

SUBCONTRACT

GLCC PROJECT No. _____

THIS AGREEMENT is made _____, 20____, between THE GREAT LAKES CONSTRUCTION CO., an Ohio corporation (“Great Lakes” or the “Contractor”) and

(“Subcontractor”), under the following circumstances:

A. By Contract dated _____, 20____ (the “Contract”), between Great Lakes and _____ (the “Owner”), Great Lakes has agreed to provide certain work, services, materials, equipment, tools, labor and supervision for the construction of _____

(the “Project”) at _____

(the “Construction Site”). The Contract, together with all general, special and supplemental conditions, drawings, plans and specifications referred to in the Contract and made a part thereof, and all addenda thereto and other documents forming a part thereof, as prepared by _____

(the “Architect/Engineer”), are hereinafter collectively referred to as the “Contract Documents.”

B. Subcontractor has agreed to perform a portion of the work under the Contract Documents for Great Lakes, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, Great Lakes and Subcontractor agree as follows:

1. INCORPORATION BY REFERENCE OF CONTRACT DOCUMENTS; INTERPRETATION OF DOCUMENTS.

1.1 The Contract Documents are incorporated in this Agreement by reference and made a part hereof.

1.2 Subcontractor represents and agrees that it has carefully examined and understands this Agreement and the Contract Documents. The Contract Documents (other than provisions relating to the contract price or fee payable to Great Lakes) have been made available to Subcontractor and will remain available to Subcontractor at reasonable times at the Construction Site or at the branch office of Great Lakes which is managing the project.

1.3 This Agreement and the provisions of the Contract Documents are intended to supplement and complement each other and shall, where possible, be so interpreted. If, however, any provision of this Agreement conflicts with a provision of the Contract Documents, or if there is a conflict within this Agreement or within any of the Contract Documents, the provision imposing the higher quality, greater quantity or greater duty or obligation on Subcontractor shall govern.

1.4 Subcontractor shall be bound by all interpretations of the Contract Documents made by Owner and furnished to it by Great Lakes which are binding upon Great Lakes.

2. STATEMENT OF SUBCONTRACTOR’S WORK.

2.1 Subcontractor shall perform and furnish all work, labor, materials, equipment, tools and all other services and facilities necessary for the work described on Schedule A, which is attached hereto and made a part hereof (“Subcontractor’s Work”):

2.2 It is intended that Subcontractor's Work includes all work and things necessary to produce a completed job in all respects; no claim shall be made based upon a change in the scope of Subcontractor's Work if such work was set forth in or reasonably implied by the Contract Documents.

2.3 Subcontractor's Work shall be performed in accordance with the requirements of this Agreement and the Contract Documents. With respect to Subcontractor's Work, Subcontractor agrees to be bound to Great Lakes by all of the terms and provisions of the Contract Documents, and to assume toward Great Lakes all of the duties, obligations and responsibilities that Great Lakes by those Contract Documents assumes toward the Owner.

2.4 Subcontractor shall not deviate from the plans and specifications or substitute materials (including "or equal" materials) without the issuance of a written change order by Great Lakes. Subcontractor shall be liable for any additional cost to Great Lakes or others resulting from such deviations or substitutions.

3. SUBCONTRACT PRICE.

Subject to all the terms and conditions of this Agreement, Subcontractor shall receive, for performing Subcontractor's Work, the sum of _____ Dollars (\$ _____) (the "Subcontract Price"). If Subcontractor's Work is to be performed on a unit price basis, the Subcontract Price shall be as set forth on Addendum "A" attached hereto. The Subcontract Price is firm and includes all federal, state, county and municipal taxes imposed by law and based upon labor services, materials, equipment or other items acquired, performed, furnished or used in connection with Subcontractor's Work. Where the law requires any such taxes to be stated and charged separately, the total price of all items included in Subcontractor's Work plus the amount of such taxes shall not exceed the Subcontract Price.

4. TIME OF PERFORMANCE; PROJECT SCHEDULE; PROJECT MEETINGS.

4.1 Subcontractor shall commence Subcontractor's Work pursuant to Great Lakes' instructions and/or Project Schedule. Subcontractor shall diligently and continuously prosecute and complete Subcontractor's Work and coordinate Subcontractor's Work with the other work being performed on the Project, pursuant to Great Lakes' instructions and/or the Project Schedule, any revisions to the Project Schedule, and any other scheduling requirements listed in this Agreement, so as not to delay, impede, obstruct, hinder or interfere with the commencement, progress or completion of the whole or any part of Subcontractor's Work or other work on the Project. **TIME IS OF THE ESSENCE OF THIS AGREEMENT.**

4.2 If Subcontractor fails to perform any phase of Subcontractor's Work in accordance with Great Lakes' instructions and/or the time, sequence or completion requirements of the Project Schedule, Subcontractor shall, at its expense, upon notice from Great Lakes, take such steps as Great Lakes may require in order for Subcontractor to promptly cure its failure to comply with Great Lakes' instructions and/or the Project Schedule. IF the progress of the Project or any component thereof is delayed, obstructed, hindered or interfered with by any fault, neglect, or failure to act of Subcontractor or any of its officers, agents, employees, subcontractors or suppliers so as to cause any additional cost, expense, liability or damage to Great Lakes or Owner, Subcontractor agrees to compensate Great Lakes and the Owner for, and indemnify them against, all such costs, expenses, liabilities or damages.

4.3 If Great Lakes directs Subcontractor to schedule overtime work or other work not otherwise required by the Contract Documents and not pursuant to Section 4.2, Subcontractor shall be granted an increase in the Subcontract Price equal to the premium time component of wages paid to its employees, plus taxes and insurance payable thereon, but excluding, unless specifically authorized by Great Lakes, any allowance for overhead, profit, impact costs or any other costs or expenses.

4.4 If requested by Great Lakes, Subcontractor shall participate and cooperate in the development of the Project Schedule and any revisions thereto. Subcontractor shall, at any time within forty-eight (48) hours after receipt of notice by Great Lakes, furnish such information as may be requested by Great Lakes for the scheduling of the times and sequence of operations required for Subcontractor's Work, including reasonable allowances for out of sequence work, weather and usual construction delays, and to coordinate the same with Great Lakes' overall schedule requirements. Subcontractor shall

continuously monitor the Project Schedule so as to be fully familiar with the timing, phasing and sequence of operations of Subcontractor's Work and of other work on the Project. Subcontractor shall coordinate Subcontractor's Work with any other contractors' work in such manner as Great Lakes may direct to avoid conflict or interference of such work with others, shall participate in the preparation of coordination drawings and shall conform Subcontractor's Work to the work of other contractors to prevent discrepancies (and to avoid unnecessary cutting or patching) with contiguous work.

4.5 At Great Lakes' request, Subcontractor shall inform Great Lakes about materials on hand, progress made in the manufacturing and fabricating of materials for Subcontractor's Work, or any other matters relating to the condition or progress of Subcontractor's Work. Great Lakes, Owner's representatives and the Architect/Engineer at all times shall have free access to the office, shops and yards of the Subcontractor to verify any information about Subcontractor's Work given by Subcontractor.

4.6 Subcontractor, in person or by a duly authorized representative having power to act and acceptable to Great Lakes, shall attend, at its own expense, all meetings or conferences that Great Lakes may call, at the Construction Site or elsewhere, for the purpose of discussing progress of the work, safety at the Construction Site, ways to expedite the completion of the Project, or other matters bearing on the performance of Subcontractor's Work. When possible, Subcontractor will be given at least forty-eight (48) hours notice of such meetings.

5. EXAMINATION OF DOCUMENTS AND INVESTIGATION OF SITE; CONCEALED OR UNKNOWN CONDITIONS.

5.1 By its execution of this Agreement, Subcontractor represents that it has carefully studied and compared the Contract Documents with each other and with this Agreement and reported to Great Lakes any errors, inconsistencies or omissions discovered. Subcontractor shall also review carefully any changes in this Agreement or the Contract Documents and, within five (5) days after receipt of such changes, report to Great Lakes any errors, inconsistencies or omissions discovered. Subcontractor shall be liable to Great Lakes or the Owner for damage resulting from errors, inconsistencies or omissions within or between the Contract Documents or this Agreement which Subcontractor in the exercise of reasonable diligence should have recognized and reported to Great Lakes.

