

5. PROGRESS PAYMENTS AND CONDITIONS OF PAYMENT

Subcontractor will adhere to the SUBCONTRACTOR INVOICING PROCEDURES MANUAL for progress payments, attached to and made a part of this subcontract as Exhibit A.

6. PROGRESS SCHEDULE AND REQUIREMENTS

The Subcontractor expressly covenants and agrees to keep himself thoroughly informed as to the progress of the job, to begin work within 2 days after notification by the Contractor, to prosecute the work diligently, continuously and uninterruptedly with all possible speed, and to complete the entire work covered by this Subcontract at such time as to not interfere with or delay performance of the General Contract or the work of any other Subcontractor. In the event the Subcontractor fails to carry on such work at such rates of progress as are specified under the terms hereof, the Contractor may at its option require the Subcontractor to increase the number of men and/or the amount of equipment employed in the performance of said work. The Subcontractor agrees to reimburse the Contractor for any penalties or liquidated damages for delay that the Contractor may be required to pay to the Owner as a result of the Subcontractor's failure to perform and/or complete this work within the time specified. The Subcontractor acknowledges that the completion date provided for in the General Contract and time table or progress chart or schedule for the performance of the work prepared by the Contractor are reasonable and thoroughly understood.

7. MATERIALS

The Subcontractor agrees to furnish all materials, supplies, including samples required to properly carry out and perform the work specified herein, and upon request to furnish the Contractor with copies of purchase orders, invoices, correspondence and other evidence of source, date of procurement, expediting effort, and date and method of shipment for all materials incorporated into the work. The Subcontractor agrees to include in all his purchase orders and subcontracts for materials or services for this project the provisions of the General Contract and this Subcontract, the Contract Number, project title, and priority rating, if any. The Subcontractor agrees to furnish materials strictly complying to the requirements, plans, specifications, and approved submittals, and to promptly replace any material rejected by the Owner or the Owner's representative. The approval by the Contractor or Owner of shop drawings, manufacturer's literature, etc., or the incorporation of the material into the work, shall not relieve the Subcontractor from furnishing materials conforming to the aforementioned requirements. The subcontractor agrees to pay all freight, storage, taxes, or other incidental expenses associated with his materials. All material stored at the job shall be at the risk of the Subcontractor and stored only where and when directed by the CONTRACTOR. The CONTRACTOR assumes no responsibility of liability for materials received or stored by it on behalf of and in accommodation to the SUBCONTRACTOR.

8. WORKMEN

The SUBCONTRACTOR will employ only qualified, experienced, sober mechanics of the proper trades in sufficient numbers to accomplish the work in the required time. The CONTRACTOR may require the SUBCONTRACTOR to increase the number of workmen or hours of work necessary to bring the work in the required time. The CONTRACTOR may require the SUBCONTRACTOR to increase the number of workmen or hours of work necessary to bring the SUBCONTRACTORS'S progress up to the prescribed schedule. The CONTRACTOR may require the removal from the job any workmen the CONTRACTOR reasonably finds objectionable.

9. TOOLS AND EQUIPMENT

The SUBCONTRACTOR agrees to furnish and maintain in first-class operating condition a sufficient amount of equipment, machinery, tools and implements of the proper type necessary to perform the work herein specified. The SUBCONTRACTOR shall not place on the work any equipment of which he is not the sole owner, unless he obtains written permission from the CONTRACTOR. The SUBCONTRACTOR assumes full responsibility for loss or damage of any nature to his equipment while in use or stored at the jobsite. Unless otherwise provided, the SUBCONTRACTOR shall furnish, erect, dismantle, and remove such scaffolding, ladders, runways, staging, etc., as may be required by his work.

10. SUPERVISION

The SUBCONTRACTOR shall give his personal superintendence to the work or have a competent foreman or superintendent, satisfactory to the CONTRACTOR, on the work at all times during construction, with authority to act for him.

