



CONSTRUCTION

SUBCONTRACT Guaranteed Maximum Price Form of Agreement

Job Description:

GLY Job No.:

Contract No.

Document No.:

Subcontractor:

THIS AGREEMENT, made and entered into this _____ ("Contract Date"), by and between **GLY Construction, Inc.**, hereinafter referred to as "Contractor," and _____, hereinafter referred to as "Subcontractor."

WHEREAS, Contractor entered into a Contract dated the _____ ("Contract Date") with _____ hereinafter called the "Owner" for the construction and performance of _____ according to the terms and conditions of said contract and the general specifications and supplements, addenda, general and special provisions and conditions, plans, drawings, and other documents made a part thereof, and all change orders or amendments, collectively referred to as the "General Contract."

WHEREAS, Subcontractor acknowledges that it is familiar with the General Contract and agrees that the General Contract is a part hereof and is incorporated as a part of this Subcontract.

IT IS HEREBY AGREED AS FOLLOWS:

Subcontractor insofar as applicable in any way to this Subcontract, agrees to be bound to Contractor by the General Contract and any interpretations as to the meaning thereof issued by Owner to the same extent as the Contractor is bound to the Owner, and Subcontractor agrees to strictly comply therewith.

CONTRACT PRICE. In accordance with Article 2 of the Terms and Conditions of this Subcontract, Contractor agrees to pay and Subcontractor agrees to receive and accept as full compensation for doing all Work and furnishing all materials, supplies and equipment contemplated and embraced herein, and for well and faithfully completing the Work aforesaid and the whole thereof in the manner and according to the requirements of the Contract Documents, the **Guaranteed Maximum Sum** of _____ subject to additions, Change Orders, Deletions or extra Work Orders pertaining to Subcontract items.

1. WORK TO BE PERFORMED:

Subcontractor agrees to furnish all materials, labor, tools, equipment, supervision, supplies, and other items or services herein necessary or required to perform fully and completely, at the price or prices set out herein, all that portion of the Work required to be done under the General Contract and all related documents for _____, in accordance therewith as follows. Subcontractor's SCOPE OF WORK (the "Work") includes, but is not limited to, the following:

1.1

2. BASIS FOR SCOPE AND PAYMENT:

2.1 Enumeration of Contract Documents:

The Work of this Subcontract is based on the General Contract and all related documents including the Drawings and Specifications (see attached listing), the Contractor's Project Schedule dated _____ (attached), and also includes, but is not limited to, the following:

Item	Description

This listing is not intended to be all-inclusive and Subcontractor remains responsible to identify and perform all Work generally described above and as required by the General Contract.

2.2 Derivation of Contract Amounts:

Cost Code	Description	Amount

Total Contract Sum

2.3 Exclusions:

Item	Description



SUBCONTRACT Guaranteed Maximum Price Form of Agreement

2.4 Alternates Not Included In Contract Price:

Alternate(s) listed below may be accepted by Contractor | Owner at a later date and added to the Subcontract by change order. Price(s) listed incorporates the full cost of the Work including all labor, material, equipment, taxes, overhead and profit.

Item	Description	Amount

3. SUBCONTRACTOR RESPONSIBILITIES:

3.1 General Scope:

- .1 No direction shall be taken from architects, engineers, Owner, or anyone other than an authorized representative of Contractor. Authorized representatives on this Project are _____, Project Principal, _____, Project Manager and _____, Project Superintendent.
- .2 Layouts and field measurements are the responsibility of the Subcontractor. Contractor will provide grid line intersections and an elevation reference point.
- .3 Subcontractor shall provide all necessary lifting and hoisting equipment for material distribution and performance of Work including scaffolding and rigging. If Subcontractor's Work coincides with the Contractor's crane or hoisting equipment on site, Subcontractor may request shared use for hoisting and distribution of bulk materials to accessible areas.
- .4 Delivery and on site storage of material and prefabricated items must be coordinated and approved as to quantity, timing, and location by Contractor AT LEAST 24 HOURS PRIOR to offloading.
- .5 Subcontractor shall submit any shop drawings, samples, or other submittals that require approval. Subcontractor shall be responsible for the installation times required for use in the Project Schedule (see Article 1 of Terms and Conditions).
- .6 Subcontractor agrees to work only during those hours established and approved for this Project by Contractor. Contractor must approve in advance any deviations from these approved hours of operation.
- .7 Subcontractor shall provide all traffic control, including flagging personnel and barricades as specifically necessary for the completion of Subcontractor's Work as required.
- .8 Subcontractor shall maintain competent Supervisory Personnel, vested with the authority to act on behalf of Subcontractor, on site at all times that Subcontractor is performing Work on site.

3.2 Safety:

- .1 **SAFETY ON OUR JOBSITE IS VITAL.** Subcontractor, Subcontractor's sub-tier subcontractors and their respective employees, shall take all reasonable and necessary safety precautions pertaining to Work and the conduct thereof, including, but not limited to, compliance with all applicable laws, ordinances, rules, regulations and orders issued by public authority, whether federal, state, local, OSHA, DOSH or other State or Federal regulatory agency, and any safety measure requested in good faith by Contractor, including, but not limited to, substance abuse testing, all without additional cost to the Contractor.
- .2 **FALL PROTECTION AND SAFETY PLAN:** According to DOSH regulation #WAC296-155-24525, proper fall protection and safety shall be observed at all times. A job-specific Safety and Fall Protection Plan shall be submitted, for Contractor's approval prior to commencement of the Work. Contractor does not recognize the "monitor system" as an approved method of fall protection.
- .3 Subcontractor shall at all times be responsible for the performance of the Work and safety of all employees, personnel, equipment and materials within Subcontractor's or its sub-tier subcontractors' care, custody or control.
- .4 Subcontractor shall immediately provide Contractor with notice (verbal and written) of any safety hazards, unsafe condition or practice in any way observed or made known to Subcontractor on Jobsite or Project.
- .5 Subcontractor, its sub-tier subcontractors, all their respective employees, agents and visitors are required to wear appropriate clothing, safety glasses, orange vests and hard hats at all times while on the Jobsite. It is the Subcontractor's responsibility to provide such parties with required safety gear. Subcontractor, Subcontractor's sub-tier subcontractors and their respective employees will at all times utilize safety equipment and protective gear appropriate to any Work being performed (ear protection, respirators, etc.).
- .6 In the event Subcontractor does not promptly correct any safety violation, Contractor may order Subcontractor to stop Work in the affected area until the violation is corrected and/or correct the violation and reduce amounts otherwise owing to the Subcontractor by the cost thereof.



SUBCONTRACT Guaranteed Maximum Price Form of Agreement

- .7 Subcontractor agrees to defend, indemnify, and hold Contractor harmless from any governmental agency claims, demands, proceedings, violations, penalties, assessments or fines that arise out of or are related to Subcontractor's failure to comply with any safety-related laws, ordinances, rules, regulations, orders or obligations hereunder.
- .8 Subcontractor shall immediately notify Contractor, and subsequently supply all reports, information and documentation as requested by Contractor, regarding any injuries to any parties related to Work performed under this Subcontract. Furthermore, Subcontractor shall promptly notify the Contractor in writing of any claims made or legal action taken against the Subcontractor related to safety on this Project.
- .9 Contractor may direct Subcontractor, to remove from the jobsite, any of its employees, sub-tier subcontractors' employees, agents or visitors not in compliance with the jobsite safety rules.
- .10 Subcontractor acknowledges that violations of Contractor's safety program are of grave importance with the potential to threaten bodily injury to its workers and those other persons in the vicinity, the loss of property and are generally detrimental to the Project as a whole and as such agrees that all Contractor directed recommendations and requests shall be strictly and immediately adhered to at all times and further agrees that Contractor has the right to assess fines for such violations and seek reimbursement for added Contractor supervision during Subcontractor's presence on the jobsite both of which Subcontractor shall promptly pay to Contractor.
- .11 **IMPORTANT:** Subcontractor is required to attend a preconstruction meeting prior to mobilization and all subsequent on-site safety meetings held by Contractor throughout the duration of Subcontractor's performance of its Work.

