EXHIBIT B – Subcontract Terms & Conditions
Revised: 07/01/2026

Paragraph 1. Payment of Contract Price

1.1 The Contract Price shall be paid in accordance with the provisions of this Paragraph 1. Subcontractor shall hold as trustee all funds received from Contractor for the individuals or entities whose labor, materials, services, supplies, or equipment contributed to the amount claimed in Subcontractor's Applications for Payment, including without limitation, its work-force, lower-tier subcontractors, and suppliers. Nothing herein shall require money to be placed in a separate account of Subcontractor.

1.2 On or before the 20th day of each month, but in no event later than 5 days before Contractor is required to submit its pay application to Owner, Subcontractor shall submit to Contractor an invoice on the form provided by Contractor showing the value of the Work completed, from which shall be deducted a retention of five percent (5%) (unless a different retention percentage is prescribed by the Prime Contract), all previous payments, and any items chargeable to Subcontractor. As a further condition precedent to payment, Subcontractor shall provide labor and material lien releases, waivers and proof of payment to suppliers, subcontractors, and vendors as Contractor, in its sole discretion, shall reasonably require. In addition, Contractor shall be entitled to withhold payment for Subcontractor's failure to provide all of the records as set forth in Paragraph 1.9(h).

With its first invoice, Subcontractor shall also submit a detailed schedule of values showing the breakdown of the Work into its various parts for use only as a basis of checking the Subcontractor's monthly invoices. If requested by Contractor, Subcontractor shall also provide to Contractor an affidavit listing the company names and values of all suppliers and subcontractors providing material or services exceeding $5,000 to Subcontractor on the project.

In the event Subcontractor does not submit a monthly invoice, schedule of values, or affidavit in a timely manner, then Contractor, at its option, may deem the invoice incomplete and withhold payment until such invoice or documentation is submitted or include in Contractor's monthly estimate to Owner an amount it deems proper for Subcontractor's Work for the month. Subcontractor agrees to accept such estimated amount as Subcontractor's invoiced amount for that month. Subcontractor waives payment for any invoices received by Contractor in excess of six (6) months after completion of Subcontractor's portion of the Work, and Subcontractor shall have no further claim for payment under such invoices.

1.3 Upon Contractor's and Owner's approval of the monthly invoice and supporting documentation, payment will be made to Subcontractor as reflected in Contractor's applications for payment. Such payment shall be made within 7 days after Contractor receives payment from the Owner. If the Contract Documents provide specific terms for early payment, Subcontractor agrees to those payment terms.

1.4 The retention to be deducted on all invoices as set forth in subparagraph 1.2 above shall be paid to Subcontractor as a final payment as follows:

Provided that the Subcontractor has furnished satisfactory evidence that there are no claims or liens outstanding for labor or materials furnished in connection with the Work; and provided further that the Work required by the Contract Documents has been delivered to and accepted by the Owner; the final payment for any Work hereunder shall be paid to Subcontractor with funds received by Contractor from Owner in final payment for Work under the Prime Contract, within 7 days after Contractor has received such final payment from Owner.

1.5 If Owner delays making any payment to Contractor from which payment to Subcontractor is to be made, Contractor shall have a reasonable time to make payment to Subcontractor. "Reasonable time" shall be determined according to the relevant circumstances, but in no event shall it be less than the time required by Contractor and Subcontractor to pursue to conclusion their legal remedies against Owner to obtain payment, including, but not limited to, mechanic's lien remedies.

1.6 Any payment made hereunder prior to completion and acceptance of the Work shall not be construed to be an acceptance of defective, faulty, or improper Work or materials, nor shall it be deemed to release Subcontractor from any of its obligations under this Subcontract.

1.7 If Subcontractor has entered into other subcontracts with Contractor, and Subcontractor defaults in its performance under any such other subcontracts, Contractor may offset unsatisfied obligations by Subcontractor to Contractor arising out of other subcontracts against Contractor's obligation to Subcontractor under this Subcontract.

1.8 If it appears to Contractor that the labor, material, or other bills incurred in the performance of Subcontractor's Work are not being currently paid, or reasonable grounds for insecurity exist, or Contractor has been notified by Owner or its agent that Owner intends to assert a backcharge or set-off with respect to Subcontractor's Work, then Contractor may take such steps as it deems necessary to ensure that the money paid with any progress payment will be utilized to pay such bills, including joint check or direct payment to lower tier subcontractors and suppliers.

1.9 Grounds for Withholding Payment. Contractor may withhold or, on account of subsequently discovered evidence, nullify the whole or part of any payment to the extent necessary to protect Contractor from loss, including costs and actual attorneys' fees, on account of:

(a) defective Work not remedied;
(b) any lien or claim of lien filed or recorded by any party for whom Subcontractor is responsible, for labor or services performed or equipment and materials provided in connection with the Work;
(c) failure of Subcontractor to make payments properly to its subcontractors or for material, labor, or services furnished in connection with the Work;
(d) a reasonable doubt that this Subcontract can be completed for the balance then unpaid or within the time mandated by this Subcontract;
(e) damage to Contractor or another subcontractor;
(f) penalties assessed against Contractor or Subcontractor for failure of Subcontractor to comply with state, federal, or local laws and regulations; or
(g) any other ground for withholding payment allowed by state or federal law, or as otherwise provided in this Subcontract. When the above matters are rectified, such amounts as then due and owing shall be paid or credited to Subcontractor.
(h) If, pursuant to Section 218.7 of the California Labor Code, Subcontractor fails to provide (and or to require its lower tier-subcontractors to provide) the following information to Contractor within five days after Contractor's request, Contractor may withhold payment:
    (1) payroll records required by Labor Code Section 1174 that contain the information set forth in Labor Code Section 226(a) for he party's employees providing labor for the Work, which payroll records must be marked to prevent disclosure of an individual's full social security number, but show the last four digits of the social security number. The payroll records must also accurately show the party's payment status in making fringe or other benefit payments or contributions to a third party on the employee's behalf;
    (2) lower tier-subcontract award information that includes the project name, name and address of upper-tier subcontractor, name and address of the lower-tier subcontractor, anticipated start date, estimated duration of lower-tier subcontractor's work, estimated journeymen and apprentice hours for the lower-tier subcontractor, and contact information for any and all of the lower-tier subcontractor's own subcontractors for the Work;
    (3) fringe benefit and subsistence statements for all employees providing labor for the Work;
    (4) a complete and accurate Compliance Reporting Form;
    (5) a current "good standing" letter from each union trust administrator for each union (if any) supplying labor to Subcontractor for the Work; and
    (6) a copy of the collective bargaining or other agreement with each union (if any) supplying labor to Subcontractor for the Work.

