



SHELBY COMPANY LLC, GENERAL CONTRACTORS SUBCONTRACT AGREEMENT

SUBCONTRACTOR: Read Window Products LLC

SUBCONTRACTOR LICENSE NO.:

ISSUING STATE:

EXP DATE:

WORK: Window blinds in the office area of Becknell Industrial.

PROJECT: Tenant Improvement for Becknell Industrial

PROJECT ADDRESS: 1901 East 29th Street, Chattanooga, Tennessee 37407

OWNER: Becknell Industrial

ARCHITECT-ENGINEER:

PRICE: \$2,550.00

RETAINAGE RATE: 5

PAYMENT AND PERFORMANCE BONDS:

REQUIRED:

NOT REQUIRED:

This Subcontract Agreement shall hereinafter be referred to as "Agreement" or "Subcontract"

The above terms are incorporated by reference and are more fully explained below.

This Contract includes the following attached Schedules:

Schedule A - Scope of Work

Schedule B - Drawing Log

Schedule C - Specification Log

Schedule E - Certificate of Liability Insurance

In and for the consideration of the mutual promises contained herein, the Contractor and Subcontractor agree as follows:

1. **WORK.** Subcontractor shall perform, pay for and/or furnish all: labor; supervision; services; materials; equipment; tools; scaffolds; transportation; taxes; shop drawings; compliance with local zoning ordinances and building codes and other applicable laws, ordinances, codes and/or standards; permits; licensing requirements; engineering; layout; storage; and, all other things necessary to prosecute and complete the work identified and described in Schedule A attached hereto (the "Work"), the same being a portion of the Work required of Contractor under the Contract between Owner and Contractor (hereinafter, the "Prime Contract"). The Work shall be performed by Subcontractor in a good and workmanlike manner strictly in accordance with the Contract Documents as defined below and as identified in Schedule B attached hereto, and all subsequently and duly-issued modifications thereto. The other Contract Documents and this Agreement shall be interpreted together and in harmony with one another. However, in case of conflict between the other Contract Documents and this Agreement, this Agreement shall govern the relationship between Contractor and Subcontractor.

Subcontractor warrants and represents it is properly licensed to perform the Work in the location of the Project site and agrees to indemnify, defend and hold harmless Contractor of and from any fines, fees, liabilities, costs, expenses (including, without limitation, a reasonable attorney's fee and reasonable costs/expenses) which are incurred by, and/or assessed against, Contractor arising out of or relating in any way to the Subcontractor's failure to satisfy the licensing and/or permitting requirements necessary for Subcontractor to perform the Work. Subcontractor's failure to obtain required licenses (including by applicable Boards of Contractors and/or Subcontractors in addition to those specific to the Subcontractor's given trade) before executing this Agreement and performing the Work shall be a material breach of this Agreement.

The term "Contract Documents" shall be defined to include this Agreement, any terms and/or conditions expressly attached to this Agreement, the Prime Contract, Drawings, Specifications, Modifications and any Addenda or Schedules issued or attached prior to execution of this Agreement, as well as Modifications and/or Changes issued after execution of this Agreement. Subcontractor bid and/or proposal documents are not part of the Contract Documents. Subcontractor agrees it has access to and has reviewed the Prime Contract and further agrees that, to the extent the Prime Contract requires the Contractor to incorporate specific provisions or requirements into its subcontract agreements, then said provisions or requirements of the Prime Contract are hereby incorporated into this Agreement. Subcontractor represents and agrees it has access to all Contract Documents, has carefully reviewed and examined the Contract Documents, and fully understands them – particularly, the contents most relevant to the Work. Subcontractor has previously notified Contractor in writing of all ambiguities, inconsistencies and omissions, if any, in the Contract Documents that relate to the Work; has diligently investigated the nature and conditions of the Project site and locality; has familiarized itself with conditions affecting the difficulty of the Work; and, has entered into this Subcontract based on its own examination, investigation and evaluation and not in reliance upon any opinions or representations of Contractor. The Contract Documents and this Agreement shall be read and interpreted together. This Agreement shall govern in the event of any conflict between the Prime Contract and this Agreement.

With respect to the Work, Subcontractor agrees to be bound to Contractor by the terms and conditions of the Contract Documents, including this Agreement, and hereby assumes towards the Contractor all of the duties, obligations and responsibilities as applicable to Subcontractor's work that the Contractor has by the Contract Documents assumed towards the Owner.

2. **PRICE.** Contractor shall pay to Subcontractor for the satisfactory performance and completion of the Work and all the duties, obligations and responsibilities of Subcontractor under this Subcontract, the amount as indicated on Page 1 hereof, subject to additions and deductions as herein provided.

To the extent the Work is to be performed on a unit price basis, the Price shall be computed in accordance with the unit prices set forth in a separate schedule, based on actual quantities determined in accordance with the Contract Documents and this Subcontract.

The Price, and all unit prices shown in any associated schedule, shall be deemed to include all costs of Subcontractor's performance of the Work, including, but not limited to, the costs of labor, supervision, services, materials, equipment, tools, scaffolds, transportation, storage, insurance and taxes, and allowance for overhead and profit.

3. **PAYMENTS.**

a. **PROGRESS PAYMENTS.** Within ten (10) days of award of subcontract, Subcontractor shall submit to Contractor, for its approval, a detailed schedule showing a breakdown (with proper share of associated overhead and profit) of the Price according to the various line items, or parts, of the Work, for use only as a basis of checking Subcontractor's applications for payment or supporting Contractor's applications for payments under the Contract.

On or before each Monthly Billing Date, Subcontractor shall submit to Contractor a progress payment application showing the value of the Work installed ("Completed Work"), plus the value of the material and equipment for suitable incorporation in the Work (to the satisfaction of Contractor and Architect) stored at the Project site or other approved location ("Stored

Work") if, and only if, the Contract Documents provide for payments to Contractor on that basis, as of such date. If the Prime Contract has a "milestone" payment structure, the same shall apply to Work performed under this Agreement.

Within ten (10) days after receipt of a progress payment from Owner under the Contract, Contractor shall make a progress payment to Subcontractor equal to the value of the Completed Work and Stored Work as of the corresponding Monthly Billing Date, only to the extent approved by Contractor and Architect, and allowed and paid by Owner on account of the Work, and after deducting (a) all previous payments, (b) current retainage (meaning a reserve equal to the Retained Percentage times the allowed value of Completed Work and Stored Work, plus any extraordinary reserve as determined by Contractor and provided for herein) and (c) all charges or back-charges for services, materials, equipment, indemnified charges (including fines or fees assessed against Contractor for failure(s) and/or violations of or by the Subcontractor), and other items furnished or otherwise chargeable by Contractor to Subcontractor.

It is a condition precedent that Contractor receives a progress payment for a given month from the Owner prior to a progress payment for the same month being made to Subcontractor. Subcontractor agrees to bear the risk of Owner's nonpayment. If Owner fails to pay one of Contractor's progress payment applications that includes amounts for Subcontractor's Work for more than sixty (60) days after such payment becomes due under the terms of the Prime Contract, and such failure is based solely on reasons entirely unrelated to Subcontractor, or Subcontractor's fault or negligence, it would be considered that progress payment will be made by Contractor after receipt of a written request by Subcontractor, except in the case where the contract is summarily terminated due to no fault of the Contractor or Subcontractor, in which case outstanding payments to Subcontractor will become part of settlement negotiations with the Owner.

Subcontractors shall satisfy Tennessee Prompt Pay Act notice requirements, sent via certified mail – return receipt requested – or via trackable delivery service – to enjoy any statutory protection thereunder.

b. FINAL PAYMENT. A final payment, consisting of the unpaid balance of the Price, as amended to account for written change orders and/or extra work directives (per Sections 5 and 6, below), less all charges or backcharges for services, materials, equipment and other items furnished or otherwise chargeable by Contractor to Subcontractor, shall be made within thirty (30) days after the last of the following conditions precedent to payment occur: (a) completion of the Work by Subcontractor, (b) acceptance thereof by the Architect, Engineer and Owner (failure of the Architect, Engineer, or other Owner's agent to timely review submission of the subject Pay App shall not excuse untimely payment hereunder), (c) final payment by Owner to Contractor under the Contract on account of the Work, (d) furnishing of evidence satisfactory to Contractor that there are no claims, obligations, or liens outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred in connection with the Work, (e) delivery of all guaranties, warranties, bonds, instruction manuals, performance charts, diagrams, as-built drawings and similar items required of Subcontractor or its suppliers or subcontractors and (f) delivery of a general release, in a form satisfactory to Contractor, executed by Subcontractor running to and in favor of Contractor and Owner.

c. PAYMENT CONDITIONS. Subcontractor will receive the payments made by Contractor and will hold the right to receive such as a trust fund to be applied first to the payment of laborers, suppliers, sub-subcontractors and others responsible for the Work justifying such payments, and all taxes and insurance applicable thereto; and Subcontractor will so apply the payments from Contractor. Subcontractor shall immediately disclose to Contractor the name and contact information of each and every sub-subcontractor, vendor and/or supplier upon Subcontractor's decision to use the same to perform any of the Work on the Project and failure to timely disclose the same shall be a material breach of this Agreement.