3.3 Hazardous Materials | Pollution Control:

- .1 Before transporting, storing or using at the Project any material or substance considered hazardous under applicable federal, state or local law, regulation or ordinance, Subcontractor shall furnish Contractor with a copy of the Materials Safety Data Sheet for such material or substance, and Subcontractor shall file a copy of such Materials Safety Data Sheet for such material or substance and documentation as may be required by the proper authorities.
- .2 Subcontractor shall notify Contractor in advance of transporting, storing or using any hazardous materials on the Project site. Subcontractor shall label all hazardous materials on the Project site, and shall be solely responsible for the proper storage, protection, removal and disposal thereof.
- .3 Subcontractor shall immediately notify Contractor in writing if Subcontractor becomes aware of the presence of any hazardous materials in, on, under or about the premises, or of any occurrence or condition on any real property adjoining or in the vicinity of the premises which could be introduced onto or into the Project or the surrounding atmosphere or persons engaged in the performance of the Work, Subcontractor, any sub-subcontractors, material suppliers, or any person or entity under the direct control of any of them.
- .4 Pollution control during construction shall be in compliance with all Federal, State, City and Local noise, air and water quality standards. The Subcontractor will be responsible for compliance, control, damage, remediation and any fines associated with pollution caused by its Work or the Work of its sub-tier subcontractors, supplier, or any employee or agent thereof.

3.4 Excavation / Trenching:

Subcontractor shall verify the location of all existing utilities and make all necessary notifications to the appropriate agencies prior to commencing excavation and/or trenching. Damage to existing utilities caused by Subcontractor's operations shall be repaired immediately at Subcontractor's expense.

3.5 Extra Work:

- .1 In addition to and in accord with those Terms and Conditions of this Agreement associated with extra Work, the following conditions apply to Work to be performed for changes in Subcontractor's Scope of Work.
- .2 Extra Work must be directed and/or approved by the Contractor.
- .3 Subcontractor shall track authorized Time and Material Work on Work Ticket, which shall be presented to Contractor for approval and signature on a daily basis. Subsequent Change Order Requests must be accompanied by the signed Work Tickets.

UNIT PRICES - The following agreed billing rates for time and materials Work are valid for the duration of the Project and include tools, equipment and all applicable markups.

Item No.	Description	Unit of Measure	Rate



SUBCONTRACT

Guaranteed Maximum Price Form of Agreement

3.6 Contract Handling:

- .1 Execution of this document: Please sign all copies of the Subcontract Agreement at the signature block(s) provided following the Indemnification Section and the Terms and Conditions.
- .2 Return all copies for Contractor's signature. (A fully executed copy will be returned for your records.)
- .3 **IMPORTANT: Do Not Alter This Contract.** All requests for modifications or clarifications to any aspect of the Scope of Work or exclusions should be directed to GLY Project Manager, _____. All requests for modifications or clarifications to the Terms and Conditions or other contract provisions, should be directed to GLY Contracts Manager, Candace Minerich.

3.7 Monthly Draw Requests:

- .1 Subcontractor shall submit monthly draw requests on the enclosed "Subcontractor Application for Payment Form" no later than the 20th of each month. Invoices not received by this deadline will be processed the following month. All draw requests shall be on a percentage of completion basis on pre-approved schedule of values.
- .2 Subcontractor must provide all waivers and release of liens on form or forms as required for this Project in a timely manner. Unless indicated otherwise, a partial waiver and release of lien form will accompany each progress payment to Subcontractor, this waiver and release of lien must be signed, notarized and returned to Contractor before subsequent progress payments will be released. In addition, Subcontractor is required to obtain and provide to Contractor, appropriate waiver and release of lien forms, from all material suppliers or sub-tier subcontractors who file a preliminary notice of intent to lien on the Project relating to Work performed or materials supplied under this Agreement. Failure to provide these lien waivers will result in delay of further payments.
- .3 Additional Project specific billing requirements, if any, will be provided under separate cover.

3.8 Correspondence:

- .1 All correspondence on this Project should be directed to _____, GLY Project Manager.
- .2 Jobsite Address:
Jobsite Phone:
Jobsite Fax:

3.9 As-Builts:

Subcontractor shall continuously update a set of as-built drawings as the job progresses to represent the as-built condition. Subcontractor shall maintain at the jobsite, one set of documents as a master record set to indicate the as-built condition. This record document set shall be available for Contractor's inspection and audit.

4. INSURANCE:

4.1 Insurance Requirements:

Subcontractor shall, at his expense, procure and maintain insurance on all of his operations, in companies acceptable to Contractor as required in **EXHIBIT "A" INSURANCE REQUIREMENTS** as attached hereto and incorporated fully herein.

4.2 Property Insurance:

Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the Work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

- .1 Upon written request of Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment insurance in force for the Project and procured by Contractor. Subcontractor shall satisfy himself as to the existence and extent of such insurance prior to commencement of Subcontractor's Work.
- .2 If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's Work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to Subcontractor's Work and/or damage to other work caused by Subcontractor.
- .3 If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Contract Documents, Subcontractor shall procure and maintain at his own expense property and equipment insurance for portions of Subcontractor's Work stored off the site or in transit.



SUBCONTRACT Guaranteed Maximum Price Form of Agreement

.4 If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's Work, then Subcontractor may procure such insurance at his own expense as will protect the interests of Subcontractor, and his sub-tier subcontractors in the Work. Such insurance shall also apply to any of Owner's or Contractor's property in the care, custody or control of Subcontractor.

5. GUARANTEED MAXIMUM PRICE CONTRACT SUM:

5.1 The Contractor shall pay the Subcontractor for the Subcontractor's performance of the Subcontract, the contract sum consisting of the **Subcontractor's Overhead and Profit** identified in Subparagraph 6.1.30 and **Cost of the Work** as defined below:

.1 The sum of the Cost of the Work and the Subcontractor's Overhead and Profit is guaranteed by the Subcontractor not to exceed the sum of \$ _____ (Guaranteed Maximum Price) subject to Additions, Change Orders, Deletions or Extra Work Orders pertaining to Subcontract items.

.2 In the event the sum of the **Cost Of The Work** and the **Subcontractor's Overhead and Profit** is less than the **Guaranteed Maximum Price**, the difference (**Savings**) shall be distributed between the Contractor and Subcontractor as follows:

Contractor	%
Subcontractor	%

Any savings retained by the Subcontractor is limited _____ of total Contract value before savings.

6. COST OF THE WORK:

6.1 Costs To Be Reimbursed:

Reimbursed costs shall be those costs necessarily incurred by the Subcontractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the location of the Project except with prior consent of the Contractor and shall be in accordance with the Agreement between Owner and Contractor except as specifically modified herein. The costs allowed are limited to those items set forth in the subparagraphs below. Subject to the Guaranteed Maximum Price and specifically excluding Costs Not To Be Reimbursed per Article 6.2, the "Costs of the Work" shall include the items set forth below:

.1 Amounts due under subcontracts, supply agreements and purchase orders made in accordance with the provisions of this Agreement including the costs of transportation and storage. In the event that Subcontractor utilizes affiliated entities to perform a portion of the Work, the same provisions of this Subcontract shall apply to the affiliate's costs, and no additional markup shall be allowed on the affiliate's cost. In the event that Subcontractor desires to use affiliated entities to perform a portion of the Work on a fixed price basis, Subcontractor must first obtain approval from Contractor and demonstrate that the affiliate's price is advantageous by obtaining competitive bids as directed by Contractor.

.2 Wages and salaries for all labor, including Worker's Compensation insurance, benefits and taxes as described in subparagraph 6.1.14 of this section, including services for Project Manager, Project Superintendent, field Superintendents, assistants to superintendents, engineers, draftsmen, salaried foremen, timekeepers, field accountants, paymasters, clerks, expeditors, inspectors, tradesmen, and such others as may be necessary for the proper conduct of the Work, employed by the Subcontractor at the jobsite (and in the case where Subcontractor has an off-site fabrication facility, any labor performed at the fabrication facility specifically for the Project). In all cases, actual labor costs and actual labor burden will be a reimbursable cost, and percentage markups for labor burden will not be allowed. Subcontractor's Project Manager is a reimbursable cost, whether stationed on or off site, to the extent of actual time spent on the Project. This time will be accounted for on a time card, which shall be kept contemporaneously and retained for inspection if required by the Contractor. To the extent that pre-construction services are provided by personnel not stationed at the jobsite, they will be a reimbursable cost only to the extent approved in advance by the Contractor and then under the same provisions described in this paragraph.

