

Ridgway Valley Enterprises, Inc.
175 Merchant Drive
Montrose, CO 81401
(970) 249-9453

MASTER SUBCONTRACT AGREEMENT

This Agreement made and entered into this **29th** day of **March, 2016** between **Ridgway Valley Enterprises, Inc.**, (hereinafter called the Contractor) and **Sample Company, Inc.**, (hereinafter called the Subcontractor), whose business address is: **1234 Main Street, Montrose, CO 81401**; it being understood that the term "Contractor" denotes the General Contractor, and "Subcontractor" denotes an independent subcontractor to the General Contractor.

DEFINITIONS

The terms "Contract" and "Owner" as used in this Subcontract shall have the following meanings:

"Contract" means the Contract between the Owner and the Contractor, the General Provisions attached thereto, the contract plans, drawings, specifications and addenda thereto, change orders, and schedules that are made a part hereof by reference as if repeated herein verbatim. Copies of all of the foregoing documents are on file at the office of the Contractor and are available for inspection at all times.

"Owner" as used herein shall include owner, lessor, lessee or any other interested party contracting with Contractor, as the case may be.

WITNESSETH:

WHEREAS The Contractor will

- Construct or reconstruct: See Standard Subcontract Agreement
- To be located at: See Standard Subcontract Agreement
- Pursuant to Contractor's agreement with: See Standard Subcontract Agreement (hereafter called "Owner").

WHEREAS The Subcontractor is to provide labor, material (if applicable), tools, and equipment to install the following: As provided in the Standard Subcontract Agreement and Subcontractor's Proposal, if any.

WHEREAS complete plans, specifications, drawings and contract documents have been prepared by the Owner and/or the Owner's authorized representative, and

WHEREAS the Subcontractor has signified his willingness to perform the work and furnish all the necessary labor, materials, equipment, services and supplies for a complete job of that kind listed above, together with all incidental work thereto.

NOW, THEREFORE, IT IS AGREED between the parties, in consideration of the mutual promises and agreements set forth herein, as follows:

1. THE WORK

1.1 Subcontractor shall furnish all labor, tools, equipment, materials (as needed), and all other work necessary to complete the Subcontractors scope of work as defined in the Standard Subcontract Agreement and Subcontractor's Proposal (if any), all drawings, specifications and other attachments thereto, all in accordance with the terms of this agreement, the Contractor's schedule, the Contract, and all subject to the satisfaction and approval by the Owner/Landlord or his authorized representative.

1.2 The work to be performed by the subcontractor is defined in the Standard Subcontract Agreement dated the same date as this Master Subcontract Agreement, and shall include, but not be limited to, the following:

- a) All cleanup associated with performance of the work, which cleanup is to be performed by subcontractor's personnel; should subcontractor fail to comply with this requirement, contractor shall, notwithstanding any other provision of this agreement, be entitled to effect the cleanup himself, for which contractor shall be entitled to receive for subcontractor all associated costs, plus 10%;
- b) Attendance by subcontractor at all site progress meetings.
- c) All action necessary to accomplish the delivery of materials and equipment at the jobsite for the work to be performed hereunder;
- d) Hoisting, lifting and moving of all materials, supplies, and equipment necessary to accomplish the work identified under this subcontract.
- e) Furnishing detailed layout for all work to be performed under this subcontract. All action necessary to verify and assure the accuracy of a complete engineering layout for all work to be performed under this Subcontract. All dimensions of any equipment, fixtures or the like to be fabricated and installed by the subcontractor shall be field verified by the subcontractor prior to fabrication.
- f) All action necessary to procure any scaffolding required for all work under this subcontract. Contractor shall supply no scaffolding.
- g) Furnishing electric extension cords as required to convey electricity from temporary electrical outlets to place of work under this subcontract. Contractor shall supply no electrical cords.
- h) Furnishing provisions for temporary task lighting required for work under this subcontract. Contractor shall supply no temporary task lighting.
- i) Furnishing water hoses required to convey water from temporary water supply to place of work under this subcontract. Contractor shall supply no water hoses.
- j) Cost of any cutting and patching or other repairs to any work under this subcontract.
- k) Protecting work of others form damage by work under this subcontract.
- l) Clean up of waste and debris of work under this subcontract.
- m) Submitting project record documents as specified for work under this subcontract.
- n) Turning in daily to the Contractor a completed copy of subcontractor's daily report in an approved format.