Subcontractor shall, as often as requested by Contractor, furnish such information, evidence and substantiation as Contractor may require with respect to the extent and value of current progress and the nature and extent of all obligations incurred by Subcontractor in connection with the Work and all payments made by Subcontractor on account thereof.

Contractor reserves the right to withhold, as an extraordinary reserve and without limiting its other rights and remedies, an amount sufficient: (a) to defend, satisfy and discharge any asserted claim that Subcontractor (or its subcontractors) has failed to make payment for labor, services, materials, equipment, taxes, or other items or obligations furnished or incurred in connection with the Work or has caused damage to the Work or to any other work on the Project; or, (b) to remedy any other default by Subcontractor hereunder.

No payment hereunder shall be conclusive evidence of the performance or progress of the Work, and no payment shall be construed to be acceptance of defective, faulty or improper work or materials.

Subcontractor agrees that if Contractor has another Subcontract with Subcontractor on another Project, and Subcontractor defaults in any manner under that Subcontract, then, at Contractor's sole option, such may also be treated as a default under this Subcontract, and Contractor may take any of the actions enumerated in the Default Section of this Agreement, below, including without limitation, termination of this Subcontract. Subcontractor further agrees that if Subcontractor owes or is indebted to Contractor on any other Subcontract, Contractor has the absolute right to set off such amounts (i.e., assert such amounts as a backcharge) against funds or monies otherwise owed by Contractor to Subcontractor under this Subcontract.

Payments received by Subcontractor shall be used to satisfy the indebtedness owed by Subcontractor to every person or entity furnishing labor or materials, or both, for use in performing the Work through the most current period applicable to progress payments received from Contractor before Subcontractor may use said payment proceeds for any other purpose and it shall be a material breach of this Agreement for Contractor to fail to satisfy this obligation to its laborers, sub-subcontractors and/or vendors.

If Contractor, in good faith, believes that labor, material or other obligations incurred by Subcontractor in its performance of the Work are not being fully or timely paid (including, without limitation, the receipt of a claim or lien made or filed by a person or entity related to any such obligations) Contractor may take any steps necessary to assure the utilization of progress payments to satisfy and/or pay such obligations, including, without limitation, the issuance of joint checks. If, following receipt of notice from Contractor of its good faith concern and/or its forwarding of claims/liens made or recorded by persons associated with the obligations, the Subcontractor fails within three (3) days to: a) supply evidence to the Contractor's satisfaction that payment owed arising out of the obligations has been paid; or, b) post a bond indemnifying Owner, Contractor and Contractor's surety, if any, and the Premises, from a claim or lien, Contractor shall have the right to withhold from any payments which would have otherwise been due or to become due to Subcontractor, a reasonable amount to protect Contractor of and from any and all loss, damage or expense, including filing fees and reasonable expenses incurred, which may arise out or relate to any such claim, threatened claim and/or lien or threatened lien.

In any dispute between the Parties arising out of Subcontractor's claim or nonpayment or untimely payment by the Contractor, including said claims defended by the Contractor for all valid reasons permitted under Tennessee law, including but not limited to: Subcontractor's failure to perform as required under this Agreement; Subcontractor's non-performance of any portion of its Scope of the Work; Subcontractor's non-payment of its own subcontractors, laborers, vendors, and equipment suppliers, etc.; Subcontractor's financial insolvency and/or filing for bankruptcy and/or the imposition of involuntary receivership upon the Subcontractor; the death of a key man of the Subcontractor entity; and/or the Subcontractor's abandonment of its Work on the Project, a reasonable attorney's fees may be awarded in favor of the prevailing party and against the nonprevailing party where it is shown the nonprevailing party acted in bad faith.

4. **TIME.** Time is of the essence in the performance of this Subcontract. Subcontractor shall take all necessary steps to perform the Work in accordance with any schedule requirements found in, or developed in accordance with, any schedule attached hereto or incorporated herein.

Subcontractor shall work with the Contractor and other subcontractors to develop the detailed Project Schedule and shall submit to Contractor, within two (2) weeks of receipt of the Subcontract, scheduling information to assist in preparation of the Project Schedule. This information shall include the time necessary to prepare and approve shop drawings; to procure, fabricate, and deliver materials and equipment; to install the Work; and it shall indicate critical relationships to the work of other trades. Subcontractor shall begin the Work upon Contractor's order to do so. Subcontractor shall coordinate its Work with the Contractor and other subcontractors and perform said Work, and its several parts, diligently and promptly so as to insure the efficient and timely prosecution of the Work, and so as not to delay completion of the entire work on the Project and/or its several parts under the Prime Contract; and furnish at all times sufficient, qualified and competent forces and supervision, and adequate, conforming and usable materials, equipment, plant, tools and other necessary things; and work any overtime required to achieve progress according to the Project Schedule, including any specific activity durations or schedule for Subcontractor's work that may be attached hereto as a separate schedule and any revisions thereof by Contractor. The Subcontractor will cooperate in monthly update meetings and will work to enable the project to be completed at the earliest possible time.

Subcontractor recognizes that other subcontractors or persons may be engaged in the performance of work at the locality covered by this Subcontract and that all parties performing work on the Project must coordinate their work in order to meet the Project Schedule. Subcontractor shall layout and prosecute its Work so as not to interfere with the performance of work by others, and will cooperate in performing its Work to meet the Project Schedule. All matters of difference between the Subcontractor and others in this respect shall be referred to Contractor for immediate decision. Subcontractor acknowledges the Contractor has the right to update, re-sequence and/or revise the Project Schedule during the course of the project and the Subcontractor agrees to be bound by these revisions without receiving additional compensation therefore.

In the event Subcontractor fails to complete any or all of its Work in the manner required by this Agreement and/or within the Project Schedule, Subcontractor shall be liable to the Contractor for any damages, including liquidated damages, suffered by Contractor under the Prime Contract, directly or indirectly, related to and/or arising out of Subcontractor's failure.

Without limiting the generality of the foregoing, Subcontractor shall: (i) order (for manufacture and/or purchase and delivery) all materials required for performance of the Work as soon as possible in order to avoid delays caused by unavailability; (ii) furnish Contractor within fourteen (14) days a list of major materials and equipment required for the Work, showing the name, address and telephone number of the supplier and the date on which such material and equipment is expected to be delivered to the Project site; (iii) furnish Contractor, upon issuance, a copy of each major purchase order and subcontract (with price information deleted); (iv) cause a duly-authorized and qualified supervisory representative to attend weekly progress meetings (while Subcontractor has personnel on-site and for two weeks prior thereto); (v) notify

Contractor immediately by telephone and confirm in writing within seventy-two (72) hours, if Subcontractor finds that any item cannot be delivered, or timely-delivered, or that work cannot be performed as required to maintain the Project Schedule.

5. EXTENSIONS OF TIME. Subcontractor shall be granted an extension of time for delays in the commencement, prosecution, or completion of the Work only to the extent an extension is allowed the Contractor by the Owner. Notwithstanding anything to the contrary in the Contract Documents, or this Subcontract, Subcontractor shall not be entitled to an extension of time unless a written notice of delay shall have been delivered by Subcontractor to Contractor; said notice shall be given within seven (7) days (or two-thirds of the time allowed by the Prime Contract, whichever is shorter) of the event causing the delay. In no event shall Subcontractor be entitled to compensation or damages for any delay in the commencement, prosecution, or completion of the Work, except to the extent that Contractor first receives such compensation and/or damages from Owner, or other third party.

6. CHANGES. When the Owner has reserved the right under the Contract Documents to require Contractor to make changes in the Work ("Owner-Directed Changes"), including additions thereto and deletions therefrom then, without notice to any surety and without invalidating this Subcontract, Contractor may from time to time, by written order to Subcontractor, make changes in the Work to the same extent and in the same manner as may be required of Contractor by Owner under the Contract Documents, and Subcontractor shall thereupon perform the changed Work in accordance with the terms of this Subcontract.

Subcontractor specifically agrees to be bound by any and all disclaimers in the Contract Documents that relate to subsurface, latent conditions, differing conditions, unknown conditions, or that otherwise deal with changed conditions at the Site, or in the availability of materials within the supply chain ("Differing Conditions"). Should Subcontractor encounter Differing Conditions during the progress of the Work, Subcontractor shall immediately provide written notice to Contractor and before such conditions are disturbed.