.3 The cost (including transportation, storage, operating, maintenance and repair costs), of all materials, temporary structures, and small tools (non-power tools with a cost of less than \$200) not owned by workmen of Subcontractor or supplies purchased for use on the jobsite. If the cost of any small tools purchased by Subcontractor pursuant to this paragraph is included in the Cost of the Work, such tools shall become the property of the Contractor upon completion. At the request of Contractor, any such small tools will be sold by Subcontractor and the salvage value received shall reduce the Cost of the Work. Any tools or equipment (including computers, software or other office equipment) with a cost in excess of \$200 shall not be a reimbursable cost, but shall be capitalized by Subcontractor and rented to the Project in accordance with subparagraph 6.1.4 below.



CONSTRUCTION

SUBCONTRACT Guaranteed Maximum Price Form of Agreement

- .4 The cost of all rental equipment or materials, including any repair and maintenance costs except normal wear and tear. Rental equipment shall be obtained from the lowest cost rental source whether it be the Subcontractor or a third party. The rental equipment rate for equipment owned by Subcontractor shall be charged at the lowest of seventy five percent (75%) of the current Associate Equipment Distributors published rate, seventy five percent (75%) of local market rates, or at the Subcontractor's current rate utilized for contemporaneous subcontracts. Repair and/or maintenance of Subcontractor's equipment is not intended to restore Subcontractor's equipment to a condition better than it was when it initially came to the Project. With respect to Subcontractor-owned equipment, rental shall be based on monthly rates but prorated on a daily basis. All rental equipment owned by Subcontractor that has been used to construct the Project and that has accumulated rental charges equal to seventy five percent (75%) of the Subcontractor's current replacement cost shall be provided for the duration of the Project at no additional rental cost and shall remain as property of the Subcontractor.
- .5 Actual expenses of reasonable traveling by representatives of the Subcontractor incurred in obtaining or inspecting materials, or for other purposes applying to the Work, and by mechanics or laborers and the Subcontractor's staff employees in the case it is necessary to secure them at a distance from the Site; travel outside Western Washington must be approved by the Contractor in advance. Normal commuting costs to and from the jobsite will not be a reimbursable cost unless approved in advance by the Contractor.
- .6 The cost of renting, subject to the approval of the Contractor, real property necessary for storage, job office, or performing any other part of the Work.
- .7 The cost of telephone, local area networks (LAN), internet provider service fees, telegrams, postage, photographs (including negatives) and similar items, blueprints, transportation and storage charges, surveys, and soil and other investigations, incurred at the jobsite. Cell phone or similar costs will be a reimbursable cost proportionate to the time that the employee using the cell phone or equivalent is chargeable to the Project during the time frame covered by the cell phone or equivalent billing period.
- .8 The cost of protecting, crossing or alerting any public utility on or adjacent to the Site.
- .9 Premiums and any deductibles (other worker's compensation policy deductibles) on all insurance authorized and procured by the Subcontractor under the Contract Documents; provided, however, that the deductible portion of any loss resulting from the negligence, willful act intended to cause harm or injury, or violation of written state, federal or local laws, statues, ordinances or regulations by the Subcontractor, its subcontractors, or their employees shall not be included in the Cost of the Work.
- .10 Fees for all permits, licenses and patents and royalties, if any, which are required to be provided by Subcontractor under this Subcontract.
- .11 The cost of engineering and accounting services directly related to the Work which are performed at the jobsite.
- .12 The cost of obtaining and using all utility services required to be provided by Subcontractor under this Subcontract.
- .13 Materials, supplies, equipment, temporary heat, light, power, water, freight, and temporary structures required for proper execution of the Work, maintenance required for any of such items, and all sales and other taxes related thereto.
- .14 Federal, state, municipal and other taxes, and such actual employee benefits, pension, apprentice training and employment fund contributions as required under the applicable Union contracts and tax codes; including for salaried employees, all benefits uniformly applied and actually paid by Subcontractor; except for performance bonuses and those benefits based on profits.
- .15 The costs of royalties, damages for infringement on patents, and costs of defending suits therefore for causes other than (a) negligence, (b) willful acts intended to cause harm or injury, or (c) violation of written state, federal, or local law, statutes, ordinances, or regulations, by the Subcontractor, its tier subcontractors or their respective employees, for construction methods or techniques required by the Owner shall be added to Guaranteed Maximum Price, without any increase in Subcontractor's Fee, unless Subcontractor demonstrates that its actions were in accordance with standard industry practice and/or the non-compliance related to requirements which are seldom applied to such work or are subjective in nature.
- .16 An amount equal to _____ of the total allowable direct labor cost paid to Subcontractor's salaried employees as part of Cost of the Work, to compensate Subcontractor for paid vacation (and associated employer taxes) to be taken or accrued by those employed on the Work. Vacation pay for Subcontractor's salaried employees shall not be otherwise reimbursable.
- .17 Premiums and fees for all performance and payment bonds as required by the Contractor for the Subcontractor. The cost of bonds if required by Contractor may be paid as a reimbursable expense outside of the Contract amount.
- .18 Other expenses or charges, incurred in the prosecution of the Work and approved in writing by the Contractor.



SUBCONTRACT Guaranteed Maximum Price Form of Agreement

- .19 To the extent that any of the foregoing items are not net, the amount of all trade discounts, rebates or other credits received by the Subcontractor shall be deducted from the Cost of the Work.
- .20 Overtime premium shall be included in the Cost of the Work, to the extent actually paid to employees on the Project. For the purposes of this paragraph, overtime shall be deemed to include payroll taxes and insurance premiums actually incurred. No overtime premium shall be included in the Cost of the Work if the occasion for such overtime shall be the negligence of the Subcontractor.
- .21 Incidental supplies and expenses incurred in performance of the Work on Site which are normally considered expendable such as office supplies, files, sandpaper, emery paper, light globes, paint brushes, lumber crayon, hand lines, etc.
- .22 Cost of housekeeping, cleanup and debris removal on the Project jobsite.
- .23 Costs incurred to comply with safety requirements, but not including any fines for safety violations.
- .24 Actual costs incurred as a result of an emergency affecting the safety of persons and/or property located at the Site, excluding those caused by or arising from Subcontractor's failure to comply with the Contract or the negligence, willful act intended to cause harm or injury, or violation of written, state, federal or local laws, statutes, ordinances or regulations by the Subcontractor, its subcontractors or their respective employees or agents.
- .25 Costs incurred for security or guard service with the Contractor's prior approval.
- .26 The Cost of the Work shall include (but the same shall not be reimbursable to Subcontractor as set forth below in Costs Not to be Reimbursed and no Subcontractor's Fee shall be paid) any amount or expense paid or incurred by Owner or Contractor to persons other than Subcontractor as a result of the breach of any obligation of Subcontractor under the Contract Documents, including the cost or expense of Owner and/or Contractor to perform any such obligation. Except in the event of an emergency involving the threat of damage to persons or property, no such expenses shall be paid or incurred by the Owner and/or Contractor unless Subcontractor fails within seven (7) days after receipt of written notice from Owner and/or Contractor to commence and continue correction of such default or neglect with diligence and promptness.
- .27 Pre-construction costs authorized by Contractor.
- .28 For mechanical or other contractors with a fabrication facility, shop burden shall be a reimbursable cost at _____ of allowable direct unburdened shop labor costs.
- .29 Cost of warranty is agreed to be _____ of allowable direct unburdened field labor costs.
- .30 Subcontractor's Overhead and Profit as a percent of allowable Cost Of The Work as follows:
_____ Overhead + Profit
- .31 Cash discount of _____ of draw for payment to Subcontractor by Contractor by first working day after the 10th of the month following the month covered by Subcontractor's draw.

