

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

THIS AGREEMENT, MADE THIS 22 DAY OF January 2001, by and between **XXXXXX doing business as a corporation, with principal offices located at **XXXXXXXXX** (hereinafter called the "**CONTRACTOR**"), and **A-1 Electric Company**, doing business as a corporation, with principal offices located at **Tigard** (hereinafter called "**SUBCONTRACTOR**"), **WITNESSETH:****

That the **SUBCONTRACTOR** and the **CONTRACTOR**, in consideration of the covenants and agreements herein contained, mutually agree as follows

1. PROJECT, LOCATION AND OWNER

The **SUBCONTRACTOR** agrees to furnish all labor, material and equipment and perform all work described in Section 2 hereof for the construction of

Jobsite: 03-001 NW Food Warehouse

Located at: 3428 SW 185th Avenue Beaverton, OR 97006

For: Grocer's Association

Hereinafter called **OWNER**, in accordance with the terms of the subcontract, and in accordance with the terms of the general contract between the **OWNER** and the **CONTRACTOR**.

2. WORK TO BE DONE

The **SUBCONTRACTOR** and **CONTRACTOR** agree that the materials and/or services to be furnished and the work to be done by the **SUBCONTRACTOR** are:

The **SUBCONTRACTOR** shall provide all labor, and equipment needed for the following features of work at **Beaverton OR:**

Furnish deliver and install all electrical work and equipment required to complete the new construction at the NW Food Warehouse, Beaverton OR. All in accordance with plans dated 5/31/95.

All work is to be coordinated with jobsite superintendant and completed by 12/1/96.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

IN ACCORDANCE WITH PROJECT COMPLETION SCHEDULE AND AS DIRECTED BY PROJECT SUPERINTENDENT, ALL WORK MUST BE PERFORMED IN ACCORDANCE WITH OSHA STANDARDS. SUBCONTRACTOR WILL BE HELD RESPONSIBLE FOR ANY OSHA FINES INCURRED BY THE GENERAL CONTRACTOR DUE TO THE NEGLIGENCE OF SUBCONTRACTOR. ALL SUBCONTRACTOR DEBRIS (WORK RELATED AND PERSONAL) MUST BE CLEANED UP BY THE SUBCONTRACTOR DAILY.

NOTE: ABSOLUTELY NO CHANGES WILL BE ACKNOWLEDGED UNLESS APPROVED IN WRITING, INCLUDING TERMS AND COSTS BY ON-SITE SUPERINTENDENT PRIOR TO INITIATION. A COPY MUST THEN BE SUBMITTED TO HOME OFFICE IMMEDIATELY.

3. CONTRACT SUM

IN CONSIDERATION WHEREOF, the **CONTRACTOR** agrees to pay the **SUBCONTRACTOR** for the full and faithful performance of his work the sum of **\$82,500.00** in current funds at **CONTRACTOR'S** office in **Gallatin, TN**, subject to additions and deductions for changes as may be agreed upon in writing and subject to the other terms of this agreement. This contract price is a guaranteed maximum; all savings due to changes shall be reimbursed to **CONTRACTOR**.

4. TERMS AND CONDITIONS Sections 3 thru 53 contained on pgs 2 thru 12 attached hereto are a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement for themselves, their heirs, executors, successors, administrators and assigns on the day and year first above written.

A-1 Electric Company

SUBCONTRACTOR

By _____

Title _____

CONTRACTOR

By _____

5. PROGRESS PAYMENTS

Providing the **SUBCONTRACTOR'S** work and rate of progress are satisfactory to **CONTRACTOR**, and subject to the other terms of this agreement, installment payments hereunder shall be made at the office of the General **CONTRACTOR** in **Gallatin, TN**. **SUBCONTRACTOR** shall submit to **CONTRACTOR** application for payment to jobsite address. Payments shall be in an amount equal to the value of work performed and material suitably stored at the site as of the 20th less retainage of 10.00% as allowed less prior payments.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

6. CONDITIONS OF PAYMENT

CONTRACTOR shall be under no obligation to pay **SUBCONTRACTOR** for any work done hereunder, until **CONTRACTOR** has been paid therefore by **OWNER**, and the provisions hereof stating the time of progress and final payments and the amount thereof are subject to the condition that **CONTRACTOR** shall have received from **OWNER** progress and/or final payments in at least the amounts payable to **SUBCONTRACTOR** on account of work done by **SUBCONTRACTOR** hereunder; otherwise the time when such payments shall be due **SUBCONTRACTOR** shall be postponed until **CONTRACTOR** has received same from **OWNER**. **SUBCONTRACTOR** shall not be entitled to receive final payment hereunder until the entire work to be done hereunder has been accepted and paid for and **SUBCONTRACTOR** has delivered to **CONTRACTOR** a complete release of any and all claims against the **CONTRACTOR**. The **SUBCONTRACTOR** agrees the moneys received for the performance of this subcontract shall be used first for labor and material entering into this work and said moneys shall not be diverted to satisfy obligations of the **SUBCONTRACTOR** on other contracts. The terms of payment provided herein shall not make it incumbent on the **CONTRACTOR** to make payments in an amount that would not leave a sufficient balance to cover the retained percentage together with an amount sufficient to satisfy all obligations of the **SUBCONTRACTOR** for labor, materials, etc., furnished or to be furnished by him under this Subcontract. Final payment for and acceptance of the work by the **OWNER** shall not relieve **SUBCONTRACTOR** of liability for defects in said work which may thereafter be discovered, or for which the **OWNER** may be entitled to indemnification against.