Upon request of Contractor, and in time and manner sufficient to permit Contractor to comply with its obligations under the Contract Documents, but in no event later than ten (10) days of such request, Subcontractor shall submit a written proposal for any applicable Price or time adjustment attributable to Owner-Directed Changes or Differing Conditions, amply detailed and supported as the Contractor or Owner may require and conforming to the requirements of the Contract Documents.

The Price shall be adjusted by the net amount of any reduction in costs and/or increase in costs (plus an allowance for overhead and profit) attributable to the Owner-Directed Changes or Differing Conditions, and the time for performance of the Work shall be adjusted to the extent necessarily affected by the Owner-Directed Changes or Differing Conditions, subject, however, in each case to the following limitations: (a) the price and time adjustments hereunder shall be limited to Subcontractor's portion of the amount and extent of adjustments actually allowed Contractor by Owner (less, in the case of Price, any markup or other similar amount allowed by Owner for Contractor's account); and (b) the amount allowable for overhead and profit shall be limited to the Markup Percentage given on Page 1 of this Subcontract.

If the parties agree upon the amount of the Price adjustment and the extent of any time adjustment, such adjustments shall be set forth in a written Change Order, which shall be accepted and signed by Contractor and Subcontractor. If the parties are unable to agree upon such adjustments, Contractor may elect to issue a written directive to proceed to Subcontractor, and any adjustments to Price or time shall be subject to ultimate determination in accordance herewith; and Subcontractor shall, nonetheless, proceed immediately with the changed Work. In such event, Subcontractor shall maintain records of the actual costs Subcontractor incurred or saved as a result of the changed and furnish such records to Contractor, amply detailed, on a weekly basis. Subcontractor's failure to comply with a written directive from Contractor to proceed with a change shall be considered to be a material breach of this Subcontract.

It shall be Subcontractor's responsibility to notify its surety of any changes affecting the general scope of the Work or change in the Subcontract Price and have the amount of the applicable bonds adjusted accordingly.

7. EXTRA WORK. In addition to Change Orders issued under Section 5, above, as a result of changes ordered by Owner or Architect, Contractor may from time to time, without notice to any surety and without invalidating this Subcontract, require by written order that Subcontractor perform extra Work reasonably related to the original Work hereunder. Contractor or Subcontractor may also perform such extra Work (i.e., work or services not required by the Subcontract or by Change Order issued under Section 5 above) pursuant to written agreements made from time to time for the benefit of the other party or persons or entities responsible to such other party. Subcontractor shall submit daily copies of time sheets for labor and materials/equipment used on extra work for approval by the Contractor. Such extra Work shall be invoiced weekly for approval of Contractor, in reasonable detail and amply supported, on the basis of the Subcontractor's actual direct costs, and with the Markup Percentage given on Page 1 of this Subcontract. Payment of such invoices shall be made at the time of the next ensuing progress payment or final payment hereunder.

In no event shall Subcontractor proceed with changed or extra Work without a Change Order or written directive issued under Section 5, above, or a written directive or agreement for extra Work under this Section; and Contractor shall not be liable for any additional costs incurred or delays encountered in the performance of such Work without such a written order or directive or agreement.

8. CORRECTION OF COVERED SUBCONTRACT WORK – UNCOVERING OF SUBCONTRACT WORK

WORK. If required in writing by Contractor, Subcontractor must uncover any portion of the Subcontract Work which has been covered by Subcontractor in violation of the Contract Documents, and/or contrary to a directive issued to Subcontractor by Contractor. Upon receipt of such a written directive from the Contractor, Subcontractor shall uncover its work for Contractor's or Owner's inspection and restore the uncovered Subcontract Work to its original condition at Subcontractor's own time and expense.

Contractor may direct Subcontractor to uncover portions of the Subcontract Work for inspection by Owner or Contractor at any time. Subcontractor is required to uncover such work regardless of whether Contractor or Owner had requested to inspect the Subcontract Work before it being covered. Except as provided by the subsection immediately above, this Agreement shall be adjusted by Subcontract Change Order for the cost and time of uncovering and restoring any work which is uncovered for inspection and proves to be installed in accordance with the Contract Documents (provided Contractor had not previously instructed Subcontractor to leave the work uncovered). If Subcontractor uncovers work pursuant to a directive issued by Contractor, and such work upon inspection does not comply with the Contract Documents, Subcontractor shall be responsible for all costs and time of uncovering, correcting, and restoring the Work so as to make it conform to the Contract Documents. If Contractor or some other entity for which Subcontractor is not responsible caused the nonconforming condition which required the uncovering and Subcontractor received no instruction from Contractor to avoid or delay covering before performing the covering, Contractor shall be required to adjust this Agreement by Subcontract Change Order for Subcontractor's incurred costs and amount of time consumed by the uncovering and restoring the Work.

If the Design Professional or Contractor rejects the Subcontract Work or the Subcontract Work is not in conformance with the Contract Documents, Subcontractor shall promptly correct the Subcontract Work regardless of whether it had been fabricated, installed, or completed. Subcontractor shall be responsible for the costs of correcting such Subcontract Work, any additional testing, inspections, and compensation for services and expenses made necessary by the defective Subcontract Work.

In addition to Subcontractor's obligations under this provision, Subcontractor agrees to promptly correct, after receipt of a written notice from Contractor, all Subcontract Work which proves to be defective in workmanship or materials within a period of one year from the date of substantial completion of the Subcontract Work (or, for a longer period of time where required by specific warranties in the Contract Documents). Substantial completion of the Subcontract Work, or of a designated portion, occurs on the date when construction is sufficiently complete in accordance with the Contract Documents. If, during the one-year period, Contractor fails to provide Subcontractor with prompt written notice of the discovery of defective or nonconforming Subcontract Work, Contractor shall neither have the right to require Subcontractor to correct such Subcontract Work nor the right to make a claim for breach of warranty. If Subcontractor fails to correct defective or nonconforming Subcontract Work within a reasonable time after receipt of notice from Contractor, Contractor may correct such Subcontract Work pursuant to its other rights under this Contract and charge the costs against the Subcontractor. Subcontractor shall remove reported non-conforming Work from the Project Worksite when so directed by the Contractor and shall bear the costs of said removal if Subcontractor ignores said obligation and Contractor is required to perform said removal.

Subcontractor's warranty-required correction of Subcontract Work pursuant to this section shall not extend beyond the one-year period for the correction of Subcontract Work.

If Subcontractor's correction or removal of Subcontract Work destroys or damages other completed or partially completed work, or property within existing buildings, Subcontractor shall be responsible for costs associated with correcting, repairing and/or replacing destroyed or damaged work.

9. PRICING AND DOCUMENTATION. Subcontractor agrees to comply fully with all federal, state, and local laws, ordinances, and regulations relating to cost or pricing data (including certification thereof), audit of books and records, and certification of claims.

Subcontractor represents in good faith that all cost or pricing data and all data related to requested time adjustments submitted (including, without limitation, a request for a Change Order and/or claims made in arbitration and litigation) shall be current, accurate and complete, and shall accurately represent the actual costs and time Subcontractor has incurred or saved, or expects to incur or save, related to said claim.

Subcontractor agrees and acknowledges that Contractor has the right to require the books and records of the Subcontractor to be audited by the Contractor, or an independent auditor selected by the Contractor, to verify the accuracy of the cost or pricing data submitted by the Subcontractor related to any claim or requested price adjustment. Subcontractor further agrees and acknowledges the Contract Documents may provide a similar right of audit to Owner. Subcontractor shall comply with all reasonable directives of Contractor or Owner (if required by the Contract Documents) for audit of its books and records that relate to its submitted cost or pricing data.

Subcontractor agrees, upon written request of Contractor, to provide Contractor with a certificate, signed by a duly-authorized Officer of the Company, certifying that any claim submitted by the Subcontractor, as well as the supporting

documentation, accurately reflects the adjustment(s) for which the Subcontractor believes the Contractor and/or Owner is responsible.

10. DISPUTES CONCERNING WORK SCOPE. In the event a dispute arises concerning the scope of Work to be performed by Subcontractor, Subcontractor shall proceed promptly and diligently with the disputed work upon its receipt of a written directive from the Contractor. Subcontractor shall submit daily to the Contractor time sheets, material and equipment invoices, and other documentation necessary to support its cost for performing the disputed Work. The responsibility for the cost of performing any disputed Work shall be decided in accordance with the DISPUTES section of this Subcontract, below.