6.2 Costs NOT To Be Reimbursed:

Except as specifically provided for in Cost of the Work, reimbursement of expenses to Subcontractor shall not include:

- .1 Salaries or other compensation of Subcontractor's personnel normally situated at the Subcontractor's principal office and branch office without prior approval of Contractor, or for any officer of Subcontractor except as expressly provided in Cost of the Work.
- .2 Expenses of Subcontractor's Principal and Branch Offices other than the Field Office.
- .3 Any part of Subcontractor's capital expenses, including interest on Subcontractor's capital employed for the Work.
- .4 Overhead or general expense of any kind, except as may be expressly included in Cost of the Work.
- .5 Costs due to the (a) negligence, (b) willful acts intended to cause harm or injury, or (c) violation of written state, federal, or local law, statutes, ordinances, or regulations, by the Subcontractor, its tier subcontractors or their respective employees, anyone directly or indirectly employed by any of them, or for whose acts any of them may be liable.
- .6 The cost of any item not specifically and expressly included in the items described above, except with the Contractor's prior written approval.
- .7 Costs in excess of the Guaranteed Maximum Price.
- .8 The Cost of the Work shall include (but the same shall not be reimbursable to Subcontractor) any amount or expense paid or incurred by Owner and/or Contractor to persons other than Subcontractor as a result of the breach of any obligation of Subcontractor under the Contract Documents, including the cost or expense of Owner or Contractor to perform any such obligation. Except in the event of any emergency involving the threat of damage to persons or property, no such expenses shall be paid or incurred by the Owner and/or Contractor



CONSTRUCTION

SUBCONTRACT Guaranteed Maximum Price Form of Agreement

unless Subcontractor fails within seven (7) days after receipt of written notice from Contractor to commence and continue correction of such default or neglect with diligence and promptness.

- .9 Unless purchased at the direction of the Contractor, the costs of purchase, maintenance and operation of any computer located at Subcontractor's principal office, or branch offices.
- .10 Costs of any fines as imposed by DOSH, OSHA, or other regulatory agency for violations which occur during performance of the Work, including, but not limited to, and without limitation, all acts and omissions which relate to or arise from, in any way, the performance of the Work of Subcontractor, its agent, sub-tier subcontractors, supplier or Materialmens on the Project.
- .11 Any accrual costs not identified in Costs of the Work.
- .12 Any amount or cost which is inconsistent with the pre-contract disclosure of pricing by the Subcontractor that Contractor has not otherwise approved in writing.

INDEMNIFICATION:

_____ (hereinafter Subcontractor) agrees to defend, indemnify and hold GLY Construction, Inc. (hereinafter Contractor) harmless from any and all claims, demands, losses and liabilities to or by third parties arising from, resulting from or connected with services performed or to be performed under this Subcontract by Subcontractor or Subcontractor's agents or employees to the fullest extent permitted by law and subject to the limitations provided below.

Subcontractor's duty to indemnify Contractor shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of Contractor or Contractor's agent or employees.

Subcontractor's duty to indemnify Contractor for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) Contractor or Contractor's agents or employees and (b) Subcontractor or Subcontractor's agents or employees, shall apply only to the extent of negligence of Subcontractor or Subcontractor's agents or employees.

Subcontractor specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Further, the indemnification obligation under this Subcontract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability acts or other employee benefits acts; provided Subcontractor's waiver of immunity by the provisions of this paragraph does not include or extend to any claims by Subcontractor's employees directly against the Subcontractor.

Subcontractor's duty to defend, indemnify and hold Contractor harmless shall include, as to all claims, demands, losses and liability to which it applies, Contractor's personnel related costs, reasonable attorneys' fees, court costs and all other claim related expenses.

THE UNDERSIGNED HEREBY CERTIFY THAT THIS INDEMNIFICATION OBLIGATION AND THE WAIVER HEREIN OF THE IMMUNITY GRANTED BY THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW WAS MUTUALLY AND SPECIFICALLY NEGOTIATED.

CONTRACTOR:

GLY Construction, Inc.
15 Lake Bellevue Drive, Suite 200
P.O. Box 6728
Bellevue, WA 98008-0728
Tel: 425.451.8877 | Fax: 425.453.5680

Authorized Signature: _____, Project Manager

Date: ____ / ____ / ____



CONSTRUCTION

SUBCONTRACT Guaranteed Maximum Price Form of Agreement

SUBCONTRACTOR:

_____ Date: ____ / ____ / ____
Authorized Signature

_____ Subcontractor State Tax No. (UBI)
Subcontractor Registration No.

_____ Subcontractor State Unemployment Comp. No.
Subcontractor Worker's Comp. No.



ARTICLE 1. COMMENCEMENT AND PROGRESS OF WORK

- .1 Time Is Of The Essence Of This Agreement - Subcontractor agrees to comply with and perform the Work of this Subcontract to the full and complete satisfaction of the Contractor and the Owner, according to the requirements of the Contractor's construction schedule as Contractor may from time to time determine and submit to the Subcontractor. Within three (3) calendar days after being notified by Contractor, Subcontractor shall commence actual construction Work hereunder at such point or points at the site of the Work, or to deliver such needed materials and supplies as and when required to such storage or work areas, or both, as Contractor may designate and to thereafter continue diligently in the performance of the Work.
- .2 Upon request, the Subcontractor shall prepare and submit to the Contractor for approval a practicable progress schedule in the form requested to meet the dates as shown by Contractor's current construction schedule and showing the order in which Subcontractor proposes to carry on the Work and the date on which it will start the salient features (including drawings, procurement of materials, plant and equipment and the contemplated dates for completing the same). The Subcontractor shall enter on the schedule the actual progress at the end of each month or at such intervals as directed by Contractor, and submit two (2) copies to the Contractor's Project representative.
- .3 Subcontractor shall keep Contractor fully and formally advised at all times of any pending or possible delays in deliveries and/or Work accomplished which could impact immediate or long range scheduling of this Project.
- .4 If the Subcontractor falls behind the progress schedule, the Subcontractor shall take such steps as may be necessary to improve the subcontract progress, and Contractor may require Subcontractor to increase the number of shifts and/or overtime operations, days of Work, and/or increase equipment and/or tools being used, and to submit for approval such supplementary schedule or schedules as may be necessary to demonstrate the manner in which the agreed rate of progress will be regained.
- .5 The Subcontractor agrees to submit all shop or fabrication drawings, design, and performance data, tests, samples, templates, operating and/or maintenance manuals; together with any and all other data related to the materials, methods, and equipment used or proposed for use in the performance of this Subcontract promptly and/or as directed by Contractor or required by the General Contract, and in sufficient number to provide adequate information to all parties requiring same. Approval of any of the foregoing by the Contractor, the Owner or the Owner's Representative shall under no circumstances alter the requirements of the subcontract documents for quality, quantity, finish dimension, design, and configuration; nor shall such approval constitute acceptance by the Contractor of any method, material, or equipment not ultimately acceptable to the Owner or the Owner's Representative.
- .6 In the event any acts or omissions of Subcontractor delay Contractor in meeting its own construction schedule or that of any other subcontractor in the performance of the Work under the General Contract resulting in penalties, liabilities or damages under the General Contract, Subcontractor agrees to indemnify and hold Contractor harmless from any penalties, liabilities, and/or damages, and to promptly pay to Contractor any such costs, penalties, liabilities or damages so incurred.
- .7 Violation by Subcontractor of any of the provisions of this Article shall be grounds for the Contractor to exercise the rights provided by Article 10 hereof

ARTICLE 2. BASIS AND SCOPE OF PAYMENT

Payment, except as elsewhere herein specified, will be made to the Subcontractor for Work actually performed and completed, as measured and certified by the Owner's Representative or by the Contractor, which shall be accepted by the Subcontractor as full compensation for furnishing all material and for doing all Work contemplated and embraced in this Agreement; for all loss and damage arising out of the nature of the Work aforesaid, and for all risks of every description connected with the said Work. Subcontractor expressly agrees that payment by Owner is an express condition precedent to Contractor's obligation to pay Subcontractor and Subcontractor assumes the risk of nonpayment or delayed payment by Owner. Nothing contained herein shall be construed to limit Subcontractor's lien rights or legal right to recover unpaid sums from the Owner.

ARTICLE 3. PARTIAL PAYMENT(S)

Upon timely application, partial payments for Work performed under this Agreement will be made by Contractor as and when it is paid therefore by Owner (provided Subcontractor has complied with all other requirements to receive payment), and will equal the value of the Work done by Subcontractor (see Article 2 above) less 10% retainage, and less the sum of previous payments. Provided, that if Subcontractor is indebted to Contractor or anyone else for cash advances, supplies, materials, equipment, rental, or other charges, the amount of such indebtedness may be deducted by Contractor from any payment or payments made under this provision. Provided, further, that the Contractor may from time to time require and Subcontractor shall promptly provide a statement in writing setting forth what amounts, if any, are due or payable by Subcontractor to third parties for labor, materials, taxes, equipment, and/or supplies in connection with, or arising out of the performance of Subcontractor. Subcontractor further agrees to make available to Contractor, throughout the course of the Project, such financial records and information as are reasonably necessary, in Contractor's discretion, to evaluate Subcontractor's ability to continue to perform the Work and meet its obligations as set forth in this Agreement. Contractor may withhold, or may pay directly or by joint check, all upon the account of Subcontractor, such sums as the Contractor reasonably may determine are necessary to secure and protect the Contractor or the Owner from claims or liens that may be asserted by said third parties.

