

## SUBCONTRACT AGREEMENT

THIS AGREEMENT made and entered into at Calabasas, California this Day th day of Month 2005 by and between **ELLIAS CONSTRUCTION CO., INC.** hereinafter referred to as Contractor and **Subcontractor Inc.**, hereinafter referred to as Subcontractor.

WITNESSETH: On or about the th day of 2005 Contractor entered into an agreement with -----hereinafter called the Owner, providing for the construction of **Job Name** located at **Jobsite address** in accordance with plans and specifications prepared by **Architect**, hereinafter referred to as Architect. In the event the plans and specifications have been prepared by an Engineer or by both an Architect and an Engineer, the reference herein to "Architect" shall be construed to include the Architect and/or Engineer, as the case may be.

In the event that this agreement is executed prior to the award and execution of the prime contract by Owner to Contractor, the parties do hereby acknowledge that this agreement is executed in contemplation of the execution of such prime contract. In the event Owner and Contractor fail to enter into a valid agreement within 90 days from the date of this agreement, this agreement shall be of no effect.

This contract shall not be effective for any purpose, and the Subcontractor is not authorized to perform any of the work hereunder, until this contract has been executed by both parties. In the event that Subcontractor fails to return an executed copy of this agreement to Contractor within 10 days after the date shown hereon. Contractor may terminate any and all right of Subcontractor to perform the work herein described by written notice sent by ordinary mail to the address of Subcontractor shown hereon, and Contractor shall have the right at its option to enter into an agreement with another subcontractor for the performance of sad work, or any portion thereof, or to perform such work itself, without prejudice, however, to Contractor's right to recover any damages suffered by reason of Subcontractor's failure to execute this agreement.

1. **DESCRIPTION OF WORK:** Subcontractor agrees to furnish at his own cost and expense all labor, equipment, scaffolding, power, taxes, fees, materials, supplies and other things necessary to perform and complete in accordance with the prime contract plans, specifications, general conditions, addenda and modifications thereto, the following portion of the above prime contract and all work incident thereto:

### Furnish

*Subcontractor agrees to submit an original executed copy of the subcontract agreement, a current "pocket I.D." of the State Contractors License, a certificate of insurance for liability, auto, and workman's compensation coverage [refer to ARTICLE 14]. Subcontractor is fully responsible for all local city licenses and must submit a copy of these licenses to the contractor. Subcontractor agrees to maintain a neat and orderly site with respect to their operations. Subcontractor agrees to comply with all wage requirements for payment of prescribed wages as set forth in Davis-Bacon Wage Determination , modification No. , Subcontractor further agrees to bind any of his lower tier subcontractors to this requirement. Failure of any lower tier subcontractor to comply with the stipulated wage requirements will be the responsibility of this subcontractor.*

The description of the work to be performed, or material to be furnished by Subcontractor by reference to a section or sections of the plans or specifications shall not be deemed to limit the obligation of Subcontractor to perform only such work, or furnish only such material, described in such section or sections if work or material, coming within the general description of such section or sections is required by any other provision or section of the plans or specifications. Subcontractor shall furnish all material and perform all work coming within the general description of the designated section or sections, inasmuch as the reference to such section or sections has been made solely for convenience in Subcontractor's describing the obligation assumed by Subcontractor under this Agreement.

2. **SUBCONTRACTOR'S INVESTIGATIONS AND CHANGES IN AGREEMENT:** Subcontractor hereby represents that he has thoroughly examined all plans and specifications and has examined the site of the work and has ascertained for himself the conditions to be encountered. Subcontractor acknowledges that he is entering into this subcontract in reliance upon his own information and investigation and not upon statements or representations, if any that may have been made by Contractor. Subcontractor further acknowledges that this agreement supersedes all written or oral agreements, if any, between the parties, and that this agreement constitutes the only agreement pertaining to the work to be performed hereunder. No agent or employee of Contractor has the authority to change this agreement except by written agreement signed by an officer of the Contractor.

