



## **SUBCONTRACTOR'S MASTER AGREEMENT**

THIS MASTER AGREEMENT, by and between L.A. Perks Plumbing and Heating, Inc. dba L.A. PERKS PETROLEUM SPECIALISTS, "GENERAL CONTRACTOR" and the SUBCONTRACTOR

### **1. DEFINITIONS**

In this Master Agreement, the following terms shall have the following meanings:

- 1.1 "Subcontractor's Master Agreement" hereinafter referred to as "Master Agreement" "Subcontract" "Master Subcontract Agreement" or "Agreement" means this Agreement, the terms and conditions of the Agreement, and all other parts, other signed contracts, attachments, exhibits and schedules which together comprise the Master Agreement documents.
- 1.2 L.A. Perks Plumbing and Heating, Inc., dba "L.A. Perks Petroleum Specialists" hereinafter referred to "L.A. Perks Petroleum Specialists" "General Contractor" or "Contractor" or "L.A. Perks" unless stated otherwise means L.A. Perks Petroleum Specialists acting on its own behalf.
- 1.3 "Subcontractor" means the person, entity or company that enters into or is bound to this Master Agreement.
- 1.4 The "Prime Contract" "General Contract" or "Contract" shall mean that agreement between the Owner and the Contractor and is performing work at L.A. Perks request.
- 1.5 The "Owner" shall mean the client that L.A. Perks Petroleum Specialists (Contractor) may have a Contract with to perform the construction or services that will be identified in the Subcontract Agreement or Prime Contract Agreement, Fixed or Time and Material and made part of this Agreement.
- 1.6 The term "Work" or "Sublet Work" hereinafter may be referred to as "work" or "Sublet of Work" means all work to be performed by the Subcontractor under the Master Agreement, whether completed or partially completed and includes all other labor, materials, equipment and services provided by the Subcontractor to fulfill the Subcontractor's obligations. The work may constitute the whole or a part of the Subcontractor's effort.
- 1.7 "Work Documents" or "Subcontract" or "Work Release" means construction generated documents, which includes computer generated or assessable documents, which formalizes the agreement relative to the specific work and which shall be the only authorization for the work under this Master Agreement.
- 1.8 The "Drawings" are the graphic and pictorial portions of the Master Agreement Work.

1.9 Design Documents showing the design, location, and the dimensions of the work, generally including plans, elevations, sections, details, schedules and diagrams.

1.10 The "Specifications" or "Scope of Work" are that portion of the Master Agreement Work Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

2. MASTER AGREEMENT:

This Agreement represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral, covers and includes all work and services performed and to be performed by any Subcontractor under and in accordance with a written work document(s) given by L.A. Perks to Subcontractor from time to time during the term of this Agreement; provided, however, that this Agreement does not obligate L.A. Perks to order or authorize such work or services nor does it obligate Subcontractor to accept the same, it being the intent that this Agreement, together with any applicable work document, shall control and govern all work and services orders as authorized by L.A. Perks and accepted by Subcontractor and shall, during the term thereof, define the rights and obligations of L.A. Perks and Subcontractor with respect thereto. By execution of this Master Agreement, Subcontractor agrees to be bound to the Contractor by the terms of the Prime Contract that L.A. Perks has with any Owner, and assumes the Contractor's obligations and responsibilities which the Contractor, has to the Owner. This Agreement does not change or affect the rights of the Owner and Contractor as outlined in the Prime Contract with respect to the Work to be performed by the Subcontractor. Each party to this Agreement acknowledges that it is familiar with the terms of the Prime Contract and agrees that the Prime Contract (including the contract documents incorporated therein) is incorporated herein in its entirety for all purposes as if copied at length and attached hereto. In the event of a discrepancy between the Prime Contract and this Agreement, the Contractor shall at any time have the right to choose which shall control. This Agreement and applicable work documents, if any, shall not be construed to create a contractual relationship of any kind (1) between the Owner and Subcontractor or Sub-subcontractor, if any, (2) between the Owner and Contractor or (3) between any persons or entities other than the Contractor and Subcontractor. The Contractor is entitled to Subcontractor's performance of the obligations under the Prime Contract, intended to be facilitated by the Subcontractor.

3. SITE LOCATION(S):

Subcontractor shall be advised of the exact location(s) of the work as provided in the Subcontractor Agreement.

4. PROGRESS PAYMENTS

A. In accordance with the terms of an Issued Work Document and this Master Subcontract Agreement, L.A. Perks promises to pay Subcontractor for full, accurate and timely

performance of all work, in accordance herewith and as specified in the Work Documents. Prior to submission of Subcontractor's first Monthly Payment Request, Contractor may require Subcontractor to submit, for Contractor's approval, a payment breakdown listing the work done and the dollar value. This form, if required, shall be completed by Subcontractor each month to show the proportionate amount of each element completed to date and submitted to Contractor.

- B. Unless otherwise provided in the Work Documents, Subcontractor shall provide and pay for labor, insurance, bonds, materials/equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services and any other matters set forth in the Subcontract necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work, Subcontractor shall submit its monthly payment request on or before the 20<sup>th</sup> day of the month. Invoices received after this date will be considered as the next succeeding month's business. **The Subcontractor will provide a breakdown of Labor and Materials. The Subcontractor will provide lien waivers (releases) from any and all subcontractors and suppliers to show evidence that all amounts pertaining to the Project have been paid in full. If such lien waivers (releases) are not provided, Subcontractor will accept joint checks payable to the subcontractor and any sub-subcontractors and/ or suppliers who have performed work or provided materials for the Project in return for lien releases. All invoices submitted by the subcontractor shall be divided to show material and labor charges for the period invoiced, if so requested by Contractor.**
- C. Contractor shall retain not less than 10% of the gross amount of each Monthly Payment Request or 10% of so much thereof as is approved for payment, whichever is less; such sum shall be accumulated and not be released to Subcontractor until thirty (30) days after completion of the project.
- D. Provided there has been no breach , or default under this Master Agreement or Subcontract Agreement, Contractor shall make payment on the latter of the following dates:
1. On or before the 20<sup>th</sup> day of the following month;
  2. Within five days of receipt of like payment from Owner;
  3. Within five days of Subcontractor curing any breach of contract, including but not limited to having been notified of failure to perform pursuant to Article 17, notification of intent to file liens or other claims and of the filing of such license or other claims by sub-subcontractors and suppliers of Subcontractors, failure to provide required insurance and bonds, and failure to invoice in accordance with the terms of this Agreement. Partial Lien Waivers from each Subcontractor's subcontractors and suppliers shall constitute satisfactory evidence that all accounts have been paid in full.