11. PERFORMANCE AND PAYMENT SECURITY. If so indicated on Page 1 hereof Subcontractor shall furnish Contractor, within ten (10) days of Subcontractor's receipt of the unexecuted Subcontract issued by Contractor, either: i) a performance bond and a payment bond, each in an amount equal to the Price, in a form and with surety or sureties satisfactory to Contractor, or ii) an irrevocable standby letter of credit, in a form and issued by a bank satisfactory to Contractor. Determination of whether bonds or a letter of credit will be required shall be at Contractor's sole discretion. No payment will be made to Subcontractor prior to receipt of any required performance and payment security; failure to provide required performance and payment security shall constitute a material breach of this Subcontract.

12. INSURANCE. (A) The Subcontractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Subcontractor from claims set forth below which may arise out of or result from the Subcontractor's operations and completed operations under the Subcontract and for which the Subcontractor may be legally liable, whether such operations be by the Subcontractor or by a sub-Subcontractor, Vendor of the Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- a. Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- b. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Subcontractor's employees;
- c. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Subcontractor's employees;
- d. Claims for damages insured by usual personal injury liability coverage;
- e. Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- f. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; and/or
- g. Claims for bodily injury or property damage arising out of completed operations

The Subcontractor shall take out and maintain during the life of the Subcontract the coverages and limits required by the Prime Contract – with the Owner and the Contractor added as additional insureds to each policy and coverage – but, in no event shall coverages and limits be less than those listed below. Subcontractor shall submit to Contractor a Certificate of Insurance demonstrating the purchase of the foregoing coverages. Insurance companies listed by Subcontractor as affording coverage pursuant to the above-stated requirements shall be duly-registered with and/or listed as "Active" with the Alabama Department of Insurance or equivalent department or division of any other state within which the Project made the subject of this Subcontract is located.

Workers' Compensation and Employer's Liability Insurance: Statutory-amount and coverage as required by law of place in which the Work is performed but in no event less than \$1,000,000.

The Subcontractor shall provide Broad Form (commonly termed Comprehensive) General Liability Insurance (including premises-product-completed operations) for limits of liability not less than:

Bodily Injury	\$2,000,000 each person
	\$2,000,000 each occurrence
Property Damage	\$2,000,000 each occurrence; or
Bodily Injury & Property Damage	\$2,000,000 combined single limit

A comprehensive policy shall include the following:

- a. All liability of the Subcontractor, for the Subcontractor's Direct Operations.
- b. Subcontractor's Operations.
- c. Completed Operations Coverage, thereby meaning any loss which shall occur after the contract has been completed, but which can be traced back to the Contract.
- d. Contractual Liability, meaning, any risk assumed by the Subcontractor under Indemnity or Hold Harmless Agreements or any other assumption of liability herein.
- e. Broad-Form Property Damage Coverage, including Completed Operations.
- f. Personal Injury Liability, with employee's exclusions removed.
- g. Explosion and Collapse Hazard
- h. Underground Hazard

The Subcontractor shall carry for itself – and shall require that all sub-Subcontractors and all Owners of Automobiles or trucks rented or hired on the subcontract carry – until the Subcontract is completed comprehensive Automobile Liability Coverage for Bodily Injury and property Damage in amounts not less than the minimum amounts as indicated. The Subcontractor and sub-Subcontractors shall also carry for themselves insurance for all non-owned and hired automobile at the limits of liability as indicated below:

Bodily Injury	\$1,000,000 each person
	\$1,000,000 each occurrence
Property damage	\$1,000,000 each occurrence; or,
Bodily Injury & Property damage	\$1,000,000 combined single limit
Umbrella/Excess Liability:	\$5,000,000 limit

The Insurance Company must have a minimum rating of A-VII as reported in the latest issue of Best's Key Rating Guide Property-Casualty, published by Alfred M. Best Company, Inc. and carrying a current S&P rating of no less than A-.

(B) The insurance required above shall be written on a per-occurrence basis and shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Subcontractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

(C) Certificates of insurance acceptable to the Contractor (and at Contractor's request, a certified copy of each actual insurance policy with all endorsements) shall be filed with the Contractor prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. The Subcontractor shall not undertake any activities at the Project site unless and until all applicable certificates of insurance acceptable to the Contractor have been delivered to the Contractor. The certificates and the insurance policies required by this Section 10(C) shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Contractor. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 10(B). Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Subcontractor with reasonable promptness.

(D) The Subcontractor shall cause the commercial general, auto, umbrella and all other liability policies liability coverage required by the Contract Documents to include (1) the Owner and Contractor as additional insureds; and (2) the Owner and Contractor as an additional insured for claims caused in whole or in part by the Subcontractor's acts and/or omissions during the Subcontractor's completed operations. All such liability policies except employer's and professional liability carried and maintained by Contractor must be endorsed to be primary and non-contributory to any liability insurance policies carried by Contractor with respect to Subcontractor's operations hereunder. Contractor's coverages shall be excess and non-contributory.

(E) If the Subcontractor fails to purchase and maintain any insurance required under this Section 10 or the insurance requirements in the Agreement, Contractor may, but shall not be obligated to, upon five (5) days' written notice to the Subcontractor, purchase such insurance on behalf of the Subcontractor and shall be entitled to be reimbursed by the Subcontractor upon demand.

(F) When any required insurance shall expire, whether by normal expiration date or renewal date, the Subcontractor shall supply the Contractor with Certificates of Insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverages in the same manner, limits of protection, and scope of coverages as was provided by the previous policy. In the event any renewal or replacement policy, for whatever reason obtained or required, is written by a carrier other than that with whom the coverage was previously placed, or the subsequent policy differs in any way from the previous policy, the Subcontractor shall also furnish the Contractor with a certified copy of the renewal or replacement

policy unless the Contractor provides the Subcontractor with prior written consent to submit only a Certificate of Insurance for any such policy. All renewal and replacement policies shall be in form and substance satisfactory to the Contractor and written by carriers acceptable to the Contractor.

13. INDEMNITY. INDEMNITY. From the date Subcontractor first performs Work under this Agreement, and *to the fullest extent permitted by law (the scope hereof to be reduced to comply with any applicable laws requiring the same without said reduction affecting the validity or enforceability of any other provisions of this section)*, Subcontractor agrees to defend, indemnify and hold harmless the Contractor and Owner as well as their agents, servant, officers and employees, of, from, and against any and all claims, cost, expense, or liability (including attorneys' fees), attributable to bodily injury, sickness, disease, or death, or to damage to or destruction of property (including loss of use thereof), caused by, arising out of, resulting from, or occurring in connection with the performance of the Work by Subcontractor, its subcontractors, suppliers and/or vendors (and/or their agents, servants, or employees), regardless of whether caused in part by the active or passive negligence or other culpable acts and/or omissions of a party indemnified hereunder. Subcontractor's obligation hereunder shall not be limited by the provisions of any applicable workers' compensation, or similar, act.

Should Owner or any other person assert a claim, or institute a suit, action, or proceeding against Contractor, involving the manner or sufficiency of the performance of the Work hereunder, Subcontractor shall upon request of Contractor, promptly assume the defense of such claim, suit, action or proceeding, at Subcontractor's expense, and Subcontractor shall indemnify and save harmless Contractor and its agents, servants, officers and employees, of, from and against any liability (including attorney's fees where Contractor is required to defend itself due to the fault or wrongdoing of the Subcontractor), loss, damage, or expense arising out of, resulting from or occurring in connection with such claim, suit, action, or proceeding.

14. ASSIGNMENT. Subcontractor shall not assign this Subcontract, or any monies due or to become due hereunder, or subcontract any part of the Work, without the prior written consent of Contractor. Subcontractor shall not be relieved of its duties and obligations hereunder by any assignment or subcontract and shall be and remain as fully responsible and liable for the acts and omissions of its assignees and subcontractors, and all persons directly or indirectly employed by them, as Subcontractor is for its own acts and omissions and those of its agent, servants and employees.

15. COMPLIANCE. Subcontractor shall, at its own expense, obtain all necessary licenses and permits pertaining to the Work and comply with all statutes, ordinances, rules, regulations and orders of any governmental or quasi-governmental authority having jurisdiction over the Work or the performance thereof, including, but not limited to, those relating to safety, wages, discrimination, employment eligibility, and equal employment opportunity, and, if the Owner is an agency of the U.S. government, payrolls and basic records, source and origin of construction materials and services, and contractor and subcontractor code of business ethics and conduct. Subcontractor shall promptly correct any violations of such statutes, ordinances, rules, regulations and orders committed by Subcontractor, its agents, servants and employees; and Subcontractor shall receive and respond to, and shall defend, indemnify and save harmless Contractor and Owner and their agents, servants and employees from and against any loss, liability or expense arising from, any such violations and any citations, assessments, fines or penalties resulting therefrom.