5.2 Subcontractor represents that it has made such investigation and inspection (including without limitation any required by the Contract Documents) of the nature and location of the work and the conditions of the Construction Site (including, if relevant, the character of the surface and subsurface conditions or obstacles to be encountered on, under and around the Construction Site, access thereto, and storage and work areas available to Subcontractor thereon) as are necessary to determine the difficulty and cost to Subcontractor of properly performing Subcontractor's Work. Subcontractor represents that it has had full opportunity to review, sample, inspect or test the conditions on the Construction Site prior to the execution hereof, and Subcontractor is not relying upon any opinions or representations of Great Lakes, the Owner, or any of their respective officers, agents or employees. Great Lakes shall not be responsible for any interpretations or conclusions with respect to Subcontractor's work or the Construction Site made by Subcontractor on the basis of information made available to Subcontractor by Great Lakes, unless Great Lakes has specifically assumed liability with respect to such information in this Subcontract.

5.3 If conditions are encountered at the Construction Site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then Subcontractor shall give Great Lakes notice promptly before conditions are disturbed and in no event later than forty-eight (48) hours after first observance of the conditions, or, if sooner, the date Great Lakes is required to report the conditions pursuant to the Contract Documents. Subcontractor shall not be entitled to any increase in the Subcontract Price or damages by reason of any such conditions unless Owner is liable for and pays the same to Great Lakes, nor shall Subcontractor be entitled to an extension of the time for

the performance of Subcontractor's Work to Great Lakes pursuant to the requirements of the Contract Documents. Great Lakes shall not be obligated to apply to Owner for an increase in the Subcontract Price or for damages on behalf of Subcontractor or for an extension of time under this Agreement unless such application is provided for by the Contract Documents and Subcontractor, at its expense, does all things necessary in order to process such claim. Great Lakes, upon receipt of any payment by Owner to Great Lakes based upon such claim for Subcontractor, will pay the same to Subcontractor less its expenses. Except to the extent provided in this Section 5.3, Subcontractor waives the right to make any claims based upon conditions encountered at the Construction Site.

6. PERMITS; LICENSES; COMPLIANCE WITH LAWS AND PATENTS.

6.1 Subcontractor shall secure, pay for and keep in effect all licenses, permits and inspection certificates necessary for the proper execution and completion of Subcontractor's Work and shall deliver all certificates of inspection and other certificates and permits to Great Lakes.

6.2 Subcontractor shall comply with all laws, ordinances, rules and regulations of governmental entities having jurisdiction, including, but not limited to, those relating to safety, health, discrimination in employment, fair employment practices or equal employment opportunity.

7. TAXES; SHIPMENTS.

7.1 Subcontractor shall file all tax returns and reports with, and pay when due all taxes and contributions owing to, each governmental entity or subdivision thereof applicable to Subcontractor's Work and to the wages of its employees for services in connection with this Agreement, including, but not limited to, all contributions, taxes or premiums (including interest and penalties thereon) which may be payable under the unemployment insurance law of any state, the federal Social Security Act, federal, state, county and/or municipal tax withholding laws, or any other law, measured upon the payroll of or required to withheld from employees engaged in Subcontractor's Work; all sales, use, personal property and other taxes (including interest and penalties thereon) required by any federal, state, county, municipal or other law to be paid or collected by Subcontractor or any other person or persons acting for, through or under Subcontractor by reason of the performance of Subcontractor's Work; and all pension, welfare, vacation annuity and other union benefit contributions payable under or in connection with labor agreements with respect to all persons engaged in Subcontractor's Work. There shall be no increase in the Subcontract Price resulting from any new or additional taxes or contributions unless the Contract Documents specifically provide for an additional payment to Great Lakes which provides funds for an additional payment to Subcontractor with respect to any such increases.

7.2 Subcontract in making or ordering shipments shall not consign or have consigned materials, equipment or any other items in the name of Great Lakes.

8. WORKERS' COMPENSATION.

8.1 Subcontractor, at its expense, shall fully comply with the workers' compensation laws for each state in which Subcontractor's Work is performed by its employees, and with the safety, health and other regulations of the governmental authorities which administer such laws. Before commencing Subcontractor's Work, Subcontractor shall deliver to Great Lakes certificates evidencing such compliance with respect to each applicable state.

8.2 Subcontractor, at its expense, shall procure and maintain in full force and effect for the duration of this Agreement, to the extent available, Workers' Compensation insurance providing coverage for statutory benefits and Employer's Liability Coverage of \$500,000 per occurrence. The policy shall contain an All States endorsement. The policy shall be endorsed to provide a waiver of subrogation in favor of Great Lakes. Prior to the commencement of Subcontractor's Work, Subcontractor shall furnish Great Lakes certificates evidencing that this insurance is in effect with the coverages and minimum limits specified above and with insurance companies acceptable to Great Lakes.

8.3 Great Lakes, without notice to Subcontractor, may pay any Workers' Compensation premiums, wage deficiencies or other payments charged against Great Lakes based on Subcontractor's payrolls. Subcontractor shall repay any sums so advanced by Great Lakes upon demand, or, at Great Lakes' option said money shall be deducted from any monies owed Subcontractor.

9. INSURANCE.

Subcontractor, at its expense, shall obtain prior to the commencement of Subcontractor's Work and maintain in effect (and furnish Great Lakes certificates or, if requested by Great Lakes, copies of the policies evidencing that it has in effect) until the final acceptance of Subcontractor's Work and for such additional periods as may be required by the Contract Documents, the following insurance coverages and minimum limits with insurance carriers acceptable to Great Lakes:

Comprehensive General Liability – This insurance shall be written on an occurrence basis with the limits not less than \$1,000,000 Combined Single Limit. The policy shall include coverage for Premises/Operations, Independent Contractors, Contractual Liability (sufficient to cover the liability assumed by the Subcontractor under Section 10 of this Agreement), Property Damages arising out of the "XCU" hazards, Completed Operations, Products Liability, Broad Form Property Damage, and Personal Injury. The Completed Operations coverage shall be maintained for at least three (3) years after the final completion of the Project. If the policy contains a general aggregate limitation, then the policy shall be endorsed to provide a \$1,000,000 specific aggregate for Subcontractor's Work under this Agreement. The policy shall name Great Lakes, the Owner and their officers, employees and agents as Additional Insureds and shall be endorsed to state the insurance provided to Great Lakes and the Owner shall be primary insurance in respect to Great Lakes and the Owner, and any other insurance policy that Great Lakes may have in effect shall be deemed excess and not contributory. The policy shall be endorsed to provide thirty (30) days written notice to Great Lakes of Cancellation and/or material change in coverages.

Comprehensive Automobile Liability - The policy shall contain limits of not less than \$1,000,000 Combined Single Limit and include coverage for all Owned, Hired and Non-owned automobiles. The policy shall name Great Lakes, the Owner and their officers, employees, and agents as Additional Insureds and be endorsed to state that the insurance provided to Great Lakes and the Owner shall be primary insurance in respects to Great Lakes and the Owner, and any other insurance policy that Great Lakes and/or the Owner may have in effect shall be deemed excess and not contributory. The policy shall be endorsed to provide thirty (30) days written notice to Great Lakes of cancellation and/or material change in coverages.

Excess/Umbrella Liability - The policy(ies) shall be written with limits of not less than \$1,000,000 Combined Single Limit and shall be endorsed in the same form and manner as the Comprehensive General Liability, Comprehensive Automobile Liability, and the Employer's Liability coverages.

Other - Any other insurance including coverage and limits required to be maintained by subcontractors pursuant to the Contract Documents.

In the event that the Subcontractor fails to obtain and keep in full force and affect any of the insurance requirements under this Agreement, Great Lakes may purchase such coverage. Subcontractor shall repay any sums so advanced by Great Lakes upon demand.