7. PROGRESS SCHEDULE AND REQUIREMENTS

The **SUBCONTRACTOR** expressly covenants and agrees to keep himself thoroughly informed as to the progress of the job, to begin work after notification by the **CONTRACTOR**, to prosecute the work continuously and uninterruptedly with all possible speed, and to complete the entire work covered by this Subcontract at such time as to not interfere with or delay performance of the General **CONTRACTOR** or the work of any other **SUBCONTRACTOR**. **SUBCONTRACTOR MUST COMPLETE AND SUBMIT PROGRESS REPORTS TO PROJECT MANAGER (CONTRACTOR) ON A DAILY BASIS. SUBCONTRACTOR IS RESPONSIBLE FOR ALL PERSONAL PROTECTION EQUIPMENT FOR HIS/HER EMPLOYEES.** In the event the **SUBCONTRACTOR** fails to carry on such work at such rates of progress as are specified under the terms hereof, the **CONTRACTOR** may at its option require the **SUBCONTRACTOR** to increase the number of men and/or the amount or equipment employed in the performance of said work. The **SUBCONTRACTOR** agrees to reimburse the **CONTRACTOR** for any penalties or liquidated damages for delay that the **CONTRACTOR** may be required to pay to the **OWNER** as a result of the **SUBCONTRACTOR'S** failure to perform and/or complete this work within the time specified. The **SUBCONTRACTOR** acknowledges that the completion date provided for in the general contract and table or progress chart or schedule for the performance of the work prepared by the **CONTRACTOR** is reasonable and thoroughly understood.

8. MATERIALS

The **SUBCONTRACTOR** agrees to furnish all materials, supplies, including samples required to properly carry out and perform the work specified herein, and upon request to furnish the **CONTRACTOR** with copies of purchase orders, invoices, correspondence and other evidence of source, date of procurement, expediting effort, and date and method of shipment for all materials incorporated into the work. The **SUBCONTRACTOR** agrees to include in all his purchase orders and subcontracts for materials or services for this project the provisions of the General Contract and this Subcontract, project title, and priority rating if any. The **SUBCONTRACTOR** agrees to furnish materials strictly complying with the requirements, plans and specifications and to promptly replace any material rejected by the **OWNER** or **OWNER'S** representative. The approval by the **CONTRACTOR** or **OWNER** of shop drawings, manufacturer literature, etc., or the incorporation of the material into the work, shall not relieve the **SUBCONTRACTOR** from furnishing materials conforming to the aforementioned requirements. The **SUBCONTRACTOR** agrees to pay all freight, storage, taxes, or other incidental expenses associated with his materials. All materials stored at the job site shall be at the risk of the **SUBCONTRACTOR** and stored only where and when directed by the **CONTRACTOR**. The **CONTRACTOR** assumes no responsibility of liability for materials received or stored by it on behalf of and in accommodation to the **SUBCONTRACTOR**.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

9. WORK PERSONNEL

The **SUBCONTRACTOR** will employ only qualified, experienced, sober work personnel of the proper trades in sufficient numbers to accomplish the work in the required time. The **CONTRACTOR** may require the **SUBCONTRACTOR** to increase the number of work personnel or hours of work if necessary to bring the **SUBCONTRACTOR** progress up to prescribed schedule. The **CONTRACTOR** may require the removal from the job of any work personnel the **CONTRACTOR** reasonably finds objectionable.

10. TOOLS AND EQUIPMENT

The **SUBCONTRACTOR** agrees to furnish and maintain in first-class operating condition a sufficient amount of equipment, machinery, tools, and implements of the proper type necessary to perform the work herein specified and shall promptly pay for all materials purchased and shall pay all workmen each week and obtain and furnish **CONTRACTOR** weekly with (2) copies of payroll verified by affidavit, when the Contract mandates. The **SUBCONTRACTOR** shall not place on the work any equipment of which he is not the sole **OWNER** unless he obtains written permission from the **CONTRACTOR**. The **SUBCONTRACTOR** assumes full responsibility for loss or damage of any nature to his equipment while in use or stored at the job site. Unless otherwise provided, the **SUBCONTRACTOR** shall furnish, erect, dismantle, and remove such scaffolding, ladders, runways, staging, etc., as may be required by his work.

11. SUPERVISION

The **SUBCONTRACTOR** shall give his personal superintendent to the work or have a competent foreman or superintendent, satisfactory to the **CONTRACTOR**, on the work at all times during construction, with authority to act for him.