16. SAFETY. Subcontractor agrees that the prevention of accidents to workmen engaged upon or in the vicinity of the Work is its responsibility, even if Contractor establishes a safety program for the entire Project. Subcontractor shall establish and implement safety measures, policies and standards conforming to those required or recommended by governmental and quasi-governmental authorities having jurisdiction and by Contractor and Owner, and insurance companies, including, but not limited to, any requirements imposed by the Contract Documents and any additional requirements given in Schedule A attached hereto.

Subcontractor accepts complete responsibility for the health and safety of its employees and its subcontractors' employees; for protection of the Work; for compliance with safety procedures and policies submitted by the Contractor; and for compliance with all applicable health and safety laws, including the regulations and standards of the Occupational Safety & Health Act of 1970 ("OSHA"), as amended. Subcontractor further agrees to indemnify, hold harmless and defend Contractor and Owner of, from, and against all claims for injury to persons or property, and against any fines and penalties imposed by any authorized agency resulting from the performance under this Subcontract.

Subcontractor shall submit to the Contractor the following within five (5) working days of the occurrence of bodily injury or property damage caused by, arising out of, resulting from, or occurring in connection with the performance of the Work:

- a) A copy of Employer's First Report of Injury. SUBCONTRACTOR WILL REPORT THE OCCURRENCE OF SERIOUS INJURY OR EQUIPMENT/PROPERTY DAMAGE TO CONTRACTOR'S PROJECT MANAGER IMMEDIATELY.
- b) A copy of other Property/Casualty Insurance claim reports.
- c) A copy of OSHA Inspection/Citation Reports.

The Contractor shall have access to Subcontractor's Work areas at all times. In the event that Subcontractor or any of its employees or its subcontractors' employees fail to comply with any of the health and safety requirements enumerated herein, Contractor may require Subcontractor to stop Work and/or remove any noncomplying employees. No claims for additional

time or money shall be allowed, nor shall Subcontractor be relieved from any of its responsibilities hereunder, when the Work has been stopped due to safety deficiencies.

To help ensure a safe, healthy, and productive working environment, Contractor prohibits the use, possession, or distribution of any prohibited articles as defined below on the Project. The Contractor enforcement program may involve reasonable searches of Subcontractor, sub- subcontractor and vendor/supplier employees entering or working on Contractor-operated premises.

Prohibited articles include illegal drugs, drug paraphernalia and alcoholic beverages; firearms or weapons; and stolen property. Illegal drugs include marijuana, narcotics, and all other drugs not prescribed by a licensed physician for use by persons possessing them.

If any of the above items are found, the person possessing such items will be subject to removal from the Project and will not be permitted to return to the Project.

Searches may be conducted, based upon reasonable suspicion, without prior announcement at such locations and times as considered necessary by the Contractor. While cooperation is voluntary, refusal to consent will be cause for barring the involved individual from the Project. Subcontractor will be immediately notified if any employees refuse to consent to any inspection or to cooperate fully in this safety program.

The Contractor also reserves the right, at all times, to conduct periodic drug testing of its subcontractors' employees to determine if any such persons present on the Project in under the influence of marijuana, illegal drugs, or alcohol.

The taking of blood, urine, or saliva for testing may be required from any Contractor or subcontractor employee on the Project who is reasonably suspected of being under the influence of drugs or alcohol, or who is involved in or causes an accident.

Should OSHA or any agency of a state or municipality issue to the Owner and/or Contractor a complaint, claim, notice of violation, fine, fee, or penalty for an alleged safety violation(s) arising out of or related in any way to the Subcontractor's Work, then the Subcontractor shall defend, indemnify and hold harmless the Owner and Contractor, their agents, servants, officers and employees, of, from, and against any liability (including a reasonable attorney's fee, costs of court and/or administrative proceeding fees), loss, damage, payment of a fine/fee/penalty, and/or other expense arising out of, resulting from, or occurring in connection with, such complaint, claim, notice of violation, fine, fee, penalty or related proceeding.

17. CLEANING UP. Subcontractor shall, at its own expense: (a) keep the premises at all times free from waste materials, packaging and other debris accumulated in connection with the Work, by collecting and removing such debris from the Project on a daily basis; (b) at the completion of the Work in each area, sweep and otherwise make the Work and its immediate vicinity "broom-clean"; (c) remove all of its tools, equipment, scaffolds, temporary structures and surplus materials as directed by Contractor and at the completion of the Work; and, (d) at final inspection clean and prepare the Work for acceptance by Owner. Subcontractor will be back-charged for any costs the Contractor incurs as a result of Subcontractor's failure to perform adequate cleanup. The Contractor's decision on any allocation of cleanup cost among Subcontractors shall be final and binding.

18. MATERIALS FURNISHED BY OTHER. In the event the Subcontractor's Work includes installation of materials and equipment furnished by others, it shall be the responsibility of the Subcontractor to examine the materials or equipment and promptly provide written notice of defects and thereupon handle, store, protect and install the items to insure satisfactory and proper installation. Subcontractor shall bear responsibility for any costs incurred because of the Subcontractor's failure to properly examine materials or equipment furnished by others for Subcontractor's installation. Temporary facilities and services shall be provided by the Contractor in accordance with a separate Schedule attached hereto.

19. QUALITY. Subcontractor shall properly monitor quality and provide quality materials and workmanship conforming to Contract requirements and good industry standards and practices. Subcontractor shall provide proper facilities and opportunity at all times for the inspection of the Work by the Contractor, Architect and/or Owner as well as their agents and/or representatives. Subcontractor shall, within twenty four (24) hours after receiving written notice from Contractor or Architect, proceed to take down and remove promptly all portions of the Work which the Contractor or Architect condemn as unsound, improper, or in any way failing to conform to the Contract Documents or this Subcontract and shall replace the same with proper and satisfactory Work and make good all work damaged or destroyed thereby. Contractor's failure to discover and notify Subcontractor of defective or nonconforming Work at the time the Work, or any portion thereof, is performed or completed, shall not relieve Subcontractor of the responsibility to replace the defective or nonconforming Work and all damages resulting therefrom. If the Owner elects to accept defective or nonconforming Work, Contractor may require an appropriate and equitable adjustment in the Price to the extent required of Contract.

20. WARRANTY. Subcontractor warrants and guarantees the Work to the full extent provided for in the Contract Documents. Without limiting the foregoing or any other liability or obligation with respect to the Work, Subcontractor shall, at its expense and by reason of its express warranty, make good any faulty, defective, or improper parts of the Work

discovered within one year from the date of acceptance of the Project by the Architect and Owner or within such longer period as may be provided in the Contract Documents.

21. **SUBMITTALS.** Subcontractor shall immediately prepare or obtain and promptly submit to Contractor shop and erection drawings, samples, project data, catalogue cuts, laboratory and inspection reports and engineering calculations, all as may be required by the Contract Documents or as may be necessary or appropriate to describe the details of the Work. Approval of drawings or other submittals by Contractor or Architect shall not relieve Subcontractor of its obligation to perform the Work in strict accordance with the Contract Documents, or of its responsibility for the proper matching and coordination of the Work with contiguous work, and in no event shall such approvals be deemed to modify the Subcontractor's scope of Work. No substitutions shall be made without written approval. The Subcontractor shall indemnify the Contractor for any increased costs incurred by the Contractor resulting from such substitutions even if approval has been given. Subcontractor shall cooperate and participate with Contractor and other subcontractors in the preparation of coordination plans and drawings in areas of congestion.

22. **PERFORMANCE.** The Work shall be performed and furnished to the satisfaction of the Architect and Contractor, but Subcontractor shall not thereby be relieved of its obligation to supervise the Work, using its best skill and attention, or its obligations to perform the Work as provided for herein. Subcontractor shall be bound by the interpretations and decisions of the Architect and Owner to the same extent as Contractor may be bound thereby under the Contract Documents. However, Subcontractor, in performing the Work, acts as an independent contractor and not as an agent or employee of Contractor, and is free to perform the Work by any means and in such manner as it may choose without any direction or control by Contractor.

Subcontractor shall furnish sufficient numbers of qualified supervisory personnel, resident full-time at the site of the Work, which shall be satisfactory to the Contractor and shall be empowered to act on behalf of the Subcontractor at all times during progress of the Work. For purposes of this Subcontract, "sufficient numbers" means numbers adequate to maintain quality in accordance with this Subcontract and progress in accordance with the Project Schedule, and "supervisory personnel" means personnel who direct and monitor other employees, coordinate the Work with the work of Contractor and other subcontractors, and do not use tools, operate equipment or perform the work of a trade. Contractor reserves the right to require replacement of the Subcontractor's project supervision should Contractor, in its sole discretion, deem it to be inadequate.