**Notwithstanding the forgoing, Subcontractor agrees that Contractor shall never be obligated to pay Subcontractor under any circumstances, unless and until funds are received by Contractor in full from the owner or whomever is to be paying for the work being done, less any applicable retainage, covering the work and materials for which Subcontractor has submitted a payment request, Owner's payments to Contractor shall be a condition precedent to Contractor's obligation to pay Subcontractor and Subcontractor's right to receive payment. This paragraph shall not be construed as a time of payment clause. Subcontractor hereby acknowledges that it is assuming risk of non-payment by the owner or whomever is to be paying for the work done. This condition precedent also applies to Contractor's obligation to pay change orders, retainage or final payment, if any and Contractor's exercise of a right of offset shall not be a breach of any payment provision hereof, and shall not be construed as being in violation of Nevada law, Contractor shall never be obligated to pay retainage to Subcontractor until Contractor has received all of Contractor's retainage in full. This paragraph supersedes all other provisions of this Agreement, and any conflicting language shall be modified or deemed to be consistent herewith.**

- E. Monthly progress payments to Subcontractors shall in no way imply approval of Subcontractor's work:
- F. The Subcontractor may be paid for materials stored on the jobsite, in a bonded warehouse, or at the Subcontractor's facilities provided such payments are in accordance with the terms of the Prime Contract. In such cases insurance shall be provided with the Contractor and Owner's names on the policy. Subcontractor shall furnish detailed inventory, including invoices for all stored materials which Subcontractor has requested payment. Payment for stored materials shall not include any profit and overhead.
- G. Subcontractor acknowledges and agrees that's it failure to make timely payments to its subcontractors, laborers, material, men, suppliers or make any other payment(s) then due shall constitute breach of this Agreement. Subcontractor further acknowledges and agrees that the receipt of claims or liens by Contractor or Contractor's Surety, or owner from Suppliers and Sub-subcontractors cause unspecified administrative costs and reputation damages to Contractor. Subcontractor agrees that it will take every measure necessary to eliminate Supplier and Sub-subcontractor claims, and as a liquidated damage, agrees to have its Subcontract or Work Release price reduced by \$100.00 for each claim or lien received by Contractor, Owner, or Contractor's Surety relating to Subcontractor's accounts.

5. FINAL PAYMENT

Contractor shall make Final Payment to Subcontractor after the work is complete and accepted by Owner, or such others whose approval is required under the Prime Contract,

providing like payment shall have been made by Owner to Contractor, and further providing that Subcontractor shall have furnished Contractor with a Final Lien Waiver and satisfactory evidence that all labor and material and final obligations incurred by Subcontractor in connection with the work have been paid in full. Final Lien Waivers and/ or Suppliers Final Release Forms acceptable to Contractor from each of Subcontractor's Subcontractor and Supplier's or other obligee shall constitute satisfactory evidence that all accounts have been paid in full. In addition to Subcontractor, each Owner and Officer of Subcontractor is jointly and severally responsible for the full payment of any Supplier or Subcontractor bills, liens, or claims arising from this Agreement under the account of Subcontractor. Final payment shall be determined as a final and good faith settlement of all claims with Contractor, including therein claims for payment for extras, changes, and variations in Plans and site conditions.

6. PERFORMANCE:

- A. The Subcontractor shall supervise and direct the Work, using the Subcontractor's best skill and attention. The Subcontractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the work under this Master Agreement unless the documents give other specific directions concerning these matters. However, Contractor reserves the right to control and give directions as it deems necessary at anytime. The Subcontractor will only take directions from the Contractor, not the Owner or anyone else unless directed by the Contractor. The Subcontractors shall perform all work covered by this Agreement in complete accordance with all applicable standards and recommended practices and in accordance with all tolerances set forth in those standards and specifications. Subcontractor further agrees to perform the work in a safe, careful and workmanlike manner in accordance with the best construction practices and as may be required in the Prime Contract and this Agreement, and in strict accordance with the Prime Contract and Subcontract, and to assume and discharge all responsibilities which Contractor has assumed under the Prime Contract with respect to the Sublet Work, except as otherwise provided herein or by written and signed agreement with Contractor. Subcontractor agrees to procure materials and supplies in advance and to provide sufficient men, equipment and supervision to ensure that the Sublet of Work will be prosecuted diligently and coordinated with other work at the site and completed within the time-allotted and to accordance with the requirements of the Prime Contract. Subcontractor has satisfied itself, by its own investigation and research, regarding all the conditions affecting the work to be done and materials to be furnished, and as to the meaning and intention of the Prime Contract. Prior to Subcontractor's use or installation of materials or equipment furnished by Contractor or Owner, Subcontractor shall conduct such inspections and/or tests as it may require satisfying itself as to the quality and adequacy of the said material and equipment.
- B. The Subcontractor shall, as required, be responsible for unloading and hoisting all its materials, supplies, tools, and equipment in order to ensure timely completion of the

Sublet Work and in such manner as to not impede the Work or progress of any other contractor. Subcontractor shall execute a written agreement prior to use of Contractor's equipment with or without equipment operator.

- C. Subcontractor shall be responsible for maintain, protecting and/or operating Sublet Work during emergency conditions, abnormal weather conditions and routine startup operations and from all others and occurrences, even if not anticipated.
  - D. Subcontractor agrees to provide adequate manpower to coordinate and perform its Sublet Work in accordance with that being done by other trades on the job and without additional cost to Contractor for variance in hours of work per day or per week. Contractor reserves the right to approve or disapprove Subcontractor's personnel during the course of the Sublet Work, and may require the replacement of any person deemed unsatisfactory.
  - E. Contractor is dedicated to quality construction and Subcontractor's agrees to perform the Sublet Work in a manner consistent with quality standards as set out in the Contract Documents. If Contractor issues Supplemental Quality Assurance/ Quality Control Standards or other written directions, Subcontractor shall perform the Sublet Work in compliance and in accordance as required, even if modified.
  - F. Subcontractor, at its cost will maintain a neat working area and will not permit trash and debris to accumulate unreasonably, and will remove all trash and debris caused by its operations.
  - G. Subcontractor further agrees to comply with work rules imposed by Contractor or by Owner under the prime Contract, including but not limited to drug screening of workers and specialized safety training. Subcontractor agrees to actively support the Contractors Safety Program buy employed good safety practices, conducting weekly safety meetings, and further agrees to take corrective action immediately upon receipt of a Safety Citation from the Contractor. Subcontractor shall be responsible for the safety of persons and property including its employees and of its work area, including ingress and egress to and from the Work area. Questions regarding the application of work rules and safety standards will be directed to Contractor in writing.
7. SUBMITTALS AND APPROVALS:
- A. Subcontractor shall carefully examine Specifications requirements for approval material to submit such as shop drawings, data, schedules, samples, and other documents as may be required and any other things or matters the subcontractor did or should have received. Then Subcontractor shall submit such materials at its own expense and in such form as required by the Prime Contract in sufficient time to prevent delay in the delivery of such materials and the installation thereof. If "in place" or "as built" drawings are specified to be prepared, these shall be prepared and submitted to Contractor before Final Payment is requested.
  - B. Subcontractor, upon request shall submit as a minimum, One (1) sepia and Eight (8) prints of all shop drawings for approval and (1) sepia and Five (5) prints of approved shop drawings for field use.

- C. Subcontractor, upon request shall submit a list of Suppliers and Subcontractors, if any which it intends to use for the completion of its work under this contract within five (5) days from the date for any particular sublet of work is signed. Submitted Suppliers and/or Subcontractors shall be creditworthy and fully capable of timely performance. If in the sole judgment of Contractor, that one or more of the submitted Suppliers and/or Sub-subcontractors is unacceptable, Contractor shall notify Subcontractors of its decision, and Subcontractor shall procure replacement Suppliers and/or Sub-subcontractors for the Contractor's approval within five (5) days from the date of Contractor's notice. Such approval shall not be unreasonably withheld.