Paragraph 2. Changes in Work

2.1 Contractor reserves the right, from time to time, to make such changes, additions, and/or deletions in the Work as it may deem necessary, upon written Subcontract Change Order ("SCO") to Subcontractor. The value of the Work to be changed, added, or deleted must be stated in the SCO and will be added to or deducted from the Contract Price. Once Subcontractor has received a SCO, it has five business days to reject the value of the Work in the SCO or such value shall be deemed accepted. Should Contractor and Subcontractor disagree as to the value of the Work to be changed, added, or deleted, Subcontractor will nevertheless promptly proceed with the Work at Contractor's direction. Subcontractor shall supply Contractor with all documentation necessary to substantiate the amount of the addition to or deduction from the Contract Price or time. Once Subcontractor receives Contractor's written direction, Subcontractor is solely responsible for timely performance of the Work as changed by the written direction. Payment for changed Work shall be made in accordance with Paragraph 1.

If Subcontractor intends to submit a claim for the disputed Work, it shall give prompt written notice to Contractor before proceeding with the Work. In addition, Subcontractor shall submit its written claim for additional compensation for that work within ten (10) days after such Work is performed in sufficient detail for Contractor to make an evaluation of the merits of the claim. Subcontractor's failure either to give the written notice before proceeding with the Work or to submit the written claim within the ten (10) days constitutes a waiver of the right to any claim or any payment for the disputed Work.

2.2 Subcontractor shall not be entitled to any additional compensation for any extras unless the extras have been ordered by written authorization.

To assist in the documentation of any claim that Subcontractor may have, Contractor authorizes its Superintendent to sign extra work orders, Extra Work Authorizations ("EWA"), or similar documentation relating to said claims; provided, however, that notwithstanding any language contained in the Subcontractor's EWAs or similar documentation to the contrary, such signature by Contractor's Superintendent shall only represent the following:

(a) To the best of Contractor's knowledge at the time its Superintendent signed Subcontractor's documentation, the hours and/or materials represented therein appeared to have been worked and/or used on the project;
(b) By signing Subcontractor's documentation, Contractor does not waive or release any right to dispute or object to the Subcontractor's claim that it is entitled to additional compensation, an extension of time, or that the hours worked and/or materials used were reasonable for the Work performed therein; and Subcontractor acknowledges and agrees that Contractor's Superintendent does not have authority to waive any of the terms, conditions, or requirements set forth in this Subcontract. Only a Corporate Officer of the Contractor, or the Contractor's Business Unit Leader, Project Executive, or Director of Operational Risk shall have authority to modify the terms of the Subcontract.

Any extras furnished by Subcontractor except in accordance with the forgoing will be done so at Subcontractor's sole expense. Contractor shall be entitled to delete such portions of the Work as Contractor may see fit by instructions in writing to the Subcontractor and shall be entitled to deduct the reasonable value of such Work deleted from the Contract Price.

2.3 If the Subcontractor asserts a claim which involves, in whole or in part, acts or omissions which are the responsibility of the Owner or another party, including but not limited to claims for failure to pay, an extension of time, delay damages, or extra work, Contractor may present the Subcontractor's claim to the Owner or other responsible party. In the event that Contractor determines that such claim has not been submitted in good faith, or may constitute a false claim, Contractor is entitled to decline to pass-through the claim to Owner. If Contractor submits such claim by Subcontractor, Subcontractor is solely responsible should such claim be deemed a false claim, and Subcontractor agrees to indemnify, defend and hold harmless Contractor for all losses and damages associated therewith. Subcontractor shall cooperate fully with Contractor in all steps taken in connection with prosecuting such a claim and shall hold harmless and reimburse the Contractor for all expense, including legal expense, incurred by Contractor which arise out of Contractor's submission of Subcontractor's claim to Owner or other responsible party. Subcontractor shall be bound by any adjudication or award in any action or proceeding resolving such a claim.

2.4 Subcontractor shall submit all change order requests, notices and claims related to extra work, extensions of time, damages for delay or other claim, in the form and manner required under the Prime Contract and within sufficient time to allow Contractor to review and pass-through, at its discretion, the claim to the Owner pursuant to the Prime Contract provisions governing the same. Sufficient time shall mean delivery of the change order request, claim or notice not later than three (3) days prior to the time within which Contractor must make such submission to Owner.

2.5 Subcontractor agrees at no additional cost to Contractor to make any changes, additions, or modifications, ordered by Contractor, which do not involve extra cost to Subcontractor.

Paragraph 3. Commencement and Completion of Work

3.1 Subcontractor agrees to commence the Work within forty-eight (48) hours after notice by Contractor to do so.

3.2 Subcontractor shall provide adequate supervision and keep sufficient workmen, supplies, material, tools and equipment on the job to prosecute the Work diligently to completion, and cooperate with and not hinder or delay the other trades in the performance of their Work.

3.3 Subcontractor shall provide Contractor with scheduling information and a proposed schedule for performance of its Work in a form acceptable to Contractor. Contractor shall not be bound to use Subcontractor's scheduling information, but may rely upon the same.