10. INDEMNITY.

To the fullest extent permitted by law, Subcontractor shall indemnify, defend, and hold harmless Great Lakes (including its owners, affiliates and subsidiaries), the Owner, Architect/Engineer and agents and employees of any of them (herein "Indemnitees") from and against any and all claims, liability, actions, causes of action, complaints, costs, expenses (including prejudgment interest), and demands whatsoever, in law and in equity, including, without limitation, those for bodily

injury, sickness, disease, death or property damage (including, but not limited to, the work itself), arising out of, or alleged to arise out of, or as a result of, or alleged as a result of, the performance of Subcontractor's Work under this Agreement. Subcontractor, at Subcontractor's sole expense, shall promptly dispose of all such claims, defend all lawsuits filed against Indemnitees on the account thereof, pay all judgments rendered against Indemnitees in such lawsuits (including any prejudgment interest assessed against any Indemnitee hereunder), and reimburse Great Lakes in cash upon demand for all reasonable expenses incurred by Great Lakes on the account thereof, including, but not limited to, attorney fees, expert witness fees and court costs. Subcontractor shall indemnify Indemnitees and hold Indemnitees harmless for the above-referenced claims regardless of whether such claim is caused or alleged to be caused in part by any joint or concurrent negligent act (either active or passive) or omission by a party indemnified hereunder; provided however, that Subcontractor shall not be obligated to indemnify for those claims to the extent that the same is proximately caused by the sole negligence or willful misconduct of Indemnitees or Indemnitees' agents, servants or independent contractors who are directly responsible to Indemnitees, excluding Subcontractor herein. Great Lakes at its option shall have the right to participate in the defense of any claims asserted against it, approve the selection of counsel and approve the terms of any settlements made in its name or on its behalf.

11. BONDS.

If requested by Great Lakes, Subcontractor, at its expense, shall keep in effect until final acceptance of Subcontractor's Work and thereafter until the expiration of Subcontractor's warranties provided in this Agreement, performance and labor and material payment bonds in the principal amount of the Subcontract Price or such greater amount as is required by the Contract Documents, with a corporate surety approved by Great Lakes, which bonds shall be on the standard forms furnished by Great Lakes. To the extent, if any, that the Subcontract Price is increased, Subcontractor shall cause the amount of such bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to Great Lakes. The bonds shall provide that no change or alteration of this Agreement (including, without limitation, an increase in the Subcontract Price, extensions of time, premature payment or overpayment to Subcontractor), will release the surety. *Should Great Lakes Construction Company require Performance, Payment, &/or Maintenance bonds be furnished by Subcontractor under Article 11; the compensated surety will need an assigned A.M Best rating of "A-" or higher. If at any time the A.M. Best rating of the surety who executes required performance, payment &/or maintenance bonds drops below "A-", then Subcontractor shall, within 10 days from receipt of a request from Contractor and **at its sole expense**, deliver replacement performance and payment bonds executed by a surety in full compliance with this Article. The failure of the Subcontractor to provide an acceptable replacement surety within the referenced time frame shall be a material breach of this contract.

12. PRECEDING WORK; SHOP DRAWINGS; DIMENSIONS.

12.1 Subcontractor, before beginning Subcontractor's Work, shall carefully examine the work of others which may affect Subcontractor's Work, determine whether it is in a fit, ready and suitable condition for the proper and accurate performance of Subcontractor's Work, use all means necessary to discover defects in such work, and notify Great Lakes in Writing of any claimed deficiencies which may affect Subcontractor's Work. If such notice is not so given, all such work shall be deemed acceptable to Subcontractor. In case of a dispute as to whether such other work is deficient, Subcontractor nevertheless shall proceed immediately with Subcontractor's Work when notified by Great Lakes to proceed.

12.2 Subcontractor shall prepare and submit to Great Lakes, in accordance with the Contract Documents, such shop drawings as may be necessary to completely describe the details and construction of Subcontractor's Work. Submittals shall be made within the time periods specified by the Contract Documents or, if not otherwise specified, within 30 days after the date of this Agreement. Review and/or approval of such shop drawings by Great Lakes and/or the Architect/Engineer and/or the Owner shall not relieve Subcontractor from its obligation to perform Subcontractor's Work in strict accordance with the plans, specifications and other provisions of this Agreement and the Contract Documents, nor of its responsibility for the proper matching and fitting of Subcontractor's Work with contiguous work and the coordination of Subcontractor's Work with other work being performed on the Construction Site, which obligation and responsibility shall continue until completion of Subcontractor's Work.

12.3 Notwithstanding the dimensions on the plans, specifications and other Contract Documents, it shall be the obligation and responsibility of Subcontractor to take such measurements as will insure the proper matching and fitting of Subcontractor's Work with contiguous work.

*Article 11 Rev. 1 dated 1/08/09

13. EXTENSIONS OF TIME; DELAY DAMAGES.

Should Subcontractor be delayed, obstructed, hindered or interfered with in the commencement, prosecution or completion of Subcontractor's Work by any cause beyond Subcontractor's reasonable control, including but not limited to any act, omission, negligence or default of Great Lakes or anyone employed by Great Lakes, or by any other contractors or subcontractors on the project, or by the Architect/Engineer, the Owner or their contractors, subcontractors, agents or consultants, or by damage caused by fire or other casualty or by the combined action of workers or by governmental directive or order and nowise chargeable to Subcontractor, or by any extraordinary conditions arising out of war or governmental regulations, or by any other cause beyond the reasonable control of and not due to default, neglect, act or omission of Subcontractor, its officers, agents, employees, subcontractors or suppliers, then (1) Subcontractor shall be entitled to an extension of time for a period equivalent to the time lost by reason of any and all such causes; provided, however, that Subcontractor shall not be entitled to any such extension of time unless (a) Subcontractor gives Great Lakes notice in writing of the cause or causes of such delay, obstruction, hindrance or interference within forty-eight (48) hours of the commencement thereof, (b) Subcontractor demonstrates that it could not have anticipated or avoided such delay, obstruction, hindrance or interference and has used all available means to minimize the consequences thereof, and (c) Owner grants such an extension of time for the performance of Subcontractor's Work to Great Lakes pursuant to the requirements of the Contract Documents; and (2) Subcontractor agrees that it shall not be entitled to nor claim any cost reimbursement, compensation or damages due to such delay, obstruction, hindrance or interference to Subcontractor's Work except to the extent that Great Lakes is entitled to a corresponding cost reimbursement, compensation or damages from Owner under the Contract Documents on account thereof, and then only to the extent of the amount, if any, which Great Lakes, on behalf of Subcontractor, actually receives from Owner on account of such delay, obstruction, hindrance or interference.

14. WORK CHANGES.

14.1 Within 10 days after a written request from Great Lakes (or within such other time as is specified in such request), Subcontractor shall submit to Great Lakes its proposal (with computations and supporting data in such detail as may be requested by Great Lakes or required by the Contract Documents) for eliminations of, changes in, and additions to Subcontractor's Work or for any deviations from the plans and specifications or substitution of materials (including "or equal" materials) thereby requested, stating:

- (i) a lump sum amount for such work;
- (ii) unit prices therefore, in addition to any unit prices applicable thereto already specified herein, including estimated quantities and computations;
- (iii) the fixed fee proposed if Great Lakes elects that the work is to be done on the basis of cost of direct labor and material plus a fixed fee;
- (iv) the percentage of cost proposed for overhead and profit if Great Lakes elects that the work is to be done on the basis of cost of direct labor and material plus a percentage thereof for overhead and profit, which percentage shall not be in excess of any percentage required by the Contract Documents;
- (v) deductions to be allowed from the Subcontractor Price for work, if any, eliminated or substitutions made; and
- (vi) additional time, if any, requested for the completion of such additional or changed work.