3. **EFFECT OF PRIME CONTRACT:** To the extent that they are applicable to the work to be performed by Subcontractor under this agreement, the provisions of the prime contract, plans, specifications, addenda, change orders, and other documents forming a part of the prime contract, are hereby incorporated into this agreement with the same force and effect as though set forth in full. Whenever reference is made in this agreement to the prime contract or the contract documents, such reference shall be construed to include the prime contract, plans, specifications, change orders, and all other documents forming a part of the prime contract. In the event that any provision of this agreement as applied to the work of Subcontractor hereunder is found to be inconsistent with the provisions of the prime contract, the provisions of the prime contract shall prevail and shall govern the rights and obligations of the parties hereto.

4. **SUBCONTRACT PRICE:** Contractor shall pay to Subcontractor the sum of **Amount (\$00,000.00)** for the performance of all work and the furnishing of all materiel and appliances of every nature which Subcontractor is obligated to perform and furnish under this agreement changes in the work. The obligation of Contractor to increase the amount to be paid to Subcontractor hereunder shall be limited to such amount as the Contractor receives from the Owner for such work less any amounts allowed to Contractor for Contractor's overhead profit, bond premium, and work performed by Contractor or others in connection therewith. Any deduction in the contract price shall be limited to the reduction made under the prime contract for work hereunder eliminated or changed.

5. **PAYMENT SCHEDULE:** Payments are to be made in monthly installments for work performed the preceding month on or before five (5) days after payment is received by Contractor from Owner, in the amount equal to the value of the work performed by Subcontractor during the preceding calendar month, less the retention established under the prime contract. The value of the work is to be determined by reference to the contract price herein, but shall not exceed the Owner's allowance therefor for which payment has been

received by Contractor. The estimate of Owner, or the estimate of Contractor as to the amount of work done by Subcontractor if Owner makes no separate estimate of such work shall be binding upon Subcontractor. The retainage less any deductions permitted by this agreement shall be paid 35 days after completion and acceptance by the Owner of all the work under the prime contract and after payment of said retainages to Contractor by Owner. Subcontractor understands that under no condition will the payments referred to herein be made until payment for the work performed by Subcontractor has been received by Contractor from the Owner. Owner's payment to Contractor for the work of the Subcontractor shall be a condition precedent to Contractor's obligation to pay Subcontractor. Subcontractor acknowledges such as clear and unambiguous. Subcontractor is relying upon the financial responsibility of the Owner in performing the work. It is understood by the Subcontractor that payment for the work is to be received by the Contractor from the Owner.

6. **EFFECT OF PAYMENTS:** No payment made under this contract shall operate as an acceptance of any portion of the Subcontractor's work or as an admission on the part of Contractor that this contract, or any part thereof, has been complied with in case the fact shall be otherwise. Owner shall make acceptance of the work in accordance with the provisions of the prime contract.

7. **PAYMENTS REQUIRED OF SUBCONTRACTOR:** Before receiving any payment falling due under this agreement, Subcontractor shall furnish, if requested, evidence satisfactory to Contractor, that all claims for labor, material, union health, welfare and pension fund payments, payroll taxes, and other things used by Subcontractor in the performance of this agreement, have been paid. Such evidence shall be furnished upon such forms and in such manner as may be requested by Contractor, and all statements relative thereto shall be made by affidavit or under penalty of perjury. Subcontractor shall furnish to Contractor releases of bond rights and lien rights by persons who have furnished labor, material, or other things in the performance of this agreement, and Contractor need make no payment unless, and until, such releases are furnished. Subcontractor shall turn over his work free from all claims, encumbrances or liens.

8. **RIGHT TO WITHHOLD PAYMENT:** Contractor may deduct from any amounts due or to become due to Subcontractor any sum or sums owing by Subcontractor to Contractor whether or not then due to Contractor. In the event of a breach by Subcontractor of any provision or obligation of this agreement, or in the event of the assertion by any person of any claim or lien against the Contractor, including, but not limited to, claims made pursuant to a writ of attachment or execution upon funds owed to Subcontractor, Contractor's bond, funds due to Contractor, or the premises upon which the work is being performed, arising out of Subcontractor's performance of this agreement or any other debt claimed to be owned by Subcontractor, Contractor may reserve from any amounts due or to become due to Subcontractor such sums as Contractor shall deem necessary to protect Contractor from any and all loss, damage, or expense there from.