Subcontractor shall notify and obtain the approval of Contractor before the arrival of forces or delivery of materials and equipment to the job site before any substantial change in its forces, and before leaving the job site for any reason.

23. **LIENS.** The Subcontractor will pay for all materials furnished and work and labor performed under the Subcontract and will satisfy the Contractor thereupon whenever demand is made to clear and/or satisfy a lien filed by Subcontractor and/or associated in any way with Subcontractor's Work except where said lien claim arises out of or is related to Contractor's failure to timely pay Subcontractor for compliant Work timely performed. Subcontractor agrees to indemnify, hold harmless and defend Contractor and Owner of, from, and against all lien claims and bond claims, including reasonable expenses, costs of bonds to remove liens, and a reasonable attorneys' fees related to such claims, which may be asserted by Subcontractor's: mechanics; material men; employees; laborers; suppliers; subcontractors; suppliers; vendors; and/or, anyone claiming under one of them ("Sub Nonpayment Liens"). Without limiting the foregoing, Subcontractor shall cause any such Sub Nonpayment Lien, or claim of a Sub Nonpayment Lien to be satisfied, removed, or discharged by bond, payment, or otherwise within three (3) business days from the date either Party discovers the lien has been recorded. If Subcontractor fails to fully satisfy by payment, have fully removed, and/or fully discharge by bond, a recorded Sub Nonpayment Lien and/or its underlying claim, Contractor shall have the right but not the obligation to take all actions necessary to fully satisfy, remove, and/or discharge by bond, said lien and/or claim of lien, and Subcontractor shall reimburse to Contractor all costs and reasonable expenses incurred thereby, including without limitation, the costs to bond off the Sub Nonpayment Lien claim or to pay off the Sub Nonpayment Lien claim, in addition to a reasonable attorney's fee and costs of court so incurred by the Contractor.

24. **LABOR.** Subcontractor agrees that where its Work is stopped, delayed, or interfered with by strikes, slowdowns, or similar interruptions or disturbances (including cases where the Subcontractor's employees are engaged in a work stoppage solely as a result of a labor dispute involving Contractor or others and not in any manner involving Subcontractor), Contractor shall be entitled to the rights and remedies provided for in Section 24, below. Subcontractor shall maintain and exercise control over all employees engaged in the performance of the Work, and Subcontractor shall, to the extent permitted by law, remove or cause to be removed from the Project any employee whose presence is detrimental to the orderly prosecution of the Work. Subcontractor also promises and warrants that it has and shall continue to comply with any and all immigration laws, regulations process and procedures, including those passed by the State of Alabama.

25. **DAMAGE.** Contractor shall not be liable or responsible for loss or damage to the equipment, tools, facilities, or other personal property owned, rented, or used by Subcontractor, or anyone employed by Subcontractor, in the performance of the Work and the Subcontractor shall maintain such insurance and take such protective action as it deems desirable with respect to such property. Subcontractor is not relieved of this responsibility by the unloading, handling, or storage of Subcontractor's materials by the Contractor. Except to the extent of any proceeds received by Contractor for the

benefit of Subcontractor under a policy of builders' risk or fire insurance, Contractor shall not be liable or responsible for any loss or damage to the Work, and Subcontractor shall be responsible for the correction, repair and/or restoration of any such loss or damage to the Work, or to the work of Contractor or any other subcontractor, resulting from the operations of Subcontractor, or its subcontractors, agents, servants, or employees while on the Project site. Subcontractor shall protect the Work from loss or damage prior to acceptance by Owner.

The Subcontractor's obligation to protect its Work and the work of Contractor and that of other subcontractors includes, but is not limited to, protection from weather damage and water intrusion to the project's interior. In the event that water intrusion occur from weather or any other cause attributable to Subcontractor, Subcontractor shall be responsible for the cost to remedy all damages caused thereby, including, but not limited to, testing and remediation of mold and toxic substances (including both pre- and post-remediation testing).

In the event damage to the Work is covered by any Builder's Risk or similar property insurance policy provided by the Contractor or Owner, Subcontractor agrees to pay its pro-rata share of any applicable deductible. Subcontractor's share of the deductible shall be the ratio that its losses covered by the Builder's Risk Insurance bears to the total loss of the occurrence or event covered by said insurance.

26. DEFAULT. Should Subcontractor at any time:

- (a) fail to supply the labor, materials, equipment, supervision and other things required of it in sufficient quantities and of sufficient quality to perform the Work with the skill, conformity, promptness, and diligence required hereunder;
- (b) cause stoppage or delay of or interference with the Project Work;
- (c) enter into bankruptcy, receivership or become insolvent, or take advantage of any bankruptcy, reorganization, composition, or arrangement statute;
- (d) fail to have sufficient funds in the unearned balance of the Price, in Contractor's sole judgment, to be able to complete the Work;
- (e) fail to timely and/or fully pay its vendors, suppliers, employees and/or laborers for completed Work; or,
- (f) fail in the performance or observance of any of the covenants, conditions, or other terms of this Subcontract,

then in any such event, each of which shall constitute a default hereunder by Subcontractor, Contractor shall, after giving Subcontractor written notice of default and forty-eight (48) hours within which to cure, and said default surviving expiration of the cure period, have the right to exercise any one or more of the following remedies:

- a) require Subcontractor to utilize, at its own expense, overtime labor (including Saturday and Sunday work) and additional shifts, as necessary, to remedy any delay attributable, in whole or in part, to Subcontractor's default;
- b) remedy the default by whatever means Contractor may deem necessary or appropriate, including, but not limited to, correcting, furnishing, performing, or otherwise completing the Work, or any part thereof, by itself or through others (utilizing where appropriate any materials and equipment previously purchased for that purpose by Subcontractor) and deducting the cost thereof (plus an allowance for administrative burden equal to fifteen percent [15%] of such costs) from any monies due or to become due to Subcontractor hereunder;
- c) terminate Subcontractor's right to proceed under the Subcontract, in whole or in part, without thereby waiving or releasing any rights from, or remedies against, Subcontractor or its sureties, and, by itself or through others, take possession of the Work, and all materials, equipment, facilities, plant, tools, scaffolds and appliances of Subcontractor relating to the Work (hereinafter, for purposes of this Subsection, collectively referred to as "Collateral Property"), for the purposes of completing the Work and securing to Contractor the associated payment of its costs (plus an allowance for administrative burden equal to fifteen percent [15%] of such costs) plus other damages associated with Subcontractor's default, it being intended that Contractor shall, for the stated purposes, be the assignee of and have a security interest in the Collateral Property described above to the extent the same is located on the Project site (and Contractor may at any time file the Subcontract as a financing statement under applicable law); and/or,
- d) recover from Subcontractor all losses, costs, expenses, damages, penalties and fines, including without limitation, a reasonable attorneys' fee, costs of court/arbitration/mediation, and reasonable expenses suffered or incurred by Contractor by reason of, or as a result of, Subcontractor's default.

Should Subcontractor default in any provisions of this Subcontract, and should Contractor employ an attorney to enforce any provision hereof, or to collect damages for breach of this Subcontract, Subcontractor shall reimburse Contractor a reasonable attorney fees, expert fees, filing fees, and consulting fees incurred by Contractor related thereto.

After completion of the Work by the exercise of any one or more of the above remedies and acceptance of the Work by Architect and payment therefore by Owner, Contractor shall promptly pay Subcontractor any balance of the Price which remains after application of all set-offs and/or backcharges generated by and/or as a result of any or all of the above-listed default remedies exercises by the Contractor.

The foregoing remedies shall be considered separate and cumulative and shall be in addition to every other remedy available at law or in equity including those given hereunder or under the Contract Documents, or now or hereafter existing at law or in equity.

Except as limited by this Subcontract, Subcontractor shall have the rights and remedies available at law or in equity for a breach of this Subcontract by Contractor. Any default by Contractor shall be deemed waived unless Subcontractor shall have given Contractor written notice thereof within 48 hours after the occurrence of such default. Subcontractor shall not be entitled to stop the Work or terminate this Subcontract on account of Contractor's failure to pay an amount claimed due hereunder (including changed or extra Work or work which the Parties dispute to be 'changed' or 'extra') so long as Subcontractor shall not have adequately substantiated the amount due or so long as a good faith dispute exists as to the amount due. In enforcing its rights and remedies under this Section 24, Contractor agrees it shall not hold undisputed portions of progress payments or final payment, including costs for approved extra work, provided that, as a condition precedent, such payments have been made by the Owner to Contractor.

Subcontractor shall not be entitled to terminate this Subcontract except for a substantial and material breach by Contractor which shall have continued, uncured, for at least an additional thirty (30) days after (a) Subcontractor shall have stopped work in accordance with the requirements hereof; and, (b) Contractor shall have received written notice of Subcontractor's intention to terminate this Subcontract.

