsible for, and has sole control over, all construction means, methods, techniques, safety regulations and oversight, sequences, procedures, and coordination of all portions of the Subcontract Work in accordance with the Contract Documents, unless the Contractor shall give specific written instructions concerning these matters. Further, the Subcontractor is fully responsible for, and has sole control over, all construction means, methods, techniques, sequences, procedures, and coordination of the Subcontract Work related to the safety of the Subcontractor's employees and any other persons working in the area of the Subcontract Work but in accordance with Contractor's safety related rules and procedures.

4.2. Storage of Materials. The Subcontractor shall examine all equipment and materials furnished by Subcontractor, its sub-subcontractors, suppliers, agents, or representatives for compliance with the Contract Documents and unload and properly store all such equipment and material to prevent damage or loss. Any equipment or materials not in compliance with the Contract Documents and/or damaged shall be replaced immediately and at the cost of Subcontractor.

4.3. Surface and Subsurface Conditions. The Subcontractor shall inspect surface and/or subsurface conditions affecting the Subcontract Work to assure that the Subcontract Work will be properly installed in strict accordance with the Contract Documents. If any remedial work is required to the surface or subsurface, Subcontractor shall immediately notify Contractor in writing. Subcontractor accepts all surface and subsurface conditions when Subcontractor initiates its Subcontract Work without such notice, and the initiation of the Subcontract Work without such notice constitutes an absolute waiver of any claim for extra compensation for initial work or replacement work subsequently required.

4.4. Protection of Work. Subcontractor agrees that during Subcontractor's Work on site, it will protect work and materials installed by others on the project, and that if Subcontractor damages work or materials installed by other Subcontractors, and/or Contractor, that Subcontractor will be responsible for all costs (including Contractor's costs and attorney fees) or delays caused by Subcontractor's failure to protect work of others..

4.5. Inspection of Work. The Subcontractor shall provide sufficient, safe, and proper facilities at all times for the inspection of the Subcontract Work by the Contractor or its authorized representatives. Work not meeting the specifications or intent of the Contract Documents shall be removed or rebuilt to conform to same at Subcontractor's sole expense.

4.6. Cleanup. The Subcontractor shall keep the Project site clean at all times of debris arising out of the performance of the Subcontract Work. If the Subcontractor shall fail to remove construction debris after receiving written notice and one business day to cure, Contractor may proceed to perform such duties, and may deduct all costs of such performance from payments due to Subcontractor.

5. TIME SCHEDULES AND DELAYS:

5.1. Subcontractor will commence, pursue diligently and complete the Subcontract Work in such sequence and order and according to such schedules as Contractor shall establish from time to time during the course of the work herein the Project Schedule, and shall perform the Subcontract Work so as not to delay any other trades or contractors, as time is of the essence of this Agreement. Any written dates for performance furnished by Subcontractor and approved by Contractor or Owner for delivery of materials, samples, shop drawings, etc., shall become a part of this Agreement and the Project Schedule. Subcontractor shall immediately notify Contractor in writing of any interruption on the job or late delivery which causes or may cause a delay in Subcontractor's performance. No extension of the Completion Date shall be permitted unless approved in writing by Contractor and Owner, and Subcontractor shall be responsible for any losses or damages incurred as a result of delays in completing the Subcontract Work. Subcontractor shall perform all Subcontract Work within the number of days shown on the Project Schedule or as otherwise required by the Contract Documents (the last of which days being referred to herein as the Completion Date). Subcontractor shall work overtime or shift work if deemed necessary, in the judgment of Contractor, to maintain the progress of the work. Any such overtime or shift work required to maintain progress or to complete the work on a timely basis shall be at the Subcontractor's expense and shall not be charged to Contractor unless specifically authorized in writing by Contractor prior to the commencement of such overtime or shift work.

5.2. Subcontractor understands that the schedule for completion of the Project takes priority over the scheduling of Subcontractor's Work. Subcontractor represents that (a) it has carefully reviewed the initial Critical Path Method (CPM) Schedule and ongoing CPM Schedule during the Project ; (2) the times and sequences shown in that Project Schedule for Subcontractor's Work are reasonable and will be satisfactory to Subcontractor; (3) Subcontractor understands that this Project Schedule is constantly subject to change during the course of the Project; and (4) that Subcontractor will (at Contractor's request) modify the schedule of the Subcontractor's Work and the work of other subcontractors and suppliers so as to cooperate with all other trades on the project (without any additional cost to Contractor or other trades) and to facilitate Contractor's overall performance of the Project within the Project Schedule and the Completion Date set forth in the Contract Documents.

5.3. If Subcontractor's Work is delayed for any reason beyond Subcontractor's control, it will immediately notify Contractor's superintendent (verbally) and Contractor's project manager (in writing) of the reasons for the delay and the activities which are affected. Subcontractor agrees that any claim for extra time will set forth the circumstances on which it is based, including the reasons Subcontractor claims it is entitled to additional time, the activity(ies) which is (are) delayed, and daily logs or other evidence showing such delays, and

the circumstances causing such delay and the specific consequences of the delay to the Subcontractor. Subcontractor will make any claims arising out of such delays in accordance with the provisions set forth herein and this Agreement shall govern such claims.

5.4. If Subcontractor's employees, representatives, or other workers employed on the Project are not able to complete a 40-hour work week by the close of regular business on Friday (for any reason including, but not limited to, weather), Subcontractor shall continue to perform during the weekend so that its forces will work 40 hours during that week (to the maximum extent possible) without any additional charge under this Agreement.

5.5. Contactor shall have the right at any time to delay or suspend the Subcontractor's Work or any part thereof for any reasonable time and if this happens, Subcontractor's sole remedy for such delays or suspensions shall be an extension of time. Contactor shall not be independently liable to Subcontractor for any delay or interference caused by circumstances beyond Contactor's control (or delay or interference caused by Owner, Architect, other subcontractors or suppliers or other persons), except as follows. In the event that Contactor obtains additional compensation from Owner or others for delay or interference, Subcontractor shall be entitled to share in such compensation as determined in Contactor's judgment. Subcontractor's share of such additional compensation shall be calculated only on the basis of Subcontractor's direct costs and excluding any indirect costs, including, but not limited to lost opportunity, impaired bonding capacity, lost profits, or extended home office overhead).