14.2 On receipt of such proposal, Great Lakes may issue a written change order directing Subcontractor to proceed with the work, and either (1) authorizing an adjustment in the Subcontract Price on any one of the basis set forth in clauses (1) to (iv), inclusive of Section 14.1 (or partly on a unit price and partly on a fee basis), or (2) directing that the work to be done at Subcontractor's cost to direct labor and of materials plus 10% thereof (or, if the authorized change is also part of a change order between Great Lakes and the Owner, such other percentage as is specified in the

Contract Documents) for overhead and profit. Such change order shall also specify the deduction, if any, from the Subcontract Price for eliminations or substitutions and additional time, if any, allowed. All changes in Subcontractor's Work ordered by Great Lakes shall be deemed to be part of Subcontractor's Work and shall be performed and furnished in accordance with all of the terms and conditions of this Agreement and the Contract Documents.

14.3 If Subcontractor does not submit its proposal within the time specified in Section 14.1, Great Lakes may issue such change order, directing the work to be done on the cost plus percentage basis specified in clause (2) Section 14.2, and specifying the amount of any deduction from the Subcontract Price for eliminations or substitutions and any additional time allowed for the work, and such change order shall be final and binding upon Subcontractor.

14.4 Subcontractor shall proceed immediately with the work in accordance with each such change order, regardless of whether Subcontractor is objecting to the Subcontract Price adjustments or time allowance, if any, specified therein.

14.5 If the change order requires the work to be done on a cost plus either percentage or fixed fee basis, cost shall include only the net cost of material and equipment (calculated pursuant to Section 14.6) and the net cost of direct labor physically performing Subcontractor's Work at the Construction Site at the lowest applicable hourly rate, including taxes and workers' compensation and liability insurance premiums thereon, and Subcontractor shall deliver daily a statement of such net costs charged to the work performed during the preceding day, to Great Lakes' Superintendent or his designee, for his approval or correction. Such statement as approved or corrected shall be used as the basis for progress payments to Subcontractor for such work. If Subcontractor notifies Great Lakes within five (5) days objecting to the Superintendent's correction thereof and the parties do not agree upon an adjustment within 30 days thereafter, Subcontractor may apply to have the matter settled under the provisions of Section 30; otherwise the Superintendent's determination shall be final and binding upon the Subcontractor.

14.6 For work to be performed on a cost plus basis, rental charges for equipment shall be consistent with the following:

- (i) With respect to equipment owned and furnished by Subcontractor, rental charges shall be pursuant to Contract Documents but, in any event, shall not exceed 80% of the published rates based upon "Compilation of Nationally Averaged Rental Rates," most recent edition, of the Associated Equipment Distributors; and
- (ii) with respect to equipment rented by Subcontractor from third parties, rental charges shall be at invoiced cost, which shall not exceed the current prevailing rental cost of such equipment in the county where the work is being performed.

14.7 No claim for extra work shall be made unless a written change order therefore in accordance with the provisions of this Section 14 is made prior to the execution of such extra work by Subcontractor.

14.8 Unless Subcontractor makes timely objection as provided herein, each change order issued by Great Lakes shall be final and conclusive as to the amount of compensation and/or additional time to be received by Subcontractor for the work or change covered by that change order. After a change order becomes final, there shall be no subsequent adjustment based upon the effect or impact of the change contemplated thereby, nor shall Subcontractor be entitled to any further time or compensation based upon the cumulative effect of multiple change orders.

15. CLAIMS FOR DAMAGES.

15.1 If Subcontractor wishes to make a claim for an increase in the Subcontract Price, Subcontractor shall give Great Lakes written notice thereof within forty-eight (48) hours of the occurrence giving rise to such claim. This notice shall be given by Subcontractor and approval to proceed issued to Subcontractor before proceeding to execute Subcontractor's Work, except in an emergency endangering life or property. Within twenty (20) days of the occurrence of the event giving rise

to such claim, Subcontractor shall provide full written costs requested. Subcontractor hereby waives and releases Great Lakes from any actual or alleged claims to the extent that the foregoing written notices or other notices required by the Contract Documents are not issued.

15.2 Subcontractor shall file with Great Lakes similar notices with respect to any claims which it may have for damages or additional costs claimed to have been caused by Great Lakes' other subcontractors, and upon receipt of notice of any such claim, Great Lakes shall notify the other subcontractor. The subcontractor making the claim shall settle the matter directly with the subcontractor claimed to be liable.

15.3 All claims for an increase in the Subcontract Price shall be subject to the dispute resolution procedure set forth in Section 30. Pending final resolution of any claim, Subcontractor shall proceed diligently with performance of Subcontractor's Work and Great Lakes shall continue to make payments for undisputed amounts in accordance with this Agreement and the Contract Documents.

16. BACK CHARGES BY GREAT LAKES.

Great Lakes, from time to time, may deliver to Subcontractor invoices for amount owed (herein called back charges) to Great Lakes by Subcontractor pursuant to any provision of this Agreement, and Subcontractor shall pay the same not later than ten (10) days after delivery. Without limiting Subcontractor's obligation to pay the same as herein provided, Great Lakes may require the amount of any back charges to be deducted from the amount shown due to Subcontractor on its next payment application (progress or final), until paid in full. Any back charges remaining unpaid at the time of Subcontractor's final payment application shall be included as a deduction in such application. The amount of each back charge shall bear interest at the rate per annum equal to two percent (2%) above the prime commercial rate announced from time to time by The Chase Manhattan Bank, N.A., New York, from the 10th day after the date of delivery of the invoice to Subcontractor until the date that the back charge is paid.

17. SUBCONTRACTOR'S SCHEDULE OF VALUES.

Subcontractor, prior to delivering its first progress payment application, shall deliver to Great Lakes a Schedule of Values, allocating the total Subcontract Price to the separate phases of Subcontractor's Work, prorating overhead and profit among such separate phases. The Schedule of Values shall be subject to such adjustments as Great Lakes or the Owner may require. Subcontractor from time to time shall deliver to Great Lakes for similar approval such supplements thereto as Great Lakes requires in order to reflect approved changes in the Subcontract Price.

18. PROGRESS PAYMENTS.

18.1 Subcontractor on or before five (5) days prior to the end of each calendar month, or on such other billing date as may be required by the Contract Documents, shall deliver to Great Lakes a progress payment application, together with an accurate estimate of the value of the material furnished and work done during the preceding 30-day period. Such application shall include back charges then due Great Lakes and such detailed statements of payments made by Subcontractor as Great Lakes may require, together with sworn statements of Subcontractor and its subcontractors who have performed any part of Subcontractor's Work, certificates of materialmen who have furnished machinery, materials or fuel to the Construction Site, and appropriate mechanic's lien waivers of Subcontractor and its subcontractors for work and materials paid for by Subcontractor, all in form acceptable to Great Lakes. Great Lakes reserves the right to require full mechanic's lien documentation in the form of subcontractor's statements, materialmen's certificates and waivers of lien for the amounts included in the current month's application for payment. Such documentation shall evidence that all subcontractors and materialmen of Subcontractor have been paid in full for the current month or (if approved by Great Lakes) that they have waived their lien rights with respect to the work performed or materials furnished to the date of the application for payment, contingent only upon receipt of payment of the amounts indicated thereon. Unless otherwise provided in the Contract Documents, no amount shall be included in Subcontractor's application for payment (1) for the cost of material delivered to

the Construction Site unless paid for in full' (2) for additional or changed work unless authorized by a written change order issued by Great Lakes; or (3) for materials stored off-site, unless (a) Great Lakes in its discretion approves the payment for off-site materials, (b) Subcontractor has complied with all conditions of the Contract Documents so that Great Lakes will be entitled to receive payment from the Owner for such off-site materials, and (c) the materials are stored in a bonded warehouse approved by Great Lakes and Subcontractor has supplied proof of insurance coverage and assumed all risk of loss with respect to such materials in a manner satisfactory to Great Lakes.