9. **SUMS HELD IN TRUST BY SUBCONTRACTOR:** All sums received by Subcontractor from Contractor, or any person making payment for or on behalf of Contractor under this agreement are received by Subcontractor in trust, and as bail, for the express use and purpose of paying in full for all labor performed and material and appliances furnished in the performance of this agreement. No title to any payment, or any part thereof, shall vest in Subcontractor, or be used for any other purpose, until Subcontractor has first paid in full for all labor performed and materials furnished to day by all persons who may have supplied labor, material or other things used in the work of construction under this agreement.

10. **PROGRESS OF WORK:** Subcontractor shall forthwith order all materials, equipment and other items which shall be required for the performance of the work hereunder. Subcontractor shall submit to Contractor, upon Contractor's request, a list of suppliers from whom Subcontractor proposes to purchase all necessary materials, equipment and other items which may be required by Subcontractor in the performance of this agreement together with documentary evidence satisfactory to Contractor indicating that such materials, equipment, and other items will be available in sufficient time to avoid delay in the prosecution of the project as a whole. Subcontractor's failure to furnish such documentary evidence within 72 hours after demand by Contractor shall constitute a breach of this agreement.

Subcontractor will keep himself fully informed as to the progress of the work under the prime contract, and as soon as the project requires the performance of the work to be performed under this agreement for its continued progress, Subcontractor will promptly commence work. Subcontractor will prosecute the work diligently to completion and will conform to any progress schedule established by the Contractor. Subcontractor will coordinate his work with Contractor and other subcontractors so that there will be no delay or interference with other work on the project. In the event (1) Subcontractor fails to conform to the time schedule established by Contractor, or (2) that Subcontractor fails to cooperate with Contractor and other subcontractors in the prosecution of the work, or (3) that there is delay caused by the failure of Subcontractor to furnish labor and materials conforming to the contract requirements, and such delay, whether or not in conjunction with delay caused by others, causes Contractor to incur any loss or damage of any nature or any liability for damages or liquidated damages, Subcontractor shall reimburse Contractor for such portion of the loss or damage or liability of Contractor for damages or liquidated damages is attributable to more than one Subcontractor, Contractor shall allocate the total of such damages between the various Subcontractors responsible therefor and Contractor's allocation shall be binding on all parties.

11. **PROTECTION OF WORK AND PROPERTY:** Subcontractor shall protect his work and all material stored on-site and is responsible under all circumstances for the good condition thereof until final acceptance of the entire project. Subcontractor shall protect adjacent property from injury arising out of his work. Contractor may remedy any default by Subcontractor under this paragraph, and the cost thereof shall be deducted from the contract price.

12. **WORK CHANGES:** Subcontractor shall make no changes in the work performed under this agreement, whether by way of deduction, addition or substitution, nor shall Subcontractor perform any extra work without the prior written consent of Contractor. The parties do hereby agree that no conduct of the parties, other than a writing executed by both parties, shall be sufficient to modify the provisions of this agreement or be the basis of a claim for extra work; provided however, that nothing contained herein shall be construed to modify the right of Contractor to eliminate any portion of the work found not necessary to the completion of the work as a whole or to make such changes as may be required by change orders made by Owner as set forth elsewhere in this agreement. . ***Any additional work must be authorized in writing prior by an Officer of Ellias Construction Co., Inc., prior to commencing the additional work.***

13. **SUBCONTRACTOR'S CLAIMS:** Subcontractor shall be bound to Contractor to the same extent as Contractor is bound to Owner, by all of the terms and provisions of the prime contract, and by all decisions, rulings and interpretations of the Owner or his authorized representative. In the event Subcontractor claims that he is entitled to additional compensation, other than for extra work for which written authorization has been given prior to the performance thereof, or in the event that Subcontractor disputes any determination made by Owner or Owner's representative, he shall, within the time allowed by the prime contract, prepare his claims or contentions in