8. COMMENCEMENT AND COMPLETION OF THE WORK:

- A. Time is of the essence of this Agreement. Subcontractor agrees to supply materials, labor and equipment as necessary to commence the Sublet Work when directed by Contractor. Subcontractor shall diligently pursue the completion of the Sublet Work, and coordinate its Sublet Work with that being done on the Project by the Contractor and other trades so that its Sublet Work or the work of others shall not be delayed or impaired by any act or omission of an act by Subcontractor. Contractor shall have the right to decide the time or order which the various portions of the Work shall be installed or the priority of the work of other Subcontractors, and in general, all matters representing the timely and orderly conduct of the work of Subcontractors on the premises.
- B. Contractor may prepare a coordinated Progress Schedule in connection with each Work Release or series of Work Releases, and if it does so, Subcontractor is required to perform its work in accordance with such schedule as it may be reasonably modified by Contractor, Contractor may direct Subcontractor to take such steps as Contractor deems necessary to improve the rate of the progress of the Work, including requiring the Subcontractor to increase the number of shifts and/ or overtime operations, days of work, or other remedies, and to submit for approval a schedule demonstrating the manner in which the required rate of progress will be regained, without additional cost to Contractor. Contractor may require Subcontractor to do other work in preference to other parts of the Work, such part or parts of the Work as Contractor may specify. In the event Subcontractor is unable to maintain progress in accordance with the schedule, Subcontractor's time for completion may be extended for such amount of time as Contractor and Subcontractor agree to in writing, provided, that a time extension in at least the same amount of time is given by Owner to Contractor. Notification of delay must be given even if Subcontractor believes that the cause of delay is not its own. In such event, the Contractor, in its sole discretion, may grant more time. This time extension shall be the sole remedy for such delays, Subcontractor shall not be entitled to recover any other damages from Contractor.
- C. Subcontractor shall provide all schedule data and shall provide all periodic schedule update data required by Prime Contract, or by Contractor.

D. Compliance. NRS 108. Subcontractor is being informed that the Owner has or will be provided a letter informing and stating:

“To Owner: The provisions of NRS 108.245, a part of the mechanics’ and materialmen’s lien law of the State of Nevada, require, for your information and protection from hidden liens, that each person or other legal entity who supplies materials to or performs work on a construction project, other than one who performs only labor, deliver to the owner a notice of the materials and equipment supplied or the work performed. You may receive these notices in connection with the construction project which you propose to undertake.”

9. CHANGES IN THE WORK;

Subject to the terms of the Prime Contract, Contractor shall have the rights and power to request a change in the Sublet Work. Should Contractor, at any time during the progress of the Work, request any changes in the Scope of the Sublet Work, Subcontractor shall within a reasonable time thereafter submit an itemized estimate reflecting any cost changes required to make the changes. Such itemized estimate shall be furnished in sufficient detail that Contractor can distinguish the direct labor man-hours and labor costs, direct materials, direct equipment, applicable labor markups for employer labor burdens and benefits, and allocation of home office overhead and profit and other costs and expenses. All elements of potential costs are subject to negotiation; however, in the event agreement cannot be reached on estimated cost, Subcontractor reimbursement will be limited to actual costs plus 10% markup. It is directly understood and agreed, regardless from whom orders maybe taken for changes in the Scope of the Work, that no such changes are to be made except by a written Subcontract or Work Release or Change Order issued by an authorized corporate officer signatory of Contractor and then only when such order sets forth the amount of any addition or deduction and is signed by both parties thereto. In addition to a General Contractor Corporate officer of the Corporation, authorized signatures shall be stated on the assigned Work Release or subcontract or change order. If Subcontractor initiates a substitution, deviation or change which affects scope of Work or the Sublet Work or causes expense to Contractor, Subcontractor shall be liable for the expenses thereof. Notwithstanding anything herein to the contrary, Contractor may, pursuant to the requirements of the Prime Contract, order Subcontractor to proceed with changes for which final price and/or time have not yet been determined.

Subcontractor shall proceed with the Work in accordance with directive of Contractor, in the absence of an agreement between Contractor and Subcontractor on the proper change to the amount or the time for the performance of any Work Release because of a change in the Work, Subcontractor may treat the matter as a claim. In such event, the Subcontractor shall be entitled to recover only the amount by which its direct costs have reasonably increased over the direct cost of performing the Work without the change to the Work, plus (10%) (5% on its Subcontractor’s work) of direct cost to cover supervision, field office and home office



overhead, profit and all other costs. Direct costs shall be limited to lesser of actual or reasonable costs of the following:

1. Cost of Labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and worker's compensation insurance;
2. Materials, supplies and equipment including cost of transportation, whether incorporated or consumed;
3. Rental cost of machinery and equipment, exclusive of hand tools, whether rented from the Subcontractor or others at rates that are no greater than market rates in the locale of the Work at the time of the Work. The rental value of the Subcontractor's own equipment shall not be more than local rental rates, which rates shall be further adjusted to reflect cost exclusive of overhead and profit;
4. Premiums for all bonds and insurance ( Subcontractor only) permit fees and sales, use or similar taxes related to the Work;
5. Cost of Subcontractor's subcontractors for performing the Work for which claim is being made by Subcontractor. The amount allowable for Subcontractor's subcontractor shall be calculated using the same standards set out herein for direct Work by the Subcontractor; and
6. Subcontractor and each subcontractor to subcontractor involved shall furnish evidence of costs such as copies of original invoices for materials, payroll vouchers for labor, etc., upon request by the Contractor. Any increase in the time for performance shall be limited to the amount of time by which activities critical to overall completion of the Project are delayed by change in the Work. If it is reasonably possible to perform the change in the Work concurrently with Work that is critical to overall completion, no time extension shall be granted by reason of a change in the work.

10. DEFECTIVE WORK AND CLAIMS:

Payments otherwise due may be withheld by Contractor on account of defective work not remedied, or if claims filed, or if there is evidence indicating a probability of filing of claim, or there is failure of Subcontractor to make payments properly to its Sub-subcontractor or to make payments for material or labor, or there is a reasonable doubt that the Sublet Work can be completed from the balance then unpaid. If any of the said causes are not removed within forty eight (48) hours after Subcontractor's receipt of written notice, Contractor may rectify the same at Subcontractors expense. Contractor may offset against any sums due Subcontractor hereunder, whether or not arising out of this Agreement. Subcontractor agrees to be bound by all the provisions of the Prime Contract, including but not limited to provisions relating to quantities, measurement and payment, change orders, extra work, variations in Plans and/or site conditions, time extensions and claims. Contractor agrees that it will present to Owner a reasonable claim for payment, time extension or any reasonable item which Subcontractor , in good faith chooses to submit, provided that Subcontractor agrees to prepare all notices in a proper manner sufficiently in advance of the time for notice to permit Contractor to submit the notice to whom it needs to, and Subcontractor agrees to prepare the documentation, comply with all other requirements of the Prime

Contract, and do all things necessary to enable Contractor to present Subcontractor's claim. Subcontractor agrees to cooperate with Contractor and all other Subcontractors of Contractor in presenting all claims, to the extent that such cooperation is reasonable. Subcontractor may not recover more from Contractor than the amount Contractor recovers from Owner (minus its costs and overhead) in its recovery on claims. All extra work and change orders must be authorized in writing and signed by Contractor's authorized representative and signed by the Subcontractor. Subcontractor will furnish Contractor bills, time sheets, invoices and other substantiating data necessary to satisfy the requirements of Contractor and the Owner. If any part of the Sublet Work depends upon the work of the Contractor or any other subcontractor, Subcontractor shall inspect such other work and promptly report to Contractor in writing any defects or inadequate performance, which adversely affects Subcontractor's work. If there appear to be any variations or discrepancies of dimensions, quantities, or other matters set forth in the Plans, Specifications and other portions of the Prime Contract, Subcontractor will promptly bring this matter to the attention of the Contractor in writing. Subcontractor agrees to be bound by the terms of the Prime Contract with respect to such variations. All claims which Subcontractor has or wishes to assert against Contractor must be presented in writing to Contractor not later than ten (10) calendar days after Subcontractor is aware or should be aware that a claim will or does exist, even though the exact nature of the claim and amount of any claim may not be determined at that time. The nature of the claim and the amount of the claim must be presented to Contractor in writing as soon thereafter as Subcontractor has or should have such information and Subcontractor hereby waives all claims not presented as provided herein.

