



SUBCONTRACT AGREEMENT

THIS AGREEMENT made and entered into on _____, between **Maintco Corp., 20 W. Burbank Blvd., Burbank, CA 91502** ("Contractor"), and _____ ("Subcontractor").

RECITAL:

On or about _____ Contractor entered into contract with _____ ("Prime"), providing for the construction of _____ in accordance with plans and specifications.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. In consideration of the mutual covenants and agreements contained herein, Subcontractor desires and agrees to furnish all labor, materials, taxes equipment, supplies, insurance, permits, licenses, and all other things necessary to perform and complete in accordance with the plans and specifications, general conditions, special conditions, and addenda thereto, and assume full responsibility for any damage or loss thereto until final acceptance by Prime, that portion of the work generally referred to as: Per proposal dated _____ for _____ per plan and specs.
2. Examination of Work Site: Subcontractor has thoroughly examined the site of the work, the general contract and all plans and specifications and addenda thereto, from beginning to end, with the understanding that Subcontractor's particular branch of work may be scattered throughout different parts of the plans and specifications; it being the prime purpose of the agreement to provide for the entire performance and completion of this Subcontractor's particular branch of subcontract work.
3. Duty to Inform as to Progress: Subcontractor agrees to keep itself thoroughly informed as to the progress of the job, and will, as soon as the project is ready for the commencement of the subcontract work provided for herein, commence and prosecute such work diligently to completion as rapidly as the condition on the project will permit; it being understood that Subcontractor will perform all work within a timeframe and in a manner so as not to interfere nor disrupt the progress required to conform to the completion date designed by Prime; and should Subcontractor delay progress of the work, it shall be liable to the Contractor for a sum of money damages equal to the actual damages sustained by the Contractor.



4. Duty to Conform to All Laws: Subcontractor agrees to comply with and conform to all laws, ordinances and regulations of Federal State, County, City and other authorities with respect to the performance of his work and the fulfillment of this agreement; and will pay promptly all fees, taxes, welfare deposits, charges, damages and penalties that may be assessed against Subcontractor or against Contractor on account of Subcontractor.
5. Safety: Subcontractor agrees that the prevention of accidents to workers engaged in the work under this Agreement is solely its responsibility, Subcontractor specifically agrees to take appropriate precautions to assure the safety of all persons, including, but not limited to, its own employees and other contractors and subcontractors and their employees, whose safety might otherwise be jeopardized by any risk of harm relating to or arising out of the work. Subcontractor shall comply with all applicable safety laws and regulations and that all work, labor, service and materials to be furnished by subcontractor shall strictly comply with all applicable federal, state and local laws, rules, regulations, statutes, ordinances and directives (hereafter "Laws") now in force or hereafter shall be in effect and further agrees to comply with any and all safety standards established during the progress of the work. If requested, Subcontractor shall submit its safety program for review by Contractor. Any review of this Subcontractor's safety program by Contractor shall not be deemed to release Subcontractor or in any way diminish Subcontractor's liability by way of indemnity or otherwise, as assumed by it under this Agreement. Subcontractor shall immediately submit copies of all accidents or injury reports to Contractor.
6. Indemnification: Subcontractor shall indemnify Contractor, Prime and the owner of the subject property ("Property Owner") against, and save and hold them harmless from, all liability and claims, demands, damages, and costs of every kind and nature and shall, upon request by Contractor, Prime or Property Owner, defend all suits for injury to or death of any all persons including without limitation injuries to or death of employees and representatives of Contractor or Prime, or Subcontractor, and of any other subcontractor; and for injury, destruction, loss or consequential damaged to or of any and all property, including that of Contractor, Prime or Property Owner, resulting directly or indirectly, from or in any manner arising out of or in connection with the performance of the work under this contract. Subcontractor's aforesaid indemnity and save harmless agreement shall not be applicable to any loss, damage or expense, for liability for damages for death or bodily injury to persons or injury to property arising from the sole negligence or willful misconduct of Contractor, his agents, servants, or independent contractors, other than Subcontractor, who are directly responsible to Contractor.
7. Insurance:



- A. Subcontractor agrees to forward to Contractor, after the signing and execution of this agreement a certificate of insurance with coverage enumerated below for comprehensive general liability, including automobile, broad form property damage contractual liability and completed operations, naming the Property Owner, Prime and Contractor as additional insureds under each policy for filing with Contractor prior to the start of work. Worker's Compensation is statutory. Public liability shall be limits of not less than \$1,000,000 combined single limits for bodily injury and property damage. Contractor agrees to secure insurance necessary to protect itself and shall, as a minimum, secure and maintain in force the following insurance covering the Services hereunder in such form and with such carriers as are satisfactory to Contractor.
- B. Subcontractor agrees to secure and carry as a minimum the following insurance with respect to all work to be performed under this agreement:
1. Worker's Compensation and Employers' Liability Insurance in an amount sufficient by virtue of the laws of the state in which the Services or any portion of the Services are performed. Worker's Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of \$1,000,000 for any one occurrence;
 2. General Liability Insurance in which the limit of liability for injuries, including accidental death, shall be \$2,000,000 for any one occurrence;
 3. General Liability Insurance in which the limit of liability for property damage shall be \$2,000,000 for any once occurrence;
 4. Automobile Liability Insurance in which the limit of liability for injuries, including accidental death, shall be \$2,000,000 for any one occurrence;
 5. Automobile Liability Insurance in which the limit of liability for property damage shall be \$2,000,000 for any one occurrence;
 6. Contractual Liability Insurance to cover the liabilities herein assumed by the Contractor, with limits of liability not less than those above.



- C. Insurance naming Contractor, Prime and Property Owner as additional insured's shall be primary and non-contributing with other insurance carried by the Prime or Contractor. These insurance certificated shall be endorsed by the insurance companies with this notation: "Not to be canceled without 30 days prior notice to Contractor." Until the required certificated are delivered to the Contractor, evidence of such coverage must accompany his first employee to the jobsite and it must show that the required amounts of insurance are in force and will remain in force until the certificates as required are filed with Contractor. Receipt of copies of insurance policies or certificates of insurance does not waive the Contractor's right to enforce any terms of this Agreement.
- D. **Subcontractor shall require all its subcontractors** to provide the same insurance as required of the Subcontractor, including adding the Owner and the Contractor as additional insured where required. As to the insurance required of the Subcontractor's subcontractor, the Subcontractor agrees to obtain from their Subcontractor's insurance company (or authorized agent) certificated of insurance as evidence of the required insurance, including the provision on the certificate of insurance that all policies will not be canceled until at least 30 days' prior written notice has been given to the Contractor. Such certificated of insurance shall be filed with and acceptable to the Contractor prior to the execution of this Subcontract. Failure of Subcontractor to provide the insurance set forth in this Section or any proof of insurance as herein described may, at the option of the Contractor, result in the Subcontractor being terminated for cause, or in lieu of such action the Contractor at its option shall have the right to maintain all said insurance for and in the name of the Subcontractor and Subcontractor agrees to pay for the cost thereof and Contractor may deduct such cost from monies otherwise due the Subcontractor.
8. Use of Equipment. Should the Subcontractor or his employees use any of the Contractor's equipment, scaffolding or other facilities it is understood and agreed that such shall be at the Subcontractor's sole risk, and Subcontractor by the use thereof agrees to indemnify Contractor against any loss arising out of the use thereof and does assume full responsibility for any and all loss, cost, expense, damage or injury arising therefrom.
9. No Assignment. Subcontractor shall not assign this contract, nor sublet any portion thereof, without first obtaining the written consent of Contractor.
10. Failure of Performance. If, in the opinion of Contractor or Architect, Subcontractor fails to perform his work in accordance with this agreement, and should such failure continue for twenty-four consecutive hours after service of a written notice to Subcontractor,



specifying the particulars of such failure, served personally or mailed to Subcontractor, then such continuance thereof shall constitute a breach of contract by Subcontractor, and such breach shall entitle the Contractor to terminate this contract and complete the work himself, or cause the work to be completed by others, and Subcontractor and the Surety agree to repay immediately all costs and damages (including legal expenses, attorney fees and court costs) sustained by Contractor on account of such failure; and any and all material and equipment of the Subcontractor may at the option of Contractor be used or rejected.