27. DISPUTES. All disputes between the Contractor and Subcontractor related in any way to this Subcontract, the Work or the Project shall be resolved in accordance with this Section 27, notwithstanding any contrary provision in this Subcontract, the Contract Documents, or elsewhere.

- a) If any dispute arises out of or relates to this Subcontract, the Work, or the Project, the Parties will first make a good-faith attempt to resolve the dispute through direct discussions, all while committing their full attention to completion of the Work in a prompt and safe manner in accordance with the Project Schedule;
- b) Any and all claims, controversies, disputes and any other matters in question between Contractor and Subcontractor arising out of or related to the Project, this Subcontract, the Contract Documents, or the breach thereof, which have not been resolved and which cannot be settled by negotiation between the parties shall first be submitted to mediation between the parties in good faith pursuant to the mediation rules of the American Arbitration Association ("AAA"). Mediation shall be conducted in Birmingham, Alabama. The mediator shall be selected mutually by the parties, or if the parties are unable to agree on a mediator, then in accordance with the rules of the AAA. Mediation shall occur within 30 days of demand for Mediation made by either Party, or such other time as the Parties may agree in writing. Mediation shall be a condition precedent to the rights of the Parties to proceed to further dispute resolution procedures identified below in this Section 27;
- c) Unless suit is brought under the Miller Act (40 USC §§ 3131, et seq.) or applicable Little Miller Act, should disputes between the parties fail to be resolved at mediation then, at Contractor's sole election, the parties shall submit the disputes to either binding arbitration or to litigation, as further detailed below. If the Contractor does not elect to submit the disputes to binding arbitration, the disputes shall be resolved by bench trial, without a jury, in that State or Federal Court in which proper jurisdiction lies and which encompasses Jefferson County, Alabama. Subcontractor and Contractor agree that this Subcontract has been negotiated, formulated, drafted, agreed upon, executed, and at least in part performed within the jurisdiction of the United States District Court for the Northern District of Alabama, and that Subcontractor has entered into Jefferson County, Alabama to negotiate, formulate, draft, execute and perform (at least in part) this Subcontract, all sufficiently so that Subcontractor could expect that any disputes which may be resolved in court could be resolved in the State or Federal Court which encompasses Jefferson County, Alabama. Subcontractor irrevocably waives any challenge to personal jurisdiction as to disputes which may be resolved in the courts situated within Jefferson County, Alabama.

SUBCONTRACTOR AND CONTRACTOR WAIVE ALL RIGHTS TO A TRIAL BY JURY.

Subcontractor agrees that, should it initiate litigation or arbitration without first obtaining Contractor's authorization as to choice of forum, Contractor shall have the absolute and sole right to transfer the disputes to the other forum and Subcontractor shall reimburse Contractor the expenses and fees incurred to remove said dispute to the venue selected above including, without limitation, a reasonable attorney's fee.

Arbitration. Should Contractor elect arbitration as the forum for binding dispute resolution, the Binding arbitration shall be conducted in accordance with the Construction Industry Arbitration Rules of the AAA in effect as of the Subcontract Date, unless the parties mutually agree in writing to the contrary.

Any claim, demand or lawsuit filed by Subcontractor shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, and in no event shall be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. In addition, no claim, demand or lawsuit shall be filed by Subcontractor after final payment by the Owner to the Contractor and/or the issuance of Contractor's final release to Owner, without the written consent of the Contractor.

Unless otherwise agreed in writing, Subcontractor shall continue to carry out its responsibilities and obligations under this Subcontract and otherwise maintain the progress of the Work during any arbitration proceeding or lawsuit, and Contractor agrees to continue to make payments to Subcontractor in accordance with this Subcontract. The pendency of a dispute shall not interfere with or limit Contractor's right to remedy an alleged default of Subcontractor in accordance with this Subcontract.

28. EARLY TERMINATION. If Owner terminates the Contract or stops the Work for a reason other than the default of Contractor, Contractor may terminate this Subcontract or stop the Work for the same reason, and Subcontractor's rights and remedies (including the basis for compensation) shall be limited to the corresponding rights and remedies available to Contractor under the Contract Documents. In no event shall Subcontractor be entitled to consequential damages, or loss of profits on portions of the Work not yet performed.

29. TERMINATION FOR CONVENIENCE. The Contractor may, at any time, by written notice to Subcontractor, terminate (without prejudice to any other right or remedy of Contractor) the whole or portion of this Subcontract for the convenience of the Contractor. Upon receipt of such written notice, Subcontractor will cease all construction and will take all necessary steps to protect the Work place, material and equipment; in addition, it will assign such of its Purchase Orders to the Contractor as Contractor may direct and notify all Sub-subcontractors of the written notice to stop operations and cancel or assign such Sub-subcontracts to the Contractor, as directed by the Contractor; in addition, Subcontractor will transfer title to all Work, services, uncompleted Work, supplies or any other material produced or services performed or acquired for the Work terminated as Contractor may direct and complete performance of any Work not terminated. In such event, Subcontractor will be compensated only for reasonable costs, and a reasonable overhead and profit on the acceptable performed Work and/or materials furnished for the Work to the date of termination, less any payments made to the Subcontractor by Contractor on account thereof, provided, however, no payment, partial or final, shall be due or owed to the Subcontractor from Contractor or Contractor's surety unless and until, as a condition precedent, Contractor receives payment for Subcontractor's Work from the Owner. In no event shall the total sums paid to Subcontractor exceed the Subcontract Price. In the event any exercise by Contractor of its remedies under any provision for termination of this Subcontract shall be determined to have been wrongful, the associated termination shall be deemed to have been a termination for the convenience of the Contractor under this Article.

30. NOTICES. All written notices provided for in this Subcontract or in the Contract Documents shall be deemed given if hand-delivered at the job site, or sent by trackable parcel delivery service (e.g., USPS Priority Mail, FedEx, UPS) (with written confirmation of delivery), or sent by electronic mail (e-mail) to the e-mail address(es) of the Subcontractor's Owner, Project Manager and/or Superintendent utilized by said personnel to so communicate during the prior pendency of the Project. Either party may from time to time, by notice to the other as herein provided, designate a different address to which it will receive notices.

31. SECURITY. Subcontractor agrees the prevention of all theft-related losses within its Work areas is its responsibility, even if Contractor establishes a security program for the entire Project. Subcontractor shall take any and all steps necessary and establish controls/safeguards to prevent theft-related losses within its Work areas. Finally, Subcontractor agrees that it shall report any information related to criminal acts to Contractor's security personnel upon their discovery.

32. MISCELLANEOUS.

- a) This Subcontract shall be governed by, and all matters relating to the validity, performance, or interpretation of this Subcontract shall be determined in accordance with, the laws of the State of Alabama.
- b) Neither Contractor nor its affiliates, successors or assigns shall be liable to Subcontractor, or its affiliates, successors or assigns, and Subcontractor expressly waives and releases any claims against Contractor any rights or claims for the recovery of, any incidental damages, consequential damages, indirect damages, special damages, or punitive damages.
- c) This Subcontract, including the documents incorporated herein by reference, embodies the entire agreement of the Parties and supersedes all prior negotiations, agreements, and understandings relating to its subject matter.
- d) This Subcontract may not be changed in any way except as herein provided or by a writing signed by a duly-authorized officer, agent or representative of each party, which shall include their Project Manager, Superintendent and/or President. No requirement of this Subcontract may be waived except in writing signed by a duly-authorized officer, agent or representative of the waiving party.
- e) The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.
- f) Where the context requires, terms used herein shall include the masculine and feminine, and singular terms shall include the plural, and vice versa.

IN WITNESS WHEREOF, the parties have duly executed this Subcontract as of the date referenced on Page 1 of this agreement.

SHELBY COMPANY LLC

Signed by:



487AA2D42686463...

BY: Sean Doody

ITS: Vice President of Chattanooga

DATE:

12/30/2025

READ WINDOW PRODUCTS LLC

DocuSigned by:



EEBA3EB1F3E545F...

BY: Ember Murphy

ITS: Controller

DATE:

12/30/2025

SCOPE OF WORK (Inclusions and Exclusions)

Inclusions

Material and installation of 4ea window blinds for the office area of Becknell Industrial (Will send \$260 change order if the split blind option is accepted)

Additional specific inclusions:

- Daily cleanup associated with this work is mandatory to maintain a clean and professional job site, including cleaning of entrances and public roadways surrounding the jobsite affected by demo and electrical scope of work.
- Includes all necessary material, tools, labor, equipment, scaffolding, lifts and hoisting, and competent supervision to accomplish this scope of work.
- All work by this subcontractor to be in accordance with state, local, federal, EPA and OSHA Regulations.
- Work to be accomplished in accordance with the Overall Project Schedule (OPS).
- Submit a Certificate of Insurance (COI) per requirements outlined within this contract to insurance@shelbygc.com
- Any changes to the scope of work within this contract that affect the contract price must be authorized by the Shelby Project Manager in writing.
- Provide submittal data immediately for verification/approval.