11. INDEMNIFICATION, INSURANCE AND BONDS:

A. To the fullest extent permitted by law, Subcontractor agrees to indemnify, defend and hold harmless the Owner, Contractor and the entities, owners and directors, officers, agents and employees and the Owner, along with any entity for whom indemnification by Contractor is required under the Prime Contract, against any and all claims of liability and claims for death of or injury to any person, including but not limited to employees of Subcontractor, or any indemnity, or property damage, including the loss of use of property, including expenses and attorneys fees related thereto, arising or alleged to arise out of or in any way this Agreement or the Subcontractor Agreement or Subcontractor's performance of the Sublet Work or other activities of Subcontractor, even if such claim or liability is caused in whole or in part by the assignment of any indemnity. It being the express intent of the parties that the Subcontractor indemnifies the Contractor even from the Owner's and Contractor's own negligence. Subcontractor also agrees to indemnify the Owner and Contractor and hold it harmless from all expenses, including attorneys fees caused by or related to any breach of any covenants contained in this Agreement. Subcontractor shall be responsible for damage to or loss of the Sublet Work, whether completed or under construction, until responsibility for the Work has been accepted by the Owner, and Subcontractor agrees to indemnify Owner

and Contractor against all claims, expenses and costs caused by any, such damage or loss from any cause, even if such damage or loss is caused in whole or part by the negligence of any indemnitee. Subcontractor will also take precautions to protect all portions of the Work. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligation under this Agreement, such legal limitations are made a part of the indemnification obligation and shall operate to amend the indemnification to the maximum necessary to bring the provision into conformity with the requirement of such limitations, and as so modified, the indemnification obligation shall continue in full force and effect.

- B. Subcontractor agrees that neither it nor its Subcontractors, Suppliers, Workers or anyone claiming under them, shall have any lien upon the Sublet Work, the Work or the premises on which the Work is performed; and Subcontractors hereby waives on behalf of itself and its subcontractors, suppliers and workers and those claiming under them, all right to any such lien. Subcontractor agrees to indemnify Contractor and Owner against all liens claims and bond claims, including expenses, cost of bonds to remove liens and attorney 's fees related to such claims, which may be asserted by mechanics liens, Materials-men, Workers, Suppliers, Subcontractors of Subcontractor or any one claiming under any one of them. Subcontractor also agrees that if liens are placed on the Work or the premises on which the Work is performed, it will immediately obtain such bond, which is necessary to remove such lien. If bond claims and/ or lien claims are filed by any Sub-subcontractor s, material- men, Suppliers, Workers or Mechanics of Subcontractor, Contractor may suspend payments to Subcontractor and either hold money due to Subcontractor or make payment to the Claimants and charge the payment against Subcontractor, without prejudice to the Payment (if required). It is the intent of the Parties that the payment bond or insurance be for the benefits of Contractor and Owner and not for the benefit of third parties except to the extent necessary to protect Contractor and Owner.

#### INSURANCE AND INDEMNITY

- C. Subcontractor's obligation to indemnify Contractor against and attorneys fees or other costs or expenses incurred by Contractor in connection with the defense of any claims or causes of actions shall be construed as a separate item of indemnification that shall be an absolute obligation of Subcontractor even if such claims or causes of action are invalid or groundless, or arise from the negligence of Contractor or Owner. These are the Indemnity and Insurance Requirements for Contractors providing services or supplies to L.A. Perks Plumbing & Heating, Inc. By agreeing to perform the work or submitting a proposal, you verify that you comply with and agree to be bound by these requirements. If any additional Contract documents are executed, the actual Indemnity language and Insurance Requirements may include additional provisions as deemed appropriate by L.A. Perks Plumbing & Heating, Inc.
- D. Subcontractor shall carry and maintain at all times the following minimum insurance coverage and limits of insurance that are sufficient to cover all liabilities, including

naming the Contractor as an additional insured. Subcontractor shall also cause each subcontractor employed by Subcontractor to purchase and maintain insurance of the type specified herein. Subcontractors shall furnish copies of certificates of insurance evidence coverage for itself and for each of its subcontractors and naming Contractor as an additional insured. Failure to maintain the required insurance may result in termination of this contract at Contractor's option. If Subcontractor fails to maintain the insurance as set forth herein, Contractor shall have the right, but not the obligation, to purchase said insurance at Subcontractor's expense.

You should check with your insurance advisors to verify compliance and determine if additional coverage or limits may be needed to adequately insure your obligations under this Agreement. These are the minimum required and do not in any way represent or imply that such coverage is sufficient to adequately cover the Contractor's liability under this Agreement. The full coverage and limits afforded under Contractor's policies of Insurance shall be available to L.A. Perks Plumbing & Heating, Inc. and these Insurance Requirements shall not in any way act to reduce coverage that is broader or includes higher limits than those required. The Insurance obligations under this Agreement shall be: 1 – all the insurance coverage and limits carried by or available to the Contractor; or 2 – the minimum insurance requirements shown in this Agreement, whichever is greater. Any insurance proceeds in excess of the specified minimum limits and coverage required, which are applicable to a given loss, shall be available to L.A. Perks Plumbing & Heating, Inc.

Contractor shall provide L.A. Perks Plumbing & Heating, Inc. with Certificates of Insurance including all required endorsements and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to L.A. Perks Plumbing & Heating, Inc. before work begins. L.A. Perks Plumbing & Heating, Inc. reserves the right to require full-certified copies of all insurance coverage and endorsements.

### **Insurance Requirements**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees, or subcontractors. With respect to General Liability, Errors & Omissions, and Contractors Pollution Liability coverage should be maintained for a minimum of five (5) years after contract completion.

**MINIMUM SCOPE AND LIMIT OF INSURANCE *(limits may be satisfied using an umbrella or excess liability policy)***

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$7,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. There shall be no endorsement or modifications of CGL limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage, employment-related practices, or damage to the work or for residential operations including condominiums, town homes, tract homes, single family, time-share/prepaid lodging, public housing, apartments, assisted living, and/or employee housing. If railroad exposure exists for work performed under this agreement, Subcontractor and any of its subcontractors shall maintain at all times and endorsement to the CGL policy confirming the deletion of any restriction or coverage for any form of operations performed within fifty feet of any type of railroad. If any hoisting work exposure exists for work performed under the agreement, Subcontractor and any of its subcontractors shall maintain at all times an endorsement to the CGL policy confirming the amendment of any policy exclusions in order to provide full coverage for work involving moving, rigging or hoisting of the property or equipment of Contractor, Project Owner, or any third party.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering any auto (Code 1), or if Contractor has no owned autos, hired (Code 8) and non-owned (Code 9) autos, with limit no less than \$6,000,000 per accident for bodily injury and property damage.
3. **Workers’ Compensation** insurance as required by the State of Nevada, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$6,000,000 per accident for bodily injury or disease.
4. **Builder’s Risk (Course of Construction)** insurance utilizing an “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Contractors Pollution Liability** applicable to the work being performed, with a limit no less than \$7,000,000 per claim or occurrence and \$7,000,000 aggregate per policy period of one year.
6. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant’s profession, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.
7. **Railroad Work** If any hoisting work exposure exists for work performed under this agreement, Subcontractor and any of its subcontractors shall maintain at all times and endorsement to the CGL policy confirming the deletion of any restriction or coverage for any form of operations performed within fifty feet of any type of railroad.
8. **Hoisting Liability** If any hoisting work exposure exists for work performed under the agreement, Subcontractor and any of its subcontractors shall maintain at all times an endorsement to the CGL policy confirming the amendment of any policy exclusions in order to provide full coverage

for work involving moving, rigging or hoisting of the property or equipment of Contractor, Project Owner, or any third party.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the Entity requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

### ***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the L.A. Perks Plumbing & Heating, Inc. At the option of the L.A. Perks Plumbing & Heating, Inc., the Contractor shall provide coverage to reduce or eliminate such self-insured retentions as respects the L.A. Perks Plumbing & Heating, Inc., its officers, officials, employees, and volunteers; or the Contractor shall provide evidence satisfactory to the L.A. Perks Plumbing & Heating, Inc. guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or L.A. Perks Plumbing & Heating, Inc.