such written form as may be required by the provisions of the prime contract for presentation by Contractor to Owner. Subcontractor, at his own cost and expense, shall designate a person who shall be charged with presenting the claims or contentions of Subcontractor to the Owner, and such person shall, together with a representative of Contractor, act jointly as Contractor's representative in all dealings with the Owner relative to such claims or contentions. Subcontractor shall be bound by the ruling or decision of the Owner upon all such matters to the same extent that Contractor is bound, and Subcontractor shall have no right to receive payment from Contractor upon any such claim or contention in any sum greater than that allowed and paid by Owner. In the event Subcontractor is not satisfied with the disposition made of his claim by Owner, and Subcontractor wishes to pursue his claim either by arbitration or by the filing of an action, Subcontractor shall have the right to request arbitration in accordance with the provisions of the prime contract if permissible there under, or file an action. Such arbitration or court action shall indicate the name of contractor as the party thereto because of the lack of privity of contract between Subcontractor and Owner, but all such proceedings shall be conducted by Subcontractor with the cooperation of Contractor and at the sole cost and expense of Subcontractor. Subcontractor shall hold harmless and indemnify Contractor against all costs of arbitration, suit attorneys' fees, and other items of expense connected with such proceedings, and Contractor shall have the right to demand that Subcontractor deposit with Contractor, as security against any loss of damage by Contractor in connection therewith, an amount which Contractor deems sufficient for such purpose. Failure of Subcontractor to post such security shall give Contractor the right to terminate any proceedings then pending upon such terms as Contractor deems proper, and Subcontractor does hereby waive any claim against Contractor by reason of such termination of proceedings.

Contractor shall have the right to receive 15% of any amount allowed by Owner or recovered through arbitration or court proceedings in connection with any such claim or contention presented on behalf of Subcontractor for Contractor's overhead, bond premium, profit and work performed by Contractor in presenting the Subcontractor's claims or contentions.

**14. INSURANCE:** Subcontractor shall maintain in full force and effect at all times a policy of insurance under the **Workmen's Compensation** laws of the State of California together with a **comprehensive liability policy, issued by an "AM-BEST RATING OF A-VII" or better** in such limits (**\$1,000,000 minimum covering: Bodily Injury and Property Damage, General Aggregate, Products Completed Operations Aggregate**). **SUBCONTRACTOR UNDERSTANDS THAT ELLIAS' INSURANCE PROGRAM REQUIRES SUCH MINIMUM LIMITS FROM ALL SUBCONTRACTORS AND THAT FAILURE TO PROVIDE THE REQUIRED INURANCE WILL RESULT IN A SUBSTANTIAL COST TO ELLIAS, BASED ON \$15.85 per \$1,000 OF SUBCONTRACT AMOUNT, THE COST WILL SUBCONTRACTOR'S RESPONSIBILITY.** Subcontractor shall furnish certificates of insurance, to Contractor upon execution of this agreement as evidence of the above insurance coverage. Subcontractor will be responsible for the additional insurance premium assessed Contractor for failure to comply with the above terms and conditions. The certificates shall provide for a 10-day notice to Contractor before cancellation of any policy. **Subcontractor shall provide insurance certificates naming Contractor and Owner (refer to page 1 of this agreement for exact name of project owner) as additionally insured at no additional costs to the contract.** Subcontractor is advised that, pursuant to the general conditions of the prime contract there is a "Course of Construction" insurance policy in force, which has a deductible. In the event of loss or damage, neither Owner nor Ellias will be responsible to compensate or reimburse subcontractor for any loss not covered by the insurance policy. Subcontractor agrees to advise each of his suppliers and sub-subcontractors of every tier of this stipulation.

**15. LIABILITY TO THIRD PARTIES:** Subcontractor shall defend all suits brought against Contractor upon claims of every nature arising from injury to persons or property resulting from Subcontractor's performance of this agreement. Subcontractor will hold harmless and indemnify Contractor against all such suits and will reimburse Contractor, upon demand, for any costs and expenses of any nature incurred by Contractor in connection therewith.

**16. INDEMNIFICATION AND HAZARDS:** Subcontractor does hereby release, and agrees to indemnify and save Contractor harmless, from and against all claims of every nature, howsoever the same may be caused, resulting directly or indirectly from the performance of any or all work to be done under this agreement. Such release and indemnification shall extend to all claims arising from the activities of Subcontractor's agents and employees, and sub-subcontractors, while engaged in the performance of the work to be done under this agreement. Subcontractor does hereby agree that he will ascertain, for the benefit of his employees and the employees of any subcontractor employed by him in accordance with the provisions of this agreement, the existence of all job conditions, which constitute a hazard to the safe performance of the work and to notify all such employees thereof.