Subcontractor shall conform to Contractor's progress schedule and all revisions or changes made thereto. Subcontractor acknowledges that revisions may be made in such schedule and agrees to make no claim for acceleration, inefficiency, or delay by reason of such revision(s) as long as Contractor has not acted in an arbitrary or capricious manner in making the revision(s).

3.4 Contractor shall have the right to decide the time and order in which the various portions of the Work shall be installed and the relative priority of the Work of Subcontractor and other subcontractors, and, in general, all other matters pertaining to the timely, orderly, and safe conduct of the Work of Subcontractor on the premises. Contractor shall have the right to suspend Work for a reasonable time without payment of additional compensation.

Where Subcontractor has failed to perform its Work in a timely manner or maintain its part of the Contractor's schedule, Contractor may require Subcontractor, without additional compensation, to accelerate the Work as Contractor may direct until Subcontractor's Work is in accordance with Contractor's schedule.

No claims for additional compensation or damages for delays, including but not limited to inefficiencies or loss of productivity, whether caused in whole or in part by any conduct on the part of Contractor, delays by other subcontractors or Owner, shall be recoverable from Contractor, and an extension of time for completion of its Work shall be the sole

remedy of Subcontractor; provided, however, that in the event Contractor obtains additional compensation from Owner on account of such delays, Subcontractor shall be entitled to such portion of the additional compensation so received by Contractor from Owner as is equitable under all of the circumstances.

Paragraph 4. Performance of Work

4.1 Whether or not specifically set forth in the Contract Documents, the Work includes the following: any item of labor, service, equipment, and/or material reasonably required by the plans, drawings, specifications, other contract documents, or customarily furnished by a Subcontractor performing Work of this type; any item of labor, service, equipment, and/or material required to complete the Work in compliance with any applicable law, ordinance, regulation, or building codes, or necessary to obtain any inspection approvals being obtained by the Contractor; all plans, drawings, permits, and fees required by law, regulations, ordinance, or building codes; all scaffolding, barricades, shoring, and traffic control necessary or required for the performance of the Work; such as-built plans, specifications, maintenance manuals, reports, and closeout documentation as may be reasonably required by Contractor.

4.2 Unless otherwise specifically provided in the Contract Documents, all workmanship, materials, equipment, and articles incorporated in the Work shall be new and the best grade of their respective kinds for the purpose. Subcontractor agrees at its own cost and expense to do all digging, backfilling, cutting, patching, and fitting of every kind necessary to install its Work in a proper and timely manner. Layout of its Work, dimensions of materials, and field measurements are the responsibility of Subcontractor. Subcontractor is responsible for the accuracy of its Work and any resulting damages or loss to Contractor or other subcontractors. Incorrect dimensions or measurements on plans or shop drawings do not relieve Subcontractor of this responsibility. Every part of the Work described herein will be executed in strict accordance with the Contract Documents in the highest sound, workmanlike, and professional manner. Any expense incurred by Contractor due to failure of Subcontractor to install its Work in the proper manner may be deducted from monies otherwise due Subcontractor, or will be paid for by Subcontractor, upon demand.

4.3 Subcontractor agrees to keep the premises free and clean at all times, including, the removal of all excess material, debris, and equipment. Subcontractor's failure to do so shall give Contractor the option of removing said items at Subcontractor's own risk and expense.

4.4 Subcontractor agrees to protect its Work, materials, tools, and equipment against loss or damage by fire, theft, or accident, and not to make any claim or demand upon Contractor for any injury, loss, or damage to Subcontractor, its agents, or employees, on account of any negligent act or omission of any third person or persons.

4.5 Subcontractor waives any claim, demand, or cause of action against Contractor for the loss, use, misuse, abuse, or conversion of the tools, materials, equipment, plans, permits, or diagrams, taken or used by Contractor pursuant to Paragraph 5 hereof.

4.6 Subcontractor's failure to promptly report in writing to Contractor any alleged defects in any work of another person on or in which Subcontractor is to install its work will be deemed an acknowledgement by Subcontractor that such other work is fit and proper to receive Subcontractor's Work.

4.7 All materials and workmanship shall be subject to inspection, examination, and testing by Contractor at any and all times during manufacture and/or construction. Contractor shall have the right to reject defective material, equipment, and workmanship or require its correction without further cost to Contractor. Subcontractor will furnish, without additional charge, all reasonable facilities, labor and materials necessary for safe and convenient testing and inspection as may be required.

4.8 Subcontractor shall pay Contractor for any damage caused by Subcontractor, or its agents, employees, suppliers, or material men, to any portion of the Work or to any property adjacent thereto which Contractor repairs, whether Contractor is legally obligated to do so or not.

4.9 Subcontractor acknowledges that it has inspected the site where the Work is to be performed, has examined and understands the plans, drawings, and specifications, and all other Contract requirements, is familiar with all the laws, regulations, codes, ordinances, and rules pertinent to its Work and agrees to install its Work in the location and manner required by any governmental authority, including but not limited to, City, County, and State Building Departments and subject to the approval of Contractor and Owner without any additional cost to Contractor.

4.10 Time for performance by Subcontractor of each and all of its obligations hereunder is of the essence in the Subcontract. Subcontractor shall be liable to Contractor on account of any delay or breach of contract by Subcontractor, including, but not limited to any liquidated damages for delays or breach sustained by Contractor, or for which Contractor may be liable to Owner or any other party because of Subcontractor's delay and/or breach.