12. INSURANCE AND LIABILITY FOR LOSS

The **SUBCONTRACTOR** shall carry and pay for (1) worker's compensation insurance and (2) public liability insurance, including but not restricted to motor vehicles, consisting of both bodily injury and property damage coverage and including contractual liability coverage in sums and with limits and with companies acceptable to **CONTRACTOR**. **SUBCONTRACTOR** shall furnish **CONTRACTOR** with copies of these policies or with certificates showing names of the carriers, amounts and numbers of the policies, and expiration dates before commencing work. The **CONTRACTOR** shall pay for and maintain a Builder's Risk Policy insurance against loss by fire, storm, etc.; from which the **SUBCONTRACTOR** shall receive his pro rata share in the event of a loss. However, the **CONTRACTOR** assumes no responsibility for any such losses excluded or deductible from such policy. The **SUBCONTRACTOR** shall effectually secure and protect his material and work and shall bear and be liable for all loss and/or damage of any kind in connection therewith at any time prior to the final completion and acceptance thereof, unless said loss or damage is caused by direct negligence of the **CONTRACTOR**. The **SUBCONTRACTOR** shall reimburse the **CONTRACTOR** on demand for any breakage or other damage to other work or materials occasioned by the **SUBCONTRACTOR** in the execution of this Subcontract.

TAXES, ETC.

The **SUBCONTRACTOR** agrees to pay and does hereby accept full and exclusive liability for any and all taxes, contributions, fees, permits, licenses, fines, duties, excises, etc., occasioned by his work regardless of by whom imposed and regardless of how measured.

14. CLEANUP

The **SUBCONTRACTOR** shall clean up and remove from the site as directed by the **CONTRACTOR**, all rubbish and debris resulting from his work. The **SUBCONTRACTOR** or its agents shall clean up to the satisfaction of the **CONTRACTOR'S** superintendent, all dirt, grease, marks, etc., from walls, ceilings, floors, fixtures, etc., deposited or placed thereon as a result of the execution of this Subcontract. If the **SUBCONTRACTOR** refuses or fails to perform this cleaning as directed by the **CONTRACTOR**, the **CONTRACTOR** shall have the right and power to proceed with said cleaning, and the **SUBCONTRACTOR** will on demand repay to the **CONTRACTOR** the actual cost of said work plus 20% of such cost to cover supervision, insurance, overhead, etc.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

15. SUBCONTRACTOR'S ACCEPTANCE OF THE WORK OF PRECEDING TRADES

The **SUBCONTRACTOR** shall satisfy himself as to the acceptability of the work or surfaces to which his work is to be applied or affixed, and shall advise the **CONTRACTOR** in writing of any unsatisfactory conditions therein. Commencement of the work by the **SUBCONTRACTOR** shall be construed as acceptance by him of the preceding work.

16. CHANGES AND EXTRAS

CONTRACTOR may, at any time, by written order and without notice to the Sureties, make changes in the work that **SUBCONTRACTOR** shall proceed with as directed. If such changes cause an increase or decrease in the Contract price or in the time required for performance, an equitable adjustment shall be made and this Contract shall be modified in writing accordingly, all subject, however, to the terms of Section 18 below. However, nothing herein contained shall excuse the **SUBCONTRACTOR** from proceeding with the prosecution of the work as changed.

17. BACKCHARGES

The **SUBCONTRACTOR** agrees to pay reasonable back charges (based on actual cost plus 20% for supervision, overhead and taxes) for any special services, equipment, cleanup or any cutting, patching and repairs made necessary by the omissions, mistakes, accidents or negligence of the **SUBCONTRACTOR**. Commensurate with the urgency, nature and scope of the back charge, the **CONTRACTOR** shall give the **SUBCONTRACTOR** advance notice of the intended back charge, but such advance notice shall not be a prerequisite for making such back charges against the **SUBCONTRACTOR**.

18. CLAIMS

The **SUBCONTRACTOR** agrees to make any claims for extensions of time, additional work, changed conditions or damages for delays, or otherwise, to the **CONTRACTOR** in the same manner as provided in the General Contract for like claims of the **CONTRACTOR** upon the **OWNER**, and in such time as will enable the **CONTRACTOR** to transmit such claims to the **OWNER** for payment or recognition: and the **CONTRACTOR** will not be liable to the **SUBCONTRACTOR** on any claim not timely or properly submitted, or until allowed by the **OWNER**. In case of any dispute arising under the General Contract, **SUBCONTRACTOR** agrees to be bound to **CONTRACTOR** to the same extent that **CONTRACTOR** is bound to **OWNER** by the terms of the General Contract and by any and all decisions or determinations made there under by the party or board so authorized in the General Contract. **SUBCONTRACTOR** also agrees to be bound to **CONTRACTOR** to the same extent the **CONTRACTOR** is bound to the **OWNER** by the decision of a court or board of competent jurisdiction, whether or not **SUBCONTRACTOR** is a party to such proceeding. If such dispute is prosecuted or defended by **CONTRACTOR** against **OWNER** under the terms of the General Contract or in court action, **SUBCONTRACTOR** agrees to furnish all documents, statements, witnesses and other information required by **CONTRACTOR** for such purpose and to pay and reimburse **CONTRACTOR** for all expense costs, and attorney's fees incurred in connection therewith. It is expressly understood that as to any and all work done and agreed to be done by the **SUBCONTRACTOR**, and as to any and all materials or services furnished or agreed to be furnished by **SUBCONTRACTOR**, and as to any and all damages, if any, incurred by **SUBCONTRACTOR**, in connection with this construction project, **CONTRACTOR** shall never be liable to **SUBCONTRACTOR** to any greater extent than **OWNER** is liable to **CONTRACTOR**. No dispute shall interfere with the progress of construction and **SUBCONTRACTOR** shall proceed with its work as directed.