5.6. Subcontractor shall fully cooperate with Contactor and promptly provide any information requested by Contactor in connection with preparation or revision of schedules for the Project, including (without limitations) detailed information concerning the sequence, beginning and ending dates of activities, cost breakdowns related to such activities, and any information requested for Critical Path Method scheduling if used for the Project.

5.7. Subcontractor shall promptly perform all Subcontract Work required of it after the Project achieves Substantial Completion (as that term may be defined in the Contract Documents or by Owner). Subcontractor will perform the Subcontract Work (including completion of any punch list items) so that its work and all other work on any punch list required for completion can be completed within the time allowed within the Contract Documents or by Owner or Architect (or within 30 days, whichever is shorter). In the event Subcontractor does not perform timely, Subcontractor will be responsible for any delay damages (including any utility costs and damages imposed on Contactor by Owner, and the Contactor's supervisory costs, (all to be in accordance with the provisions set forth herein, or such portion of those costs as Subcontractor has caused to be incurred).

5.8. If Subcontractor delays any of Contactor's work, or any work on the Project, Subcontractor shall be responsible for such damages caused. Subcontractor's liability to Contactor shall include Contactor's additional costs and any additional damages suffered by Contactor (including liquidated damages imposed by Owner or other claims by Subcontractors). Provided, however, that in the event such disputes are between Subcontractor and other subcontractors and suppliers, Contactor may elect to have these parties work out their disputes in accordance with the provisions of Article 11.

5.9. If Contactor determines that Subcontractor is not timely in performing any of its work or that Subcontractor is not keeping up with the current Project Schedule, Contactor may request Subcontractor to prepare and present a recovery schedule for Subcontractor's Work. In such event, Subcontractor will prepare a Recovery Schedule in such form and detail as Contactor may request. Subcontractor further agrees that it will work as necessary to meet the requirements of the Recovery Schedule and bring its work into compliance with the current Project Schedule (all without any additional cost under this Agreement).

5.10. Subcontractor will cooperate and deal fairly with Contactor in all respects to the benefit of the Project in order to allow Contactor to meet the intent and purposes set forth in the Contract Documents.

6. PRICE AND PAYMENTS.

6.1. Subcontract Price. Contractor agrees to pay to Subcontractor the Subcontract Price as provided for herein for Subcontractor's performance of the Subcontract Work subject to adjustments for changes as set forth in Article 7.

6.2. Monthly Progress Payments.

6.2.1. Contractor will pay the Subcontractor for the performance of the Subcontract Work the Subcontract Amount, as adjusted in accordance with this Agreement. The Subcontract Amount shall (unless otherwise specified) include all taxes, insurance premiums, charges for permits and all other fees and charges, and shall be firm and binding on the Subcontractor for the Subcontract Work and not conditioned upon a firm completion date or any labor increases or material escalation costs which might occur during the course of construction.

6.2.2. If a lien has been filed, if a claim has been made against Contractor's bond, or a claim has been filed with the Owner on the Project, Contractor may withhold from future payments owed to Subcontractor hereunder the amount or reasonable value of the claim. Contractor may withhold such amount from Subcontractor until Subcontractor has tendered to Contractor a notarized and original release of lien for each lien or release of claim for each claim, such release being in a form acceptable to Contractor.

6.2.3. Contractor will withhold Retainage from each progress payments. If Owner reduces retainage in its payments to Contractor, Contractor shall similarly reduce retainage for payments to Subcontractor, provided however that Subcontractor may deduct funds described in Article 6.2.7.

6.2.4. Contractor shall be under no obligation to make any payment to Subcontractor (under any provision of this Agreement) except to the extent that Contractor has received funds from Owner for the work invoiced by Subcontractor and as otherwise provided by Tex. Bus. & Comm. Code, Section 35.521. Payment from Owner is a condition precedent to any obligation of Contractor to pay Subcontractor. Subcontractor hereby acknowledges and agrees that it is the intention of the Contractor and Subcontractor that Subcontractor bear the risk of nonpayment if for any reason Owner fails to pay Contractor in accordance with the general contract.

6.2.5. At or after Substantial Completion of the work (as that term is defined in the Contract Documents or as that term is interpreted by Owner or Architect) Contractor may release additional sums reflecting the value of the Subcontractor's Work as determined by Owner or Architect and approved by Contractor to the extent such payments are received from Owner, subject to the other provisions of this Article (including Article 6.2.7) and Subcontractor's performance of the Subcontract Work.

6.2.6. The balance of contract funds (final payment) shall be payable seven (7) days after the last of the following: (1) the Project is completed; (2) the Project is accepted by Owner and/or Architect; (3) Owner pays the full contract price to Contractor; and Subcontractor has fully performed all of its obligation hereunder, including the furnishing of the Close-Out Documents, as defined in the specifications.

6.2.7. Before paying any amount due to Subcontractor, the Contractor is authorized to deduct (or offset) an amount equal to 110% of (1) any and all sums or obligations which Subcontractor owes to Contractor, (2) costs necessary to complete and/or correct the Subcontract Work to be performed under this Agreement, (3) any amounts Contractor deems necessary (in its sole judgment) to reserve in order to protect Contractor or others against claims made regarding Subcontractor's Work or payments claimed due by sub-subcontractors or suppliers to Subcontractor, and (4) any and all liabilities or claims (liquidated or un-liquidated), which Contractor has or may have against Subcontractor, arising under or relating to the Agreement (including delay damages per Articles 5.7 and 5.8 or any other contract or agreement between Subcontractor and Contractor or from any other liability or obligation of Subcontractor to Contractor.

6.2.8. Subcontractor will submit to Contractor applications for payment by the Monthly Application Date, or earlier, so as to enable Contractor to apply for payment from Owner as provided for in the Contract Documents. Subcontractor's application for payment must use Contractor's invoice forms, together with any other forms Owner and Contractor may require during the course of the Project. If Subcontractor fails to submit its applications for payment for that month's pay application by the Monthly Application Date (or by other date required), Subcontractor shall forfeit its entitlement to payment for that month's pay application (unless Contractor is able to obtain the funds from the Owner in spite of Subcontractor's late application). Fax copies of the application for payment documents are acceptable for incorporating billing information to Contractor's monthly pay applications to the Owner. However, only originals of these invoices will be processed for payment.