ARTICLE 4. FINAL PAYMENT

- .1 Upon the completion of the contract and payment therefore in full by the Owner, the Subcontractor will be paid the remaining amount due Subcontractor under this Agreement. All prior partial payments shall be subject to correction in the final payment. Final payment as herein provided shall release the Contractor from any further obligations whatsoever in respect to this Agreement. Subcontractor shall, as a condition precedent to final payment, and before payment of said remaining percentages,



execute and deliver to Contractor a full and valid release and complete discharge of and from any and all claims and demands whatsoever for all matters growing out of, or in any manner connected with or founded upon, this contract or the Work contemplated thereby.

- .2 It is understood and agreed that Subcontractor shall receive no compensation for any Work done by it which is not approved and accepted by Owner (see Article 2 above).
- .3 Pertaining to final closeout requirements, no payments beyond 90% will be released until all warranties, Operations and Maintenance Manuals, extra material, and any other special requirements have been submitted as specified.

ARTICLE 5. SUBCONTRACTOR'S PRECONTRACT INQUIRY

Subcontractor acknowledges responsibility, prior to entering this Subcontract, to investigate and familiarize itself with all laws, ordinances and regulations applicable to work under this Subcontract; with the availability and adequacy of personnel, workmen, material, supplies, equipment, power, utilities, fuel, etc., and, with respect to each of the foregoing, the cost and suitability thereof; with the prevailing wage scales, union scales, benefits and working conditions, craft jurisdictions, craft area practices, existing labor agreements, with all options, site conditions, considerations and restrictions, lease agreements, royalties, underground conditions, prevailing weather and climatological conditions and history; and any other factor or factors which may affect Subcontractor's Work under this Subcontract. The Subcontractor hereby warrants and agrees that it has investigated all such matters and familiarized itself therewith to the extent that it deems necessary. Subcontractor further agrees that Contractor shall not be liable to Subcontractor on any claim for additional payment or additional time or any claim whatsoever if such claim directly or indirectly results from Subcontractor's failure to investigate and familiarize itself sufficiently with the conditions under which this Subcontract is to be performed, including the foregoing but without restriction thereto, or from any misunderstanding thereof on the part of Subcontractor.

ARTICLE 6. CLAIMS FOR EXTRA

- .1 The Contractor will pay for extra Work performed and materials furnished by Subcontractor, only under prior written authorization by Contractor. Any claim of Subcontractor for extra Work and materials not so authorized shall be deemed waived; and any claim for other damages of any nature whatsoever, shall be deemed waived by Subcontractor unless written notice thereof is given to Contractor within ten (10) days after the date of its origin.
- .2 The Contractor agrees to forward to Owner any claims of the Subcontractor arising out of Owner-ordered changes, but is not obligated to Subcontractor for any amounts greater than that allowed by and paid by the Owner in compensation for such changes. Subcontractor shall not deal directly with Owner.

ARTICLE 7. STOPPAGE OR SUSPENSION OF WORK

- .1 If the Owner for any cause stops or suspends Work under the General Contract, or the General Contract between Owner and Contractor is canceled in whole or in part, then Subcontractor is to stop or suspend Work hereunder and, after and only in the amount and to the extent that Contractor has been paid shall Subcontractor be paid for such Work.
- .2 In the event that Contractor's Work is terminated for convenience by the Owner, then an equitable settlement for Subcontractor's Work will be made as provided in the Contract Documents. Contractor may also terminate Subcontractor's Work at any time in whole or from time to time in part for Contractor's convenience. If Subcontractor's Work is terminated for convenience of Contractor, Subcontractor shall suspend its Work on the date and to the extent specified by Contractor, terminate all agreements relating to that portion of its Work being terminated and, if requested by Contractor, assign to Contractor Subcontractor's rights therein, provide lien and bond claim releases from subcontractors, suppliers and laborers affected by the termination, and deliver to Contractor all documents and property which Subcontractor would be required to deliver if Subcontractor had completed its Work. If Subcontractor's Work is terminated for convenience, in whole or in part, Subcontractor shall be entitled to payment at the Subcontract price(s) (not in quasi contract or quantum meruit) for only that portion of its Work which it performed, less applicable back charges due Contractor. Subcontractor shall not be entitled to payment for Work not performed or to overhead allocable or profit anticipated on that portion of its Work not performed.
- .3 No extension of time for completion will be made or compensation paid in any event for delays or suspension of Work caused by the fault or negligence of the Subcontractor or its subcontractors or suppliers.

ARTICLE 8. CLAIMS OF SUBCONTRACTOR

- .1 If Subcontractor shall claim that it is entitled to additional compensation or damages by reason of any act or omission of Owner or for which Owner is responsible or any delay caused by an act or omission of Owner, Subcontractor shall, promptly and within time to allow Contractor to comply with any applicable limits in the General Contract, submit such claims in writing to Contractor and Contractor will on behalf of Subcontractor submit the claim to Owner.
- .2 In the case of any dispute between Subcontractor and Contractor, Subcontractor agrees to be bound to Contractor to the same extent that Contractor is bound to Owner both by the terms of the General Contract and by any and all decisions or determinations made thereunder. It is agreed that in the event the General Contract contains a provision, such as a "Disputes Clause," whereby claims may be resolved under an administrative procedure or arbitration, such clause is incorporated herein by reference as though fully set forth. As to any claims asserted by Subcontractor for or on account of acts or omissions of the Owner or its representative or any claims made by the Owner for which Subcontractor is responsible, Subcontractor agrees to prosecute or defend such claims in Contractor's name, in accordance with the provisions in the General Contract for determining disputes. Contractor shall have the option to present such claims upon Subcontractor's behalf. Contractor and Subcontractor further agree to cooperate in prosecuting or defending claims. Subcontractor shall have full responsibility for preparation and presentation of such claims and shall bear expenses thereof, including attorneys' fees. Subcontractor agrees to be bound by the



procedure and final determinations as specified in any such disputes clause, and agrees that it will not take, or will suspend, any other action or actions with respect to any such claims and will pursue no independent litigation with respect thereto, pending final determination under such disputes clause. Subcontractor shall not be entitled to receive any greater amount from Contractor than Contractor actually does receive from the Owner on account of Subcontractor's Work, less any mark-ups or costs incurred by the Contractor and to which the Contractor is otherwise entitled, and Subcontractor agrees that it will accept such amount, if any, received by the Contractor from Owner as full satisfaction and discharge of all claims for or on account of acts or omissions of the Owner or its representative.

- .3 Should a dispute arise which is not controlled or determined by the above paragraph of this section or other provisions of this Subcontract, then said dispute shall be settled by Contractor's written decision with respect to such dispute. Such written decision shall be conclusive and shall be final and binding on Subcontractor and its surety. If arbitration or litigation is conducted involving Owner, Contractor, or any other party concerning or in any way relating to: responsibility under this Subcontract; any dispute relating to the Work required or alleged to be required herein; this Subcontract; or the Subcontractor; then, in any of these events, Subcontractor expressly agrees to a consolidated or joint proceeding, if and as called for by Contractor. No dispute shall interfere with the progress of construction and Subcontractor shall proceed with its Work as directed.
- .4 In the event either party institutes an arbitration proceeding or suit in court against the other party, or against the surety of such party, in connection with any dispute or matter arising under this Subcontract, the prevailing party shall be entitled to recover its attorneys' fees, in addition to other relief granted.
- .5 Venue and jurisdiction for any matters arising under or related to this Agreement or this Project will be King County, Washington. Washington State law shall control.