Paragraph 5. Recourse by Contractor

5.1 Notice to Cure. If Subcontractor at any time refuses or neglects to supply enough properly skilled workers and proper materials, or fails to properly and diligently prosecute the Work covered by this Subcontract, or fails to make prompt payment to its workers, sub-subcontractors or suppliers, or becomes delinquent with respect to contributions or payments required to be made to any health and welfare, pension, vacation, apprenticeship, or other employee benefit program or trust, or is otherwise guilty of a material breach of a provision of this Subcontract, and fails within forty-eight (48) hours after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, then Contractor, without prejudice to any rights or remedies, shall have the right to any or all of the following remedies:

(a) Supply such number of workers and quantity of materials, equipment, and other facilities as Contractor deems necessary for completion of Subcontractor's Work or any part thereof which Subcontractor has failed to complete or perform, and charge the cost thereof to Subcontractor, who shall be liable for the payment of same including reasonable profit, and actual attorneys' fees incurred as a result of Subcontractor's failure of performance;
(b) Contract with one or more additional contractors to perform such part of Subcontractor's Work as Contractor shall determine will provide the most expeditious completion of the Work and charge the cost thereof to Subcontractor, who shall be liable for the payment of same including reasonable profit, and actual attorneys' fees incurred as a result of Subcontractor's failure of performance; and
(c) Withhold payment of any monies due Subcontractor pending corrective action to the extent required by and to the satisfaction of Contractor.

In the event of an emergency affecting the safety of persons or property, Contractor may proceed as above without notice.

5.2 Termination for Default. If Subcontractor fails to commence and satisfactorily continue correction of a default within forty-eight (48) hours after receipt by Subcontractor of the notice issued under Paragraph 5.1, then Contractor may terminate Subcontractor's right to perform under this Subcontract and use any materials, implements, equipment, appliances, or tools furnished by or belonging to Subcontractor to complete Subcontractor's Work without any further compensation to Subcontractor for such use. Contractor also may furnish those materials and equipment, and/or employ such workers or subcontractors, as Contractor deems necessary to maintain the orderly progress of the Work.

In such case, Subcontractor shall be entitled to no further payment until the balance of Subcontractor's Work has been completed. At that time, all of the costs incurred by Contractor in performing Subcontractor's Work, including a markup of fifteen percent (15%) for overhead and profit on such expenses, plus actual attorneys' fees as provided above, shall be deducted from any monies due or to become due Subcontractor. Subcontractor shall be liable for the payment of any amount by which such expenses may exceed the unpaid balance of the Contract Price, and shall pay Contractor said amount within 30 days of written demand therefore.

5.3 Termination for Convenience. Contractor may at any time and for any reason terminate Subcontractor's right to proceed to perform the Work at Contractor's convenience. Any notice of termination shall be made in writing and sent to Subcontractor.

Upon receipt of such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue the Work and shall not place any further orders for materials, facilities or supplies in connection with the performance of this Subcontract, and shall, if requested, make every reasonable effort to procure cancellation of all existing orders or contracts upon terms satisfactory to Contractor or, at the option of Contractor, give Contractor the right to assume those obligations directly, including all benefits to be derived therefrom. Subcontractor shall thereafter do only such Work as may be necessary to preserve and protect the Work already in progress and to protect material and equipment on the job site or in transit thereto.

Upon such termination, Subcontractor shall be entitled to payment only as follows, in accordance with Paragraph 1:

(a) the actual cost of the Work completed in conformity with this Subcontract, plus
(b) such other costs actually incurred by Subcontractor as a result of the termination as are permitted by the Prime Contract, plus
(c) a mark-up of up to fifteen percent (15%) of the cost of the Work referred to in subpart (1) above for overhead and profit; provided, however, that in no event will the mark-up be greater than Subcontractor would have received if the Subcontract had not been terminated.

There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Subcontractor prior to the date of the termination of this Subcontract. In no event shall payment due hereunder exceed the amount due for approved Work completed. Subcontractor shall not be entitled to any stop payment notice, payment bond or other claim or lien against Contractor or Owner for any additional compensation or damages in the event of such termination and payment.

In the event Contractor terminates Subcontractor pursuant to Paragraph 5.2, and it is subsequently determined in a civil action or arbitration that it was a wrongful termination or termination for default was improper, Contractor's liability to Subcontractor shall be no greater than it would be if Contractor would have terminated Subcontractor for convenience.

Paragraph 6. Labor Relations

6.1 The employment of labor by the Subcontractor shall be to the satisfaction to the Contractor as it relates to safety, quality, and conduct. Subcontractor shall replace any employee Contractor determines to be unacceptable.

6.2 Subcontractor acknowledges that Contractor has entered into labor agreements covering work at its construction job sites with the Carpenter's Union, Cement Mason's Union, and the Laborer's Union. Subcontractor agrees to be bound and to comply with all of the terms and conditions of such labor agreements to the same degree and extent as if Subcontractor were a party to those agreements including payments into employee trust funds required by the labor agreements, and submission to and compliance with the arbitration and other dispute resolution requirements of the labor agreements. Subcontractor agrees to comply with the terms and provisions contained in such agreements for resolution of jurisdictional disputes. Subcontractor agrees at its own cost and expense, upon request of Contractor, to take any and all lawful steps to secure a binding and final determination of said jurisdictional dispute by the National Labor Relations Board. Subcontractor further agrees that it will bind and require all sub-subcontractors performing job site work of the type covered by such labor agreements specified above to agree to and comply with all of the foregoing.

6.3 Subcontractor agrees that if a reserved dual gate system is established at the project, Subcontractor will be responsible for ensuring that its employees use the gates designed for Subcontractor and agrees not to delay the progress of the Work because of any labor union difficulties, and to hold harmless Contractor from any loss, damage, or delay occasioned by any difficulties between Subcontractor and any labor union. In the event a union threatens to strike, picket, or otherwise delay the job because of dispute with the Subcontractor, Contractor shall, in addition to its other rights and remedies, have the option of canceling this subcontract forthwith and having the Work done and/or completed at Subcontractor's expense as provided for in paragraph 5.2 above.

Paragraph 7. Plans, Drawings, and Specifications

7.1 Notwithstanding the information provided in the plans, models, drawings, and specifications, Subcontractor is responsible for ensuring the proper matching and fitting of the Work with contiguous work, including but not limited to, the taking of all measurements.