- o) Compliance with any requirements of the Contractor, including but not limited to:
 - 1) Accident Prevention Plan.
 - 2) Environment Protection Plan
 - 3) Quality Control Plan
 - 4) Safety Plan
- p) Providing Material Safety Data Sheets (MSDS) to contractor.

1.3 The work defined under this contract does not obligate subcontractor to provide any of the following:

- a) Sanitary facilities
- b) Electrical power
- c) Safety officer
- d) CQC Supervisory Engineer
- e) CQC Mechanical Engineer
- f) Free zone monitor

1.4 All shop drawings, brochures, and samples concerning the work defined under this subcontract shall bear the following identification:

- a) Date and revision dates.
- b) Project title and number.
- c) The names of:
 - 1) Architect/Engineer:
 - 2) Project Manager (Subcontractor/Supplier):
 - 3) Contractor:
 - 4) Contractor Number:
 - 5) Manufacturer when pertinent
 - 6) Separate detailer when pertinent
- d) Identification of product or materials.
- e) Relation to adjacent structure or materials.
- f) Field dimensions, clearly identified as such.
- g) Specification selection number and paragraph.
- h) Applicable standards such as ASTM number or Federal Specifications.
- i) A blank space, minimum of 2"x 3" for the Architect/Engineer stamp.
- j) Identification of deviations for Contract Documents.
- k) Transmittal number.
- l) Submission number.
- m) Date of submittal and name of subcontractor/supplier.
- n) Any additional information required by the specifications for the particular work, including, but not limited to the following: See Standard Subcontract Agreement
- o) Copies and types.
- p) Other pertinent data.

1.5 All materials installed and labor performed in completion of the work identified under this subcontract shall be in strict accordance with specifications.

1.6 The Subcontractor shall provide at his own expense, in an area designated by the Contractor, whatever storage sheds, work shops, and offices that are necessary for the performance of this Subcontract, and shall remove same and thoroughly clean the premises at the completion of the work.

1.7 The Subcontractor guarantees that he will complete the work and all portions thereof in accordance with the requirements of this contract, and that the same will be in full compliance with respect to material and workmanship, and will so remain for the period specified in the contract documents.

2. SUBCONTRACT AMOUNT

2.1 In consideration of the Work to be performed hereunder, the Contractor agrees to pay the Subcontractor The amount specified in the Standard Sub-Contract Agreement, or, if not specified therein, the amount specified in the Subcontractor's proposal or quotation.

2.2 The Subcontract Amount shall be subject to additions and deductions for changes made in compliance with this Subcontract Agreement.

3. PAYMENTS TO SUBCONTRACTOR

3.1 Contractor shall have no obligation to make any payments unless the Subcontractor's rate of progress, work done and materials furnished are satisfactory to the Contractor as herein agreed upon.

3.2 Payments are to be made as follows: Monthly payments in the amount of One hundred percent (100%) of the work satisfactorily performed prior to the 30th day of preceding month, provided the Owner allows and pays to the Contractor proportionate amount on the Contractor's work, and the balance within seven (7) days from completion of the project as evidenced by determination of completion and final acceptance by the Owner and receipt of final payment by the Contractor.

3.3 Should Owner withhold retention from payments to Contractor, then Contractor *may* retain an amount in the same proportion from any progress payments due the Subcontractor. Subcontractor understands and agrees that he shall receive no final payment of retained monies unless and until Contractor receives its final payment and retention from the Owner. **It is agreed that this provision is applicable under all circumstances, including fault on the part of the Contractor.** However, this provision shall not affect any rights Subcontractor may have to assert any liens against the real estate upon which any of the work is performed.