ARTICLE 9. DELAYS AND EXTENSIONS OF TIME

- .1 In the event that Subcontractor's performance of this Subcontract is delayed or interfered with by the acts of the Owner, Contractor, or other Subcontractors, Subcontractor may request an extension of the time, as hereafter provided, but only upon the same terms and conditions and only to the extent actually allowed to Contractor by Owner and Subcontractor shall not be entitled to any increase in the subcontract price or to damages or additional compensation as a consequence of such delay or interference, or for acceleration relating to any such delay or interference, except to the extent that the General Contract entitles the Contractor to compensation for such delays and then only to the extent of any amounts that the Contractor may, on behalf of the Subcontractor, recover from the Owner for such delays.
- .2 No allowance for an extension of time, for any cause whatsoever, shall be claimed by, or made to, the Subcontractor unless the Subcontractor shall have made written request upon the Contractor for such extension within five (5) working days after the cause of such extension occurred, or, if the General Contract provides for a shorter period, within sufficient time to permit the Contractor to give notice to the Owner within the time allowed by the General Contract for such notice. However, no extension of time shall be made to Subcontractor for delay by the Subcontractor in preparing drawings or in securing approval by the architect or engineer when such drawings are not properly prepared or when the Subcontractor by the exercise of reasonable diligence and judgment, could have anticipated and avoided the delay.
- .3 In the event that Owner should assess actual or liquidated damages or penalties against Contractor, then Subcontractor shall be responsible for such portion of the assessment as may be directly attributable to it, regardless of the cause of delay.

ARTICLE 10. COMPLETION OF WORK BY CONTRACTOR

If Subcontractor shall fail to commence the Work within the specified time, or to prosecute said Work continuously with sufficient workmen and equipment to assure its completion within the time herein specified for completion, or to perform said Work according to the provisions of the contract, or if for any other cause or reason whatsoever Subcontractor shall fail to carry on the Work in an acceptable manner, the Contractor may elect to give notice in writing of such default, specifying the same, and if the Subcontractor, within a period of seventy-two (72) hours after said notice, not including Saturday or Sunday, shall not proceed in accordance therewith, then the Contractor shall have full power and authority, without process of law and without violating this Agreement, to take the prosecution of all or part of the Work out of the hands of the Subcontractor and complete it with its own forces, or contract with other parties for its completion, or use such other measures as in Contractor's opinion are necessary for its completion, including the use of the equipment, plant and other property of Subcontractor on the Work at no cost to the Contractor for the use of the same. Neither by the taking over of the Work nor by its completion in accordance with the terms of this provision shall Contractor forfeit its right to recover damages from Subcontractor or from Subcontractor's surety for failure to complete or for delay in such completion. Should the expenses incurred by Contractor in taking over and completing the Work be less than the sum that would have become payable under this Agreement if said Work had been completed by Subcontractor, then Subcontractor shall be entitled to the difference. Should the expense exceed the said sum, Subcontractor and Subcontractor's surety shall be liable to the Contractor for the amount of such excess. Upon the taking over of the Work by Contractor as herein provided for, no further payment will be made to Subcontractor until the Work is completed, and any moneys due or that may become due Subcontractor under this Agreement will be withheld and may be applied by the Contractor to payments for labor, materials, supplies and equipment used in the prosecution of the Work, for the payment of rental charges on the equipment used therein, and to the payment of any excess cost to Contractor of completing the said Work.

ARTICLE 11. CONTRACTUAL RELATIONSHIP

Subcontractor represents that it is fully experienced and properly qualified as an expert to perform the class or Work provided for herein and that it is properly equipped, organized and financed to handle such Work. Subcontractor shall finance its own operations hereunder and warrants that it is, and shall operate as, an independent Contractor and not as an agent of Contractor.

**ARTICLE 12. COOPERATION WITH CONTRACTOR AND OTHER SUBCONTRACTORS**

The Work requires complete integration with Work to be performed by Contractor and its other Subcontractors as to time, location and schedules. Subcontractor shall fully cooperate with Contractor and others engaged in the Work on the Project, and shall not interfere with the performance of such Work, and Subcontractor shall coordinate its Work with the Work of Contractor and of others so that the Work on the entire Project may be performed with the utmost speed consistent with good practice. In case of conflict or other reason for coordination Contractor may direct, and Subcontractor will execute necessary coordination or the performance of certain Work, even at increased expense to the Subcontractor, without Contractor incurring liability therefore.

ARTICLE 13. INSPECTION AND CORRECTION

The materials and Work shall at all times be subject to inspection by Owner and Contractor, and their representatives. Subcontractor shall at all times provide all safe and necessary facilities for such inspection. Owner and Contractor shall be afforded full and free access to the shops, factories and places of business of Subcontractor and its Subcontractors and materialmen for the purpose of inspection and in order to determine the general conditions and progress of the Work. Subcontractor shall promptly furnish to Contractor all samples, drawings and lists required of it in connection with the Work, but approval thereof shall not relieve Subcontractor of responsibility for complying with requirements and conditions of this Subcontract. In the event that any part of the Work or any material is determined by Owner or Contractor to be improper or defective, either during the actual performance of Work under the General Contract or during any guarantee period provided in the General Contract, or, if no guarantee period is so provided, then within one (1) year after completion of Subcontractor's Work, Subcontractor shall, immediately upon being notified in writing by Contractor to do so, proceed to remove, dispose and replace the same at its own cost and expense. If Subcontractor shall fail to replace or correct defective material or workmanship promptly and completely, Contractor, at its option, may replace or correct the same. Subcontractor agrees to pay the Contractor all costs, expenses (including attorneys' fees), liabilities and consequential damages of Contractor in connection with said replacement or corrections, regardless of whether said replacements or corrections are removed, disposed of and replaced by Subcontractor or Contractor.

ARTICLE 14. CLEANUP | RECYCLING

- .1 Subcontractor shall perform its Work as herein required so that the premises shall be neat, orderly and free from debris at all times. Upon termination or completion of its Work Subcontractor agrees to remove all unused materials and all equipment, utilities and facilities furnished by Subcontractor, to clean up all refuse and debris, and to leave the premises clean, orderly and in good condition. Upon twenty-four (24) hours written notice of failure to comply with these provisions, the Contractor may elect to perform such cleanup of the Subcontractor's refuse, debris, etc., as the Contractor reasonably deems necessary and the cost of the same will be charged to Subcontractor.
- .2 Recycling - To the greatest extent possible Subcontractor shall assist the Contractor in implementing a Project recycling program. This would include but not be limited to segregating the waste materials generated from its operation into containers as required.

ARTICLE 15. PUBLICITY RESTRICTIONS AND CONFIDENTIALITY REQUIREMENTS

No public news release, advertising, or other disclosure of Confidential Information may be released without Contractor's written approval. Confidential Information, as used herein, shall mean all Project information, including but not limited to, business plans, customer lists, prospective customers, leases, financial statements, project lists (current and past) and devices disclosed or made available to Contractor, its subcontractors and suppliers. Examples of this restriction are the use of the Project in advertising, internal or external newsletters, brochures, and news releases to media sources of any kind. To request approval to utilize this Project for such purposes, please provide a complete copy of the proposed release and a listing of the agencies or uses for which it is intended, to the office of Contractor. Approval requests will be promptly processed. Subcontractor acknowledges and agrees that Confidential Information is confidential, proprietary to and a valuable trade secret and that any disclosure or unauthorized use thereof will cause irreparable harm and grave loss. Subcontractor agrees not to disclose any such Confidential Information without prior permission from Contractor. The restrictions and obligations of this Article shall survive any expiration, termination or cancellation of the Agreement and shall continue to bind all parties, their successors and assigns.

ARTICLE 16. SUBORDINATION OF LIEN RIGHTS

To the extent and only to the extent required by the General Contract and/or the underlying construction financing agreements, Subcontractor expressly subordinates all contractual, constitutional and statutory mechanics' and materialmen's liens to which the Subcontractor may be or may become entitled to all liens and security interests securing the loan used to finance construction of the Project and expressly waives any right to remove any removable improvements from the Project. This clause is intended solely to establish the priority of potential future liens and shall not be construed to limit the Subcontractor's lien rights as afforded under Washington State law.

ARTICLE 17. RESPONSIBILITY FOR THE WORK

- .1 Subcontractor shall be responsible for, and shall bear any and all risk of loss or damage to its Work, materials supplied and Subcontractor's property and equipment, until final acceptance of its Work.
- .2 Subcontractor shall be responsible for any and all damages to the Work of other trades or third party property caused by Subcontractor's Work or Subcontractor's personnel.



ARTICLE 18. AVAILABILITY OF CONTRACT DOCUMENTS

Subcontractor acknowledges availability of complete Contract Documents at office of Contractor, and acknowledges Subcontractor's responsibility to have read all portions therein pertaining to Work under this Agreement.