11. INSURANCE AND LIABILITY FOR LOSS

The SUBCONTRACTOR shall purchase and maintain insurance of the following types of coverage and limits of liability, or the limits in the General Contract between the Contractor and the Owner, whichever is greater:

- 11.1. Commercial General Liability (CGL) with limits of Insurance of not less than \$1,000,000 each occurrence and \$2,000,000 Annual Aggregate.
 - A. If the CGL coverage contains a General Aggregate Limit, such General Aggregate shall apply separately to each project.
 - B. CGL coverage shall be written on ISO Occurrence form CG 00 01 1093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury.
 - C. General Contractor, Owner and all other parties required of the General Contractor, shall be included as insured on the CGL, using ISO Additional Insured Endorsement CG 20 10 11 85 or an endorsement providing equivalent coverage to the additional insured. This insurance for the additional insured shall be as broad as the coverage provided for the named insured subcontractor. It shall apply as Primary Insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured.
 - D. Subcontractor shall maintain CGL coverage for itself and all additional insured for the duration of the project and maintain Completed Operations coverage for itself and each additional insured for at least 3 years after completion of the Work.
- 11.2 Automobile Liability
 - A. Business Auto Liability with limits of at least \$1,000,000 each accident.
 - B. Business Auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.
 - C. General Contractor, Owner and all other parties required of the General Contractor, shall be included as insured on the auto policy.

11.3. Commercial Umbrella

- A. Umbrella limits must be at least \$1,000,000.
- B. Umbrella coverage must include as insured all entities that are additional insured on the CGL.
- C. Umbrella coverage for such additional insured shall apply as primary before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverage maintained by the Subcontractor.

11.4. Workers Compensation & Employers Liability

- A. Employers Liability Insurance limits of at least \$500,000 each accident for bodily injury by accident and \$500,000 each employee for injury by disease.
- B. Where applicable, U.S. Longshore and Harborworkers Compensation Act Endorsement shall be attached to the policy.
- C. Where applicable, the Maritime Coverage Endorsement shall be attached to the policy.

11.5. Waiver of Subrogation

Subcontractor waives all rights against Contractor, Owner and Architect and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by commercial general liability, commercial umbrella liability, business auto liability or workers compensation and employers liability insurance maintained per requirements stated above.

11.6. Notification of Cancellation, Non-Renewal or Material Change in Coverage

Subcontractor's General Liability, Automobile Liability, Umbrella Liability and Worker's Compensation policies shall be endorsed to state that Contractor will be notified at least 30 days in advance in the event of cancellation, non-renewal or material change in coverage of said policies and the subcontractor will replace "will endeavor" with "must notify" in their Certificate of Insurance.

11.7. CERTIFICATES OF INSURANCE

Certificates of Insurance requirements are provided in Attachment A to this Subcontract

12. TAXES

The SUBCONTRACTOR agrees to pay and does hereby accept full and exclusive liability for any and all taxes, contributions, fees, permits, licenses, fines, duties, excises, etc., occasioned by his work regardless of by whom imposed and regardless of how measured.

13. CLEANUP

The SUBCONTRACTOR shall clean up and remove from the site as directed by the CONTRACTOR, all rubbish and debris resulting from his work. He shall clean up to the satisfaction of the inspectors, all dirt, grease, marks, etc., from walls, ceilings, floors, fixtures, etc., deposited or placed thereon as a result of the execution of this Subcontract. If the SUBCONTRACTOR refuses or fails to perform this cleaning as directed by the CONTRACTOR, the CONTRACTOR shall have the right and power to proceed with said cleaning, and the SUBCONTRACTOR will on demand repay to the CONTRACTOR 5 times actual cost of said work which includes such cost to cover supervision, insurance, overhead, etc.

14. SUBCONTRACTOR'S ACCEPTANCE OF THE WORK OF PRECEDING TRADES

The SUBCONTRACTOR shall satisfy himself as to the acceptability of the work or surfaces to which his work is to be applied or affixed, and shall advise the CONTRACTOR in writing of any unsatisfactory conditions therein. Commencement of the work by the SUBCONTRACTOR shall be construed as acceptance by him of the preceding work.