3.4 Regardless of the terms of payment provided for herein the Contractor shall not be required to make any payments to the Subcontractor that would leave a balance due to the Subcontractor insufficient to cover the retained percentage plus an amount sufficient to satisfy all obligations of the Subcontractor for labor, materials, equipment, services, etc., furnished or to be furnished by the Subcontractor hereunder. **Payment for any work not covered by this contract will not be made unless covered by a change order to the contract signed by the Project Manager and any such order must be obtained prior to the start of such work not covered by this contract.** If an order is not so obtained, no payments will be made for any work not covered by this contract.

3.5 The Subcontractor agrees as a condition precedent to receiving any payments that he will on or before the **20th day** of each month present to the Contractor in an approved format, his requisition for payment of the work which he projects will be completed by the end of the fiscal month, and to furnish the Contractor satisfactory releases, waiver of lien, affidavits, and such further evidence as may be required by the Contractor that all labor, materials, equipment services, etc., used in connection with or incorporated in said work have been paid for in full.

3.6 Final releases will be given to the Contractor by the Subcontractor when his requisition for payment represents and reflects that he has completed 100% of the work identified under this subcontract. Such releases will not alter final payment to the Subcontractor as outlined in this contract. As used herein, the term "fiscal month" means the period from the first day of the month to the first day of the next month, both inclusive.

3.7 In the event that the Subcontractor fails to pay and discharge when due any bills of any kind or nature incurred by the Subcontractor in fulfillment of the contract, or if at any time there shall be any evidence of any lien against the project or any claim against the Contractor as a result of the Subcontractor's operations, the Contractor shall have the right to retain out of any payment herein due or any payment to become due an amount sufficient for the Contractor to completely indemnify the Contractor against any such lien or claim including reasonable costs and attorneys fees incurred by reason thereof.

3.8 No payment made under this contract shall be conclusive evidence of the performance of this contract either wholly or in part, and no payment including final payment shall be construed to be an acceptance of defective or unsatisfactory workmanship and/or materials. In no event shall any provision of this subcontract be construed to be an acceptance of defective or unsatisfactory workmanship and/or materials. In no event shall any provision of this subcontract be construed so as to relieve the subcontractor of any responsibility under any warranty given by him, either express or implied, for materials or workmanship pursuant to the subcontract, statute or common law. Upon written notification from contractor of any breach of any such warranty or any defective or unsatisfactory workmanship or materials, subcontractor shall have ten days to inspect any work and /or materials subject to such notice. Following any such inspection, subcontractor shall have 10 days within which to correct any such warranty breach or defective or unsatisfactory workmanship or materials. Should subcontractor fail to make any necessary corrections within the days so allotted, contractor may take any action reasonably necessary to effect any such corrections. Subcontractor agrees to pay contractor for any such corrections undertaken by the contractor. Payment due the contractor for such corrections shall be the cost of all time and materials plus 10%.

3.9 The Subcontractor agrees that monies received for the performance of the subcontract shall be used to satisfy obligations incurred in the performance of this work and said monies shall not be diverted to satisfy other obligations of the Subcontractor.

4. SUBCONTRACTOR'S REPRESENTATIONS AND WARRANTIES

4.1 The Subcontractor acknowledges, represents and warrants that Subcontractor has read all contracts and exhibits of agreements between Contractor and Owner, lessee or interested party, and the Subcontractor is fully familiar with all terms and conditions thereof, and acknowledges, accepts, understands, and agrees that Subcontractor is subject to and bound by all provisions thereof, and that same is incorporated herein by reference as part of this subcontract and agreement as if fully set forth.

4.2 Subcontractor acknowledges and represents that he may not assign, let, subcontract permit or allow the work, labor and services that the Subcontractor is to perform under this subcontract to be performed by any other party than the Subcontractor, without the written permission of the Contractor. In the event the Subcontractor does so permit and allow performances by others, without approval, the Contractor may forthwith at his option terminate this contract, or withhold any monies or payments due the Subcontractor, or proceed with any other remedy available to the Contractor.