### ***Other Insurance Provisions***

- A. The General Liability, Automobile Liability, Contractors and Pollution Liability policies are to contain, or be endorsed to contain, the following provisions:
  1. The L.A. Perks Plumbing & Heating, Inc., its officers, officials, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
  2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the L.A. Perks Plumbing & Heating, Inc., its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the L.A. Perks Plumbing & Heating, Inc., its officers, officials, employees, agents, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
  3. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the L.A. Perks Plumbing & Heating, Inc.
- B. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract. This coverage may also be provided on the Contractors Pollution Liability policy.

- C. If General Liability, Contractors Pollution Liability and/or Errors & Omissions coverages are written on a claims-made form:
1. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
  2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
  3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
  4. A copy of the claims reporting requirements must be submitted to the L.A. Perks Plumbing & Heating, Inc. for review.

If the services involve lead-based paint or asbestos identification / remediation, the Contractors Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification / remediation, the Contractors Pollution Liability shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.

- D. These are the indemnity and Insurance Requirements for Contractors providing services or supplies to L.A. Perks Plumbing & Heating, Inc. By agreeing to perform the work or submitting a proposal, you verify that you comply with and agree to be bound by these requirements. If any additional Contract documents are executed, the actual Indemnity language and Insurance Requirements may include additional provisions as deemed appropriate by L.A. Perks Plumbing & Heating, Inc.
- E. Subcontractor has the obligation to check with its Insurance advisors to verify compliance and determine if additional coverage or limits may be needed to adequately insure its obligations under this agreement. These are the minimum required and do not in any way represent or imply that such coverage is sufficient to adequately cover the liability under this agreement. The full coverage and limits afforded under Contractor's policies of Insurance shall be available to L.A. Perks Plumbing & Heating, Inc. and these Insurance Requirements shall not in any way act to reduce coverage that is broader or includes higher limits than those required. The Insurance obligations under this agreement shall be: 1—all the Insurance coverage and limits carried by or available to the subcontractor; or 2—the minimum Insurance requirements shown in this agreement, whichever is greater. Any insurance proceeds in excess of the specified minimum limits and coverage required, which are applicable to a given loss, shall be available to L.A. Perks Plumbing & Heating, Inc.
- F. Subcontractor shall provide L.A. Perks Plumbing & Heating, Inc. with Certificates of Insurance including all required endorsements and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to L.A. Perks Plumbing & Heating, Inc. before work begins. L.A. Perks Plumbing & Heating, Inc. reserves the right to require full-certified copies of all Insurance coverage and endorsements.

***Builder's Risk (Course of Construction) Insurance***

Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name L.A. Perks Plumbing & Heating, Inc. as a loss payee as their interest may appear. If the project does not involve new or major reconstruction, at the option of L.A. Perks Plumbing & Heating, Inc., an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at L.A. Perks Plumbing & Heating, Inc.'s site.

***Acceptability of Insurers***

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII if admitted in the State of Nevada. If Contractors Pollution Liability and/or Errors & Omissions coverages are not available from an admitted insurer, the coverage may be written by a non-admitted insurance company. A non-admitted company should have an AM Best rating of A:X or higher.

***Verification of Coverage***

Contractor shall furnish the L.A. Perks Plumbing & Heating, Inc. with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the L.A. Perks Plumbing & Heating, Inc. before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The L.A. Perks Plumbing & Heating, Inc. reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. We strongly recommend obtaining a copy of the policy declarations and endorsement page (make this a requirement in your Contract) to facilitate verification of coverages and spot any undesirable policy limitations or exclusions.

***Waiver of Subrogation***



Contractor hereby grants to L.A. Perks Plumbing & Heating, Inc. a waiver of subrogation which any insurer may acquire against L.A. Perks Plumbing & Heating, Inc., its officers, officials, employees, and volunteers, from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation but this provision applies regardless of whether or not the L.A. Perks Plumbing & Heating, Inc. has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the L.A. Perks Plumbing & Heating, Inc. for all work performed by the Contractor, its employees, agents, and subcontractors.

***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that L.A. Perks Plumbing & Heating, Inc. is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

***Special Risks or Circumstances***

L.A. Perks Plumbing & Heating, Inc. reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

A. Evidence of Insurance

1. Prior to commencing the work, Subcontractor shall furnish Contractor with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above. All certificates shall provide for thirty (30) days written notice to Contractor prior to the cancellation or material change of any insurance referred to therein.  
The words "endeavor to" and "but failure to mail" such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives shall be deleted from the certificates form's cancellation provision.
2. Failure of Contractor to demand such certificate or other evidence of full compliance with those insurance requirements or failure of Contractor to identify a deficiency from evidence this is provided shall not be construed as a waiver of Subcontractor's obligation to maintain such insurance. Contractor shall have the right, but not the obligation, of prohibiting Subcontractor or any of its subcontractors from entering the project site until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by Contractor. With respect to insurance

maintained after final payment in compliance with a requirement above and additional certificate(s) evidencing coverage shall be promptly provided to Contractor whenever requested.

3. Upon request, Subcontractor shall provide evidence confirming truckers and suppliers comply with the insurance requirements hereunder, including but not limited to all additional insured requirements of Subcontractor. Such evidence shall confirm truckers and supplies maintain such insurance prior to beginning work on the project and thereafter at all times.
4. By requiring insurance herein, Contractor does not represent that coverage, limits will necessarily be adequate to protect Contractor and such coverage, and limits shall not be deemed as a limitation on Subcontractor's liability under the indemnities granted Project Owner and Contractor in this Contract.

B. Subcontractor shall cause its subcontractors to procure insurance covering the above liabilities under policies in form, and amounts and with insurance companies acceptable to Contractor. Subcontractor will obtain said policies or certificates thereof and deliver them to Contractor. If Subcontractor or its subcontractors do not acquire acceptable insurance, Contractor may acquire the required insurance coverage's and charge the expense for such coverage's to Subcontractor. Any deviations from these standard insurance requirements must be granted in writing from Contractor on a per job basis.

C. Subcontractor shall promptly obtain insurance for the Work as specified in the Subcontract Agreement. Subcontractor shall provide the required insurance Certificate(s) to Contractor prior to commencing the Work and shall be liable to Contractor for the consequences of Subcontractor's delay in obtaining the required insurance policies and coverage's. Subcontractor acknowledges that it may not enter the Jobsite until Contractor receives and approves the specified certificate(s). Each insurance certificate must state the insurance carrier is required to give Contractor thirty (30) days prior written notice of cancellation or material change the reduces or restricts the coverage's or liability limits of any insurance policy. Subcontractor's insurance certificate(s) shall also include the Project name in a conspicuous location. The insurance requirements described in this Agreement are not intended to and shall not in any way limit or qualify the liabilities and obligations Subcontractor assumes pursuant to this Agreement. The obligations described in the forgoing paragraphs shall survive the termination or expiration of this Agreement.