19. ASSIGNMENTS OR SUBLETTING

The **SUBCONTRACTOR** agrees not to assign this Subcontract or any money due or to become due to the **SUBCONTRACTOR** or to subcontract any portion of the work covered by this Subcontract without first obtaining the **CONTRACTOR'S** written permission.

20. APPLICABLE DOCUMENTS

Insofar as the provisions of the General Contract do not conflict with the specific provisions herein contained, they and each of them are hereby incorporated into this Subcontract as fully as if completely written herein. The **SUBCONTRACTOR** agrees that he will perform this agreement so as not to violate any terms of the General Contract. The relationship of the **SUBCONTRACTOR** hereunder towards the **CONTRACTOR** shall be the same as that of the **CONTRACTOR** towards the

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

OWNER under said General Contract and the relationship of the **CONTRACTOR** hereunder to the **SUBCONTRACTOR** shall be the same as that of the **OWNER** towards the **CONTRACTOR** under the General Contract. This Subcontract is predicated upon all documents comprising the General Contract, a copy of which is available for inspection at the offices of the **CONTRACTOR**, and shall include all drawings and revisions thereto, all specifications including addenda and amendments thereto, and all contract modifications dated on or prior to the date of this Subcontract. The **SUBCONTRACTOR** acknowledges that he is thoroughly familiar with the requirements of these documents, site conditions, job requirements, availability of labor and materials in the locality of the project and his acceptance of this Subcontract is based solely on his own knowledge and judgment and not on the representation of the **CONTRACTOR**, **OWNER** or other parties.

21. SUBCONTRACTOR'S RELATIONSHIP TO OWNER

The **SUBCONTRACTOR** will have no direct dealings with the **OWNER** during the life of this Subcontract. All submittals, correspondence, changes, extras, payroll reports, claims, complaints and any other matters will be directed to and through the **CONTRACTOR**. The **SUBCONTRACTOR** and his representatives are cautioned against expressing to the **OWNER** or his agent any unfavorable opinions concerning workmanship, progress, management, procedures or organization, etc., of the **CONTRACTOR** or any other **SUBCONTRACTORS** or trades employed on the work.

22. GUARANTEES

The **SUBCONTRACTOR** agrees to guarantee the workmanship and materials against defects as provided for in the General Contract, but in any event not less than for a period of one (1) year from the date of final acceptance of the overall project. **SUBCONTRACTOR** agrees to furnish all guarantees, bonds, operating instructions, etc., as required by the specifications and/or General Contract.

23. UTILITIES AND SANITARY FACILITIES

The **CONTRACTOR** shall furnish to the **SUBCONTRACTOR** at the job site, unless otherwise provided, adequate water both for the work and for drinking, electrical energy for the operation of tools, etc., and sanitary toilet facilities. These facilities will be available at the location selected by the **CONTRACTOR**, and shall be of the type determined by the **CONTRACTOR**. The **CONTRACTOR** assumes no liability for injury or damage arising out of the use of these facilities by the **SUBCONTRACTOR**.

24. SAFETY REQUIREMENTS AND LABOR PROVISIONS

The **CONTRACTOR** agrees to abide by and comply with all Federal and State labor, occupational safety and health laws and the safety programs prescribed by the **OWNER** and/or the **CONTRACTOR**. The **SUBCONTRACTOR** shall insure that all machines are properly equipped with the manufacturer's recommended guards and safety devices, are in safe condition and operated in the prescribed manner. The **SUBCONTRACTOR** agrees to comply with all Labor Standard Provisions, and all Equal Opportunity, non-discrimination and non-segregation clauses of the General Contract that by reference are incorporated herein. In the absence of any labor provisions in the prime contract, the **SUBCONTRACTOR** agrees to be bound by regulations prescribed by law in the locality of the job site, including but not limited to, the Fair Labor Standard Act, the Civil Rights Act of 1964, and the Occupational Safety and Health Act of 1970. **SUBCONTRACTOR** shall be liable to **CONTRACTOR** for any damages or delays resulting from **SUBCONTRACTOR'S** failure to comply with such laws and/or requirements. In the prosecution of the Work, **SUBCONTRACTOR** agrees to recognize and comply with all agreements of the **CONTRACTOR** with local trade councils and/or separate unions concerning labor and working conditions and otherwise applicable to this work, insofar as these agreements do not conflict with or violate any local, State or Federal laws or properly constituted orders or regulations pertaining to this project. **SUBCONTRACTOR** is familiar with the applicable local State and/or Federal laws in relation to wages and hours, and where such laws apply to the Work, the **SUBCONTRACTOR** shall comply with the terms and provisions thereof and shall hold the **CONTRACTOR** harmless from any loss, liability and expense arising out of any violations of the same by the **SUBCONTRACTOR**.