ARTICLE 19. UNEMPLOYMENT INSURANCE, TAXES AND UNION BENEFITS

Subcontractor has the status of an employer as defined by the Unemployment Compensation Act of the state in which this contract is to be performed, and all similar acts of the national government and including all Social Security Acts; Subcontractor will withhold from its payrolls as required by law or government regulation and shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance or workmen's compensation, old age retirement benefits, life pensions and annuities, health and welfare, which may now or hereafter be imposed by the United States or any state or any labor agreement to which Contractor is a part, whether measured by the wages, salaries or enumerations paid to persons employed by Subcontractor or otherwise, for the Work required to be performed hereunder. Subcontractor shall comply with all federal and state laws on such subjects and all rules and regulations promulgated thereunder, and shall maintain suitable forms, books and records and shall indemnify and defend and save and hold Contractor harmless against any liability for the payment of any and all such taxes and contributions, or penalties arising by reason thereof. Subcontractor shall also pay any and all taxes, excises, assessments, penalties or other charges, levied by any governmental authority on or because of the Work to be done hereunder, or any equipment, supplies, services or materials used or supplied in the performance thereof and shall indemnify and defend and save and hold Contractor harmless against any liability for any such taxes, assessments or charges.

ARTICLE 20. LABOR CONDITIONS & LABOR PRACTICES

- .1 We are an Equal Opportunity Employer and require full compliance with all applicable federal, state, and local laws and regulations.
Subcontractor shall, to the extent permissible under federal law and any applicable state laws, comply with and be bound by such terms and conditions of Contractor's labor agreements as are applicable to the Work to be done hereunder, including without limitations, the terms and provisions of any such agreements providing for the assignment of Work or the settlement of jurisdictional disputes and the payment of wages and fringe benefits provided for in Contractor's labor agreement.
- .2 Subcontractor/Supplier (hereinafter "Subcontractor") shall comply with 41 CFR 60.4.2(d) (Executive Order No. 11246), Executive Order No. 11701, the Vietnam Era Veteran's Readjustment Assistance Act of 1972 and the Rehabilitation Act of 1973, and all other orders, rules and regulations promulgated thereunder (included but not limited to 41 CFR Part 60-1, *et al.*, 41 CFR Part 60-250, *et al.* and 41 CFR Part 60-741), all as same may have been or may be amended. The "Equal Opportunity Clause" of 41 CFR Section 60-250.4 and the "Affirmative Action for Handicapped Workers" clause of 41 CFR Section 60-741.4 and 60-741.5 are incorporated herein by this reference. Subcontractor certifies that segregated facilities (within the meaning of 41 CFR Section 6-1.8) are not and will not be maintained or provided for Subcontractor's employees and that Subcontractor will not permit its employees to perform any work at any location under Subcontractor's control where segregated facilities are maintained. Subcontractor shall obtain a similar certification from any of its Support as required by 41 CFR 60-1.8. Subcontractor shall pass this requirement on in full to its sub-tier subcontractors and suppliers, without exception.
- .3 Subcontractor shall, if requested to do so by Contractor, remove from the jobsite any employee whom Contractor reasonably determines to be unacceptable
- .4 The following applies only in the event that this Subcontract is based on the Subcontractor being required to sign a "one job" union agreement to comply with contract requirements. The original Subcontract amount includes a mutually agreed "Not to Exceed" allowance (as called out in the Scope of Work above) for the actual costs incurred by Subcontractor due to the requirements of the "one job" union agreement (union benefits actually paid, increased wages actually paid, etc.). At completion and final acceptance of Work Subcontractor shall cooperate with Contractor in the reconciliation of this allowance based on actual costs incurred, complete with all appropriate documentation substantiating costs incurred, accompanied by a fully executed copy of the "one job" union agreement.
- .5 Subcontractor shall comply with any Executive Order, law or statute requiring it to utilize "E-Verify" to electronically verify the employment eligibility of its employees, whether stationed working on this Project or not. It is the Subcontractor's responsibility to ascertain the applicability of any such Executive Order, law or statute to its Work under this Subcontract

ARTICLE 21. BONDS

If requested, Subcontractor shall, prior to commencing Work, furnish a performance and payment surety bond or bonds with companies satisfactory to Contractor, in form and amount of all of the Terms and Conditions hereof. No change, alteration, or modification in or deviation from this Subcontract, its terms, conditions, plans or specifications, or in the manner, time or amount of payment as provided herein, whether or not made in the manner as herein provided, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract. The requirement for a surety bond is a material condition of this Subcontract. Failure to provide such bond is justification for default.

ARTICLE 22. LAWS AND REGULATIONS

- .1 Subcontractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules and regulations, federal and state, county and municipal, and particularly those relating to wages, hours, fair employment practices, non-discrimination, safety and working conditions.



.2 Subcontractor shall procure and pay for all permits, licenses and inspections required by any governmental authority for any part of the Work hereunder and shall furnish any bonds, security or deposits required by such authority to permit performance of the Work.

ARTICLE 23. PATENTS AND ROYAL TIES

Subcontractor shall indemnify and defend and save harmless Owner and Contractor, and each of them, from and against all claims, royalties, damages, liabilities, costs and expenses of whatsoever kind or nature (including attorney fees) in any manner resulting, or claimed to result from any alleged infringement of any patents or for the misuse of any patented article by Subcontractor, its representatives, employees or others acting on its behalf.

ARTICLE 24. DESIGN BUILD WORK

If and to the extent Subcontractor's Work calls for or requires any design or engineering to be provided by or performed by Subcontractor, Subcontractor acknowledges it has full responsibility for the adequacy, accuracy and conformance of such design or engineering Work and that the Contractor is entitled to rely thereon. Subcontractor warrants that all such design and engineering provided or performed by it shall fully comply with all contract requirements, all codes, laws and regulations, and shall be performed consistent with the highest professional standards. Subcontractor shall reimburse or indemnify, pursuant to the indemnification obligation herein, Contractor for all costs, losses, damages, etc., caused by or resulting from any nonconformity, inadequacy, or inaccuracy, etc., in Subcontractor's design or engineering. Subcontractors who are required by the specifications to furnish engineering drawings and calculations by a qualified licensed professional shall require the licensed design professional to provide Design Errors and Omissions/Professional Liability insurance certification in compliance with Exhibit "A" to this Subcontract.

ARTICLE 25. ASSIGNMENT

Any subletting, assignment or hypothecation of this Subcontract, or any portion of the Work, or any amount due or payable hereunder, made by Subcontractor without the prior written consent of Contractor shall be void. Subcontractor agrees that if any portion of the Work covered by this Subcontract is further subcontracted, then such sub-subcontractor shall be bound by and observe the provisions of this clause to the same extent as herein required by Subcontractor, and that a copy of this clause imposing such obligations upon the sub-Subcontractor shall be included in any further subcontract.

ARTICLE 26. SEVERABILITY

In the event that any provision of this Subcontract shall at any time contravene in whole or in part any applicable federal or state law, ruling or regulation, then such provision shall remain in effect only to the extent permitted, and the remaining provision hereof shall remain in full force and effect.

ARTICLE 27. LATENT DEFECTS

Without limitation, Subcontractor shall be responsible for the repair of latent defects in its Work. Subcontractor shall pay for consequential damages related to any latent defects in their Work and Subcontractor shall pay for all costs necessary to repair the work of others caused by uncovering and repairing defective work.

ARTICLE 28. COMPLETE AGREEMENT

This document contains all covenants, stipulations and provisions agreed upon by the parties. No verbal agreement with any agent either before or after the execution of this Agreement shall affect or modify any of the terms or obligations herein contained and this contract shall be conclusively considered as containing and expressing all of the terms and conditions agreed upon by the parties hereto. No agents or representatives of either party has authority to make, and the parties shall not be bound by or be liable for any statement, representation, promise or agreement not set forth herein. No changes, amendments or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties as an amendment to this Subcontract.

ARTICLE 29. MISCELLANEOUS

The terms and conditions hereof shall inure to and be binding upon the parties hereto, their successors, assigns, executors, administrators and legal representatives. Wherever herein used the singular shall include the plural and the neutral gender shall include the masculine and feminine.