15. CHANGES AND EXTRAS

CONTRACTOR may, at any time, by written order and without notice to the Sureties, make changes in the work which the SUBCONTRACTOR shall proceed with as directed. If such changes cause and increase or decrease in the Contract price or in the time required for performance, an equitable adjustment shall be made and this Contract shall be modified in writing accordingly, all subject, however, to the terms of Section 18 below. However, nothing herein contained shall excuse the SUBCONTRACTOR from proceeding with the prosecution of the work as changed.

16. BACK CHARGES

The SUBCONTRACTOR agrees to pay BACK CHARGES for any special services, equipment, cleanup, or any cutting, patching, and repairs made necessary by the omissions, mistakes, accidents, or negligence of the SUBCONTRACTOR. Commensurate with the urgency, nature and scope of the back charge, the CONTRACTOR shall give the SUBCONTRACTOR advance notice of the intended back charge, but such advance notice shall not be a prerequisite for making such back charge against the SUBCONTRACTOR.

17. CLAIMS

The SUBCONTRACTOR agrees to make any claims for extensions of time, additional work, changed conditions or damages for delays, or otherwise, to the CONTRACTOR in the same manner as provided in the General Contract like claims of the CONTRACTOR upon the OWNER, and in such time as will enable the CONTRACTOR to transmit such claims to the OWNER for payment or recognition: and the CONTRACTOR will not be liable to the SUBCONTRACTOR on any claim not timely for properly submitted, or until allowed by the OWNER. In case of any dispute arising under the General Contract, SUBCONTRACTOR agrees to be bound to Owner by the terms of the General Contract and by any and all decisions or determination made hereunder by the party or board so authorized in the General Contract. SUBCONTRACTOR also agrees to be bound to CONTRACTOR to the same extent the CONTRACTOR is bound to OWNER by the decision of a court or board of competent jurisdiction, whether or not SUBCONTRACTOR is a party to such proceeding. If such dispute is prosecuted or defended by CONTRACTOR against OWNER under the terms of the General Contract or in court action, SUBCONTRACTOR agrees to furnish all documents, statements, witnesses and other information required by CONTRACTOR for such purpose and to pay or reimburse CONTRACTOR for all expense costs, and attorney's fees incurred in connection therewith. It is expressly understood that as to any and all work done and agreed to be done by the SUBCONTRACTOR, and as to any and all materials for services furnished or agreed to be furnished by Subcontractor, and as to any and all damages, if any incurred by Subcontractor, in connection with this construction project, Contractor shall never be liable to Subcontractor to any greater extent than Owner is liable to Contractor. No dispute shall interfere with the progress of construction and Subcontractor shall proceed with its work as directed.

18. ASSIGNMENT OR SUBLETTING

The Subcontractor agrees not to assign this Subcontract or any money due or to become due to the Subcontractor or to subcontract any portion of the work covered by this Subcontract without first obtaining the Contractor's written consent.

19. APPLICABLE DOCUMENTS

Insofar as the provisions of the General Contract do not conflict with the specific provisions herein contained, they and each of them are hereby incorporated into this Subcontract as fully as if completely written herein. The Subcontractor agrees that he will perform this agreement so as not to violate any terms of the General Contract. The relationship of the Subcontractor hereunder towards the Contractor shall be the same as that of the Contractor towards the Owner under said General Contract and the relationship of the Contractor hereunder to the Subcontractor shall be the same as that of the Owner towards the Contractor under the General Contract. This Subcontract is predicated upon all documents comprising the General Contract, a copy of which is available for inspection at the offices of the Contractor, and shall include all drawings and revisions thereto, all specifications including addenda and amendments thereto, and all contract modifications dated on or prior to the date of this Subcontract. The Subcontractor acknowledges that he is thoroughly familiar with the requirements of these documents, site conditions, job requirements, availability of labor and materials in the locality of the project and his acceptance of this Subcontract is based solely on his own knowledge and judgment and not on the representation of the Contractor, Owner, or other parties.