6.2.9. Subcontractor shall accept payments made to Subcontractor as being made in trust, for the benefit of Subcontractor's sub-subcontractors and suppliers who have performed the work which made such payments possible. Subcontractor shall promptly make certain that all of its subcontractors and suppliers (at any tier) are paid for all the work performed, all materials and all equipment supplied, to the same extent (and in the same percentage) as Subcontractor has been paid.

6.2.10. As a condition precedent to the payment of any requisition, Contractor may require Subcontractor to (1) produce a list of all sub-subcontractors and suppliers, along with the amount of each subcontract, purchase order or other contract; (2) produce a sworn affidavit listing the information in provided in this paragraph 6.2.10(1) above; (3) produce waivers of mechanics lien rights (and/or Bond claim rights) by Subcontractor and by all persons supplying labor or materials or equipment to Subcontractor on the job through the date of requisition, and/or (4) provide such other evidence as Contractor may require that charges for all labor and material have been paid. Contractor may check with Subcontractor's suppliers and subcontractors (at any tier) to determine the current status of indebtedness or other financial information concerning Subcontractor and may at Contractor's sole discretion make checks payable jointly to Subcontractor and its supplier(s) or subcontractor(s) or directly to the supplier or subcontractor for the account of Subcontractor.

6.2.11. Each time Subcontractor pays its subcontractors, material suppliers, or equipment vendors, Subcontractor shall clearly note on each payment check that it is paying for work or materials or equipment provided pursuant to this Agreement for this Project (by name).

6.2.12. No payment by Contractor to Subcontractor or for its account shall relieve Subcontractor of its obligation to perform all of its obligations under and in accordance with this Agreement and the Contract Documents. Monthly or other interim payments to Subcontractor do not prove (or otherwise reflect) that the work paid for has been performed properly or timely or in accordance with the Contract Documents. No payment to Subcontractor shall prevent Contractor from enforcing its right to have Subcontractor perform the work in proper quality, timing or sequence, and no payment shall prevent Contractor from enforcing its right to have Subcontractor remove and/or replace any defective work, or prevent Contractor from enforcing its rights to supplement Contractor's work or to enforce such other remedies as are provided for under this Agreement.

6.2.13. Subcontractor shall provide Contractor with a Schedule of Values with the signed copy of the Agreement. Subcontractor understands that Contractor, Owner and/or Architect may require revisions to the Schedule of Values. If requested, Subcontractor agrees to provide revisions to its Schedule of Values. If Subcontractor fails to provide a Schedule of Values (or fails to make revisions required by Contractor, Owner and/or Architect) the Contractor may create (or revise) a Schedule of Values for Subcontractor to use in billings. Subcontractor shall use the schedule of values in its Pay Applications. Subcontractor agrees that if it fails to use the schedule of values in its pay applications, Contractor may (1) decline to bill Subcontractor's Work or (2) bill Subcontractor's Work to the Owner (and distribute Owner payments to Subcontractor) using a Schedule of Values which Contractor creates.

6.2.14. SUBCONTRACTOR'S ACCEPTANCE OF FINAL PAYMENT SHALL CONSTITUTE A WAIVER OF ANY AND ALL CLAIMS BY THE SUBCONTRACTOR RELATING TO THE SUBCONTRACT WORK OR TO THE CONTRACTOR'S WORK UNDER THE PRIME CONTRACT, BUT SHALL IN NO WAY RELIEVE THE

SUBCONTRACTOR OF LIABILITY FOR THE OBLIGATIONS FOR WARRANTY WORK OCCURRING AFTER FINAL PAYMENT.

7. EXTRAS AND OMISSIONS.

7.1. In the event that Contractor directs Subcontractor to perform extra or additional work, Subcontractor will promptly perform and diligently complete such work. Subcontractor shall submit to Contractor a lump sum proposal for such work (before beginning work). This proposal shall include a detailed cost breakdown for each component of the work (before both quantities and unit prices), and such proposal shall be submitted to Contractor not later than 10 calendar days after such proposal is requested by Contractor. If a lump sum price or unit price for the extra work cannot be agreed upon, and if Subcontractor is so directed in writing by Contractor, Subcontractor will do the work (on the basis of its actual cost plus percentage fees for overhead and profit as set forth in Article 7.9. Contractor shall not be liable for payment for any extra work performed by Subcontractor (including repairs requested by Contractor) unless Contractor first expressly authorizes such work in writing.

7.2. In the event that Subcontractor performs any such authorized extra work on an actual cost plus basis, it shall furnish each day to the representative of Contractor, duplicate payroll sheets, time sheets, material tickets, and statements or slips for all other charges, retaining a copy of each, and securing on each the signature of Contractor's authorized representative (to verify quantities only); such signed copies of payroll sheets, timesheets, material tickets, statements and slips shall accompany all bills and vouchers presented with application for payment.

7.3. If Subcontractor believes that any order or direction by Contractor (or by Owner or the Architect or Engineer) is a change to contract affecting the cost or time (or both) of Subcontractor's performance, Subcontractor shall immediately advise Contractor's Superintendent (verbally and immediately) and shall also advise Contractor's Project Manager (in writing no later than 72 hours). This notice shall include the date, time and place of the order or direction, and the name of the person who issued it. The notice shall also identify any writings which relate to the order or directive until Contractor has had a chance to present Subcontractor's claim of a change to the Owner, or Contractor (in writing) directs Subcontractor to proceed. Any adjustment to the cost or time shall be made in accordance with the provisions of this Article and the rest of this Agreement.

7.4. Should Contractor, during the execution of this Agreement, require Subcontractor to omit any work embraced within the terms of this Agreement, said omission being for the account of Owner, Contractor, or any other subcontractor on the work, Subcontractor will omit such work, and Contractor will deduct from any monies due Subcontractor the actual amount agreed upon for said omitted work. In computing the amount of the credit for omitted work, the Subcontractor shall not be required to include credit for overhead and profit on the omitted work unless the Contract Documents require that the Contractor would have to give up overhead and/or profit for omitted work. In such event credits for overhead and/or profit shall be governed by the method of calculating a credit for omitted work prescribed in the Contract Documents. If the parties cannot agree on a credit for omitted work, the Contractor shall pass along whatever credit is allowed by the Owner as an interim credit for that omitted work (for purposes of continuing to make progress payments on the adjusted scope of work) and the dispute shall be resolved in accordance with the provisions of Article 11.