7.2 The decision of the project Architect, if any, as to the true construction, meaning, and intent of the plans, drawings, and specifications is final and binding upon the parties hereto. Subcontractor must confirm to and abide by those plans, without making any changes, additions, and/or omissions in the Work except upon receipt of an SCO from Contractor.

Paragraph 8. Safety and Accident Prevention

8.1 Subcontractor agrees that the prevention of accidents to workers engaged upon or in the vicinity of the Work is its responsibility. Subcontractor shall conduct inspections to determine that safe working conditions and equipment exist and accepts sole responsibility for providing a safe place to work for its employees and for employees of its subcontractors and suppliers of material and equipment, for adequacy of and required use of all safety equipment and for full compliance with the aforesaid laws, orders, citations, rules, regulations, standards, and statutes. When so ordered, Subcontractor will stop any part of the Work, which Contractor deems unsafe until corrective measures satisfactory to Contractor have been taken, and Subcontractor agrees that it will not have or make any claim for damages growing out of such stoppages. Should Subcontractor neglect to take such corrective measures, Contractor may do so at the cost and expense of Subcontractor. Failure on the part of the Contractor to stop unsafe practices will in no way relieve Subcontractor of its responsibility therefore.

8.2 Subcontractor agrees and understands that, notwithstanding other provision for safety in this Subcontract, Subcontractor shall conform to the highest standards of safety practices in the performance of the Work and shall comply with all applicable Federal, State, and local laws and ordinances affecting or relating to this Subcontract including, but not limited to, those with respect to occupational health and safety, the handling and storage of hazardous materials, accident prevention, and safety equipment and practices as well as the Contractor's specific Subcontractor Safety Program governing safety, health, sanitation, and environmental protection, and Owner's applicable safety program while performing Work hereunder. Furthermore, the Subcontractor agrees that when designated and so informed by the Contractor, the Subcontractor will ensure the completion of specific Contractor and/or Owner health, safety or procedural training, of the Subcontractor's employees and bear the costs associated with this training if it is provided through a web-based service.

8.3 Subcontractor shall provide all safeguards, safety devices, and protective equipment, and take any other needed actions whatsoever, at Subcontractor's sole expense, as Contractor may determine to be necessary to protect the life and health

of all persons on the jobsite, the safety of the public, and all property, in connection with Subcontractor's performance of the Work hereunder.

8.4 The current California Occupation Safety and Health Standards (Labor code 6401.7 and 8 CCR 3202) require that every employer shall establish, implement and maintain an effective Injury and Illness Prevention Program. By executing this Subcontract, Subcontractor warrants that Subcontractor has established an injury and illness prevention program, that it is current, and that it complies with the above referenced California Safety and Health Standards or any additional and successor codes and regulations thereto. Upon Contractor's request, Subcontractor will make available any and all records, which comprise said program including the program outline, meeting minutes, safety inspections, and accident reports.

Paragraph 9. Warranty

9.1 Subcontractor hereby warrants to Owner and Contractor that (a) all materials and equipment furnished shall be new unless otherwise specified and that (b) all Work under this Subcontract shall be performed in a good and workmanlike manner shall be of good quality, free from defects, and in strict conformance with the Contract Documents. All Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective and will be replaced at Subcontractor's sole cost and expense. The warranty provided in this Paragraph 9 shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents. Subcontractor's obligations under this Paragraph 9 shall include all costs necessary to replace or repair, at Contractor's discretion, any defective Work or servicing.

Paragraph 10. Insolvency/Bankruptcy

10.1 Termination Absent Cure. If Subcontractor commits any act of insolvency, Contractor may, absent any applicable legal limitation, terminate this Subcontract upon giving forty-eight (48) hours written notice to Subcontractor, its trustee (if any), and its surety, (if any) unless Subcontractor, the surety, or the trustee:

(a) promptly cures all defaults;
(b) provides adequate assurance of future performance;
(c) compensates Contractor for actual pecuniary loss resulting from such defaults; and
(d) assumes the obligations of Subcontractor within the statutory time limits.

Paragraph 11. Waiver and Notices

11.1 Waiver of any breach of this Subcontract by Contractor shall not be construed as a waiver of any other breach of this Subcontract nor shall such waiver serve as an estoppel of any other right Contractor may have hereunder.

11.2 Any notice from Contractor to Subcontractor may be delivered personally, faxed, or mailed to Subcontractor at the address shown on this Subcontract, or electronically transmitted to Subcontractor. Such notice shall be deemed served upon being deposited in the United States mail so addressed with postage prepaid, or the date of electronic transmission, whichever applicable. In the event of notice by mail, the time for performance by Subcontractor of any act based on such notice shall be extended for forty-eight (48) hours.

Paragraph 12. Assignment

12.1 Subcontractor shall not, without written consent of Contractor, assign, transfer, or sublet a majority of the Work required by this Subcontract or assign any payment hereunder to others without the advance written consent of Contractor.