25. HOLD HARMLESS / SUBROGATION

HOLD HARMLESS: The **SUBCONTRACTOR** agrees to save harmless the **CONTRACTOR**, and/or **OWNER**, from all

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

persons, firms or corporations to whom **SUBCONTRACTOR** further sublets work, caused by, or incidental to, the execution of the work, and from all injuries, damages, judgments, charges and other related expenses arising, or to arise, through any act or omission of **SUBCONTRACTOR** or any of the said parties and **SUBCONTRACTOR** does expressly assume, with respect to the work to be done hereunder, all of the liability imposed on the **CONTRACTOR** said construction contract between **CONTRACTOR** and **OWNER**. If there are any such claims unsettled upon completion of this Subcontract, final settlement between the **CONTRACTOR** and the **SUBCONTRACTOR** may be deferred at the option of the **CONTRACTOR** until such claims are adjusted or such indemnity acceptable to the **CONTRACTOR** is furnished by the **SUBCONTRACTOR**. The **SUBCONTRACTOR** shall hold and save the **CONTRACTOR** harmless for any liability including costs and expenses, for or on account of any patented or unpatented invention, article or appliance manufactured or used in the performance of this Subcontract, including their use by the **OWNER**.

SUBROGATION: **SUBCONTRACTOR** hereby waives, releases and discharges all claims and/or rights of recovery by subrogation or otherwise (including, without limitation, claims relating to deductible or self-insured retention clauses, inadequacy of limits of any insurance policy, insolvency of any insurer, limitations or exclusions of coverage) against the Indemnified Parties, and any of their consultants, subcontractors, agents, employees and representatives.

26. LIEN WAIVERS AND AFFIDAVITS

The **SUBCONTRACTOR** shall furnish the **CONTRACTOR** with such partial releases and waivers of lien from his material-men and creditors as the **CONTRACTOR** may require from time to time on labor, and/or material and/or other claims, and final releases and waivers of lien at the time of final payment on this Subcontract. The **SUBCONTRACTOR'S** financial condition as relates to this Subcontract indicating amounts paid and owing for labor, materials and other expenses. Such waivers and affidavits shall be a prerequisite for partial and final payments.

27. SHOP DRAWINGS

The **SUBCONTRACTOR** agrees to submit promptly and accurately in the prescribed form, number, manner and time, all shop drawings, as-built drawings, payroll reports, certificates, guarantees, descriptive literature, cuts, operating instructions, test reports or other documents required by the General Contract. The **SUBCONTRACTOR** agrees to reimburse the **CONTRACTOR** for any expenses; interest or penalties occasioned the **CONTRACTOR** by the delay, inaccuracy, omissions or negligence on the part of the **SUBCONTRACTOR** in connection with the submission of the above-mentioned documents.

28. DEFAULT BY SUBCONTRACTOR

Should the **SUBCONTRACTOR** fail to deliver any part of the necessary materials and/or perform any part of the necessary work within the time schedule prescribed by the **CONTRACTOR** in Section 7 above, or fail to perform or comply with any term, covenant or condition contained in this Subcontract or in the General Contract, or abandon the work, or shall become insolvent or shall appear insolvent in the opinion of the **CONTRACTOR**, or shall have a claim or lien filed on or against him, or shall have a judgment filed against him, or make an assignment for benefit of creditors, or have a petition in bankruptcy filed by or against him, or shall die or become mentally or physically disabled, the **CONTRACTOR** shall have the right, if he elects, to declare this Subcontract in default by telegraphic notice to the **SUBCONTRACTOR** at his last known address. Unless the **SUBCONTRACTOR** corrects such default or satisfies the **CONTRACTOR** of his ability to do so within 72 hours after such telegraphic notice, the **CONTRACTOR** may, if he elects, and without prejudice to any other right or remedy it may have, terminate this Subcontract and take whatever steps it deems advisable to secure necessary labor and material by contract or otherwise, and may take over, together with all rights and title thereto, all of said **SUBCONTRACTOR'S** equipment, tools, supplies on the job site or enroute thereto, and may prosecute the work to completion. All money expended therefore including (but not restricted to) cost of supplies, equipment, materials, subcontracts, labor, administration, supervision, utilities, claims against the **SUBCONTRACTOR**, overhead, travel, legal and accounting fees and other costs and expenses incurred by the **CONTRACTOR**, or for which it may be liable, will be deducted from the Subcontract price herein stated, and if such expenditures exceed the amount otherwise due to the **SUBCONTRACTOR** hereunder, the **SUBCONTRACTOR** agrees to pay the **CONTRACTOR** on demand the full amount of such excess, together with interest thereon at the rate of 12% per annum (but not to exceed the legal rate allowable by contract if less

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

than 12%) until paid, or, in case of any default on the part of the **SUBCONTRACTOR**, the **CONTRACTOR** may exercise any other right or remedy available to him. In the event of a breach of this Subcontract or any of its provisions by the **SUBCONTRACTOR**, resulting in litigation by the **CONTRACTOR** to enforce its rights, the **SUBCONTRACTOR** agrees to pay to the **CONTRACTOR** a reasonable fee for attorney services, which fee may be recovered in the same suit as a part of the **CONTRACTOR'S** cause of action.