5. INSURANCE.

The Subcontractor agrees to procure and maintain in force during the term of this Contract, at its own cost, the following minimum limits of insurance coverage:

5.1 Commercial General Liability

\$1,000,000	Each Occurrence
2,000,000	General Aggregate
2,000,000	Products/Completed Operations Aggregate
1,000,000	Personal & Advertising Injury
100,000	Damage to Rented Premises
5,000	Medical Expenses

Coverage shall include coverage for the following:

- 1. Blanket Contractual Liability**
- 2. Products and Completed Operations**
- 3. Bodily Injury**
- 4. Explosion, Collapse and Underground Hazards (X,C,U)**
- 5. Personal Injury (including coverage for contractual and employee acts)**
- 6. Broad Form Property Damage (including completed operations)**
- 7. Independent Contractors**

5.2 Commercial Automobile Liability

**\$1,000,000 Combined Single Limit for Bodily Injury and Property Damage
Each Accident**

5.3 Workers Compensation & Employers Liability meeting statutory requirements of the state where the work is to be performed or the following minimum limits, whichever are greater:

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

To be considered an Independent Contractor, per the Colorado Workers' Compensation Act, an individual must be engaged in an independent trade, occupation, or service; must be free from control; and have no workers. This status applies to one individual and cannot apply to any subsequent tiers or layers of other contracted individuals. When a subcontractor utilizes others claiming the same independent contractor status, a risk or exposure is created for potential Workers

Compensation claims. This exposure results in audit charges back to the Contractor. Should it be discovered that an individual claiming to be an Independent Contractor has hired or engaged others to perform work, the Contractor may make a deduction from payments due, in an amount it believes sufficient, to pay for the Workmen's Compensation chargeback exposure that has taken place.

- 5.4 Subcontractor shall cause any Sub-Subcontractor to procure and maintain the minimum insurance coverage listed herein.**
- 5.5 All policies shall be written on an "occurrence" form, not a "claims-made" form, and issued by companies authorized to conduct business in the State of Colorado. All insurers shall have a rating of A- FSC X, or better, as rated by A.M. Best Company.**
- 5.6 Subcontractor shall cause their insurance agent(s) to issue a Certificate of Insurance as evidence that policies providing the required insurance coverages, conditions, and minimum limits are in full force and effect.**
- 5.6.1 The Certificate shall be provided prior to commencement of any work under this contract.**
- 5.6.2 The certificate shall name Contractor, and project owner or other parties as required by the contract, as additional insured with respect to all policies except Workers Compensation, including completed operations, and a copy of the additional insured endorsement shall be attached to the Certificate. Subcontractor shall maintain the additional insured endorsement including completed operations for a minimum period of 2 years after final acceptance of the project by the project owner.**
- 5.6.3 The Certificate shall identify the specific project and shall provide 30 days notice prior to any policies being cancelled, terminated or materially changed.**
- 5.6.4 Contractor may request certified copies of any and all policies required above.**
- 5.7 All policies required under this contract shall be primary insurance and any insurance carried by Contractor shall be excess and non-contributory.**
- 5.7 All policies required under this contract shall be endorsed to provide a waiver of subrogation of rights in favor of Contractor.**
- 5.8 Subcontractor shall be solely responsible for any deductible on any policy.**
- 5.9 If Subcontractor is a crane or rigging contractor, or if work under the subcontract includes crane services or lifting of, or moving of, property of others, Subcontractor shall have coverage for Riggers Liability with a limit equal to or greater than the highest value of property being lifted or moved.**
- 5.10 If Subcontractor's operations include excavation, grading, utilities, backfilling, road, parking area or similar construction, there shall be no exclusion for subsidence or earth movement on the general liability policy nor any exclusions for explosion (X), collapse (C), or underground (U).**