7.5. Subcontractor will make any request for additional compensation in writing to Contractor not later than five (5) calendar days after the occurrence on which such request is based. (If the Contract Documents give Contractor 5 calendar days or less to make a claim to Owner, Subcontractor's time for making a claim to the Contractor shall be reduced by 2 calendar days from Contractor's allotted time in the Contract Documents.) Such request shall set forth in detail the circumstances on which it is based, including the reasons Subcontractor claims it is entitled to such additional compensation, the calculations of such compensation, daily payroll records and material tickets evidencing the amounts claimed and daily logs evidencing any delay, the circumstances causing such delay and the specific consequences to Subcontractor of such delay. No claim for extension of time or delay shall be valid unless made in accordance with the Article and Notice has been given in accordance with 6.2.3.

7.6. If Subcontractor shall make any claim against Contractor for extra work or additional compensation, Contractor shall have the right to present any such claim or claims to Architect and/or Owner for determination and decision. In so doing, its action shall not be construed as an acknowledgment of the validity thereof, or a waiver of any right of Contractor, and such action shall be without prejudice to any and every one of

its rights. The decision of Architect and/or Owner shall be final and binding upon Subcontractor to the same extent and purpose that it is final and binding on Contractor.

7.7. No additional cost or time will be allowed for difficulties or inconveniences arising from mud, dust, water, ice, snow, wind, heat or cold or similar natural or physical conditions, except to the extent that Contractor receives extra cost or time (attributable to Subcontractor) from Owner. Materials, tools, supplies, equipment, etc., belonging to or leased to Subcontractor are its responsibility and no claim for missing or stolen property will be allowed. Contractor shall not be required to provide hoisting facilities or temporary power, water or heat unless otherwise stated herein.

7.8. In the event Contractor directs Subcontractor to work overtime or premium time for which Contractor is obligated hereunder to reimburse Subcontractor, Subcontractor will perform such work and shall be reimbursed only for the difference between regular time and overtime for direct payroll cost and the related payroll taxes, insurance, and benefits, and shall not be entitled to any additional compensation for overhead or profit or for inefficiencies or declines in productivity. Nothing herein shall be construed to obligate Contractor to pay for any overtime work it has not approved in writing, or for any overtime work caused by failure of Subcontractor to provide sufficient manpower or otherwise maintain the progress of Subcontractor's Work, or for any overtime work described in Article 5.1.

7.9. If Subcontractor is entitled to payment for extra work, its percentage fees (for overhead and profit combined) shall be: 10% for work performed by Subcontractor's own forces and 5% for work performed by its Subcontractors and suppliers. Sub-subcontractors shall likewise be entitled to 10% for work performed by their own forces and 5% for work performed by their contractors and suppliers. No fee will be allowed on overtime premiums. Such percentages include all supervision above the foreman level, as well as all field, office, and other overhead. If the provisions of the Contract Documents limit overhead, profit, or other similar markups on Subcontractor's extra work, or if they provide other percentage limitations, then such limitations shall apply and supersede the percentages identified above in this paragraph.

7.10. In the event that Contractor performs any of Subcontractor's Work or pays for any of Subcontractor's supplies or equipment or labor, Contractor shall be entitled to recover these costs from Subcontractor (whether by deduction from payments on this or any other contract with Contractor) or otherwise. In any such case, Contractor will be entitled to its costs incurred plus a mark-up of 15% for Contractor's administrative overhead. Nothing contained here shall limit Contractor's entitlement to other damages (including delay damages) which the Subcontractor's action may have caused.

7.11. Subcontractor acknowledges that Contractor's field superintendents do not have the authority to authorize extra work or to relieve Subcontractor of the requirements of the Agreement or the Contract Documents.

8. INSURANCE AND INDEMNITY:

8.1. Insurance.

8.1.1 All insurance coverage must be written with an insurance company with an A.M. Best Rating of A- or better. If the insurance company becomes downgraded by A.M. Best to a rating less than A-, the Subcontractor is to replace the insurance at the financial responsibility of the Subcontractor.

8.1.2. Prior to starting the Subcontract Work, the Subcontractor shall procure and maintain in force statutory worker's compensation insurance for all Subcontractor's employees at the Project site, employers liability insurance, commercial general liability insurance (including explosion, collapse, and underground coverage by subcontractors involved in utility work, excavation, mechanical, electrical and/or plumbing work) and automobile liability insurance and such other insurance, to the extent required by the Contract Documents for the Subcontract Work and the attached Appendix A. Unless otherwise provided in this Agreement, the Subcontractor's commercial general and automobile liability insurance, as required by this provision, shall be written for not less than the limits of liability set forth on Appendix A.

8.1.3. Subcontractor's Commercial General Liability Insurance. The commercial general liability policy shall contain a contractual liability endorsement, an endorsement listing the Contractor as additional

insured and a products/completed operations endorsement, using Endorsements No. CG 20 33 and CG 20 37 (or their equivalent) and specifically excluding CG 20 10. Commercial general liability insurance may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by an excess or umbrella liability policy.

8.1.4. Worker's Compensation. The worker's compensation policy shall contain a waiver of subrogation endorsement in favor of Contractor and its employees. If requested by Contractor, Subcontractor shall execute a joint agreement, in a form, which complies with State law, to be filed with the workers' compensation commission stating that Subcontractor is an independent contractor.

8.1.5. Proof of Insurance. Prior to starting the Subcontract Work, the Subcontractor shall deliver to Contractor the policy of General Liability Insurance and an original Accord-25 certificate of insurance acceptable to Contractor which evidences the coverage's and the endorsements required herein and which states that the coverage's afforded under the policies will not be canceled or terminated unless at least 30 days written notice is given to the Contractor. If Subcontractor subcontracts any portion of the Subcontract Work, Subcontractor shall deliver to Contractor for each of Subcontractor's sub-subcontractors or employee leasing companies, an original accord certificate of insurance, which evidences the coverage's and endorsements, required herein.

8.1.6. Subrogation. Subcontractor waives any claim in its favor by way of subrogation, or otherwise, for any and all losses, injury, claims, causes of action, damages, or expenses, which are covered by Subcontractor's policies of insurance, except such rights as Subcontractor may have to the proceeds of such insurance. Subcontractor agrees to obtain endorsements of all policies to prevent invalidation bases on this waiver.