D. Subcontractor's materials and equipment that will become an integral part of this completed Project, either on the site or in the building , and completed portion of the Sublet Work, may be covered by a Builders Risk insurance policy containing certain deductibles and exclusions purchased and maintained either by Owner or Contractor. If so covered, Subcontractor shall be responsible for the deductible portion of each deem covered by the Builders Risk insurance policy. If such coverage is available, a copy of said policy or a certificate would be available for Subcontractor's inspection at the Contractor 'home office

or project site office. It is Subcontractor's responsibility to evaluate the protection afforded by the Policy, if applicable, and to carry its own insurance against all losses not covered by said policy.

E. Subcontractor may be required to provide a Payment Bond and/or a Performance Bond prescribed by and with Surety Company acceptable to the Contractor in the full amount of this Agreement for the faithful performance of this Agreement. Requirements for Performance and Payment Bonds will be stated on individual Work Releases. If Contractor requires bond(s), Subcontractor shall pay the premium for cost of bond(s) and the cost shall be deemed to be included in Subcontract. Any changes in the scope of Sublet Work that involve an increase of more than 10% in the original contract price amount will require a rider for the Surety Company raising the penal amount of bond to agree with the revised Contract amount.

F. Subcontractor shall submit to Contractor , within Forty-Eight (48) hours , copies of all accident reports arising out of any injuries including, but not limited to its employees or those of any firm or individual to whom it may have sublet work, or any property damage arising or alleged to have risen on account of any work done by Subcontractor under this Agreement.

12. COMPLIANCE WITH LAWS:

A. Subcontractor agrees to comply, at is sole expense with all laws and regulations applicable to Subcontractor, Contractor, and /or Work covered by the Prime Contract, including but not limited to the Occupational Safety and Health Act of 1970 as amended, including all applicable safety and health standards, including compliance with the Hazard Communications Standard 1826.59 and the revised Excavation Standard 1926.650 through 1926.652 and applicable Appendices; the Resources and Conservation and Recovery Act as amended; the Comprehensive Environmental Response; Compensation and Liability Act of 1980 as amended; the e Emergency Planning and Community Right to Know Act as amended; the Toxic Substance and Control act as Amended; the Clean Water Act as amended, the Safe Drinking Water Act as Amended; the Clean Air Act as Amended; the Atomic Energy Act of 1954 as Amended; the Fair Labor Act of 1964 as Amended; including rules and regulations promulgated hereunder and including Executive Order 11246 as Amended.

B. Subcontractor agrees to inspections by the Contractor to determine compliance with safety, health and environmental standards. Subcontractor acknowledges that Contractor's right to inspect or not inspect shall not in any way relieve Subcontractor of its obligations.

C. Subcontractor agrees to indemnify, defend and hold harmless the Contractor from any liability and damages, fines , cost and attorney's fees incurred by Contractor on account of Subcontractor's failure to comply with all laws and governmental regulations applicable to or in any way arising from this Agreement and the Work. Subcontractor agrees not to remove guards of safety appliances or safety bars or barriers except on

written authority of Contractors authorized representative, and to replace such guards and appliances promptly. Failure to make such replacement will authorize Contractor to do such Work and charge the costs thereof to Subcontractor.

13. CLEANUP:

- A. Subcontractor acknowledges that the execution of the Sublet Work will result in an undetermined amount of debris, Subcontractor agrees to retrieve, pick up and remove and place at a location designated by Contractor all such debris each day (or as otherwise required by Contractor) during the course of its work and on final completion of its work. If after Twenty Four (24) hours , notice by Contractor 's representative to Subcontractor's representative at the Jobsite, Subcontractor has not diligently proceeded with the cleanup as outlined in this paragraph, then Contractor has the right to proceed with the cleanup work with its own labor at Subcontractor's expense. Subcontractor shall be responsible for the disposal of its debris.
- B. Notwithstanding anything to the contrary herein, Subcontractor shall retain title to and full legal responsibility for all such debris and to any substances below brought to the Project location by and for the benefit of Subcontractor. Subcontractor shall not place, cause or permit to be placed or disposed (as defined by applicable environmental laws) or any of the following in Contractor's trash dumpster, trash trucks, or anywhere on and/or around the Project location: Hazardous Substances (hereinafter defined); commercial products or chemicals which are off specification, outdated, unused or banned, including the containers of same liquids and sludge from septic tanks and food service grease traps; chemical containing equipment removed from service, e.g. filters, cathode ray tubes, acetylene tanks, fluorescent light tubes and/or all other substances Which the transporter contracts with Contractor (if any) does not transport or allow to be transported under its agreement with Contractor, and/or the disposal facility (ies) which contract with Contractor (if any) does not dispose of or allow to be disposed of under its Agreement with Contractor. Copies of the relevant portions of such agreements are available for examination by Subcontractor upon request. Subcontractor shall, be in compliance with all applicable laws, arrange directly (i) with third party transporter(s) for transportation from the Project location of all of the substances described in the preceding sentence and(ii) with third party disposal facilities(ies) for disposal of all of the substances described in the preceding sentence. Contractor may at its option contract with transporter and/or disposal facilities (ies) to remove all debris not described in the second sentence of this paragraph at such intervals as Contractor shall determine necessary. "Hazardous Substances" shall mean all pollutants, containments, chemicals, wastes and any other carcinogenic, ignitable, corrosive, reactive, toxic or otherwise hazardous substances or wastes subject to regulation, control, or regulation under applicable environmental laws. By way of example only , the term "Hazardous Substances" include , but not limited to petroleum, urea formaldehyde, flammable, explosive, and radioactive materials, PCB, pesticides, herbicides, asbestos, sludge, slag, acids, metals, solvents and waste waters.

14. ASSIGNMENT AND SUBLETTING:

Subcontractor cannot assign, transfer, convey, sublet or otherwise dispose of this Agreement or any part thereof or its right, title or interest therein, or its power to execute the same or its interest in proceeds therefrom, without the consent in writing of Contractor. If Subcontractor does, with approval, sublet the Agreement or any part thereof. It shall require that its subcontractor be bound to Subcontractor and to assume forward Subcontractor all of the obligations and responsibility that Subcontractor has assumed toward Contractor. Approval of a sub-subcontractor will not imply that Contractor assumes any responsibility for such sub-subcontractor that sub-subcontractor is relieved of any responsibility with respect to the Sublet Work. Subcontractor will not sublet any portion of the Work to or enter into an agreement with an Employee Leasing Company without the Contractor's prior written approval

15. PERMITS:

All permits (except Contractor's main permit), licenses, fees and easements necessary for the prosecution of this Sublet Work shall be procured and paid for by Subcontractor, Subcontractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the Sublet Work as drawn and specified. If Subcontractor observes that Plans and Specifications are in variance therewith, it shall promptly notify Contractor in writing. If Subcontractor performs the work contrary to such laws, ordinances, rules, and regulations, Subcontractor shall bear all cost arising therefrom.

16. TAXES:

Subcontractor will pay all social security and other taxes imposed upon it as an employer in connection with the performance of this Agreement, and will furnish evidence, when required by Contractor, showing that all such payments required to be made have been paid. Subcontractor shall pay all local, state and federal taxes in connection with its Sublet Work. Subcontractor shall furnish a copy of Sales and Use Tax Permit if requested by Contractor.