20. PRECEDENCE OF THIS SUBCONTRACT

This Subcontract takes precedence over all proposals, correspondence, and oral agreements made prior to the date hereof and constitutes the entire understanding and agreement of the parties.

21. SUBCONTRACTOR'S RELATIONSHIP TO OWNER

The Subcontractor will have no direct dealing with the owner during the life of this Subcontract. All submittals, correspondence, changes, extras, payroll reports, claims, complaints, and any other matters will be directed to and through the Contractor. The Subcontractor and his representatives are cautioned against expressing to the Owner or his agent any unfavorable opinions concerning the workmanship, progress, management, procedures, or organization, etc., of the Contractor or any other subcontractors or trades employed on the work.

22. GUARANTEES

The Subcontractor agrees to guarantee the workmanship and materials against defects as provided for in the General Contract, but in any event not less than for a period of one year from the date of final acceptance of the overall project. Subcontractor agrees to furnish all guarantees, bonds, operating instructions, etc., as required by the specifications and/or General Contract.

23. SANITARY FACILITIES

The Contractor shall furnish to the Subcontractor at the job site unless otherwise provided, sanitary toilet facilities. These facilities will be available at the location selected by the Contractor, and shall be of the type determined by the Contractor. The Contractor assumes no liability for injury or damage arising out of the use of these facilities by the Subcontractor.

24. SAFETY REQUIREMENTS AND LABOR PROVISIONS

The subcontractor agrees to abide by and comply with all FEDERAL and state labor, occupational, safety and health laws and the safety programs prescribed by the Owner and/or the Contractor shall insure that all machines are property equipped with the manufacturer's recommended guards and safety devices, are in safe condition, and operated in the prescribed manner. The Subcontractor agrees to comply with all Labor Standard Provisions, and all Equal Opportunity non-discrimination and non-segregation clauses of the General Contract which by reference are incorporated herein. In the absence of any labor provisions in the prime contract the Subcontractor agrees to be bound by regulations prescribed by law in the locality of the job site, including but not limited to, the Fair Labor Standard Act, the Civil Rights Act of 1964, and the Occupational Safety and Health Act of 1970. Subcontractor shall be liable to Contractor for any damages or delays resulting from Subcontractor's failure to comply with such laws and/or requirements. In the prosecution of the Work, Subcontractor agrees to recognize and comply with all agreements of the Contractor with local trade councils and/or separate unions concerning labor and working conditions and otherwise applicable to this work, insofar as these agreements do not conflict with or violate any local, State or Federal laws or properly constituted orders or regulations pertaining to this project. Subcontractor is familiar with the applicable local, State and/or Federal laws in relation to wages and hours, and where such laws apply to the work, the Subcontractor shall comply with the terms and provisions thereof and shall hold the Contractor harmless from any loss, liability, and expense arising out of any violations of the same by the Subcontractor.

25. HOLD HARMLESS

The Subcontractor agrees to assume the entire responsibility and liability for all damages or injury to all persons, and to all property, arising out of or in any manner connected with the execution of the Work under this Subcontract and to the fullest extent permitted by law.

The Subcontractor agrees to assume entire responsibility and liability for all damages or injury to all persons, whether employees or otherwise, and to all property arising out of or in any manner connected with the execution of the "Work" under this Subcontract.

The Subcontractor's obligation under this section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Subcontractor under worker's or workmen's compensation acts, disability benefit acts or other employee benefits acts. The Subcontractor shall defend and indemnify the Contractor from all such claims, including without limitation, claims for which the Contractor may or may be claimed to be liable in whole or in part, and legal fees and disbursements paid or incurred to defend any such claims, as well as legal fees paid or incurred in connection with enforcing the provisions of this section. The Subcontractor further agrees to obtain, maintain and pay for such general liability insurance coverage as will insure the provisions of this section and other contractual indemnification assumed by the Subcontractor in this Subcontract.