GLY Job No. _____	Contract No. _____	Contract Date: _____
Agreed By Subcontractor:	Agreed By Contractor: GLY Construction, Inc.	
Authorized Signature: _____	Authorized Signature: _____	
Printed Name: _____	Printed Name: _____	
Title: _____	Title: _____ Project Manager	



Subcontractor Coverage Requirements. Subcontractor shall, at its expense, procure and maintain, at a minimum, the following insurance coverages and limits, which shall be maintained with policy forms and deductibles satisfactory to Contractor on all of its operations, in companies acceptable to Contractor, which shall maintain a minimum A.M. Best Rating of A- VII or better as follows:

- .1 **Workers' Compensation and Employer's Liability Insurance (Stop Gap):** Workers' Compensation insurance shall be provided as required by any applicable law or regulation. Employer's Liability (Washington Stop Gap) insurance shall be provided in amounts as specified below. If there is an exposure of injury to Subcontractor's employees under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
- .2 **General Liability and Umbrella / Excess Insurance:** Subcontractor shall carry an Occurrence Form Commercial General Liability Insurance (including Umbrella / Excess policies if necessary to meet the minimum limits as specified below) covering all operations by or on behalf of Subcontractor providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for: (1) premises and operations; (2) products and completed operations; (3) contractual liability insuring the obligations assumed by Subcontractor in this Agreement; (4) broad form property damage; (5) explosion, collapse and underground hazards including subsidence; (6) personal injury liability; and any other type of claim for which Subcontractor may be responsible for under this Subcontract Agreement. Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit shall apply on a per project basis.
- .3 **Automobile Liability Insurance:** Subcontractor shall carry automobile liability insurance in amounts as specified below, including coverage for all owned, hired and non-owned automobiles. If Subcontractor's Scope of Work involves transporting of hazardous waste, Subcontractor shall include MCS 90 endorsement in accordance with the Motor Carrier Act of 1980.
- .4 **Contractor's Pollution Liability (CPL):** If CPL coverage is required under subparagraph .6 below, Subcontractor shall provide and maintain Contractors Pollution Liability coverage written on an occurrence basis, or claims made basis so long as the coverage is maintained to cover exposure throughout the statute of limitations period, covering all construction operations performed by Subcontractor including their vicarious liability for acts of sub tiers with minimum coverage limits as stated below. Such insurance is to provide coverage for: Bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death, property damage including physical injury to or destruction of tangible property, clean-up costs, and the loss of use of tangible property and defense including cost charges and expenses incurred in the investigation, adjustment of defense of claims for such compensatory damages. If a loss or damage resulting from water intrusion, leak, condensation or the like may arise from or in connection with Subcontractor's Work; Subcontractor's coverage shall expressly extend the definition of "pollutant" to include Microbial Matter. Microbial Matter means fungi or bacterial matter including but not limited to, mold, mildew and viruses, whether or not the Microbial Matter is living.
- .5 **Professional Liability Insurance (E & O):** If and to the extent Subcontractor's Work calls for or requires Professional Services, including but not limited to any design, engineering, surveying, consulting, inspecting, testing or any other professional service to be provided by or performed by a qualified professional, including instances of Subcontractor self-performance, Subcontractor shall provide, or require its design professional to provide, Professional Liability (Errors and Omissions) Insurance covering liability for claims that arise from the negligent errors, omissions or acts of said professional in the amount specified below. Policy shall include contractual liability coverage and be effective at a minimum from commencement of the professional activities in connection with the Scope of Work covered under this Subcontract Agreement throughout the statute of limitations period following substantial completion of the Project.
- .6 **Policy Limits:** The following minimum Policy Limits must be met. An Umbrella / Excess Policy may be used to achieve these Policy Limits. If the policy does not have an endorsement providing that the general aggregate limit applies separately to this Project, or if defense costs are included in the general aggregate limit, then the required aggregate limits shall be increased by \$1,000,000.

Commercial General Liability, General Aggregate	\$ 2,000,000
Products - Completed Ops Aggregate	\$ 2,000,000
Personal & Advertising Injury	\$ 1,000,000
Each Occurrence.....	\$ 1,000,000
Auto Liability.....	\$ 1,000,000
Washington Stop Gap (Employers Liability)	\$ 1,000,000
Contractor's Pollution Liability	\$ TBD by GLY on Case by Case Basis
Umbrella / Excess Liability.....	\$ TBD by GLY on Case by Case Basis
Professional Liability (Errors and Omissions).....	\$ TBD by GLY on Case by Case Basis

.7 **Additional Insureds:** **GLY Construction, Inc., _____ and their respective officers, directors and employees** shall be expressly named as Additional Insureds under the insurance policies required under this Agreement. The policy(s) shall stipulate that the insurance afforded the Additional Insured shall apply on a Primary and Non-Contributory basis and that any other insurance carried by any of them will be excess only and will not contribute with this insurance. An appropriate Primary / Non-Contributory Additional Insured Endorsement Form evidencing such coverage and specifically stating that the Additional Insured status shall apply to ongoing and completed operations, must be provided to Contractor along with the Certificate of Insurance. All coverages and endorsements must be in effect prior to commencement of Work and remain in effect, renewed or reissued as necessary, for a



EXHIBIT A - INSURANCE REQUIREMENTS

minimum of six years beyond substantial completion of the Project or such other time as may be required by the Contract Documents.

- .8. **Compliance:** Contractor may take such steps as are necessary to assure Subcontractor's compliance with his obligations under this Section. In the event Subcontractor fails to maintain any insurance coverage required under this Agreement, Contractor may maintain such coverage as is required to protect Contractor's interests and charge the expense to Subcontractor, or terminate this Agreement for default in accordance with Article 10 of the Subcontract Terms and Conditions.
- .1 The required insurance shall be subject to the approval of Contractor, but any acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of the duties and responsibilities by him in this Agreement. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor will comply with such requirements.
- .2 Failure of Contractor to enforce in a timely manner any of the provisions of this Section shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of this Agreement. Any exceptions to the provisions of this Section must be delineated in the Contract Documents.
- .3 Forty-five (45) days written notice must be given to certificate holders (GLY and Owner), prior to cancellation of any policy required hereunder.
- .4 Subcontractor shall either (1) require all parties performing Work under this Agreement to procure and maintain insurance coverage of the type and in the amounts as appropriate for their Scope of Work, or (2) insure the activity of such parties under its own policy(s).
- .5 Subcontractor specifically agrees to defend, indemnify and hold Contractor harmless from any and all claims, demands, losses and liabilities to or by third parties arising from, resulting from or connected with services performed or to be performed under this Subcontract including such claims, or losses for which Subcontractor has failed to obtain insurance coverages as required in this Exhibit "A."
- .9 **No Limitation:** The insurance coverages maintained by the Subcontractor shall in no way limit Subcontractor's indemnity obligations or other liabilities under this Agreement.
- .10 **Certificates of Insurance:** Certificates of Insurance with applicable endorsements are strictly required under this Subcontract. Subcontractor will be required to leave the jobsite, assuming risk of resulting penalties, liabilities or damages associated therewith, and payments will be held until the following insurance requirements are met and a certificate of insurance with applicable endorsements evidencing such coverage is provided to Contractor.
- .1 Reference to GLY job number **{Projects.Number}** and job name **{Projects.Name}** must specifically be shown on the certificate.
- .2 Subcontractor must provide required endorsements along with the Certificate in order to have met its obligations under this provision.
- .3 FORWARD THE CERTIFICATE TO: Email: **riskm@gly.com** or Fax **425.519.4393** or
US Mail: **Attn: Risk Management, PO Box 6728, Bellevue, WA 98008-0728**



CONSTRUCTION

JOB COST COMMITMENT POSTING SHEET
Guaranteed Maximum Price Subcontract

THIS PAGE IS FOR INTERNAL GLY DISTRIBUTION ONLY
Please forward to Accounting for Commitment Posting - Do Not Send to Sub

Job Description: {Projects.Name} GLY Job No. {Projects.Number}
Subcontractor: {ToCompany.Name} Contract No. {Contracts.ContractNumber}
Contract date: {Contracts.ContractDate} Document No.: {DocumentsWord.Number}

Scope: {Contracts.Description}

Total GMP: ({Contracts.OrigValue} "NumToText") dollars (({Contracts.OrigValue} "Currency"))

GLY COST CODES (FOR GLY INTERNAL ACCOUNTING USE ONLY):

Table with 3 columns: Cost Code, Description, Amount. Row 1: {ContractSchedOfValues.BdgtCode}, {ContractSchedOfValues.Description}, {ContractSchedOfValues.ScheduledValue}. Row 2: Cost Code Total, {Contracts.OrigValue}