- 5.11 **If work under the subcontract includes stucco, exterior plaster or similar work, there shall be no EIFS (Exterior Insulated Finishing System) or synthetic stucco exclusion on the general liability policy.**
- 5.12 **If Subcontractor will provide professional services under this contract Professional Liability or Errors & Omissions Liability covering the type of professional services to be performed shall be carried with a minimum limit of \$1,000,000 per occurrence and \$1,000,000 aggregate.**
- 5.13 **Contractor's approval, disapproval, or failure to respond to your inquiry on any of the insurance requirements above shall not waive any requirement or relieve you of financial responsibility for any loss caused by or contributed to by the negligent acts, errors, or omissions of you, your directors, officers, employees, subcontractors, or suppliers. Acceptance of any claim by your insurer shall not relieve you of responsibility for any part of any claim not fully satisfied by your insurer(s), either by later denial of coverage or by exhaustion of limits. Bankruptcy, insolvency, or denial of liability by any insurance company shall not absolve you of liability for any such loss.**

6. INDEMNIFICATION

Subcontractor hereby agrees to defend at his own cost and to indemnify and hold harmless the Contractor, his agents and employees, from and against any and all liability, damages, losses, claims, and expenses, including but not limited to, attorney fees and litigation costs, howsoever caused, resulting directly or indirectly from or connected with the performance of this agreement, except to the extent that such liability, damages, losses, claims, and expenses were actually caused through the negligence of Contractor or any of his agents, employees or any third party under the control or supervision of Contractor.

7. CHANGES TO THE WORK.

7.1 The Contractor shall have the right to order additions to or omissions from the work or any other changes in extent and character of the work that may be required to perform the work in accordance with the terms of the contract. **The Subcontractor shall make no changes in the work except as specifically authorized by Contractor in accordance with this Subcontract, and the Subcontract Amount shall be adjusted by written Change Order, also in accordance with this Subcontract.**

7.2 No alterations, additions, or deletions shall be made to the Work as shown or described by this Subcontract except on specific written order of Contractor, given directly to the subcontractor by the Contractor or his project manager; and when so made, the value of the alteration, addition, or deletion shall be computed and determined in accordance with this Subcontract, subject to the written approval and acceptance by Contractor, and the amount so determined shall be added or deducted from the Subcontract Amount. Within 24 hours of receipt by the Subcontractor from the Contractor of an order for alteration, addition or deletion to the Work, Subcontractor shall, using a written change order request form approved by Contractor, submit to Contractor a change order request specifying the scope of any change in cost or time together with any other information required in Contractor's change order request form. Within 24 hours of receiving any such written change order request, Contractor shall notify Subcontractor in writing whether Contractor approves or disapproves the proposed change order request. Should Contractor disapprove any such

request, the notice of disapproval shall specify the grounds therefore. Contractor shall not unreasonably withhold approval of any such request. Subcontractor shall have 24 hours following receipt of notice of disapproval within which to submit a revised request for change order acceptable to Contractor. If, within that time limit, Subcontractor submits a revised request for change order acceptable to Contractor, Contractor shall promptly provide written notice to Subcontractor of approval, and Subcontractor shall proceed immediately with the additional work.

7.3 If Subcontractor fails, pursuant to paragraph 7.2 of this Subcontract, to submit a revised request for change order acceptable to Contractor, Contractor *may*:

- a). terminate this Subcontract immediately, or
- b) notify Subcontractor to proceed diligently with the additional work. Along with any such notice to proceed, Contractor shall give Subcontractor written notification specifying any aspects of the change order request or revised change order request acceptable to Contractor. That portion of the value of the alteration, addition, or deletion so specified as acceptable to the Contractor shall be added to or deducted from the Subcontract Amount. As to any amounts not so specified as acceptable to the Contractor, Subcontractor may apply in writing to Owner for approval. Any such amounts approved in writing by Owner shall be added to or deducted from the Subcontract Amount. Any such amounts not approved in writing by Owner shall not be added to or deducted from the Subcontract Amount.