18.2 Great Lakes shall include in its next progress payment application to Owner the amount claimed due by Subcontractor in Subcontractor's last progress payment application which has been approved by Great Lakes, before deduction of any amount of back charges owed Great Lakes as included therein. On or before ten (10) days (or such other time as is required by the Contract Documents) after and subject to receipt of Payment by Owner, Great Lakes shall pay to Subcontractor the amount owed to Subcontractor, less the retained percentage thereof provided for in Section 18.3 and less back charges owed to Great Lakes included in Subcontractor's application. All payments to Subcontractor, whether progress payments or the final payment, are subject to the condition precedent that Great Lakes be in receipt of payment from the Owner for Subcontractor's Work. If the Owner does not pay Great Lakes for any reason whatsoever, including the Owner's financial inability to pay, Subcontractor agrees that Great Lakes shall not be liable for the payment, nor be indebted to Subcontractor. Subcontractor assumes the credit risk of the Owner.

18.3 The retained percentage to be deducted by Great Lakes from each progress payment shall be ten percent (10%) or the amount specified in the Contract Documents, whichever is greater.

18.4 Great Lakes shall have the right to withhold all or any portion of each progress payment to Subcontractor until (1) payment therefore has been received by Great Lakes from Owner, (2) Subcontractor has corrected improper and rejected work, (3) any mechanic's liens filed or claims made by Subcontractor or any employee, subcontractor of any tier or materialmen of any tier of Subcontractor have been released, and (4) Subcontractor has delivered to Great Lakes a receipt on Great Lakes' standard form acknowledging such payment to be in full (except for retained percentage, if any) for all amounts owed or claimed to be owned as a part of the Subcontract Price and under any change order included in such application and Subcontractor's lien waivers, certificates and releases with respect thereto. Without limiting the foregoing, Great Lakes shall have the right to withhold twice the amount necessary to complete any portions of Subcontractor's Work included on a punch list supplied by Great Lakes, the Owner or the Architect/Engineer.

18.5 No payment of the Subcontract Price, whether a partial payment or the final payment, shall be deemed an acceptance of Subcontractor's Work covered thereby.

18.6 Great Lakes shall be entitled to deduct as a set-off to any money due Subcontractor any amount which Subcontractor or any of its affiliates (which term, for purposes hereof, shall include any individual, corporation, partnership, joint venture or other entity owned, controlled by, controlling or under common control with Subcontractor) owes Great Lakes arising out of this Project, other projects, or otherwise. Great Lakes shall also have the right to advance the payments (including the final payment) due to Subcontractor under this Agreement if Great Lakes in its judgment deems it desirable to do so.

19. FINAL PAYMENT.

19.1 Subcontractor promptly upon completion of Subcontractor's work shall deliver to Great Lakes its final payment application, which shall include a schedule of materials furnished and work done but not paid for (including amounts claimed due for additional and changed work) in prior progress payments and of all back charges owed to Great Lakes not theretofore paid or deducted from prior progress payments, and such detailed statements of payments by Subcontractor as Great Lakes may require. In addition, and as conditions precedent to final payment, Subcontractor shall furnish to Great Lakes (1) such sworn statements, materialmen's certificates and mechanic's lien waivers as Great Lakes deems necessary to protect the Owner and Great Lakes against liens filed by Subcontractor's laborers and materialmen and subcontractors of Subcontractor who have furnished labor, materials, equipment and/or fuel in connection with Subcontractor's Work hereunder;

(2) copies of all manuals, "as-built" drawings, warranties and guarantees required by the Contract Documents; (3) the written consent of Subcontractor's sureties to final payment, in form acceptable to Great Lakes; (4) certificates of such insurance showing completed operations coverage, and as otherwise required hereunder; and (5) all other documents required by this Agreement or the Contract Documents.

19.2 Upon approval of such final application with such corrections therein as Great Lakes may require in order to reflect settlement of (1) all Subcontractor's claims for additional and changed work and for delays and damages, if any, with respect to which Subcontractor has complied with the requirements hereof, (2) deductions from the Subcontract Price for eliminations from Subcontractor's Work and (3) deductions for claims against Subcontractor by Great Lakes, the Owner and other subcontractors and materialmen, and upon approval of the other documents required under Section 19.1, Great Lakes shall make application to Owner for payment thereof as a part of the amount then owed to Great Lakes. Upon acceptance of Subcontractor's Work by Owner and after and subject to receipt of payment by Owner to Great Lakes of the balance so owed to Subcontractor (including any retained percentage theretofore withheld by Owner and paid to Great Lakes), Great Lakes shall pay to Subcontractor the remaining net balance owed to it (including any retained percentage withheld by Great Lakes from progress payments) against receipt of Subcontractor's acknowledgement that said payment is in full for all sums owed to it under this Subcontract, together with all other documents required hereby. The final payment shall be due within thirty (30) days after all of these express conditions have been met.

20. PAYMENTS BY SUBCONTRACTOR; MECHANIC'S LIENS.

20.1 Subcontractor shall pay promptly when due its labor payrolls and sums from time to time owed by it to its subcontractors, equipment suppliers and materialmen. If Subcontractor does not pay the same as hereby required, Great Lakes, with or without notice to Subcontractor, may pay the same and charge the same together with expenses incurred by Great Lakes to Subcontractor.

20.2 If any liens are filed with respect to the Project arising out of Subcontractor's Work, Subcontractor promptly shall cause the same to be removed, and if it does not do so within thirty (30) days after filing, Great Lakes may (1) take such action and make such payments as may be necessary or appropriate in order to remove such lien and charge the cost thereof together with all expenses incurred by Great Lakes to Subcontractor or (2) withhold from any amount then or thereafter becoming due to Subcontractor an amount equal to twice the amount of the liens until such liens are fully satisfied or discharged.

20.3 Subcontractor, upon Great Lakes' request, promptly shall furnish to Great Lakes satisfactory evidence as to the status of its accounts, including the names of all its subcontractors, equipment suppliers and materialmen, the original amounts of its subcontracts and purchase orders and the amounts paid and due thereon.

20.4 Great Lakes shall have the right, at its sole discretion, to issue checks directly to any unpaid subcontractors of Subcontractor, equipment suppliers, or materialmen for amounts owed to them by Subcontractor relating to any application for payment from Subcontractor, or to issue joint checks to Subcontractor and such unpaid entities for such amounts. The amount of such payments shall then be deducted from Subcontractor's application for payment. No such payment by Great Lakes shall be deemed to create a contractual relationship between Great Lakes and any subcontractor, supplier or materialmen claiming under Subcontractor.

21. SERVICES BY GREAT LAKES.

Subcontractor shall promptly pay, upon receipt of invoices therefore, for the use by it with Great Lakes' consent, of Great Lakes' equipment, public utility facilities, facilities for employees and supplies on the basis charged by Great Lakes in accordance with its standard practices, unless the amount to be charged is otherwise agreed upon prior to such use. Protection,

heating, hoisting, power and water required or desired by Subcontractor for the execution of Subcontractor's Work shall be provided wholly by Subcontractor at its expense unless specific provisions to the contrary are made in this Agreement, notwithstanding any provisions in the Contract Documents to the contrary.

22. CLEAN-UP AND PROTECTION OF WORK OF OTHERS.

22.1 Subcontractor at all times shall keep the Construction Site free from rubbish, debris and obstructions caused by its operations (including surplus materials, crates and packing, etc. brought to the Construction Site by Subcontractor or by others for the benefit of Subcontractor), and shall complete Subcontractor's Work in such manner as to permit the next succeeding work to start without further cleaning. At the time of completion of Subcontractor's Work in each area, Subcontractor shall leave the area "broom clean" and shall remove all of its tools, equipment, scaffolding and surplus materials.

22.2 Subcontractor shall not damage the work of others by its operations, and shall repair or pay the cost of repairing any such damage done by it.

22.3 Great Lakes shall have the right to cause to be done any such clean-up or repair work which Subcontractor fails to do promptly, and Subcontractor upon demand shall pay Great Lake's cost thereof plus 20% of Great Lake's overhead and other indirect expenses.

23. SUBCONTRACTOR'S RESPONSIBILITY FOR ITS WORK AND MATERIALS; DAMAGE OR DESTRUCTION.

23.1 Subcontractor promptly shall check quantities of materials delivered at the Construction Site for its use, and shall immediately report all damages and shortages to Great Lakes.