Exclusions

Schedule B

Drawing Log

Discipline	Drawing No.	Drawing Title	Revision	Drawing Date	Received Date	Set Name
Architectural	A000	COVER SHEET	0	5/30/2025	7/2/2025	Permit
Architectural	A001	ACCESSIBILITY DETAILS	0	5/30/2025	7/2/2025	Permit
Architectural	A010	ARCHITECTURAL SITE PLAN	0	5/30/2025	7/2/2025	Permit
Architectural	A011	SITE IMPROVEMENT PLAN	0	5/30/2025	7/2/2025	Permit
Architectural	A012	SITE MANEUVERING EXHIBIT	0	5/30/2025	7/2/2025	Permit
Architectural	A020	LIFE SAFETY PLAN	0	5/30/2025	7/2/2025	Permit
Architectural	A050	DEMOLITION PLANS	0	5/30/2025	7/2/2025	Permit
Architectural	A051	ENLARGED DEMOLITION PLANS	0	5/30/2025	7/2/2025	Permit
Architectural	A100	FLOOR PLANS	0	5/30/2025	7/2/2025	Permit
Architectural	A400	ENLARGED PLANS	0	5/30/2025	7/2/2025	Permit
Architectural	A500	DETAILS	0	5/30/2025	7/2/2025	Permit
Architectural	A600	DETAILS AND SCHEDULES	0	5/30/2025	7/2/2025	Permit
Architectural	A610	DETAILS AND SCHEDULES	0	5/30/2025	7/2/2025	Permit
Architectural	A700	GENERAL NOTES & SPECIFICATIONS	0	5/30/2025	7/2/2025	Permit
Electrical	E0.1	ELECTRICAL PROJECT SCHEDULES AND NOTES	0	5/30/2025	7/2/2025	Permit
Electrical	E1.1	ELECTRICAL FLOOR PLAN	0	5/30/2025	7/2/2025	Permit
Electrical	E2.1	ENLARGED OFFICES ELECTRICAL PLAN	0	5/30/2025	7/2/2025	Permit
Electrical	E3.1	MECHANICAL POWER PLAN	0	5/30/2025	7/2/2025	Permit
Electrical	E4.1	ELECTRICAL SERVICE RISER DIAGRAM	0	5/30/2025	7/2/2025	Permit
Electrical	ES1.1	ELECTRICAL SITE PLAN	0	5/30/2025	7/2/2025	Permit
Mechanical	M001	MECHANICAL SCHEDULES & NOTES	0	5/30/2025	7/2/2025	Permit
Mechanical	M002	MECHANICAL DETAILS	0	5/30/2025	7/2/2025	Permit
Mechanical	M100	MECHANICAL OFFICE PLAN	0	5/30/2025	7/2/2025	Permit
Mechanical	M101	MECHANICAL PLAN	0	5/30/2025	7/2/2025	Permit
Plumbing	P001	PLUMBING NOTES AND DETAILS	0	5/30/2025	7/2/2025	Permit
Plumbing	P002	PLUMBING SPECS	0	5/30/2025	7/2/2025	Permit
Plumbing	P100	OVERALL PLUMBING PLAN	0	5/30/2025	7/2/2025	Permit
Plumbing	P101	ENLARGED PLUMBING PLANS	0	5/30/2025	7/2/2025	Permit
Plumbing	P102	PLUMBING ISOMETRICS	0	5/30/2025	7/2/2025	Permit
Plumbing	PD100	PLUMBING DEMO PLANS	0	5/30/2025	7/2/2025	Permit

Specification Log

In Drawings

Schedule E



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERs NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Agent's Name Address City, State, Zip Code	CONTACT Agent Name and Contact Information NAME: _____	
	PHONE (A/C, No. Ext): _____	FAX (A/C, No): _____
INSURED Subcontractor's Name (Legal Name as listed on Subcontract) Address City, State, Zip Code	INSURER(S) AFFORDING COVERAGE	
	INSURER A: ABC Ins. Company (AM Best Rating - A-VII Min)	Must List
	INSURER B: DEF Ins. Company (AM Best Rating - A-VII Min)	Must List
	INSURER C: GHI Ins. Company (AM Best Rating - A-VII Min)	Must List
	INSURER D: JKL Ins. Company (AM Best Rating - A-VII Min)	Must List
	INSURER E: _____	_____
	INSURER F: _____	_____

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:				
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.								
INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	X X	Insert Policy # MM/DD/YYYY	MM/DD/YYYY	MM/DD/YYYY	MM/DD/YYYY	EACH OCCURRENCE	\$2,000,000	
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000	
						MED EXP (Any one person)	\$5,000	
						PERSONAL & ADV INJURY	\$2,000,000	
						GENERAL AGGREGATE	\$2,000,000	
						PRODUCTS - COMP/OP AGG	\$2,000,000	
	\$							
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X X	Insert Policy # MM/DD/YYYY	MM/DD/YYYY	MM/DD/YYYY	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000		
					BODILY INJURY (Per person)	\$1,000,000		
					BODILY INJURY (Per accident)	\$1,000,000		
					PROPERTY DAMAGE (Per accident)	\$1,000,000		
						\$		
						\$		
UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X X	Insert Policy # MM/DD/YYYY	MM/DD/YYYY	MM/DD/YYYY	EACH OCCURRENCE	\$5,000,000		
					AGGREGATE	\$5,000,000		
						\$		
						\$		
						\$		
						\$		
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N <input type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	Insert Policy # MM/DD/YYYY	MM/DD/YYYY	MM/DD/YYYY	X WC STATUTORY LIMITS	OTHE- R	
						E.L. EACH ACCIDENT	\$1,000,000	
						E.L. DISEASE - EA EMPLOYEE	\$1,000,000	
						E.L. DISEASE - POLICY LIMIT	\$1,000,000	
Professional Liability Pollution Liability		Insert Policy #	MM/DD/YYYY	MM/DD/YYYY	(If Required)	\$3,000,000		
		Insert Policy #	MM/DD/YYYY	MM/DD/YYYY	(If Required)	\$2,000,000		
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)								
Required: Project (Name of Job) Shelby General Contractors and its affiliated companies, owner, and all parties required of Shelby and by the Owners Prime Contract, are named as additional insured(s) as, Respects to General Liability, Automobile Liability and Excess Liability. Coverage afforded the Additional insured(s) is on a Primary, And Non-Contributory basis before any other insurance maintained by them. General Liability provided to the Additional Insured(s) does include completed operation coverage., A Waiver of Subrogation applies in favor of certificate holders with respects to all policies. Workers Compensation provides coverage for WC benefits to the state, Where the project is located and includes coverage for all employees including owners and officers. The Umbrella Liability is follow form., The policies above have been endorsed to provide a 30-day cancellation, non-renewal or reduction of coverage to Shelby General Contractors								

CERTIFICATE HOLDER			CANCELLATION		
Shelby Company LLC 3120 4th Avenue South Birmingham AL 35233			<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p>		

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Schedule E

AGENCY CUSTOMER ID: _____
LOC #: _____

ADDITIONAL REMARKS SCHEDULE

Page ____ of ____

AGENCY		NAMED INSURED Subcontractor (Vendor)	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: _____ FORM TITLE: _____

Example A

Job Specific Standard

Project: (Name of Job)
 Shelby Company LLC and its affiliated companies, owner, and all parties required of Shelby Company LLC by the Owners Prime Contract are named as additional insured(s) with respects to General liability, Automobile Liability and Excess Liability. Coverage afforded the Additional Insured(s) are on a Primary and Non-Contributory basis before any other insurance maintained by them. General Liability coverage provided to the Additional Insureds includes completed operations coverage. A Waiver of Subrogation applies in favor of certificate holders with respects to all policies. Workers Compensation provides coverage for WC benefits of the state where the project is located and includes coverage for all employees including owners and officers. The Umbrella Liability policy is follow form. The policies above have been endorsed to provide a 30-Day notice of cancellation, non-renewal or reduction of coverage to Shelby Company, LLC.

Example B (where applicable)

Job Specific EIFS Coverage:

No EIFS Exclusions are included in the General Liability policy referenced above - plus Job Specific Standard wording above

Example C (where applicable)

Job Specific Asbestos Abatement

Project: (Name of Job)

No Exclusions for Asbestos Abatement are included in the General Liability policy referenced above - plus Job Specific Standard wording above