29. TERMINATION FOR THE CONVENIENCE OF OWNER

Should the **OWNER** terminate the General Contract or abandon the project for any reason, the **SUBCONTRACTOR** shall be entitled to receive only such compensation as is provided under the termination clause of the General Contract, or in the absence or inapplicability of such clause, the **SUBCONTRACTOR** shall receive only his pro rate share of any termination payments or salvage received by the **CONTRACTOR**. In any event, the **CONTRACTOR'S** obligation or liability to the **SUBCONTRACTOR** is limited to the amount determined and paid by the **OWNER** or the pro rate share of any proceeds from the sale, disposal or salvage of the project.

30. TERMINATION FOR CONVENIENCE OF THE CONTRACTOR

Notwithstanding any other provision of this Subcontract to the contrary, **CONTRACTOR** may, upon written notice to **SUBCONTRACTOR**, terminate this agreement for **CONTRACTOR'S** convenience in which event **CONTRACTOR** shall be liable only for the reasonable cost of **SUBCONTRACTOR'S** work completed to date of termination in conformity with this agreement plus 15% of such costs for overhead and profit. There shall be deducted from such sum the amount of any payments made to **SUBCONTRACTOR** prior to the date of termination. **SUBCONTRACTOR** shall not be entitled to any claim for additional compensation or damages in the event of such termination and payment.

31. ARBITRATION

If at any time any controversy shall arise between the **CONTRACTOR** and the **SUBCONTRACTOR** with regard to any matter or thing with respect to this Subcontract, including (but not restricted to) the formation of this agreement or the construction of any part thereof, and which the parties do not promptly adjust and determine, or which is not controlled or determined by Section 18 above or other provisions of this Subcontract, then the written orders of the **CONTRACTOR** shall be followed and said controversy shall be decided by arbitration before the final settlement is made between the **CONTRACTOR** and **SUBCONTRACTOR**. Arbitration proceedings will be in accordance with the Rules of the American Arbitration Association; provided, however, where the General Contract between the **OWNER** and **CONTRACTOR** provides for arbitration, the methods of appointing arbitrators and proceeding with the arbitration shall be the same as in the General Contract or in accordance with the Rules of the American Arbitration Association, as **CONTRACTOR** may elect. Judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof. No dispute shall interfere with the progress of the general construction and necessary work shall proceed under direction of the **CONTRACTOR**. Except for fraud or a decision so grossly erroneous as to imply bad faith, the decision of the Arbitrator(s) shall be final and shall be binding upon the parties in dispute. The resulting decision shall be a condition precedent to any legal proceedings under the Subcontract, unless waived in writing by both parties to the Subcontract. Award by the panel may include an amount for reasonable attorney's fees. All arbitration will be held in Nashville, Tennessee.

32. DEFECTIVE MATERIALS AND/OR WORKMANSHIP

The **SUBCONTRACTOR** shall promptly amend and make good any defective materials and/or workmanship to the entire approval and acceptance of the **CONTRACTOR**, **OWNER** and/or Architect and their authorized representatives. Should the **SUBCONTRACTOR** refuse or neglect to proceed at once with the correction of rejected or defective materials and/or workmanship after receiving notice to do so, it is agreed that the **CONTRACTOR** shall have the right and power to have the defects remedied or changes made at the expense of the **SUBCONTRACTOR**, and the **SUBCONTRACTOR** agrees to pay to the **CONTRACTOR** on demand any and all loss and/or expense paid or incurred by the **CONTRACTOR** in remedying such defects and/or making such changes, together with interest thereon at the rate of 12% per annum, (but not to exceed the legal rate allowable by contract if less than 12%) until paid, in addition to all other loss, damage and extra expense which **SUBCONTRACTOR** may become liable for under this Subcontract. The **SUBCONTRACTOR** warrants that he understands the **CONTRACTOR'S** Quality Control Program and will comply and cooperate fully in achieving required quality levels.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

33. USE OF CONTRACTOR'S EQUIPMENT

No one in the **CONTRACTOR'S** employ has any right to grant the **SUBCONTRACTOR** or his agents, **CONTRACTORS** or employees the right to use or ride on **CONTRACTOR'S** material hoists or other equipment, except the project manager or executive officers of the **CONTRACTOR** and only in writing. The use by **SUBCONTRACTOR** of any of **CONTRACTOR'S** facilities including hoisting equipment, material, personnel or services whether given, loaned or rented to **SUBCONTRACTOR** and whether or not operated by **CONTRACTOR** is subject to **SUBCONTRACTOR'S** covenant to use any of the aforementioned at **SUBCONTRACTOR'S** risk, and to take the same as is, and only after **SUBCONTRACTOR** is satisfied as to the condition thereof, and **SUBCONTRACTOR** does hereby agree to indemnify and hold harmless **CONTRACTOR** from and against any and all claims, damages, liabilities, losses, cost and expenses (including but not restricted to costs of litigation) arising out of or claimed to have arisen out of death, injuries or damages to any and all persons and to any and all property in any way directly or indirectly caused or connected with use of equipment, material, personnel or services.