7.3 Any Change Order Request cost estimate shall outline the changes in the Work and provide documentation justifying proposed changes in time. The estimate shall be computed in accordance with accepted estimating procedures and in accordance with the terms of this Subcontract, and the costs for labor and materials shall be at prevailing rates in the area or in accordance with appropriate provisions of this Subcontract. As far as practicable, unit prices and any other feasible formula for use in the determination of cost changes in the Work shall be used.

8. PROGRESS SCHEDULE

8.1 The Subcontractor agrees to fully comply with the Contractor's Progress Schedule as established by the Contract. If the Contract establishes no Progress Schedule for the Contractor, subcontractor shall comply with any reasonable progress schedule established by the Contractor and made known to the Subcontractor.

8.2 The Subcontractor agrees to assist the General Contractor in establishing a satisfactory progress schedule, if requested. It will be the Subcontractor's responsibility to ascertain schedule requirements and be governed accordingly and to further keep himself thoroughly informed as to the progress of the work.

8.3 If the Subcontractor's work is not on schedule for any reason within his control the Subcontractor will take remedial actions necessary to conform to the progress Schedule at no additional cost to the Contractor. Remedial actions include but are not limited to providing additional manpower and/or working overtime.

8.4 The Subcontractor shall cooperate with the Contractor and other subcontractors whose work might interfere with this subcontractors work and, in all areas of congestion, shall participate in the preparation of coordinated drawings and schedules specifically notifying and advising the Contractor of any such interference's.

9. TERMINATION AND REMEDIES UPON BREACH

9.1 Should the Subcontractor at any time refuse or neglect to supply a sufficient number of properly skilled workmen or sufficient materials of the proper quality, or fail in any respect to prosecute the work with promptness or diligence, or fail in the performance of any of the covenants herein contained, the Contractor may, seven days after service of written notice on the Subcontractor (within which time the Subcontractor may perform such covenant), to terminate the employment of the Subcontractor for the said work and to enter upon the premises and take possession, for the purpose of completing the work included under this Subcontract, of all materials, tools, apparatus, and appliances thereon, and employ any other person or persons to finish the work and to provide materials therefore. Subcontractor shall be liable to contractor for all costs thereof, and all such costs shall be deducted from any money due to the Subcontractor. Should the Subcontractor fail to perform such covenants as outlined in the written notice, this Subcontract shall be terminated by breach on the seventh day after issuance of this written notice, unless modified in writing.

9.2 If the Contract provides for liquidated damages with regards to delay beyond the completion date set forth in the Contract, and such damages are so assessed, then Contractor may assess the same against the Subcontractor as well as other damages resulting from the delay in proportion to Subcontractor's share in responsibility for such delay.

9.3 Contractor shall have the right to terminate this contract at any time, upon 3 days written notice to the subcontractor. It is agreed that if the Contract shall be terminated for the convenience of the Owner prior to completion, or should the Subcontractor be notified in writing that this Subcontract is terminated by the Contractor for any reason, Subcontractor shall have no claim upon the Owner, Mortgagor-Builder, Contractor or any other firm or individual, other than claims for work actually completed and materials actually delivered by Subcontractor at the jobsite as of the date of termination in conformance with the Subcontract, with such conformance to be determined at the sole discretion of Owner and the Contractor. Subcontractor shall take all reasonable steps to mitigate closeout costs.

10. SUBCONTRACTOR'S OBLIGATIONS

10.1 In connection with the performance of work under this Subcontract, the Subcontractor agrees not to employ any person undergoing sentence of imprisonment.

10.2 Subcontractor shall comply with Federal, State, and Local tax laws, Social Security acts, Unemployment Compensation acts, Minimum Wage Laws, and Worker's Compensation acts, insofar as applicable to the performance of this Subcontract, and shall comply with all procedures, rules, and regulations with regard to nondiscrimination issued or to be issued by any Federal, State, or Local government or agency, including the Equal Employment Opportunity Commission, insofar as they may apply to the Work. Subcontractor represents that it is an equal opportunity employer as described in Section 202 of Executive Order 11246, dated September 24, 1965, as amended, and it agrees to comply with the provisions of Paragraphs 1 through 7 of Section 202 of said Executive Order during the performance of this Subcontract. The Subcontractor agrees to insert the foregoing provision in all subcontracts.