In the event that Subcontractor by rental, loan or otherwise, makes use of any of Contractor's equipment, scaffolding, or other appliances on the job site, Subcontractor agrees that such use shall be the sole risk of Subcontractor and after Subcontractor has satisfied himself as to the condition thereof, Subcontractor agrees to hold harmless and indemnify Contractor against all claims of every nature arising from the use thereof including, but not limited to, injury to Subcontractor's employees or property and the employees or property of others.

**17. LABOR MATTERS:** Subcontractor agrees to indemnify and hold owner and Contractor free and harmless of and from any costs, fees, fines, expenses, claims, liabilities, charges, obligations, demands, judgments, damages, liquidated damages, penalties, bond premiums, actions or other causes of action (including attorney's fees in defense thereof) arising from fringe benefit obligations to health and welfare, pension and vacation, industry promotion, apprenticeship and related trusts, when such obligations arise from employment by Subcontractor or his subcontractors of every tier, and whether or not the claims are well founded.

In the event Subcontractor or any of his subcontractors of every tier are listed by the administrative office of any of labor union trusts as being delinquent in payment, Contractor may assume that the listing is correct, that Subcontractor has therefore breached his subcontract, and Contractor may exercise the rights provided for in Section 19 herein. Contractor may pay any amounts that Contractor believes due to such trusts and Subcontractor shall reimburse Contractor. All the provisions of this paragraph shall apply to Subcontractor and all of his subcontractors of every tier performing work under any change of name or association or joint venture (including any person who may have been a principal financial associated with Subcontractor, or any of his subcontractors of every tier) who are listed as delinquent in fringe benefit payments to the named trusts. Contractor, at his sole option, may issue checks for the payment of work performed under this subcontract payable jointly to Subcontractor and the appropriate trusts.

In the event of any labor problems affecting the job, including but not limited to pickets, strikes, walkouts or lockouts, Contractor shall be entitled to deny job access to Subcontractor and Subcontractor's subcontractors of every tier until such time as Contractor shall deem it advisable to resume work, and Subcontractor and Subcontractor's subcontractors shall promptly resume work thereafter and Contractor shall not be liable for any damages incurred by Subcontractor or his subcontractors of every tier on account of

such cessation of work. Subcontractor agrees to bind, by written contract, all of his subcontractors on every tier to the provisions of this paragraph.

If Subcontractor's presence on the job causes any labor problems, including but not limited to pickets, strikes or walkouts, and said labor problems are not the result of Subcontractor's breach of this subcontract or any of Subcontractor's labor agreements, Contractor may immediately eject Subcontractor and make any other arrangements he deems advisable to complete the work, in which case Contractor shall be required to pay Subcontractor only the reasonable value of work performed as determined by the subcontract price and said payment, including any retention, is to be paid in accordance with the terms and conditions of the subcontract.

If Subcontractor's breach of this subcontract or his breach of any of his labor agreements causes the job to experience any labor problems, including but not limited to pickets, strikes or walkouts, Subcontractor shall be in default under this subcontract and Contractor may exercise the rights provided for in Section 19 herein.

**18. LAWS, REGULATIONS AND SAFETY:** Subcontractor shall comply with all laws and regulations of governmental bodies or agencies having jurisdiction over their performance of work of Subcontractor under this agreement including, but not limited to, the current California Occupational Safety and Health Act. Subcontractor shall obtain all necessary permits required by that Act in regard to his work and shall cooperate with and comply with all orders, requirements, regulations and decisions issued under that Act by the Division of Industrial Safety. Any delays, penalties or fines resulting from non-compliance with said act by the subcontractor shall be the responsibility of the subcontractor in the event of such delays, penalties or fines. Further, in the event that fines or penalties are levied against contractor (Ellias) due to the acts, omissions, errors of subcontractor, all direct and indirect costs to contractor resulting from such acts will be deducted from subcontractor's contract as provided for in Sections 10, 16 and 19 of this Contract.