34. EXECUTION AND APPROVAL

This Agreement is subject to immediate cancellation without notice at the option of the **CONTRACTOR** if not properly signed by **SUBCONTRACTOR** and received in **CONTRACTOR'S** Gallatin, TN office within ten (10) days after transmittal to **SUBCONTRACTOR** by **CONTRACTOR**. This Agreement is subject to approval by **OWNER** or its representative, and if not so approved will be canceled without further liability of either party to the other. **CONTRACTOR** shall have no obligation for any work performed or expense incurred by **SUBCONTRACTOR** prior to the signing of this agreement by all parties and receipt of written notice to proceed with the work.

35. AGREEMENT TO FOLLOW OTHER SRS, INC POLICIES AND PROCEDURES

The **SUBCONTRACTOR** agrees to follow all SRS, Inc. company policies and procedures and will sign documents confirming compliance. Documents include but are not limited to our: DRUG & ALCOHOL POLICY, SEXUAL HARRASSMENT, EEO (EQUAL EMPLOYMENT OPPORTUNITY), AND SAFETY POLICIES.

36. ACTS OR OMISSIONS OF OTHERS

The **CONTRACTOR** shall not be liable to this **SUBCONTRACTOR**, his material men, laborers or **SUBCONTRACTORS** for any damages, loss or expenses sustained by any of them resulting from acts of omissions whether or not negligent, failure to perform, delays in performance, or defaults of another **SUBCONTRACTOR**, material men or supplier of service in connection with the provision and/or performance of any of the work covered by the General Contract.

37. WAIVER

Waiver of any breach hereof shall not constitute a waiver of any subsequent breach of the same or any other provision hereof.

38. CAPTIONS AND SECTION NUMBERS

The captions and section numbers of this agreement are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or provisions thereof.

39. QUESTONS

All questions arising under this Subcontract shall be decided according to the laws of the State of Tennessee with reference to which this Agreement is made.

40. BASIC BID

It is understood that this Subcontract is awarded on the basis of the Basic Bid, and the amount shown in Section 3 includes all of the **SUBCONTRACTOR'S** work herein.

41. SHOP DRAWINGS

Submit Shop Drawings, descriptive literature and other data required by the specifications as promptly as possible and in

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

no event later than 14 days from the date of the contract, in eight (8) copies, two (2) of which will be returned to the **CONTRACTOR**.

42. LICENSING

SUBCONTRACTOR certifies that he is properly licensed under applicable laws to perform the work set out herein and that he will perform this contract in strict compliance with applicable codes and ordinances.

43. PAYMENTS

Sections 5 and 6 above shall be amended as follows (l) in making any progress payments, there shall be retained ten (10) percent of the estimated amount until final completion and acceptance of this work. At that time, SRS, Inc. Project Manager's discretion, the retainage may be reduced to a nominal amount.

44. INSURANCE REQUIREMENTS

A. In addition to any insurance **SUBCONTRACTOR** deems in its interest to purchase because of risks assumed under this Subcontract or otherwise, **SUBCONTRACTOR** shall maintain in force at its own expense: (i) all insurance required by an applicable Federal, State or local statutes, laws, rules or regulations; (ii) all insurance required for **SUBCONTRACTOR** by the Prime contract; (iii) the following forms of insurance coverage at least in the amounts specified. **SUBCONTRACTOR** agrees to take all actions necessary to have **CONTRACTOR** designated an additional insured under all insurance policies of **SUBCONTRACTOR** acquired or maintained to fulfill the requirements for insurance this Subcontract. **SUBCONTRACTOR** waives any and all rights of recovery against **CONTRACTOR** and **OWNER** for any loss or damage covered by any insurance acquired or maintained by **SUBCONTRACTOR** or for its benefit, including all rights that might otherwise accrue to any subrogee.

General Liability

General Aggregate	\$1,000,000
Products - Completed Operations Aggregate	\$1,000,000
Each Occurance	\$1,000,000

Automobile Liability

Combined Single Limit	\$1,000,000
-----------------------	-------------

Workers' Compensation

Each Accident	\$100,000
Disease Policy Limit	\$500,000
Disease Each Employee	\$100,000

Builder's Risk Insurance: **CONTRACTOR** or **OWNER** will provide Builder's Risk coverage. Such coverage shall be on what is commonly known as an "All Risks" basis. It shall be **SUBCONTRACTOR'S** responsibility to satisfy himself as to the terms, scope, exclusions and deductibles of such insurance, and **SUBCONTRACTOR** shall be responsible for, and bear the risk of, any and all non-coverage, exclusions and deductibles of such insurance.