17. TERMINATION:

A. TERMINATION FOR DEFAULT:

Should Subcontractor at any time fail to supply a sufficient number of skilled workmen or a sufficient quantity of materials of proper quality, or fail in any respect to prosecute the Work covered by this Agreement with promptness and diligence, or fail to perform work of the quality required by the Prime Contract, or fail in the performance of any of the terms of the Agreement herein contained, or should any workmen performing work covered by this Agreement engage in a strike or other work stoppage, or cause to work due to picketing or other such activity, Contractor may, in any such events at its option, after Forty-Eight (48) hours written notice to Subcontractor, provide for such labor and materials, and deduct the cost thereof from any money then due or thereafter to become due Subcontractor, or in any of such events, Contractor, may at its option, terminate the employment of Subcontractor for the Sublet Work under this Agreement, and shall have the right to enter upon the premises and to take possession for the purpose of completing the Sublet Work and provide the materials tools, and equipment, therefore, either with its own employees or other subcontractor(s), and in such

discontinuance of the employment by Contractor, Subcontractor shall not be entitled to receive any further payments under this Agreement or otherwise, but shall nevertheless remain liable for any damages which Contractor incurs. If the expenses incurred by Contractor in completing the Sublet Work shall exceed the unpaid balance, Subcontractor shall pay the difference to Contractor, along with any other damages incurred by Contractor as a result of Subcontractor's default. Contractor shall have a lien upon all materials, tools and equipment, whether taken possession of or not to secure the payment thereof. Subcontractor shall be liable to Contractor for all cost and damages incurred by Contractor due to the failure of performance by Subcontractor to keep progress of its work up to that of Contractor or other trades, or the failure to execute its work as directed by Contractor, Subcontractor agrees to execute any assignment necessary to make available to Contractor and the Owner the rights of Subcontractor under purchase orders, titles and subcontracts. Contractor will credit Subcontractor's account with the value of the materials and suppliers so used but there will be no credit for rent on equipment Subcontractor will reimburse Contractor in Washoe County, Nevada, to the extent that Contractor's expense, including attorneys fees, in completing the Sublet Work and proceedings under this article exceeds the balance which would have become due to Subcontractor under this Agreement had Subcontractor completed the Sublet Work. If Contractor's expense is less than such amount, then Subcontractor shall receive as its entire and sole compensation its actual common, necessary and reasonable cost of performing the work to the date of termination, as described by audit of Subcontractor's records, plus a reasonable markup for overhead and profit, but in no event shall such amounts due hereunder exceed the total Subcontract. Amount Subcontractor hereby waives all claims against Contractor for profits, rent on equipment or other damages related to any proceeding which Contractor institutes under this Article. The Parties agree that the terms of this article shall be binding if Contractor in good faith has determined that Subcontractor's performance is inadequate and that Owner or Contractor or other subcontractor may be damaged, or Contractor may be unable to perform its contractual obligations, unless Contractor proceeds under this Article. The Parties agree that such determinations are difficult to make and must be made under pressing circumstances, and agree to be bound in accordance with this Article in light of the circumstances confronting Contractor at the time such a decision is made.

**B. TERMINATION FOR CONVIENENCE OF CONTRACTOR OR OWNER:**

Contractor may, at its sole subjective option, terminate at any time the Sublet Work in whole or, from time to time, in part, at any time by written notice to Subcontractor. Such notices shall specify the extent to which the performance of work is terminated and the effective date of each termination. Upon receipt of such notice Subcontractor shall

- a) Immediately discontinue the Sublet Work on the date and to the extent specified in the notice and place no further orders or sub-subcontracts for

materials, service, or facilities other than as may be required for the completion of such portion of the Sublet Work that is not terminated;

- b) Promptly obtain cancellation upon terms satisfactory to Contractor on all purchase orders, sub-subcontracts, rentals , or any other agreements existing for the performance of the terminated work or assigned those agreements to Contractor as directed;
- c) Assist Contractor in the maintenance , and disposition of work in progress, plans, tools, equipment, property, and materials acquired by Subcontractor or furnished by Subcontractor under this Contract; and
- d) complete performance of the Sublet Work which is not terminated,

Upon termination, Contractor shall have no liability for any damages, including loss of anticipated profits. As its sole right and remedy, Subcontractor shall be paid the following;

- a) all amounts due and not previously paid to Subcontractor for Sublet Work completed in accordance with the Subcontract prior to such notice of termination, and for work thereafter completed as specified in such notice;
- b) reasonable administrative costs of settling and paying claims arising out of the termination of Sublet work under sub-subcontracts or purchase orders;
- c) reasonable costs incurred in demobilization and the disposition of residual material, plans and equipment;
- d) subject to the offsets provided in this Agreement.

In the event any terminations of the Subcontract for default under the default termination article is later determined to have been improper, the termination shall be automatically be deemed a termination for convenience and the Subcontractor shall be limited in its recovery strictly to the Subcontractor shall submit within 30 days after receipt of notice of termination, a proposal for an adjustment in compensation, including all incurred costs described herein. Contractor shall review, analyze, and verify such proposal, and if not satisfied, negotiate adjustment, and the Subcontract shall be amended in writing accordingly and/or the parties may agree to a balance.

18. STAKING:

Subcontractor will establish all line and grade stakes necessary to satisfactorily complete its work as specified. Subcontractor will set such stakes as Contractor determines to be necessary to establish control points. Such stakes shall be carefully preserved by Subcontractor. If such stakes are destroyed or damaged they will be replaced whatever the stakes were destroyed or damaged by Subcontractor's operations or were destroyed , damaged or removed by third parties.

19. PATENTS:

Subcontractor agrees to indemnify, defend and hold harmless Owner and Contractor from any claims, demands, or damages of any nature on account of the alleged use of any

Patented inventions, article or process in connection with its work under this Agreement, either in the course of construction or after completion of the Sublet Work, and Subcontractor further agrees to defend at its own expense, any suit for alleged infringements.

20. LAW GOVERNING:

Any controversy or claim arising out of or relating to this Agreement, or breach thereof shall be governed by the laws of the State of Nevada, and any action commenced arising out of or relating to this Agreement shall be brought to a court of proper jurisdiction in Washoe County, Nevada. At the Contractor's discretion, the Contractor may demand that the Subcontractor submit to binding arbitration. If binding arbitration is elected, the matter shall be submitted to the Second Judicial District Court of the State of Nevada for binding arbitration by a court appointed arbitrator. If binding arbitration is elected, any decisions or verdict thereof shall be non-appealable.

21. GUARANTY WARRANTY:

Subcontractor shall, subject to all parts of Article 11 and notwithstanding anything to the contrary in the other provisions of this Agreement before requesting final payment, provide Guaranties required by the Prime Contract. In addition to any specific Guaranty required by the Prime Contract, Subcontractor, in signing this Agreement, agrees at its own expense to replace or repair and faulty or defective material or workmanship for one year from Final Completion, as defined in the Prime Contract, or longer if required by Prime Contract or law. In addition, Subcontractor shall be responsible for and pay for replacement or repair of adjacent materials or work which may become damaged or other amounts for which Contractor may become liable due to the failure of Subcontractor's material or work and/or damage as a result of the replacement or repairs thereof, The Subcontractor warrants to the Owner and Contractor that materials and equipment furnished under the Work Release will be of good quality and new unless otherwise required or permitted by the Contract and/or Work Documents, that the Work will be free from defects not inherent in the quality required or permitted; and that the Work will conform to the requirements of the Contract Documents, Work not conforming to these requirements, including substitutions not properly approved and authorized may be considered defective. If required by the Contractor the Subcontractor shall furnish satisfactory evidence as to the kind of materials and equipment used, Subcontractor's liability under this Article shall continue from the date of this Subcontract through the last day of the twelfth (12<sup>th</sup>) month following the date of acceptance by the Owner of the Project or Contractor unless otherwise required by the Prime Contract or law. In addition, Subcontractor's liability for items, material or workmanship which Subcontractor may have corrected, repaired, or replaced shall continue through the last day of the twelfth month following the date of final acceptance by Owner of such corrected, repaired or replaced items or workmanship unless otherwise provided for by contract of law.