**19. DEFAULT:** Should Subcontractor fail to perform in accordance with the terms of this agreement, Contractor shall give notice of such default to Subcontractor specifying the nature of Subcontractor's default. Failure of Subcontractor to cure such default within 24 hours after such notice shall give Contractor the option of:

(1) Without terminating this agreement or the obligation of Subcontractor hereunder as to all of the work required to be performed or furnished by him under this agreement, Contractor may perform such portion of the work required hereunder, or may furnish any material, equipment, or other item required hereunder, as Contractor, in his sole discretion, may deem necessary to avoid delay in the progress of the work; and, in connection therewith, Contractor may perform such work, or any portion thereof, himself or have the same performed by others, and Contractor may procure any necessary materials, equipment or other items required for the continued progress of the work. The cost of such work or materials, equipment or other items shall be deducted from the contract price, and, in the event the cost of such work or materials or other items of any nature exceeds the balance due Subcontractor, such excess shall be immediately due and owing from Subcontractor to Contractor; or

(2) Terminating this contract and the further option of (a) completing the work, or any portion thereof, himself or (b) having the work, in whole or in part, completed by others.

The options given to Contractor herein shall not be deemed as limitations upon the rights and remedies of Contractor in the event of default by Subcontractor, and Contractor shall be entitled to exercise the rights and remedies hereinabove specified and all other remedies which may be provided by law either cumulatively or consecutively, and in such order as Contractor, in his sole discretion, shall determine.

Subcontractor shall be liable for all damages suffered by Contractor by reason of Subcontractor's default, and exercise of the option by Contractor to terminate this agreement shall not relieve Subcontractor of such liability. Subcontractor shall have no right to receive any further payment after default until such item as the work has been completed and the Contractor's damages, if any, ascertained. Under any of the options, remedies and rights given to Contractor by this Agreement in the event of the default of Subcontractor, Contractor may, but shall not be obligated so to do, use any materials or equipment on the job site belonging to Subcontractor to complete the work whether the work is completed by Contractor or others.

**20. GUARANTEE OF WORK:** Subcontractor guarantees Owner and Contractor against all loss or damage arising from any defect in materials or workmanship furnished under this subcontract for a period of one year from the date of completion of the entire project, provided, however, that in the event the prime contract requires a longer period of guarantee, Subcontractor shall be bound for such longer period. Upon Contractor's notification, Subcontractor shall forthwith, at his own expense, replace any defective material and perform any labor necessary to correct any defect in the work. Subcontractor shall pay for all work, which may be incidental to the correction of defects under the guarantee. If Subcontractor shall fail to make such necessary repairs and replacements promptly, Owner or Contractor may, at Subcontractor's expense, furnish such materials or labor as are necessary for this purpose, and the cost thereof shall be payable by Subcontractor upon demand.

**21. ATTORNEY'S FEES:** In the event an action is filed by either party to enforce rights under this agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee in addition to any other relief granted by the court.

**22. BOND REQUIREMENTS:** Subcontractor shall furnish, upon written request of Contractor, a corporate surety bond to guarantee the faithful performance of this subcontract and the payment of all obligations incurred in the performance of this agreement. The bond shall be in an amount required by Contractor, but not to exceed the full amount of this subcontract. The performance and payment bond will include guarantees for all performance and payment obligations, including any and all payments required of subcontractor to his employees under the U.S. Davis-Bacon Act or California State Prevailing Wage Statutes. Contractor shall pay for such surety bond

provided that the premium there for does not exceed the then existing rate commonly shared by corporations conducting a surety business in the state of California, as non-owner companies and in the event such surety bond cannot be procured by Subcontractor unless at a higher rate, Subcontractor shall pay the excess over the rate commonly charged by non-owner companies. In the event that Contractor notifies Subcontractor prior to submission of Subcontractor's bid that a surety bond will be required. Subcontractor shall include the premium upon such bond in the price quoted and shall pay for the bond himself. Contractor shall have the right to demand such surety bond at any time during the existence of this contract, and in the event of the failure of Subcontractor to furnish surety bond within 5 days after written demand by Contractor, Contractor shall have the right to terminate this subcontract agreement on the ground of default by Subcontractor, and Contractor shall have all the rights and remedies given to him hereunder as for an other type of default.

**23. ASSIGNMENTS:** Subcontractor shall not assign, sublet, nor transfer this contract, nor any part thereof, nor shall Subcontractor make any assignment or transfer of funds payable to Subcontractor under this agreement without the prior written consent of Contractor.