Paragraph 13. Claims and Dispute Resolution

13.1 Disputes Under Prime Contract. Any dispute resolution procedure in the Prime Contract shall be deemed incorporated in this Subcontract and will apply to any dispute arising in connection with the Work if such disputes involve or are alleged to involve acts or omissions of Owner or its representatives or involve a dispute between Owner and Contractor. For any dispute involving Owner, Contractor and Subcontractor (together with any surety(ies) that have provided performance and payment bonds guaranteeing Subcontractor's obligations under the Subcontract (the "Subcontractor Bonding Company"), Subcontractor agrees to participate with Contractor and Owner in the same dispute resolution proceeding unless Owner or Contractor disapproves of Subcontractor's participation. Subcontractor agrees, on its own behalf and on behalf of the Subcontractor Bonding Company, if any, to (a) join in any dispute resolution proceeding between Contractor and Owner, if requested by Contractor, (b) consolidate proceedings between Contractor and Subcontractor with the proceeding between Contractor and Owner, (c) cooperate with Contractor in discovery, including making employees available for testimony, and (d) stay any action or proceeding filed by Subcontractor as long as the Subcontractor's position is being diligently pursued by the Contractor in the proceeding where the related dispute between Owner and Contractor is being heard. If Owner is a party to an arbitration between Contractor and Subcontractor, the rules and procedures applicable to the dispute resolution process between the Owner and Contractor will also apply to the arbitration involving Owner, Contractor, and Subcontractor. If the dispute does not involve acts or omissions of Owner or its representatives, does not involve a dispute between Owner and Contractor related, in any manner to the Work, or if there is no dispute resolution procedure in the Prime Contract, then all claims and disputes arising out of or relating to the Work or this Subcontract, including claims against any payment bond issued for the project by sureties for Contractor (the "Contractor Sureties"), but excluding any claims which have been waived by Subcontractor by the acceptance of final payment or otherwise, must be decided by the claims procedure set forth in Section 13.2.

13.2 Subject to compliance with the Prime Contract dispute resolution procedures referenced in Paragraph 13.1, the first stage of dispute resolution between Contractor and Subcontractor shall be informal negotiation at the project level. In the event that project staff are unable to resolve a dispute within a reasonable time, either party may demand elevation of the dispute to informal negotiation between an officer or principal of each firm. As a condition precedent to elevating a dispute to arbitration or other formal dispute resolution proceeding, the officer or principal representative of Subcontractor and Contractor shall meet in good faith to attempt to resolve the dispute. If those discussions are unsuccessful, the parties shall then submit the dispute to mediation before a mediator mutually agreed to by the parties. The cost of the mediation shall be borne equally by the parties. In the event mediation fails to resolve the dispute, the dispute shall be decided by binding arbitration administered by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules. The arbitration shall be presided over by a single arbitrator. Any court of competent jurisdiction in the State of California may enforce this arbitration clause and confirm an arbitration award rendered hereunder.

13.3 Work Continuation and Payment. Unless otherwise agreed in writing, Subcontractor shall carry on the Work and maintain the schedule of Work pending dispute resolution processes involving any claims between Subcontractor and Contractor, whether proceeding pursuant to the Subcontract Dispute provisions above, or in a pending arbitration or other proceeding. To the extent that Subcontractor continues to perform the Work despite the existence of a dispute, Contractor will continue to make payments in accordance with this Subcontract, subject to Contractor's right to withhold payment under paragraphs 1.2 and 1.9, above.

Paragraph 14. Indemnity

14.1 To the fullest extent permitted under the law of the State of California, Subcontractor shall defend, indemnify, and hold harmless Owner, Contractor, their affiliates, and their respective owners, partners, shareholders, officers, agents, employees, insurers, and sureties, and other entities, if any, which Contractor is obligated to indemnify, defend or hold harmless pursuant to the Prime Contract (collectively, "Indemnitees"), from any and all claims, allegations, legal

proceedings, damages, costs, actual attorneys' fees, losses or liability, in law or in equity, of every kind arising out of or related to Subcontractor's performance of the Work ("Claims"), including, but not limited to, Claims for:

(a) Personal injury, including, but not limited to, bodily injury, emotional injury, sickness or disease, or death to persons, including, but not limited to, any employees or agents of Subcontractor, Indemnitee, or any other contractor; caused or alleged to be caused in whole or in part by any act or omission of Subcontractor or anyone directly or indirectly employed by Subcontractor, or anyone for whose acts Subcontractor may be liable, regardless of whether that injury is caused by an Indemnitee;
(b) Damage to property of any Indemnitee (including loss of use thereof), caused or alleged to be caused in whole or in part by any act or omission of Subcontractor or anyone directly or indirectly employed by Subcontractor, or anyone for whose acts Subcontractor may be liable, regardless of whether that damage is caused by an Indemnitee;
(b) Defects or omissions in the Work of Subcontractor or those for whom it is responsible, including materials they provided;
(c) Penalties imposed on account of the violation of any laws caused by the action or inaction of Subcontractor or those for whom it is responsible, including but not limited to, laws in any way relating to the occupational health or safety of employees, and violations relating to the Subcontractor's use of Contractor's or others' hoists, elevators, scaffolds or other equipment;
(d) Except to the extent otherwise provided in the Prime Contract, infringement of any patent, trademark, or other proprietary right by Subcontractor or those for whom it is responsible;
(e) Stop payment notices or liens from any party for whom Subcontractor is responsible, for labor performed or materials used or furnished to be used, for the Work, including all damages resulting to an Indemnitee therefrom;
(f) Claims for unpaid wages, salary, compensation, benefits and/or union contributions (including interest thereon) asserted by any employee or alleged employee of Subcontractor, or any employee or alleged employee of any lower-tier subcontractor or supplier, who worked on the project;
(g) Subcontractor's breach of any covenant, representation or warranty made by it in the Subcontract or in any document furnished by it pursuant to the Subcontract; or
(h) Any other Claims arising out of or relating to any other act (or failure to act) by Subcontractor (or those for whom it is responsible) for which Contractor must indemnify Owner or another party under the Prime Contract.

These indemnity provisions apply regardless of any concurrent negligent act or omission of the Indemnitee(s). Subcontractor, however, is not be obligated under this Subcontract to indemnify Indemnitees for Claims to the extent arising from the sole negligence, active negligence, or willful misconduct of Indemnitees, or independent contractors who are directly responsible to Owner or Contractor, or for defects in design furnished by these persons.