23.2 Subcontractors shall cover and at all times adequately protect Subcontractor's Work and materials from damage until final acceptance by Owner and shall properly store and protect its own materials furnished to it by others.

23.3 Except to the extent provided in the Contract Documents, Subcontractor shall be responsible for any damage or destruction of its work, equipment, tools, materials and personal property at the Construction Site, whether owned, rented or used by Subcontractor or anyone performing any of Subcontractor's Work pursuant to this Agreement, including its work materials incorporated in the structure. Subcontractor at its expense shall, as directed by Great Lakes, replace, repair or restore any such items which are destroyed or damaged, whether such destruction or damage results from acts of God, fire, public enemy, civil commotion, vandalism, acts of omission or commission by any person, firm or corporation. Except to the extent provided in the Contract Documents, damage or destruction of Subcontractor's Work, however caused, shall be made good by Subcontractor at no extra charge or cost to Great Lakes. Such rework at Subcontractor's expense shall not preclude Subcontractor from sharing in the proceeds of an insurance claim or making a claim as provided in Section 15, but the right to make or the pendency of such claims shall not give cause to Subcontractor to delay the commencement or completion of such rework, nor shall Subcontractor make any claim for recovery of an insurance deductible where the amount of such deductible is disclosed to Subcontractor. In the event of an insured loss, Subcontractor shall be bound by any adjustment between Great Lakes, the Owner and the insurance company or companies. Loss, if any, shall be payable to Great Lakes and/or the Owner, as their interests may appear, for the account of whom it may concern. Great Lakes shall have no obligation to protect or defend Subcontractor's Work.

24. REJECTED WORK.

If Owner or Great Lakes rejects or orders to be removed and replaced any of Subcontractor's Work which Owner or Great Lakes determines does not comply with the requirements of this Agreement or the Contract Documents, Subcontractor within forty-eight (48) hours after receipt of such notice, shall proceed to take down the rejected work, remove the rejected materials from the Construction Site, repair (or pay the cost of repairing) damage to the work of others caused thereby, and replace the same with work and materials complying with the requirements of the Contract Documents. If Subcontractor does not commence such replacement work promptly or does not diligently complete such removal and replacement, Great Lakes by written notice may take over the completion of such removal and replacement, and in such event Subcontractor shall upon demand repay Great Lakes its costs plus 20% for Great Lakes' overhead and other indirect costs.

25. SAFETY; ACCIDENT REPORTS.

25.1 Subcontractor acknowledges and agrees that one of the reasons for its selection is its special knowledge of the risks and risk prevention measures in its field of expertise. Subcontractor is primarily responsible for ensuring safety in its trade. While subcontractor shall abide by the provisions of the site safety plan developed by Owner and/or Great Lakes, subcontractor shall be responsible for preparing its own trade-specific site safety plan and abiding by it. Subcontractor shall require its employees at the Construction Site to wear and use all required safety and health equipment, to work in harmony with others working at the Construction Site, and to comply with the Owner's regulations, and the rules and regulations imposed by law, covering working conditions, including all safety requirements. Subcontractor shall indemnify Great Lakes and the Owner for fines, penalties and corrective measures, and damages, and shall reimburse Great Lakes for costs and expenses, including, but not limited to, attorney fees incurred by Great Lakes or the Owner, that result from acts of commission or omission by Subcontractor or its subcontractors or their assigns or their respective employees and agents in failing to comply with federal, state or local safety rules and regulations or to comply with the provisions of any applicable site safety plan. Such indemnification applies, without limitation, to Occupational Safety & Health Act ("OSHA") citations, workers compensation claims (including VSSR claims), and all civil or criminal actions relating to the acts of subcontractor or any injury to subcontractor's employee(s) or any other person.

25.2 Subcontractor shall immediately report to Great Lakes any unsafe conditions known to Subcontractor. Subcontractor shall not perform any work until it has verified that no unsafe conditions exist and/or any unsafe conditions have been corrected. Where required by regulations or the terms of a site safety plan, such verifications shall be by Subcontractor's competent person. Subcontractor shall remedy any unsafe conditions caused by subcontractor's own actions prior to continuing with work in its areas, and shall advise other employers with employees in the area of the conditions. Great Lakes' project team is authorized to stop subcontractor's work that is being performed in an unsafe manner, and such stoppage shall not entitle subcontractor to any extension of time to complete its work. In addition to the requirements of Section 16 of the subcontract agreement, the subcontractor, after one initial warning, may be charged \$500.00 for each occurrence of a safety violation witnessed by Great Lakes project team. Such general right of Great Lakes shall not alter the obligation of subcontractor to be responsible for safety in its specific trade, and the exercise of such right by Great Lakes shall not result in Great Lakes being regarded as an expert in subcontractor's trade or responsible for the safety of subcontractor's employees, which shall always remain the responsibility of subcontractor. Subcontractor, immediately after the occurrence of each accident involving injury to or death of any person or damage to property on the Construction Site or in any way relating to Subcontractor's Work, shall deliver to Great Lakes a report thereof, and other pertinent information, which is to include a copy of any accident report delivered to its insurance carrier. Subcontractor shall properly record and investigate any injuries and any "near-miss" situations that occur on the jobsite or in connection with subcontractor's work. Subcontractor shall fully cooperate with Great Lakes and its representatives in any investigation of safety or other issues arising on the job. Subcontractor shall also immediately report any OSHA investigation relating to the site to Great Lakes and provide to Great Lakes a copy of any materials or communications supplied by OSHA to subcontractor.

25.3 Subcontractor will not permit any non-employee, including state or federal officials, to enter the property without first obtaining authorization from Great Lakes.

25.4 Subcontractor's project supervisor and safety director will be required to attend a pre-job safety meeting which will be held prior to the subcontractor's mobilization.

26. LABOR AND MATERIAL SUPPLY.

If Subcontractor fails to satisfactorily carry out the Work within forty-eight (48) hours after receipt of written notice from Great Lakes that it is not (1) employing such adequate number of properly skilled workers and supervisors or (2) using such adequate amount of equipment or (3) delivering to the Construction Site adequate amounts of material of the required quality as are necessary to enable Subcontractor to meet the time schedule for Great Lakes, or does not otherwise comply with Great Lakes' directions in such notice, Great Lakes may provide such additional workers and supervisors, equipment, and materials of the required ability as it deems necessary for such purpose, and Subcontractor shall pay to Great Lakes all costs incurred by Great Lakes plus 20% for Great Lakes' overhead and other indirect costs for such purpose upon receipt of an invoice therefore. Subcontractor's employees shall be skilled in their trades. Any employee of Subcontractor may be refused admittance to the Construction Site or may be requested to leave the Construction Site at any time by Great Lakes and Great Lakes shall not be required to have or to state any reason for such action. In the event that any employee or employees of the Subcontractor are so barred from the job, Subcontractor shall immediately replace such employee or employees with employees satisfactory to Great Lakes.

27. TERMINATION WITHOUT FAULT OF SUBCONTRACTOR.

27.1 If Great Lakes or Owner terminates the Contract between them for any cause permitted thereby, Great Lakes by notice to Subcontractor may terminate this Agreement. In addition, Great Lakes shall have the right at any time by written notice to Subcontractor to terminate this Agreement and require Subcontractor to cease work hereunder. In either such event, Subcontractor as directed by Great Lakes, shall discontinue Subcontractor's Work, remove its equipment, materials and employees for the Construction Site and take such action as may be necessary to terminate its agreements with its subcontractors, materialmen and suppliers, and to minimize its losses resulting from such termination.