26. SHOP DRAWINGS AND REPORTS

The Subcontractor agrees to submit promptly and accurately in the prescribed form, number, manner and time, all shop drawings, as-built drawings, payroll reports, certificates, guarantees, descriptive literature, cuts, operating instructions, test reports, or other documents required by the General Contract. The Subcontractor agrees to reimburse the Contractor for any expense, interest, or penalties occasioned by the Contractor by the delay, inaccuracy, omissions, or negligence on the part of the Subcontractor in connection with the submission of the aforementioned documents.

27. DEFAULTS BY SUBCONTRACTOR

Should the Subcontractor fail to deliver any part of the necessary materials and/or perform any part of the necessary work within the time schedule prescribed by the Contractor in Section 7 above, or fail to perform or comply with any term, covenant, or condition contained in this Subcontract or in the General Contract, or abandon the work, or shall become insolvent or shall appear insolvent in the opinion of the Contractor, or shall have a claim or lien filed on or against him, or have a judgment filed against him, or make an assignment for benefit of creditors, or have a petition in bankruptcy filed by or against him, or shall die or become mentally or physically disabled, the Contractor shall have the right, if he so elects, to declare this Subcontract in default by CERTIFIED MAIL/ RETURN RECEIPT REQUESTED to the Subcontractor at his last known address. Unless the subcontractor corrects such default or satisfies the Contractor of his ability to do so within 72 hours after such CERTIFIED MAIL/RETURN RECEIPT REQUESTED notice, the Contractor may, if he so elects, and without prejudice to any other right or remedy it may have, terminate this Subcontract and take whatever steps it deems advisable to secure necessary labor and material by contract or otherwise, and it may take over, with all rights and title thereto, all of said Subcontractors equipment, tools, supplies on the job site or en route thereto, and may prosecute the work to completion. All monies expended therefore including (but not restricted to) cost of supplies, equipment, materials, subcontracts, labor, administration, supervision, utilities, claims against the Subcontractor, overhead, travel, legal and accounting fees, and other costs and expenses incurred by the Contractor, or for which it may be liable, shall be deducted from the subcontract price herein stated, and if such expenditures exceed the amount otherwise due to the Subcontractor hereunder, the Subcontractor agrees to pay the Contractor on demand the full amount of such excess, together with interest thereon at the rate of 12% per annum (but not to exceed the legal rate allowable by contract if less than 12%) until paid, or, in case of any default on the part of the Subcontractor, the Contractor may exercise any other right or remedy available to him. In the event of a breach of this Subcontract, or any of its provisions by the Subcontractor resulting in litigation by the Contractor to enforce its rights, the Subcontractor agrees to pay to the Contractor a reasonable fee for its attorney's services, which fee may be recovered in the same suit as a part of the Contractor's cause of action.

28. TERMINATION FOR THE CONVENIENCE OF OWNER

Should the Owner terminate the General Contract or abandon the project for any reason, the Subcontractor shall be entitled to receive only such compensation as is provided under the termination clause of the General Contract, or in the absence or inapplicability of such clause, the Subcontractor shall receive only his pro rata share of any termination payments or salvage received by the Contractor. In any event, the Contractor's obligation of liability to the Subcontractor is limited to the amount determined and paid by the Owner or the pro rate share of any proceeds from the sale, disposal, or salvage of the project.

29. TERMINATION FOR THE CONVENIENCE OF THE CONTRACTOR

Notwithstanding any other provision of this Subcontract to the contrary, Contractor may, upon written notice to Subcontractor, terminate this agreement for Contractor's convenience in which event Contractor shall be liable only for the reasonable cost of the Subcontractor's work completed to date of termination in conformity with this agreement plus 15% of such costs for overhead and profit. There shall be deducted from such sum the amount of any payments made to Subcontractor prior to the date of termination. The subcontractor shall not be entitled to any claim for additional compensation or damages in the event of such termination and payment.