14.2 Subcontractor must promptly, no later than ten days after Contractor's tender of a Claim to Subcontractor, advise Contractor in writing of Subcontractor's election under California Civil Code Section 2782.05(e). If Subcontractor elects to defend Contractor and the other Indemnitees from the Claim pursuant to California Civil Code Section 2782.05(e)(1), then Subcontractor's Notice to Contractor of its election must also identify the defense counsel selected by Subcontractor, which counsel is subject to Contractor's reasonable written approval, which will not be unreasonably withheld. If California Civil Code Section 2782.05(e) is repealed or amended so that California law no longer gives Subcontractor a right to elect a method of providing for defense of Claims, then Subcontractor must at its own cost defend all Claims made by third parties against any Indemnitee using counsel reasonably approved by Contractor.

(a) If Subcontractor elects to proceed under California Civil Code Section 2782.05(e)(2), Subcontractor must promptly reimburse Contractor or Owner or any other Indemnitee on an ongoing basis during the pendency of the Claim for the reasonable allocable expenses incurred by any of them in connection herewith, subject to reallocation upon final resolution of the Claim. Upon the Indemnitee's demand, Subcontractor must promptly pay any additional amounts owed to Contractor or another Indemnitee by Subcontractor upon final resolution.
(b) If Subcontractor fails to timely and adequately perform its obligations under this Section 14, including its obligations related to defense of Claims, then, notwithstanding anything to the contrary in this Subcontract, upon demand Subcontractor must reimburse Contractor and all other Indemnitees for any resulting damages, including, without limitation, actual attorneys' fees. Contractor may offset from any amounts otherwise due to Subcontractor amounts owed to Contractor or another Indemnitee under this Section 14.

14.3 These indemnification obligations are not limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Subcontractor under workers' or workmen's compensation acts, disability Laws or other employee benefit Laws.

14.4 Provided that Contractor is not in default of its payment obligations to Subcontractor for the Work, Subcontractor shall pay and satisfy any claim, lien, stop payment notice, payment bond claim or suit for labor performed or materials used on or furnished to the project by anyone for whom Subcontractor is responsible. Subcontractor agrees that within ten (10) days after written demand to cause the effect of any such claim, lien or suit to be removed or resolved, and in the event Subcontractor shall fail so to do, Contractor is authorized withhold funds sufficient to cover the costs of Contractor for the claim, lien or suit, plus a markup of 15% for overhead, and to use whatever means in Contractor's discretion Contractor

may deem appropriate to cause said claim, lien or suit to be removed or dismissed. Any cost incurred by Contractor to resolve or remove the claim, lien or suit, together with actual attorneys' fees, shall be immediately due and payable to Contractor upon written demand by Contractor to Subcontractor. Subcontractor may litigate any claim, lien or suit for labor performed or materials used on or furnished to the project by anyone for whom Subcontractor is responsible provided it causes the lien or claim or effects thereof, to be removed from the project promptly, and still further do such things as may be necessary to cause Owner not to withhold any monies due to Contractor from Owner by reason of such claims, liens or suits.

Paragraph 15. Insurance

15.1 Subcontractor and its subcontractors shall at all times and in all operations performed under this Subcontract carry the insurance required under this Article and the Contractor's Subcontractor Insurance Requirements attached hereto as Exhibit "D" and incorporated herein by this reference as though fully set forth herein. Subcontractor's insurance coverage shall include liability for all injuries and damages referred to in Paragraph 14. Before Subcontractor starts any Work at the project site, Subcontractor shall furnish Contractor with certificates and required endorsements. As more specifically set forth in Exhibit "D", Contractor and Owner shall be named as an additional insured under General Liability Policy and any other policy required by Owner. All insurance policies shall, by appropriate language, exclude any claim on the part of the insurer to be subrogated on payment of loss or otherwise to any claim against Contractor or Owner. Subcontractor hereby waives any right or claim to be subrogated on payment of loss or otherwise to any claim against Contractor or Owner and further waives any right against Contractor or Owner for damages caused by fire or other perils to the extent covered by property insurance maintained by Owner pursuant to the Contract Documents, except such right as Subcontractor may have to the proceeds of such insurance held by Owner as Trustee. The furnishing of insurance by Subcontractor shall not be construed to affect or impair the obligations of Subcontractor under this Subcontract.

15.2 If the project is identified to include a Contractor Controlled Insurance Program ("CCIP"), then Subcontractor shall abide by the CCIP provisions attached hereto as Exhibit "D.1" and Exhibit "D.2" and incorporated herein by this reference as though fully set forth herein.

15.3 If the project is identified to include an Owner Controlled Insurance Program ("OCIP"), then Subcontractor shall abide by the OCIP provisions in the Contract Documents and incorporated herein by this reference as though fully set forth herein.

Paragraph 16. Design-Build Work

16.1 If the Work is identified as design-build, a complete and operable system shall be provided which includes all Work, though not shown or described, which may reasonably be inferred from the Contract Documents. It shall be Subcontractor's responsibility to make certain that the Contract Documents are in accordance with applicable laws, statutes, building codes and regulations, and shall comply with good engineering practices. Subcontractor agrees that working drawings, plans and specifications will be prepared, stamped and signed by a professional engineer, duly licensed in the State of California ("Engineer"). The Engineer may be an employee of Subcontractor, a third-party consultant, or an independent contractor with whom Subcontractor subcontracts the design Work required under this Subcontract. Subcontractor agrees to perform said Work and each and every part and detail thereof in the best and workmanlike manner by qualified, careful and efficient workers and to use materials that are satisfactory for the purpose for which they applied. Without limiting any other obligation herein, Subcontractor acknowledges that it is performing the Work described above, on a design-build basis. Subcontractor further warrants that its design shall meet the following criteria:

(a) All technical or performance criteria described in the Contract Documents;
(b) The design is consistent with, and has been coordinated with Contract Documents including the drawings, the plans, and the specifications as well as the work of all other trades affected by the Work and/or performing work in the contiguous area. Subcontractor specifically agrees to coordinate its design with the Architect/Engineer and its subconsultants, and with the work, including the shop drawings, of all subcontractors working in the contiguous areas, including other design-build subcontractors. Subcontractor acknowledges that the design which is being contributed to by other entities is still evolving and being completed and that Subcontractor's design is interdependent and needs to evolve and be compatible with the final designs of such other entities.
(c) Subcontractor's design and construction Work meet the standard of care for the design of such system which is customary in the industry in the location of the project for design-build subcontractors holding themselves out as being experts in design-build construction for their trade(s) for this specific type of improvement project. Nothing in this subparagraph is intended to limit Subcontractor's obligations under other provisions of the Subcontract, including subparagraphs (a) and (b), above.