10.3 The Subcontractor agrees to abide by all legal and governmental requirements concerning employment of labor and rates of pay, and to make promptly all reports of certified payrolls and materials in the manner and form and at the time required by the contract documents.

10.3.1 The Subcontractor agrees to comply with all applicable provisions of CRS 8-17.5-102, and further agrees:

(a) that he shall not knowingly employ or contract with an illegal alien to perform work under the contract.

(b) that his signature hereon certifies that he does not knowingly employ or contract with any illegal alien and that he has participated or attempted to participate in basic pilot employment verification program created in Public Law 208, 104th Congress, as amended and expanded in Public Law 156, 108th Congress, as amended that is administered by the United States Department of Homeland Security (the basic pilot program) in order to confirm the employment eligibility of all employees who are newly hired for employment in the United States.

(c) that, if he has not been accepted to participate in the basic pilot program, he shall apply to participate in the basic pilot program every three months until accepted or the contract has been completed, whichever is earlier.

(d) that he shall not use the basic pilot program procedures to undertake pre-employment screening of job applicants while the contract is being performed.

(e) that, if the subcontractor obtains actual knowledge that a sub-subcontractor performing work under the contract knowingly employs or contracts with an illegal alien, the subcontractor shall (i) notify the sub-subcontractor and the contracting state agency or political subdivision within three days that the subcontractor has actual knowledge that the sub-subcontractor is employing or contracting with an illegal alien; and (ii) terminate the sub-subcontract if within three days of receiving the notice required pursuant to subparagraph (i) of this paragraph (e) the sub-subcontractor does not stop employing or contracting with the illegal alien; except that the subcontractor shall not terminate the contract with the sub-subcontractor if during such three days the sub-subcontractor provides information to establish that the sub-subcontractor has not knowingly employed or contracted with an illegal alien;

(f) comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that the Department of Labor and Employment is undertaking pursuant to the authority established in CRS 8-17.5.102.

10.4 The Subcontractor agrees that he personally guarantees the faithful; and complete performance of all the terms and conditions of this Subcontract and the general provisions hereto attached.

10.5 The Subcontractor agrees that all safety requirements dictated by The Occupational Safety and Health Act (OSHA) or other safety rules, regulations, statutes, laws and ordinances, whether federal, state, county or city, shall be strictly adhered to by the Subcontractor as it applies to his work, equipment or personnel. The Subcontractor is to pay for all penalties resulting from the Subcontractor not complying

with all safety regulations. The Subcontractor further agrees to protect the work of others and shall correct any damage caused by his work. Any safety devices damaged or removed by the Subcontractor will be replaced by the Subcontractor. Subcontractor shall adhere to all requirements of his own written safety policy, if any. If Subcontractor has no such written safety policy he and all his employees, agents and officers shall strictly adhere to Contractor's written safety policy, which is hereby incorporated and made a part of this agreement.

10.6 The Subcontractor shall provide, at his expense, all permits, fees and licenses required for his work.

10.7 The Subcontractor shall provide full time competent supervision of all workmen in his employ when work is being performed at the job site. The Contractor shall retain the right to have any Subcontractor employee removed from this job.

10.8 The Subcontractor shall adequately and properly protect this work of construction by lights, barriers, supports, signs and guards so as to avoid injury or damage to persons or property and to be directly responsible for damages to persons and property occasioned by his failure to do so, or by any negligence of the Subcontractor or any of his officers, agents or employees in the performance of his work. The standards of protections shall be not less than those specified in the Contract or required by law.

10.9 The Subcontractor shall pay all royalties and license fees and shall defend all suits or claims for infringement of any patent rights involved in the work of the Subcontractor.

10.10 The Subcontractor agrees to provide a detailed breakdown of the subcontract amount. The Subcontractor shall, within ten days of receipt of the signed subcontract, submit a complete breakdown of the subcontract amount showing the value assigned to each part of the work. Upon approval of the breakdown of the contract amount, it shall be used as the basis for all requests for payment. This information is to be provided in an appropriate format.