11. Clean-Up. Subcontractor agrees to clean up and removal all his debris, rubbish and surplus materials as the work progresses, and to keep his own work protected from damages by the elements and from damage likely otherwise to be occasioned in the performance of construction work and to protect all other parts of the work from damage likely to be caused by the Subcontractor's work, and should any such damage be so caused, agrees immediately to repair the same. Any default of Subcontractor in any such cleaning, protection, or repairs may be remedied by Contractor, and the costs deducted from the contract price.

12. Payment.

- A. Contractor agrees to pay Subcontractor for the full and faithful performance of his work, and the Subcontractor agrees to accept as full and just compensation, therefore, the sum of \$20,990.00 in current funds subject to additions and deductions for changes; said payments to be made as soon thereafter as payment is received from the Prime by Contractor in an amount equal to 90 percent of the subcontract work being based on the Prime's percentage of completion allowance therefore, and for which the Contractor has received payment. The retained percentage shall be paid within thirty days after completion and acceptance of the project by the Prime.
- B. Payments may be made only if Subcontractor's progress and workmanship are satisfactory to the Contractor and Architect; and Subcontractor, if requested, before receiving any payments shall furnish Contractor a notarized affidavit setting forth that labor, materials and other things used by Subcontractor in the performance of his work have been paid in full and releases therefore furnished to Contractor.
- C. It is further mutually agreed by and between Contractor and Subcontractor that Subcontractor, shall receive each payment in trust and as bailee, for the express use and purpose of paying all labor, materials, equipment and other things used by Subcontractor in performance of his work; and that title to such payments or



any part thereof, shall not vest in the Subcontractor until all obligations incurred by Subcontractor have been paid in full and the work to be done under this agreement is satisfactorily completed.

13. Warranty as to Materials and Workmanship. Neither the final payment nor any provision in the contract documents shall relieve Subcontractor of responsibility for faulty materials or workmanship; and unless otherwise specified, Subcontractor shall remedy any defects and pay for any damage resulting therefrom which shall appear within one year (or a longer period of time if specified in the contract documents) from the date of acceptance by Property Owner.
14. No Modifications. No modification of the contract shall be made and no work of lesser value than called for in the plans and specifications shall be accepted, except upon written change order approved in writing by the Contractor.
15. Bond. Subcontractor shall furnish, if requested, a corporate surety contract bond in an amount equal to the subcontract price to be written in a form and by a company acceptable to the Contractor.
16. Governing Law. The rights and obligations of the parties under this agreement shall be governed by laws of the state of California, except as to its principles of conflicts of laws, and the parties hereto irrevocably commit to the jurisdiction and venue of Los Angeles County, State of California in any action brought by the parties hereto concerning this Agreement or the performance thereof.
17. Sole Agreement and Severability. This agreement is the sole, entire and complete agreement of the parties relating in any way to the subject matter hereof. No statements, promises or representations have been made by any party to any other party, or relied upon, and no consideration has been offered, promised, expected or held out other than as expressly set forth herein, provided only that the release if claims in any prior agreement or release shall remain in full force and effect.
18. Titles and Captions. Paragraph titles or captions contained in this agreement are inserted only as a matter of convenience and for reference and no way define, limit, extend or describe the scope of this agreement or the intent of any provision hereof.
19. Arbitration. The Contractor and Subcontractor agree to arbitration as the method of binding dispute resolution, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Subcontract, and



filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all claims the known to that party on which arbitration is permitted to be demanded.

This agreement to arbitrate and any other written agreement to arbitrate with an additional person or persons referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof. The award rendered by the arbitrator or arbitrators shall be final, and judgement may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

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. PLEASE COMPLETE, SIGN AND RETURN BOTH COPIES TO MAINTCO CORP. (ATTN: CONSTRUCTION SUBCONTRACTS). THE EXECUTED COPY WILL BE SIGNED AND RETURNED TO YOU.

MAINTCO CORP.

CONTRACTOR

By: _____

Title: _____

Date: _____

Contractor License No. _____

SUBCONTRACTOR

By: _____

Title: _____

Date: _____

Contractor License No. _____