16.2 In the event that an Owner terminates a design-build project prior to commencement of any construction Work, Contractor's liability for payment to Subcontractor for any preconstruction services under a design-build project shall arise only if Contractor is paid by Owner for such preconstruction services.

16.3 If this Subcontract references Exhibit "G – Design-Build Trade Subcontractor Requirements" either on the cover page of the Subcontract, in Exhibit "A," or Exhibit "C," then Subcontractor shall perform its design-build Work per the additional requirements outlined in Exhibit "G."

Paragraph 17. Use of Contractor's Equipment

17.1 Contractor may permit Subcontractor to use Contractor's equipment. Contractor may require the return of equipment to Contractor's custody and control for any reason and at any time, and Contractor may allow parties the use of equipment at any time.

(a) Subcontractor is solely responsible for its activities while using equipment and agrees to use the equipment at its own risk. Contractor makes no warranties or guarantees regarding the safety or suitability for a particular purpose, or the accuracy or effectiveness of the equipment to be used. By proceeding to use Contractor's equipment, Subcontractor represents that it has inspected the equipment prior to taking possession and that Subcontractor is fully satisfied that the equipment is operating safely.
(b) Subcontractor agrees that Contractor shall have no liability for any damages resulting from the use of the equipment by Subcontractor. Subcontractor agrees that all terms of Exhibit "D – Insurance and Indemnity" shall apply to Subcontractor's use of equipment.
(c) Subcontractor shall ensure that its employees, agents and any individual(s) assigned by Subcontractor to operate the equipment (collectively "Operators") are trained and certified on the operation of the equipment before operating it. Before operating equipment, any operator shall have demonstrated their understanding of all hazards related to the operation of the equipment. All operators assigned by Subcontractor to operate the equipment shall be under the sole and exclusive supervision, direction and control of Subcontractor.

Paragraph 18. Independent Contractor

18.1 Subcontractor is an independent contractor and shall, at its sole cost and expense, and without increase in the Contract Price, comply with all laws, rules, ordinances, and regulations of all governing bodies having jurisdiction over the Work; obtain all necessary permits and licenses therefore; and pay all manufacturers' taxes, sales taxes, use taxes, gross receipt taxes, processing taxes, and all federal, state, and municipal taxes, insurance and contributions which are measured by wages, salaries, or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations. Subcontractor, upon request, shall furnish evidence satisfactory to Contractor that any or all of the foregoing obligations have been fulfilled.

18.2 Contractor and Subcontractor further agree that Subcontractor shall maintain full responsibility and control over its employees, and Contractor and Subcontractor have no intent for Contractor to serve as, and Contractor shall not be deemed to be, a joint employer of Subcontractor's employees in any capacity. Specifically, and without limitation, Contractor shall not have control over any or all of Subcontractor's employees with respect to: (i) wages, benefits and other compensation; (ii) hours of work and scheduling; (iii) the assignment of any work; (iv) the supervision of work; (v) work rules and directions on the manner and methods of work and the grounds for discipline; (vi) the hiring and discharging of workers; and, (vii) working conditions related to safety and health.

Paragraph 19. Entire Agreement

19.1 Subcontractor certifies that it is fully familiar with all of the terms, conditions, and obligations of the Subcontract, the exhibits thereto, including, but not limited to the Contract Documents, and all laws regulations of any type applicable to the Subcontractor's Work on the project, and has inspected the physical conditions of the job site, is fully informed as to the conditions under which the Work is to be performed and that it enters into this Subcontract based upon its investigation of all such matters and is not relying on any opinions or representations of Contractor. This Subcontract represents the entire agreement between Contractor and Subcontractor, and supersedes any prior oral or written agreements or representations. The Contract Documents are incorporated in this Subcontract by reference, with the same effect as if they were set forth at length herein, and that Subcontractor and its subcontractors will be bound by any and all of the Contract Documents and any addenda, modifications, or changes thereto, insofar as they relate in any way, directly or indirectly, to the Work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract Documents, including, but not limited to, administrative provisions to the extent of the Work provided for in this Subcontract. Where in the Contract Documents reference is made to Contractor and the Work or specifications therein pertains in any way, directly or indirectly, to the Subcontractor trade, craft or type of Work, then such Work or specification shall be interpreted to apply to Subcontractor instead of Contractor and Subcontractor shall be deemed to have made all representations, warranties guaranties and covenants to Contractor and Owner which Contractor has made to Owner or Architect. In the event of any conflict between the requirements of the Contract Documents, and this Subcontract, Subcontractor shall be governed by the provisions imposing the greater duty on the Subcontractor. The term "Contract Documents" is defined to mean and include Exhibit "A" to this Subcontract, and the Prime Contract between Contractor and Owner with all attachments, exhibits, and addenda thereto, together with its general, supplementary, and other conditions, addenda, exhibits, and definitions, plans and specifications whether or not included in Exhibit "A."

The Subcontract and any SCOs may be executed by Project Manager of Contractor. Any modifications and/or additions to the terms and conditions of the Subcontract contained in this Exhibit "B" or Exhibit "D" must be made in writing and signed by both parties, and on behalf of Contractor, only a Corporate Officer, the Director of Operational Risk, Business Unit Leader, or Project Executive is authorized to execute such modifications and/or additions.

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.