8.1.7. Builder's Risk. If the builders risk insurance is provided by either the Owner or Contractor, all subcontractors shall be named as an additional insured as their interest may appear but only to the extent assumed by the insured under the written contract, subject to policy terms, conditions, and exclusions. Subcontractor shall be responsible both for itself and all additional insureds, at no additional cost to either the Owner or Contractor for the payment of any deductibles or self-insured retention in connection with the insurance coverage.

8.2. INDEMNIFICATION.

8.2.1. INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, THE SUBCONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CONTRACTOR, THE OWNER, THE ARCHITECT/ ENGINEER AND ALL OF THEIR RESPECTIVE AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, DEDUCTIBLES, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, ATTORNEY'S FEES AND COST OF COURT, ARISING OUT OF OR RELATING TO OR CONNECTED WITH THE PERFORMANCE, OR FAILURE IN PERFORMANCE, OF THE SUBCONTRACT WORK UNDER THIS AGREEMENT (EVEN IF ANY SUCH CLAIM, DAMAGE, LOSS, OR EXPENSE IS CAUSED IN WHOLE OR IN PART BY A NEGLIGENT ACT OR OMISSION BY THE CONTRACTOR, THE OWNER, THE ARCHITECT/ ENGINEER, OR THEIR RESPECTIVE EMPLOYEES, REPRESENTATIVES, OR AGENTS). THE EXPRESSED INTENTION OF THE PARTIES IS THAT THE SUBCONTRACTOR'S INDEMNITY HEREIN WILL INDEMNIFY AND PROTECT THE CONTRACTOR, THE OWNER, AND THE ARCHITECT/ ENGINEER FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE). THIS INDEMNITY SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL CLAIMS, DAMAGES AND LOSSES WHICH ARE: (I) ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY INCLUDING THE LOSS OF USE RESULTING THERE FROM; AND (II) CAUSED IN WHOLE OR IN PART BY WORK PERFORMED BY THE SUBCONTRACTOR OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY IT REGARDLESS OF WHETHER IT IS CAUSED IN WHOLE OR IN PART BY A PARTY INDEMNIFIED HEREUNDER.

8.2.2. In any and all claims against the Contractor or any of its agents or employees by an employee of the Subcontractor, or anyone directly or indirectly employed by it or anyone for whose acts it

may be liable, the indemnification obligation under Section 8.2.1. shall not be limited in any way by any limitation on the amount of type of damages, compensation, or benefits payable by or for the Subcontractor under Worker's Compensation acts, or other employee benefit acts.

8.2.3. The obligations of Subcontractor under this Section shall not extend to the liability of the architect/engineer, his or her agents or employees, arising out of: (a) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; or, (b) the giving of or failure to give directions or instructions by the architect/engineer, his or her agents or employees, providing such giving or failure to give is the primary cause of the injury or damage.

9. BONDS AND WARRANTIES:

9.1. Performance/Payment Bonds. If required by Contractor and/or Owner, a performance and/or payment bond in a form satisfactory to Contractor shall be furnished in the full amount of the Subcontract Price, and Subcontractor shall pay the cost. This obligation shall continue throughout the term of this Agreement and may be required at any time during the performance of the Subcontract Work. A bonding company acceptable to Contractor will furnish these bonds to Contractor at its sole discretion.

9.2. Warranty and Conformance with Contract Documents. The Subcontractor warrants to the Owner and Contractor that (i) all Subcontract Work shall comply with all requirements of the Contract Documents and shall be free from any and all defects due to faulty workmanship and/or materials for the warranty period as specified in the Contract Documents ("Warranty Period"), from the date Contractor has completed and has had accepted all of Contractor's work under the Contract with Owner and (ii) all materials and equipment furnished under the Agreement will be of good quality and new unless otherwise required or permitted by the Contract Documents. During the Warranty Period, the Subcontractor shall promptly remove, replace, correct, and/or repair any portion of the Subcontract Work that the Contractor or Owner determines is defective or is not in compliance with the Contract Documents. The Subcontractor further agrees to execute any special guarantees as provided by the terms of the Contract Documents, prior to final payment.

9.3. Payments of Laborers and Materialmen. The Subcontractor further warrants that all laborers, materialmen, sub-subcontractors and suppliers providing labor, equipment, or materials for the Subcontract Work will be paid such that neither the Owner, Contractor, or Owner's property will be subject to any claims, liens, or encumbrances.

10. TERMINATION.

10.1. Partial Completion. Should the Subcontractor fail at any time to supply a sufficient number of properly skilled workers, sufficient materials and equipment of the proper quality, properly perform the Subcontract Work, or fail in any respect to prosecute the Subcontract Work with promptness and diligence as determined by the Contractor in its sole and absolute discretion or fail to promptly correct defective Work or fail in the performance of any of the subcontractor's obligations, the Contractor may, after providing three (3) calendar days written notice and Subcontractor's right to cure, provide such labor, materials and equipment and deduct the cost thereof, together with all loss or damage occasioned thereby, from any money then due or thereafter to become due to the Subcontractor under this Agreement or any other contract between Contractor and Subcontractor. If such costs, loss and/or damage exceed the money then due or thereafter to become due to Subcontractor under this Agreement or any other Contractor, Subcontractor shall pay to Contractor the balance of such excess.

10.2. Termination due to Subcontractor's Conduct. If Subcontractor shall fail, refuse, or neglect at any time to (i) supply a sufficient number of properly skilled workers, (ii) supply materials and equipment of the proper quality, (iii) properly perform the Subcontract Work, or (iv) cause by any action or omission the stoppage or interference with the work of the Contractor or other subcontractors, (v) fail in any respect to prosecute the Subcontract Work with promptness and diligence, (vi) fail in the performance of any of the covenants herein contained, or (vii) be unable to meet its debts as they mature as determined by the Contractor in its sole and absolute discretion, the Contractor may, after providing two (2) calendar days written notice and Subcontractor's right to cure, as its option and at any time, terminate this Agreement by delivering written notice of termination to the Subcontractor. Thereafter, the Contractor may take possession of the Project and Subcontract Work, materials, tools, appliances, equipment of the Subcontractor at the Project site, and through itself or others provide labor,

equipment, and materials to prosecute the Subcontract Work on such terms and conditions as shall be deemed necessary. The Contractor shall deduct the cost thereof, under this Agreement, including without restrictions all charges, expenses, losses, costs, damages, and attorney's fees incurred as a result of the Subcontractor's failure to perform, from any money then due or thereafter to become due to the Subcontractor under this Agreement or any other contract between Subcontractor and Contractor.