10.11 The Subcontractor agrees to furnish, on demand of the Contractor, receipts or other evidences of payment of all obligations arising out of the Subcontract which are satisfactory to the Contractor before a payment is made to the Subcontractor under this Subcontract. This shall include evidence that state and federal withholding tax payments, and payments to Union Pension Funds have been made.

10.12 The Subcontractor agrees to do such cleaning after his own workmen as is required by the contract including the removal of all rubbish resulting from his operations and the cleaning of both his own and other contractors work of all foreign materials which are the result of the Subcontractor's operations.

10.13 The Subcontractor agrees to receive, unload, store, maintain, startup and protect all owner or contractor pre-purchased equipment and material as delineated elsewhere in this contract.

10.14 The Subcontractor shall be responsible for hoisting his own materials, supplies and equipment.

10.15 The Subcontractor agrees to indemnify and save harmless the Contractor against all costs or claims for transportation, freight and express on men, materials, and equipment to and/or from the job site or any other location at which any of the subcontract work is to be performed, and for all other incidental expenses in connection with his work, and to prepay the transportation charges on all materials, and equipment shipped. The Contractor's project superintendent will designate location for placement of materials.

10.16 If the line following this paragraph is signed by both parties, the wages to be paid to all classes of laborers, workers or mechanics on the work contemplated by this Subcontract, or on any material to be used on or in connection with this Subcontract, shall be not less than the prevailing rate for a day's work in the same trade or occupation in the locality within the state where the work contemplated by this Subcontract is to be performed, situated, erected or used. Each laborer, worker or mechanic employed by Subcontractor or by any other person on or about the work contemplated by this Subcontract shall receive the wages provided for in this Subcontract.

11. ENTIRE CONTRACT

This Subcontract constitutes the entire Agreement between the parties and contains all of the covenants, stipulations, and provisions agreed upon by the parties. This Subcontract supersedes and takes precedence over all proposals correspondence and oral agreements between the Contractor and Subcontractor, if any, made prior to and including the date hereof and not specifically identified and incorporated in writing into this Subcontract. This Subcontract includes all alternates, changes, addenda, amendments, corrigenda and any other instruments of like effect made, issued, or exercised by the Contractor or the Contractor's Authorized Agent through the date hereof. No agent or representative of either party hereto has authority to make, and the parties shall not be bound by, or liable for, any statement, representation, promise or agreement not specifically set forth in this Subcontract. Except as otherwise provided for herein, no changes, amendments or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties hereto. Words used in this Subcontract in the masculine gender include the feminine and neuter, the singular number includes the plural and the plural the singular.

12. DISPUTE RESOLUTION

12.1 If the line following this paragraph is initialed by both parties, Subcontractor and Contractor agree that any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The Contractor and Subcontractor do hereby agree to be bound by the American Arbitration Association's judgment.

12.2 In case of any disputes between the Subcontractor, the Contractor, and the Owner, the Subcontractor agrees to be bound to Contractor to the same extent that Contractor is bound to Owner both by the terms of the Contract and by any and all decisions or determinations made thereunder by the party or board so authorized in the Contract. Upon resolution of any such disputes, Subcontractor shall not be entitled to receive any amounts in excess of amounts the Contractor wins and actually does receive from the Owner on account of Subcontractor's work, less any markups or costs incurred by the Contractor and to which Contractor is otherwise entitled, and Subcontractor agrees that it will accept such amount if any, received by Contractor from Owner as full satisfaction and discharge of all claims for or on account of acts or omissions of the Owner or his Engineer. The Subcontractor shall proceed diligently with the Work, pending final determination pursuant to any disputes clause or pursuant to any other action taken with respect to a claim or claims.

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

CONTRACTOR

SUBCONTRACTOR

RIDGWAY VALLEY ENTERPRISES, INC.

SAMPLE COMPANY, INC

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

[rvemstrsubK.doc]