30. ARBITRATION

If at any time any controversy shall arise between the Contractor and Subcontractor with regard to any matter or thing with respect to this Subcontract, including (but not restricted to) the formation of this agreement or the construction of any part thereof, and which the parties do not promptly adjust and determine, or which is not controlled or determined by Section 18 above or other provisions of this Subcontract, then the written orders of the Contractor shall be followed and said controversy shall be decided by arbitration before the final settlement is made between the Contractor and the Subcontractor. Arbitration proceedings will be in accordance with the Rules of the American Arbitration Association; provided, however where the General Contract between the Owner and Contractor provides for arbitration, the methods of appointing arbitrators and proceeding with the arbitration shall be the same as in the General Contract or in accordance with the Rules of the American Arbitration Association, as Contractor may elect. Judgment upon the award rendered by the Arbitrator (s) may be entered in any Court having jurisdiction thereof. No dispute shall interfere with the progress of the general construction and necessary work shall proceed under direction of the Contractor. Except for fraud or a decision so grossly erroneous as to imply bad faith the decision of the Arbitrators (s) shall be final and shall be binding upon the parties in dispute. The arbitration proceedings shall be conducted in Leesville, Louisiana, and the resulting decision shall be a condition precedent to any legal proceedings under the Subcontract, unless waived in writing by both parties to the Subcontract. Award by the panel may include an amount for reasonable attorney's fees.

31. DEFECTIVE MATERIALS AND/OR WORKMANSHIP

The Subcontractor shall promptly amend and make good any defective materials and/or workmanship to the entire approval and acceptance of the Contractor, Owner and/or Architect and their authorized representatives. Should the Subcontractor refuse or neglect to proceed at once with the correction of rejected or defective materials and/or workmanship after receiving notice to do so, it is agreed that the contractor shall have the right and power to have the defects remedied or changes made at the expense of the Subcontractor, and the Subcontractor agrees to pay the Contractor on demand any and all loss and/or expense paid or incurred by the Contractor in remedying such defects and/or making such changes, together with interest thereon at the rate of 12% per annum, (but not to exceed the legal rate allowed by contract if less than 12%) until paid, in addition to all other loss, damage and extra expense which Subcontractor may become liable for under this Subcontract. The Subcontractor warrants that he understands the Contractor's Quality Control Program and will comply and cooperate fully in achieving required quality levels.

32. USE OF CONTRACTOR'S EQUIPMENT

No one in the Contractor's employ has any right to grant the Subcontractor or his agents, contractors or employees, the right to use or ride on Contractor's material hoists, or other equipment, except the project manager or executive officers of the Contractor and then only in writing. The use by Subcontractor of any of Contractor's facilities including hoisting equipment, material, personnel or services whether given, loaned, or rented to Subcontractor and whether or not operated by Subcontractor is subject to Subcontractor's covenant to use any of the aforementioned at Subcontractor's risk and to take the same as is and only after Subcontractor is satisfied as to the condition thereof, and Subcontractor does hereby agree to indemnify and hold harmless Contractor from and against all claims, damages, liabilities, losses, cost and expenses (including but not restricted to costs of litigation) arising out of or claimed to have arisen out of death, injuries or damages to any and all persons and to any and all property in any way directly or indirectly caused or connected with such use of equipment, material, personnel, or services.

33. EXECUTION AND APPROVAL

This agreement is subject to immediate cancellation without notice at the option of the Contractor if not properly signed by Subcontractor and received in Contractor's main office within 10 days after transmittal to Subcontractor by Contractor. This agreement is subject to approval by Owner or its representative, and if not so approved will be canceled without further liability of either party to the other. Contractor shall have no obligation for any work performed or expense incurred by Subcontractor prior to signing this agreement by all parties and receipt of written notice to proceed with the work.

34. ACTS OR OMISSIONS OF OTHERS

The Contractor shall not be liable to this Subcontractor, his material men, laborers, or subcontractors for any damages, loss or expenses sustained by any of them resulting from acts or omissions whether or not negligent, failure to perform, delays in performance, or defaults of another subcontractor, material men, or supplier of service in connection with the provision and/or performance of any of the work covered by the General Contract.