10.3. Termination for Convenience due to Owner's Actions. The Contractor may, at its option, at any time, terminate the whole or any part of this Agreement for the convenience of the Contractor for reasons including, but not limited to the fact the Contract has been terminated for the convenience of the Owner. Subcontractor agrees that upon any such termination, the Subcontractor's sole remedy shall be payment of full value for all work properly performed, plus a reasonable allowance for profit thereon (not to exceed eight percent of the value of the work properly performed), less all payments Subcontractor has previously received on account of such work performed. Such payments shall not include any anticipated or lost profits. In this event, Subcontractor waives all claims for damages, including claims for lost or anticipated profits, arising from or related to any such termination by Contractor. If Contractor's contract with the Owner is terminated for convenience, Subcontractor agrees to cooperate with the Contractor in Contractor's preparation of a settlement proposal to the Owner for payment for work performed prior to the termination. Such cooperation shall include, but not limited to, providing Contractor with any documentation required by Contractor. Failure to so cooperate shall constitute a waiver a Subcontractor's right to compensation based on the termination.

10.4. Payments after Termination. If the Contractor so terminates the engagement of the Subcontractor hereunder, the Subcontractor shall not be entitled to any further payments under this Agreement until the Subcontract Work has been completed and accepted by the Owner and payment has been received by the Contractor. If the cost to complete the Subcontract Work (including all charges, expenses, losses, costs, demands and attorney's fees incurred as the result of the Subcontract termination) exceeds the unpaid Subcontract amount, Subcontractor shall pay to Contractor the balance of such excess.

11. ARBITRATION.

11.1. Arbitration. Except as provided herein, all claims, disputes and other matters in question arising out of or relating to this Agreement or the breach thereof shall be decided by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then prevailing, unless the parties otherwise agree in writing. The Arbitrator shall be selected by the Contractor from a list of arbitrators provided by the American Arbitration Association. The award rendered by the arbitration shall be final, and judgment may be entered upon the award in accordance with the Federal Arbitration Act. If the Contractor's agreement with the Owner does not provide for arbitration, this agreement to arbitrate shall not apply to: (a) a claim by either party for contribution or indemnity asserted in litigation brought by the Owner; or (b) a claim by the Subcontractor against the Contractor if the Contractor asserts said claim, in whole or in part, against the Owner in litigation in which the Subcontractor could be joined.

11.2. Participation by Subcontractor. In the event the Contractor and Owner or others arbitrate or litigate matters relating to this Agreement, it shall be the responsibility of the Subcontractor to assist in the preparation and presentation of the Contractor's case, to the extent the proceedings are related to the Subcontract Work under this Agreement.

11.3. Subcontractor Bound by Award. Should the Contractor enter into arbitration or litigation with the Owner or others regarding matters relating to this Agreement, so long as the Subcontractor receive notice of the arbitration or litigation and had the opportunity to participate, the Subcontractor shall be bound by the result of the arbitration or litigation to the same degree as the Contractor.

11.4. Continued Performance. The Subcontractor shall carry on the Subcontract Work and maintain its progress during any arbitration or litigation proceedings.

11.5. Minimum Arbitrator Qualifications. Any arbitrator who is selected, nominated, appointed, or otherwise agreed to by the Parties shall be a licensed attorney in good standing and have experience representing clients in interpreting or adjudicating contract rights and claims involving financing, construction, operations, and/or maintenance of commercial construction projects.

12. ADDITIONAL OBLIGATIONS OF SUBCONTRACTOR.

12.1. Additional Obligations of Subcontractor. In addition to the other engagements of the Subcontractor hereunder, Subcontractor hereby agrees that Subcontractor shall:

- 12.1.1. Not discriminate against any employee or applicant for employment because of race, creed, color, age, sex, national origin, or disability;
- 12.1.2. Not assign this Agreement or any amounts due to become due hereunder without the written consent of the Contractor, nor further subcontract portions of this Agreement without written notification to the Contractor;
- 12.1.3. Promptly comply with the Submittal Requirements set forth herein, including but not limited to the provision to Contractor of a Schedule of Values, being a document listing the values allocated to the various portions of the Subcontract Work, prepared in such form and supported by such data to substantiate its accuracy as the Contractor may require;
- 12.1.4. Comply with all federal, state and local laws and ordinances relating to construction of buildings or structures, give adequate notices relating to the Subcontract Work to the proper authorities, and secure and pay for all necessary licenses or permits to carry on the Subcontract Work as described in the Contract Documents applicable to this Agreement;
- 12.1.5. Comply with all federal and state laws relating to reporting and payment of federal and state payroll taxes on wages, including but not limited to, Federal Income tax withholding provisions of the Internal Revenue Code, Federal Insurance Contribution Act (FICA) payments, Federal Unemployment Tax Act (FUTA) payments, and applicable state unemployment tax payments;
- 12.1.6. Comply with all federal, state and local laws including, but not limited to, the statutes and regulations promulgated pursuant to statutes relates to Texas Workers' Compensation Act; Consolidation Omnibus Budget Reconciliation Act (COBRA); Immigration Reform and Control Act of 1986; Consumer Credit Protection Act; Title 3, Title 7 of the 1964 Civil Rights Act; Age Discrimination Employment Act; Employees Retirement Income Security Act (ERISA); Occupational Safety and Health Act of 1970 (OSHA), and the Construction Safety Act of 1969, and shall defend and be responsible for all citations, fines and penalties, **AND SHALL INDEMNIFY AND HOLD CONTRACTOR AND ALL SUBCONTRACTORS HARMLESS FROM ANY LOSS SUSTAINED BY REASON OF ANY FAILURE TO SO COMPLY.** As an independent contractor, Subcontractor is exclusively responsible for compliance with these regulations and laws and for the safety of Subcontractor's employees. Failure to comply with safety related rules and procedures by Subcontractor or Subcontractor's personnel may require immediate dismissal of Subcontractor or Subcontractor's personnel from the Project site;
- 12.1.7. Maintain a qualified person who may be bilingual but must speak English (the "Authorized Representative") approved by Contractor on the job at all times while the work is being performed by Subcontractor (Subcontractor recognizes and acknowledges that the ability to speak English is a requirement of this Agreement and a necessary condition to properly performing the Subcontract Work; and
- 12.1.8. Comply with Contractor's background check requirements, Contractor's drug free workplace program, including Subcontractor's cooperation in random testing of employees and Subcontractor's permanent removal of employees failing tests or refusing to submit to test.
- 12.1.9. The Subcontractor will not deal directly with representatives of Owner, but shall handle all matters connected with this Agreement, the Subcontractor's Work, or the furnishing of the

materials or payment therefore, exclusively through Contractor, unless otherwise directed in writing by Contractor.