27.2 In the event this Agreement is terminated pursuant to Section 27.1, Subcontractor, promptly upon Great Lakes' written request, shall deliver to Great Lakes a statement covering the balance owed under this Agreement for work completed prior to the termination, plus additional costs, if any, permitted by the Contract Documents. If Owner is liable to Great Lakes with respect to the termination, Great Lakes, subject to its approval of Subcontractor's statement, shall include the same in its claim against the Owner by reason of such termination. Subcontractor shall be responsible for proving the losses suffered by it and the profits to which it is entitled, and shall indemnify or repay Great Lakes for any costs incurred by Great Lakes in presenting such claim to Owner. Upon settlement with Owner as to the amount to which Subcontractor is entitled by reason of the termination of the Contract between Great Lakes and Owner and after and subject to receipt of payment by Great Lakes of such amount, Great Lakes shall pay to Subcontractor the balance, if any, to which it is entitled, less any back charges or other sums owed by Subcontractor to Great Lakes against the delivery by Subcontractor to Great Lakes of the documents required by Section 19 to be filed before final payment, or Subcontractor shall pay to Great Lakes any net balance owed Great Lakes. If the termination is at Great Lakes' convenience and Owner is not liable with respect to the same, Great Lakes shall pay to Subcontractor the balance due to Subcontractor calculated in the manner set forth above.

27.3 Subcontractor shall include a similar right of termination in its agreements with its own subcontractors and require subcontractors and materialmen of every tier to include similar provisions in their agreements with others.

28. SUSPENSION BY GREAT LAKES FOR CONVENIENCE.

Great Lakes may, without cause, order Subcontractor, in writing, to suspend, delay or interrupt Subcontractor's Work for such period of time as Great Lakes may determine, up to a maximum of ninety (90) days.

29. WARRANTIES; CORRECTION OF WORK.

29.1 Subcontractor warrants and guarantees that all materials and equipment furnished under this Agreement shall be new unless otherwise specified, and that all of Subcontractor's Work will be of first quality, free from faults or defects in materials or workmanship, and in strict accordance with requirements of the Contract Documents. All work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective. If required by Great Lakes or the Owner, Subcontractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. This warranty and guaranty is not limited by the provisions of Section 29.2.

29.2 Subcontractor shall promptly correct all of Subcontractor's Work rejected as defective or as failing to conform to the Contract Documents whether observed before or after substantial completion of the Project and whether or not fabricated, installed or completed. Subcontractor shall bear all costs of correcting such rejected work, including compensation for Great Lakes' additional services made necessary thereby. Work rejected before final completion shall be corrected prior to final completion. If, within one year of the date prior to final payment by Owner to Great Lakes, or within such other period as is required by the Contract Documents, or within such period of time as may be prescribed by law or by the terms of any applicable special warranty or guaranty required by the Contract Documents, any of Subcontractor's Work is found to be defective or not in accordance with the Contract Documents, Subcontractor shall correct it promptly after receipt of notice from Great Lakes or the Owner. The expiration of any guaranty or any obligation of Subcontractor to correct Subcontractor's Work shall not relieve Subcontractor of the obligation to correct, at its own expense, any latent defect in Subcontractor's Work or deficiencies which are not readily ascertained, including, but not limited to, defective materials and workmanship, defects attributable to the substitutions for specified materials, and substandard performance of any of Subcontractor's Work otherwise not in compliance with the Contract Documents. Following the correction or replacement of any of Subcontractor's Work as specified in this Section 29.2, the warranties provided herein shall be fully reinstated with respect to such corrected or replaced Subcontractor's Work, and Subcontractor shall correct any defects or deficiencies in the corrected or replaced materials and workmanship which are found within one (1) year after the date of correction or replacement of such longer period as set forth in the contract documents or in any special warranty or guaranty.

30. DISPUTES AND SETTLEMENT.

30.1 Subcontractor, in connection with any disagreement by it involving interpretations of the Contract Documents, claimed inaccuracies, deficiencies and errors in the plans and specifications, deductions from and additions to the Subcontract Price and claims for additional time by reason of change orders, or for delays, or for additional costs or damages by reason of any act or omission of Owner or Owner's other contractors, shall proceed strictly in accordance with the administrative remedies provided with respect thereto in the Contract Documents, and shall be bound by the administrative determinations, arbitration awards and other final judgments arrived at in accordance with the provisions of the Contract Documents which are binding upon Great Lakes with respect to any such claims.

30.2 Subcontractor shall give Great Lakes adequate and timely notification with respect to any action which it desires Great Lakes to take on its behalf against Owner in connection with any such dispute, including, if provided by the Contract Documents, the submission of the same to arbitration, and shall bear and indemnify Great Lakes against any and all expenses in connection with the presentation of any such claim. Great Lakes, at its election, may require Subcontractor to deposit with it a reasonable sum of money to protect it against any such costs, and if any matter is to be submitted to arbitration and does not also involve Great Lakes, will designate such arbitrator as Subcontractor requests. If the matter in dispute is required to be submitted to arbitration under the provisions of the Contract Documents, Subcontractor shall be bound by the decision of the arbitrators as therein provided.

30.3 Either Great Lakes or Subcontractor may from time to time call a special meeting for the resolution of claims, disputes, or other matters in question between Great Lakes and Subcontractor that would have a material impact on the cost or progress of the Project. Such meeting shall be held at the Construction Site within five (5) work days following a written request therefore, which request shall specify in detail the nature of the dispute to be resolved at such meeting. The meeting shall be attended by representatives of Great Lakes, Subcontractor and any other party that may be affected in any material respect by the resolution of such dispute, which representatives shall have authority to settle the dispute and shall attempt in good faith to resolve the dispute. Neither party may file a demand for arbitration against the other on account of any such dispute until a meeting has been called pursuant to the provisions of this Section 30.3 and the parties have been unable to settle the dispute, it being agreed that this shall be a condition precedent to the right to demand arbitration on account of any dispute.

30.4 If any claim, dispute or other matter in question arises between Great Lakes and Subcontractor with respect to interpretations of this Agreement, extra work or other changes in Subcontractor's Work ordered by Great Lakes, or other disputes involving delays or damages claimed by Great Lakes against Subcontractor or by Subcontractor against Great Lakes, and if any such claim, dispute or other matter (1) is not subject to the provisions of Section 30.1 and (2) is not resolved pursuant to Section 30.3, then, within a reasonable time after the conclusion of the settlement meeting as provided in Section 30.3, but in no event later than the date of final payment, either party may file a demand for arbitration. If arbitration is demanded by either party in accordance with the preceding provisions, then the following requirements shall apply: (a) the arbitration shall be conducted in accordance with the then-prevailing Construction Industry Arbitration Rules of the American Arbitration Association, unless the parties mutually agree to the contrary in writing; (b) the decision made by the arbitrator(s) shall be final and binding upon the parties, and judgment may be entered upon such decision in any court having jurisdiction; (c) the arbitration shall be conducted in Cleveland, Ohio; (d) any arbitration may include, by consolidation, joinder or otherwise, any person or entity not a party to this Agreement if that person or entity is involved in a common question of law or fact, the presence of such person or entity is required if complete relief is to be accorded in the arbitration, and the interest of that person or entity is not insubstantial; (e) the agreement to arbitrate set forth in this Section 30.4, including, but not limited to, the agreement to arbitrate with other persons or entities, shall be specifically enforceable; (f) all claims that are related to or are dependent upon each other shall be heard by the same arbitrator(s); (g) Great Lakes shall have the right, at its sole option, to defer the arbitration proceedings until the completion of Subcontractor's Work, at which time all pending disputes for which arbitration have been demanded pursuant to this Section may be heard in a single proceeding; and (h) unless otherwise provided under the Construction Industry Arbitration Rules, the arbitrator(s) shall fix their own compensation and assess the costs and charges of the proceedings against either or both of the parties.

31. EFFECT OF DEFAULT BY SUBCONTRACTOR.

31.1 If Subcontractor fails (1) to maintain at the Construction Site a sufficient skilled work force, including supervisors, and sufficient equipment in good working order to meet the requirements of Subcontractor's Work, or (2) to cause to be delivered to it at the Construction Site sufficient materials of the required quality to enable it to comply with its time and sequence schedule, or (3) to meet the requirements of such time and sequence schedules, or (4) to pay when due its laborers or its subcontractors or its material, fuel or equipment suppliers, or (5) to comply with any of its other agreements herein contained, for a period of forty-eight (48) hours after receipt of written notice by Great Lakes specifying the failure complained of, Great Lakes, at any time while such failure continues, by written notice to Subcontractor, may terminate Subcontractor's right to proceed with Subcontractor's Work, in whole or in part.