35. WAIVER

Waiver of any breach hereof shall not constitute a waiver of any subsequent breach of the same or any other provision hereof.

36. CAPTIONS AND SECTION NUMBERS

The captions and section numbers of this agreement are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope of provisions thereof.

37. LICENSE

Subcontractor certifies that he is properly licensed under applicable laws of the State of Louisiana, and of the incorporated area where the work is to be performed, to perform the work set out herein, and that he will perform this contract in strict compliance with all applicable codes and ordinances.

38. EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

“Pat Williams Construction, Inc. will not discriminate against any employee or applicant for employment because of Race, Color, Religion, Sex, National Origin, and Handicap of Veteran Status. Pat Williams Construction, Inc. will take affirmative action to ensure that applicants for employment and employees are treated during employment without regard to their Race, Color, Religion, Sex, National Origin or Veteran Status. Such actions shall include, but not be limited to the following: employment upgrading, demotion, transfer, recruitment and recruitment advertising, layoff and terminations, rates of pay or other forms of compensation, and selection for training, including apprenticeship.”

39. STATUTORY EMPLOYER STATUS

The contractor as principal and subcontractor, whether as the direct or statutory employer, mutually agree that it is their intention and the intention of the contract between them, to recognize the contractor as the statutory employer of the subcontractors’ employees, whether direct or statutory, while subcontractor’s employees, direct or statutory are performing work or services with respect to this contract. It is also recognized that the work contemplated by this contract is a part of the trade, business or occupation of contractor; it is an integral part of or essential to the ability of contractor to generate its goods, products or services. It is the express intention of contractor and subcontractor that contractor as the statutory employer, shall, in accordance of L.R.S. 23:1061, be granted the exclusive remedy protections of L.R.S. 23:1032, and shall be liable to pay any employee employed in the execution of the work, or to his dependent compensation which it would have been liable to pay if the employee had been immediately employed by it. In the event contractor is required as the statutory employer to pay any workers’ compensation benefits, it shall be entitled to indemnity from subcontractor for such benefits.

40. SUBMITTALS

Subcontractors are responsible for insuring that all submittals for this project are in compliance with the complete submittal requirements of the General Conditions and of the specific submittal requirements of their Divisions. Subcontractor will review submittals prior to submitting to Contractor and sign them as reviewed. Submittals that have not been reviewed and signed off by the Subcontractor will be returned for review. Submittals direct from a supplier to the Contractor without first being reviewed and signed off by the Subcontractor will be returned to be reviewed. Incomplete submittals will not be reviewed and will be returned for completion. Submittals not provided in a timely manner, incomplete submittals and submittals that are noted for re-submittal do not release the Subcontractor from meeting construction scheduling.

41. RIGHT TO OFFSET

If more than one subcontract exists between Contractor and Subcontractor, Contractor may offset any claims by Subcontractor for monies due on one subcontract (including this Subcontract) with monies claimed due by Contractor from Subcontractor on any of the other projects for which a subcontract exists between them.

42. CLOSEOUT DOCUMENTS

Standard closeout documents (warranties, O&M manuals, etc.) are due to the Contractor with final applications for payment. Final payments and/or retainage payments will not be made until all required documents are received by the Contractor.

WARRANTY

FORM OF WARRANTY

PROJECT: _____

OWNER: _____

PROJECT MANAGER: _____

SUBCONTRACTOR: _____

DATE: _____

Know all men by these Presents that, in consideration of my (our) having been awarded the Contract for complete furnishing and installation of: _____

in conformity with the Plans and Specifications prepared by _____

Architect _____

and known as Project _____

We do hereby agree to return to the Project within three (3) working days upon notification by the Owner or Pat Williams Construction, Inc. that material and/or workmanship has proven faulty and to repair, replace, or otherwise make good to the full satisfaction of the Owner and/or Architect all such work without cost to the Owner.

This Agreement shall remain in full force and effect until:

Date: _____

Signed: _____

Subcontractor

By: _____

Witness: _____

Address: _____

Signed: _____

Project Manager

By: _____