12.2. Additional Obligations of Contractor. In addition to the other engagements of the Contractor hereunder, Contractor hereby agrees that Contractor shall:

12.2.1. Be bound to the Subcontractor by all the obligations that the Owner assumes to the Contractor under the Contract Documents and by all the provisions thereof affording remedies and redress to the Contractor from the Owner insofar as applicable to this Agreement; and

12.2.2. Not issue or give any instructions, orders, or directions directly to employees or workers of the Subcontractor other than the person(s) designated as the Authorized Representative of the Subcontractor unless the safety or well being of said employees or workers as well as others is in jeopardy.

13. MISCELLANEOUS:

13.1. Notices. All notices required to be given under this Agreement shall be deemed delivered when: (i) U.S. Mail – when deposited in the United States mail, first class postage prepaid, addressed to the recipient; (ii) Facsimile - upon transmission with confirmation of receipt; (iii) Electronic mail or electronic communication, when transmitted by sender.

13.2. Entire Agreement. This Agreement, including the Contract Documents, contains the entire agreement of the parties. Subcontractor agrees and acknowledges that no representations or warranties of any kind have been made by Contractor or its employees other than those expressed herein. All prior agreements, oral or written, respecting the subject matter hereof have been incorporated in the terms herein and are no longer of any force or effect. All modifications to this Agreement shall be in writing signed by the parties. The terms of this Agreement supercede and control over any terms in any proposal, bid, invoice, quote, or other document submitted to Contractor or Subcontractor.

13.3. Conflicts in Terms. In the event there is a conflict between the Contract Documents and any provisions of this Agreement, the terms of this Agreement shall govern.

13.4. Attorney's Fees. In the event that either party is required to retain the services of an attorney to enforce this Agreement or to defend against any cause of action, claim, or counterclaim brought by the other party hereto, then the prevailing party (as defined below) shall be entitled to recover the attorney's fees and costs which it has incurred, in addition to other remedies provided for under Texas law. A "prevailing party" is defined as the party (a) awarded substantially all the relief requested on their claim(s) or (b) who is successful in denying substantially all of the relief requested by the opposing party.

13.5. Venue. The venue for any cause of action under this Agreement shall be Tarrant County, Texas. However, if the Owner initiates a suit or arbitration against Contractor in a venue other than Tarrant County, Texas, if necessary, Contractor may join Subcontractor in the venue selected by Owner.

13.6. Non-Segregation of Facilities. All facilities and company activities are non-segregated except where necessary to provide privacy between the sexes.

13.7. Acceptance. The Performance of any of the Subcontract Work by Subcontractor shall be deemed to be an acceptance and execution of this Agreement. Nonetheless, Subcontractor shall still execute and date this Agreement upon Contractor's request, and any failure to do shall constitute a default hereunder.

13.8. Waiver. The failure of Contractor to insist at any time upon the strict performance of any terms in this Agreement or to exercise any right or remedy contained herein is not a waiver of the right or remedy for the future. The waiver of any breach of this Agreement does not prevent a subsequent act, which would have originally constituted a breach, from having all the force and effect of an original breach. No express waiver affects any terms other than the ones specified in the waiver and those only for the time and in the manner specifically

stated. No waiver by Contractor of any of the terms of this Agreement is effective unless expressed in writing and signed by Contractor.

13.9. Limitation of Action. **ANY ACTION OR CLAIM, REGARDLESS OF FORM, ARISING OUT OF THE TRANSACTIONS AND/ OR WORK ENCOMPASSED BY THIS AGREEMENT OR PERFORMANCE OF SUBCONTRACTOR'S WORK MUST BE BROUGHT WITHIN TWO YEARS AND ONE DAY OF THE DATE THE CAUSE OF ACTION ACCRUES.**

14. SPECIAL PROVISIONS:

14.1. Invoices will not be accepted unless they are submitted on the release of lien invoices form provided with this Agreement.

14.2. Billings will not be considered valid until this Agreement is signed, notarized and returned to the office of Contractor.

14.3. A current original certificate of General Liability and Workers Compensation listing Contractor as an additional insured must be on file at the offices of Contractor before Subcontractor will be permitted to start work on this Project.

14.4. Subcontractor must provide Contractor with a signed W-9 must be completed and returned to Contractor before Subcontractor begins any work on the Project (failure to complete this task will delay your payment).

This Agreement is executed and effective on the ____ day of _____, 20__ (the "Effective Date").

ICI Job # :

ICI Job Name:

ICI Project Manager:

ICI Project Superintendent:

CONTRACTOR	SUBCONTRACTOR
Imperial Construction, Ltd. d/b/a ICI	
P.O. Box 967	
Weatherford, TX 76086	
Phone: (817) 341-8886	
Fax: (817) 341-0191	

By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

Appendix A

INSURANCE REQUIREMENTS

This Appendix A is attached and incorporated into the Subcontract Agreement between Contractor and Subcontractor, relating to the Project referenced therein. All defined terms in the Agreement are incorporated into this Appendix A.

1. Commercial General Liability:

<u>\$ 2,000,000.00</u>	General Aggregate
<u>\$ 2,000,000.00</u>	Products/Completed Operations Aggregate
<u>\$ 1,000,000.00</u>	Personal & Advertising Injury
<u>\$ 1,000,000.00</u>	Each Occurrence – Per Project
<u>\$ 300,000.00</u>	Fire Damage
<u>\$ 5,000.00</u>	Medical Expense (Any one person)

Coverage shall contain a contractual liability endorsement, an endorsement listing the Contractor as Additional Insured, using Endorsements No. CG2033 and CG2037, ongoing and completed operations (or their equivalent), and not contain Endorsement No. CG2010.

2. Automobile Liability: Owned, Hired & Non-Owned Liability

<u>\$ 1,000,000.00</u>	Combined Single Limit
------------------------	-----------------------

3. Worker's Compensation and Employer's Liability

<u>\$ 500,000.00</u>	Each Accident	Bodily Injury by Accident
<u>\$ 500,000.00</u>	Policy Limit	Bodily Injury by Disease
<u>\$ 500,000.00</u>	Each Employee	Bodily Injury by Disease

Coverage shall contain a waiver of subrogation endorsement in favor of Contractor and its employees.