**24. NOTICES:** Any notice hereunder may be served personally on the superintendent, foreman, or other person in charge of work for either party at the job site, or may be served by mail or telegram sent to the address of the parties as set forth herein.

**25. SUPERINTENDENT:** Subcontractor shall at all times have a competent superintendent or foreman, or other person in charge of work for either party at the job site, or may be served by mail or telegram sent to the address of the parties set forth herein.

Failure to comply with this may be grounds for termination of this agreement by Contractor. Any direct and indirect costs incurred by the Contractor in completing the work covered under this agreement will be the responsibility of the Subcontractor.

26. **SUBCONTRACTOR'S EMPLOYEES:** Subcontractor shall not employ on the job any person not skilled in the work assigned to him. Any employee of Subcontractor who is adjudged by Contractor to be incompetent, disorderly, unreliable, or otherwise unsatisfactory shall be immediately removed from the work.

27. **WORK REPORT:** Subcontractor shall submit to Contractor such reports as may be required by Contractor regarding Subcontractor's work.

28. **CLEAN UP:** Subcontractor shall at all times keep the job site free from accumulations of waste material or rubbish. Upon completion of Subcontractor's work, he shall promptly remove all rubbish, surplus material, tools, scaffolding, and equipment from the job site, and the premises shall be left "broom clean" or its equivalent unless more equivalent unless more exactly specified. In the event of dispute as to the responsibility for removal of rubbish from the job site, Contractor may remove the rubbish and charge the cost thereof to the various subcontractors responsible therefor in such ratio as Contractor, in his sole discretion, shall determine to be just, and such allocation shall be binding on Subcontractor.

29. **TAXES, LICENSES AND FEES:** Subcontractor shall pay all taxes, licenses, and fees of every nature which may be imposed or charged by any governmental authority upon labor, material, or other things used in the performance of the work or upon the transaction between Contractor and Subcontractor. If Subcontractor shall fail to pay any tax, license or fee required by the provisions of this paragraph, Contractor may, at his option, pay such tax, and Subcontractor shall pay such sum to Contractor upon demand.

30. **CORPORATE SUBCONTRACTORS:** In the event Subcontractor is a corporation, this agreement will be signed by the president and secretary of the corporation, and the said officers, and any other officer or director signing this agreement on behalf of the corporation, do, jointly and severally, guarantee to Contractor the full and faithful performance of this agreement by Subcontractor, and do further agree, jointly and severally, that they shall be personally liable to Contractor for the full and faithful performance of this agreement in every case where Subcontractor does not supply a corporate surety bond to Contractor to guarantee the faithful performance hereof. Failure of Contractor to request a faithful performance bond from Subcontractor shall not affect the obligation assumed by the officers and directors signing this agreement on behalf of Subcontractor.

31. **RIGHTS AND BENEFITS OF SUCCESSORS:** This contract shall inure to the benefit of , and be binding upon , the heirs, executors, administrators, successors and assigns of the parties.

32. **DEFINITIONS:** Wherever required by the context of this agreement, the masculine shall include the feminine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural, and the plural shall include the singular.

**ELLIAS CONSTRUCTION CO., INC., Contractor**

By \_\_\_\_\_ Date \_\_\_\_\_  
Ellias, President

IF SUBCONTRACTOR IS A SOLE PROPRIETOR OR A PARTNERSHIP, THIS AGREEMENT MUST BE SIGNED BY THE OWNER OR THE MEMBERS OF THE FIRM. IF SUBCONTRACTOR IS A CORPORATION, THIS AGREEMENT MUST BE SIGNED ON BEHALF OF THE CORPORATION BY BOTH THE PRESIDENT AND THE SECRETARY OF THE CORPORATION.

\_\_\_\_\_  
Subcontractor Phone No: \_\_\_\_\_ FAX No: \_\_\_\_\_

Address: \_\_\_\_\_ Date \_\_\_\_\_  
\_\_\_\_\_

State License No. \_\_\_\_\_ Class \_\_\_\_\_

By \_\_\_\_\_ By \_\_\_\_\_  
(Signature and capacity in which signing) (Signature and capacity in which signing)