Damage to **SUBCONTRACTOR'S** Property. **SUBCONTRACTOR** shall maintain, at its own expense, insurance coverage against the loss or destruction of any and all of the equipment, tools and other property owned or used by it in connection with the Work.

Certificate of Insurance: Prior to the commencement of the Work hereunder, **SUBCONTRACTOR** shall furnish to **CONTRACTOR** copy of insurance certificates specifically stating that all insurance required herein is in force and naming Wolfe & Travis Electric as additional insured. All policies of insurance required herein shall contain an endorsement specifying that cancellation of or any material change in such policies that will or may adversely affect the interests of **CONTRACTOR** shall not be effective for such period as may be prescribed by the laws of the state in which this Subcontract is to be performed.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

The **SUBCONTRACTOR** shall continually clean up and remove from the project site all trash and debris as a result of his work. The clean-up work performed shall be done on a daily basis including sweeping and hauling of trash by truck (if necessary) to the trash receptacles provided on the project site. The **SUBCONTRACTOR** shall also perform housekeeping at storage yard continually to maintain safe and clean working conditions. Clean up shall be done as directed by and to the satisfaction of the **CONTRACTOR'S** Superintendent. A clean-up working condition is required.

45. TIME AND SCHEDULING

The **SUBCONTRACTOR** shall commence his work when directed by the **CONTRACTOR** and perform work in coordination and cooperation with **CONTRACTOR** and other trades and furnish tools, equipment and men in sufficient numbers and capabilities to maintain the schedule required of him by the **CONTRACTOR** to meet the scheduled completion date.

46. INTEGRITY OF WORK

The **SUBCONTRACTOR** is responsible for the integrity of his work until acceptance by the **OWNER**, at which time the warranty comes into force.

47. SUPERVISION

The **SUBCONTRACTOR** shall provide full-time qualified supervision to coordinate and cooperate with the **CONTRACTOR** and other trades on a daily basis.

48. PERSONNEL AND VEHICLE ACCESS

The Subcontractor shall be required to obtain passes for all personnel, and vehicle passes for all vehicles (company and/or privately owned), to access the Installation and Owner (i.e. Private or Government Owner) property. Furthermore, the Subcontractor and its employees are required to park their vehicles only in the designated construction parking area.

All Subcontractor employees shall wear passes on the front left hand side of the outer garment (conspicuous), between the shoulder and the waistline so it is plainly visible at all times while entering, working on, and departing the Installation. Vehicle passes shall be displayed on the vehicle's front dashboard at all times while entering, operating on, or departing the Installation. Cell phone usage (on Owner's property/project site), while driving is strictly prohibited; and violators will be subjected to being ticketed and/or cited for a safety violation, in accordance to the contract. Continuous violation of the cell phone usage prohibition will be deemed as a default to the contract.

49. LIQUIDATED DAMAGES

If the **Subcontractor** fails to complete the work within the contract time or fails to achieve any of the contract milestones, the **Subcontractor** agrees to pay the Contractor a total of the amount **per day as liquidated damages** as specified in **OWNERS** contract to **CONTRACTOR** to cover losses, expenses, and damages of the Contractor for each and every day by which the **Subcontractor** fails to achieve completion of the milestone work and/or the entire project.

50. CONSEQUENTIAL DAMAGES

The Contractor shall not be liable to the Subcontractor for consequential damages in the nature of lost profits or revenues, lost sales, loss of products, or facility.

51. GRATUITIES/ETHICS

Subcontractor agrees not to offer or give to Contractor or Owner or their officers, employees, or agents any gift, payments, loans, or other gratuity that is designed to influence the judgment of Contractor or Owner concerning the award of any Work or to provide favorable treatment. Subcontractor shall perform its services with the highest regard for ethics.

52. PUBLICITY & NON-DISCLOSURE

Subcontractor shall not disclose or publicize or make news releases or advertisements to any individual or entity concerning the Work and/or Project without first obtaining the Contractor's express Subcontractor hereunder any amounts owed by Subcontractor to Contractor or Owner either under this Subcontract or under any other obligation of Subcontractor. Contractor may withhold payment for failure of Subcontractor to comply with this Agreement.

Subcontract

Timberline Construction
P.O. Box 728
Beaverton, OR 97006

Vendor No: 100
Contract No: 01001-06
Code No: 16-100 - S
Project No: 03-001

53. RIGHT TO OCCUPANCY PRIOR TO COMPLETION

Contractor and/or Owner shall have the right to occupy a portion or portions of Subcontractor's Work areas and to finalize such areas as Contractor and/or Owner may require. Such occupancy or use shall not constitute acceptance or Subcontractor's Work.

MAIL ALL INVOICES AND CORRESPONDENCES:

COMPANY
123 Address
City, State Zip

***** END OF SUBCONTRACT *****