4. All policies indicated are primary and non-contributory as respects other insurance in force. Herein, non-contributory shall mean the Contractor's commercial general liability policy will not contribute in any way to a loss even if that policy otherwise covers it.

5. Cancellation: Certificate shall state that all coverage afforded under the policies will not be cancelled or terminated unless at least 30 days written notice is given to the Contractor. Please delete the words "endeavor to" from the cancellation wording.

6. Subcontractor shall insure and assume all responsibility and liability for losses to its tools, clothes, equipment, and materials owned or used by it in the performance of Subcontractor's Work.

EXHIBIT A
SUBCONTRACT WORK - WORK SCOPE CLARIFICATIONS

CONTRACTOR: Imperial Construction Ltd.

SUBCONTRACTOR:

JOB NUMBER:

CONTRACT# :

This Exhibit A is attached to the Subcontract Agreement between Contractor and the Subcontractor relating to the Job Number and Contract Number identified above. All defined terms in the Agreement are incorporated into this Exhibit A.

The Subcontract Work is described as follows:

INCLUSIONS:

EXCLUSIONS:

EXHIBIT B
CONTRACT DOCUMENTS

Contractor: Imperial Construction Ltd.

Subcontractor:

Job # :

Contract # :

This Exhibit B is attached to the Subcontract Agreement between Contractor and Subcontractor relating to the Job Number and Contract Number identified above. All defined terms in the Agreement are incorporated into this Exhibit B. The Contract Documents shall include those documents referenced below. However, the scope of the Contract Documents is limited as provided in Section 3.2 of the Agreement.

Drawing Sheets:

Specifications:

Addendum(s)/ Amendments(s):

SUPPLIERS/ SUBCONTRACTOR LIST
MAJOR MATERIAL SUPPLIERS TO BE USED ON THIS PROJECT:
(RETURN THIS DOCUMENT)

- 1) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

- 2) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

- 3) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

- 4) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

- 5) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

- 6) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

- 7) Supplier's Name: _____
Contact Person: _____
Telephone Person: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

SUPPLIERS/ SUBCONTRACTOR LIST
SUBCONTRACTORS THAT YOU WILL USE ON THIS PROJECT:
(RETURN THIS DOCUMENT)

- 8) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____
- 9) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____
- 10) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____
- 11) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____
- 12) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____
- 13) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____
- 14) Subcontractor's Name: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
Material to be Purchased: _____
Cost of Material: _____

SUBCONTRACTORS I NVOICE & PREVI OUS DRAW RELEASE OF LI EN

Date: _____ Draw Request: _____
 Period Covered From: _____ To: _____

Subcontractor: **Company Name**
 Street or PO Box
 City, State, Zip
 Phone
 Fax

Project Name:
ICI Job # :
Cost Code # :

Statement of Contract Account:

- | | |
|--|------------|
| 1. Original Contract Amount | \$ _____ |
| 2. Approved Changes (Net) (Add/Deduct) (As per attached breakdown) | \$ _____ |
| 3. Adjusted Contract Amount | \$ _____ |
| 4. Value of Work Completed to Date | \$ _____ |
| 5. Less Amount Retained (___) | (\$ _____) |
| 6. Total Less Retainage | \$ _____ |
| 7. Total Previously Certified (Deduct) | (\$ _____) |

8. AMOUNT OF THIS REQUEST **\$ _____**

Certificate of the Subcontractor:

I hereby certify that the work performed and the materials supplied to date, as shown on the above represent the actual value of accomplishment under the terms of the Agreement (and all authorized changes thereto) between the undersigned and Imperial Construction, Ltd. relating to the above referenced project.

I also certify that payments, less applicable retention, have been made through the period covered by previous payments received from Contractor, to (1) all my subcontractors (sub-subcontractors) and (2) for all materials and labor used on or in connection with the performance of this Agreement. I further certify I have complied with Federal, State and local tax laws, including Social Security laws and Unemployment Compensation laws and Workman's Compensation laws insofar as applicable to the performance of this Agreement.

Furthermore, in consideration of the payments received, and upon receipt of the amount of this request, the undersigned does hereby waive, release and relinquish all claim or right of lien which the undersigned may now have upon the Project except for claims or right of lien for contract and/or change order work performed to extent that payment is being retained or will subsequently become due.

 Subcontractor's Name

 Subcontractor's Signature

By: _____ Title: _____ Date: _____

Subscribed and sworn before me this _____ day of _____, _____.

Notary Public: _____

SUBCONTRACTOR'S FINAL INVOICE & FINAL RELEASE OF LIEN

Subcontractor: **Company Name**
 Street or PO Box
 City, State, Zip
 Phone
 Fax

Project Name:
ICI Job # :
Cost Code # :

Amount of Contract: The undersigned Subcontractor has agreed to, and by the receipt of final payment as shown below, full settlement of all billings and invoices against Imperial Construction, Ltd. ("Contractor") for the total amount of the contract as shown above and:

1. Release and Waiver: The Subcontractor also hereby releases and waives any and all claims of any kind whatsoever, whether against Contractor or the Project, in connection with the work performed under the Agreement.

2. Certification and Indemnification: The Subcontractor hereby certifies that Contractor has paid in full or has otherwise satisfied all obligations for all materials and equipment furnished, for all work, labor and services performed, and for all known indebtedness and claims against the Subcontractor for damages arising in any manner in connection with the performance of this contract for which Contractor or the Project might in any way be held responsible, and hereby indemnifies and holds harmless Contractor and the Project from and against any damages, losses, costs and expenses in connection with any claims by the Contractor's subcontractors.

3. All Debts Paid Certification: The Subcontractor hereby certifies that all of the Subcontractor's material men, laborers, and subcontractors have been fully paid and is waving all statutory lien rights and releasing all bond claims.

4. Final Payment: The payment of \$ _____ which includes all changes, credits, withholdings, retainage under this Agreement constitutes full compensation hereunder and closes out this Agreement.

In witness whereof, this release and waiver, certification and indemnification has been executed this _____ day of _____, _____.

Company's Name

Subcontractor's Signature

By: _____ (Officer)

Title: _____

Subscribed and sworn before me this _____ day of _____, _____.

Notary Public