31.2 If Subcontractor becomes insolvent, or makes an assignment for the benefit of creditors, or applies to any tribunal for the appointment of a trustee or receiver of Subcontractor or for any substantial part of its assets, or commences any proceedings relating to subcontractor under any bankruptcy, reorganization, insolvency, readjustment of debt or liquidation law, or if any such petition or application is filed and any such proceedings are commenced against Subcontractor and Subcontractor by any act consents thereto, or an order is entered appointing any such trustee or receiver or adjudicating Subcontractor bankrupt or insolvent or approving the petition in any such proceedings and such order remains in effect for more than thirty (30) days, or if an order is entered in any proceedings against Subcontractor decreeing its dissolution and such order remains in effect for more than thirty (30) days, Great Lakes, by notice to Subcontractor, may terminate Subcontractor's right to proceed with Subcontractor's Work, in whole or in part.

31.3 In the event any such termination, Great Lakes shall have the right to notify Subcontractor's surety of any default by Subcontractor and to exercise any other rights or remedies available at law, in equity, or by statute. In addition, Great Lakes shall have the right to finish Subcontractor's Work by whatever method it may deem expedient, including, without limitation, the taking over of Subcontractor's outstanding subcontracts and purchase orders and taking possession of and using in completing the work, Subcontractor's tools, equipment, scaffolding, materials and supplies at the Construction Site or in transit to or connection with Subcontractor's Work.

31.4 In the event of any such termination, Subcontractor shall not be entitled to any further payment until the entire Project shall have been accepted by Owner, at which time Great Lakes shall pay to Subcontractor the excess, if any, of the balances of the Subcontract Price as adjusted together with expenses incurred by Great Lakes over Great Lakes' cost of completion and all damages of Great Lakes and others resulting from such default, including, but not limited to, any liquidated damages provided for in the Contract Documents, attorney fees, expert witness fees and court costs, against the delivery of waivers and other documents required hereunder for final payment, or Subcontractor shall pay to Great Lakes the excess of Great Lakes' costs of completion and any damages incurred by Great Lakes and others by reason of Subcontractor's default over the balance otherwise owned on the Subcontract Price, promptly upon submission of an invoice for the same. Great Lakes shall have the right to withhold from such final payment a reasonable reserve to cover any unexpired warranties applicable to Subcontractor's Work.

32. PREVAILING WAGES.

If the Project is subject to a legal requirement to pay "prevailing wages" or similar restrictions applicable to laborers or mechanics employed on the job, or if the Contract Documents or a Project Agreement entered into with respect to the Project contains requirements pertaining to the wages of laborers or mechanics employed on the job, or if the Contract Documents or a Project Agreement entered into with respect to the Project contains requirements pertaining to the wages of laborers or mechanics employed on the job, Subcontractor shall pay the prevailing wages and comply with any and all such restrictions, requirements or agreements with respect to the laborers and mechanics employed by it for the performance of Subcontractor's Work and shall require all of its subcontractors to pay prevailing wages and comply with any and all such restrictions, requirements or agreements with respect to their laborers and mechanics employed for the performance of their work.

33. NONPERFORMANCE DUE TO LABOR DISPUTES.

33.1 Subcontractor shall at all times supply a sufficient number of skilled workers to perform Subcontractor's Work with promptness and diligence. Should any worker(s) performing Subcontractor's Work engage in a strike or other work stoppage or cease to work due to picketing or a labor dispute of any kind, Great Lakes, at its option and without prejudice to any other remedies it may have, after forty-eight (48) hours written notice to Subcontractor, provide any such labor and deduct the cost thereof from any monies then due or thereafter to become due Subcontractor.

Further, Great Lakes may, at its option, without prejudice to any other remedies it may have, terminate the employment of Subcontractor for Subcontractor's Work, and shall have the right to enter upon the Construction Site and take possession, for the purpose of completing Subcontractor's Work, of all of Subcontractor's materials, tools and equipment thereon and to finish Subcontractor's Work, either with its own employees or other subcontractors; and in case of such termination of the employment by Great Lakes, Subcontractor shall not be entitled to receive any further payments under this Subcontract or otherwise but shall nevertheless remain liable for any damages which Great Lakes incurs. If the expenses incurred by Great Lakes in completing Subcontractor's Work shall exceed the unpaid balance due Subcontractor, Subcontractor shall pay upon demand the difference to Great Lakes together with any other damages incurred by Great Lakes as a result of Subcontractor's default.

33.2 In the event of any inconsistency between the provisions of Section 33.1 and any other provision of this Agreement or the Contract Documents, the provisions of Section 33.1 shall prevail. Any provision of this Agreement or the Contract Documents with respect to arbitration or determination of disputes by the Architect/Engineer, arbitrators or others, shall not apply to Section 33.1.

34. ASSIGNMENT.

Subcontractor shall not assign this Agreement without the written consent of Great Lakes, nor subcontract the whole or any part of this Agreement without the written consent of Great Lakes. Subcontractor shall not assign any amounts due or to become due under this Subcontract without the written consent of Great Lakes. No consent to or acceptance by Great Lakes of any assignment or subcontract shall relieve Subcontractor of any of its responsibilities under this Agreement.

35. NOTICES.

Except as otherwise specifically provided, all notices, requests, demands and proposals given hereunder by either party shall be in writing and (1) mailed by first class mail, (2) delivered in person, (3) sent by telecopy with confirmed receipt thereof, or (4) sent by a nationally-recognized overnight courier service, if to Great Lakes, at its offices at the address shown on page one of this Subcontract, and if to Subcontractor, to the address stated at the beginning hereof, or in either case, to such other address as may be furnished for such purpose. Notwithstanding the foregoing, any notice by Subcontractor of a claim for additional costs, damages or extensions of time shall be made only by certified mail, return receipt requested, to Great Lakes at the address stated at the beginning hereof. Any notice given in the manner provided in this Section shall be deemed given when mailed, sent or delivered and shall be deemed received when actually received.

36. DEFINITIONS.

Unless the context otherwise clearly requires, the following words and phrases shall have the following meanings:

- (a) "person" means and includes an individual, a partnership, joint venture or corporation.
- (b) "Subcontractor's Work" has the meaning in Section 2.
- (c) "subcontractor" means any person (other than Owner, Great Lakes, Subcontractor and any person having a direct contract with Owner), who furnishes work or services which include labor for the performance of the work to be performed for the Owner at the Construction Site.

- (d) “subcontractor of Subcontractor” or “Subcontractor’s subcontractor” means any person (other than Great Lakes or another person furnishing labor pursuant to a contract between such person and Great Lakes) who furnishes work or services which include labor for the performance of any of Subcontractor’s Work.
- (e) “Great Lakes’ other subcontractors” means any person (other than Subcontractor and subcontractors of Subcontractor), who furnishes work or services which include labor for the performance of any of the work to be performed by Great Lakes, pursuant to its Contract with the Owner, other than Subcontractor’s Work to be performed pursuant to this Agreement.

37. DIVISIBILITY.

The provisions of this Agreement are divisible. If any provision of this Agreement is deemed invalid or unenforceable, this shall not affect the applicability or validity of any other provision of this Agreement.

38. NON-WAIVER.

The waiver by either party hereto of any breach of any provision of this Agreement shall not be construed as, or constitute, a continuing waiver, or a waiver of any other breach of any provision of this Agreement.

39. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties hereto and supersedes any and all prior or contemporaneous written or oral agreements between the parties hereto with respect to the subject matter hereof. This Agreement may not be amended or modified except by a written change order duly executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Subcontractor:

By _____

Title _____

(Witness)

Date _____

Contractor:

GREAT LAKES CONSTRUCTION CO.

By _____

Title **Vice President**

(Witness)

Date _____

“THE GREAT LAKES CONSTRUCTION COMPANY IS AN EQUAL OPPORTUNITY EMPLOYER”