22. ARCHITECT AND/OR APPROVAL:

This Agreement and Subcontract may be subject to Architect, Engineer and/or Owner approval.



23. DISPUTS:

- A. In the event of a dispute between Subcontractor and Contractor relating to this Agreement or any Work Release hereunder (or breach thereof) which involves corresponding rights or duties of Owner, then the dispute shall be decided in accordance with the Contract Documents. In such case, Subcontractor and its sureties (if any) shall be bound to Contractor to the same extent that Contractor is bound to Owner by the term of the Contract Documents and by any decisions or determinations made hereunder by an authorized person, board, court, or other tribunal. Contractor shall use its best efforts to afford Subcontractor a reasonable opportunity to provide information and testimony to the board, court, or tribunal. If the board, or court, or tribunal will not allow Subcontractor to present evidence directly, the Subcontractor shall provide evidence to the Contractor and Contractor shall present this information to the board, court, or tribunal on behalf of Subcontractor. In all respects, Subcontractor shall cooperate with Contractor in this regard. Subcontractor will exhaust all remedies available under the Contract Documents through Contractor and in accordance with this paragraph prior to commencing any litigation, arbitration, or any other action against Contractor.
- B. In the event any controversy or dispute arises between Subcontractor and Contractor relating to this Agreement or Work Release hereunder (or breach thereof), which dispute or controversy does not involve the correlative rights and duties of Owner, Subcontractor shall request mediation of the dispute with Contractor and the parties shall attempt in good faith to mediate the dispute. Mediation of the dispute shall be a condition precedent to any further rights that the subcontractor has to the resolution of this dispute.
  - i. If mediation is unsuccessful, then Subcontractor agrees that Contractor agrees that Contractor shall make the determination (in its sole discretion) as to whether the dispute shall be settled by binding arbitration in accordance with item 20 above.
  - ii. In the event that Contractor determines that the dispute shall not be resolved through arbitration, then Subcontractor agrees that the disputes will be resolved by courts of competent jurisdiction in Washoe County, Nevada. Subcontractor agrees that it owes a duty to other subcontractors to perform its work properly and that other subcontractors owe Subcontractor a duty to perform their work properly. Subcontractor and Contractor agree that neither will make a claim against the other arising out of the improper performance of work by other subcontractors. Subcontractor agrees, if its work is impacted or affected by the actions (or omissions) of the work of another subcontractor(s) or supplier(s), that Subcontractor's sole remedy shall be directly through negotiation or, if necessary through litigation or arbitration with such other subcontractor in accordance with the procedures described here. In such event, Subcontractor shall consider this Agreement to be an assignment by Contractor to Subcontractor of Contractor's right against the other subcontractor (s) or

Supplier (s) such that Subcontractor can proceed directly against the parties who have caused the harm alleged by Subcontractor, and Subcontractor accepts such assignment and agrees to accept and be bound by the results if such disputes proceedings and shall not seek any further damages against Contractor as a result.

24. BANKRUPTCY:

If the Subcontractor is judged bankrupt, or makes a general assignment for the benefits of creditors, or if a receiver is appointed for the benefit of its creditor, or if a receiver is appointed on account of its insolvency, and such could impair or frustrate Subcontractor's performance of this Agreement. Accordingly, it is agreed that upon the occurrence of any such event, Contractor shall be entitled to request of Subcontractor or its successors in interest, assurance, satisfactory to Contractor, of future performance in accordance with This Agreement. Failure to provide such satisfactory assurance within ten (10) days of delivery of the request, shall entitle Contractor to terminate this Agreement. If this Agreement is terminated pursuant to this Article 24, Subcontractor will reimburse Contractor in Washoe County, Nevada to the extent that Contractor's expense, including attorneys fees in completing the Sublet Work and proceeding under this Article, exceeds the balance which would have become due to Subcontractor under this Agreement had Subcontractor completed the Sublet Work, after deducting amounts previously paid to Subcontractor. If Contractor's expense is less than such amounts, then Contractor will pay the difference to Subcontractor subject to any offsets. Regardless whether Contractor elects to terminate this Agreement or pursue other rights, it is agreed that in all events pending receipt of satisfactory assurance of performance, Contractor shall be entitled to proceed with the Sublet Work with its own forces or with other subcontractor on a time and materials or other appropriate basis, the cost of which will be back charged against Subcontractor.

25. PRE-BID AGREEMENT:

If this agreement is signed before Contractor is awarded the Prime Contract by the Owner, then it shall constitute a Pre-Bid Agreement, which cannot be cancelled by either Party, and upon award to Contractor, shall become a binding Agreement. If no such award is made for which this Agreement was prepared, this Agreement shall no further effect.

26. DIRECTION OF SUBLET WORK:

A. Independent Contractor: Subcontractor shall perform the Sublet Work as an independent contractor with exclusive control of the manner and means of performing the Sublet Work in accordance with the requirements of this Master Agreement. Subcontractor has no authority to act or make any agreements or representations on behalf of Contractor or Owner, and no contractual relationship exists between Subcontractor and Owner. No employee or agent by Subcontractor shall be, or shall be deemed to be, an employee or agent of Contractor or Owner. In the event Contractor should, at the request of Subcontractor, furnish workers to Subcontractor for any purpose to work under the direction and supervision of Subcontractor, such employees of Contractor shall be deemed to be borrowed

servants of Subcontractor and Subcontractor shall be responsible for their actions while so engaged.

- B. Superintendent: At all times during the performance of the Sublet Work, Subcontractor shall provide a competent person to act as resident superintendent, who is an employee of Subcontractor, and any necessary assistants, all satisfactory to Contractor. Contractor has the right to review the qualifications of the proposed superintendent, and to approve or disapprove the assignment. If any of Subcontractor's workers are not fluent in English, Subcontractor shall provide a superintendent who is fluent in English and in the language spoken by those workers. The superintendent shall not be replaced except with the consent of the General Contractor, unless he/she ceases to be in Subcontractor's employ. Subcontractors' superintendent shall represent Subcontractor, (1) and all directions given to superintendent shall be binding as if given to Subcontractor, and (2) all decisions made by the superintendent shall be binding as if made by Subcontractor.

27. MISCELLANEOUS RIGHTS:

Any waiver or failure to assert any right, which Contractor has under this Agreement, shall not constitute a continuing waiver of future rights. Rights can be waived only if expressed in writing and signed by Contractor. If any provision of this Agreement is held invalid and unenforceable under any present or future laws, then the remainder of the Agreement shall remain in full force and effect. The forgoing constitutes the entire master Agreement between the parties. Terms and/or conditions, whether expressed or implied, accepting those document(s) executed specifically as Amendments or Work Releases by an authorized representative, which shall be a corporate officer of L. A. Perks Petroleum Specialists of the same status as the representative who executed this Master Agreement, shall neither alter, add to nor subtract for the term and conditions of this Master Agreement. Subcontractor promises to perform all work awarded and accepted hereunder in accordance with this Master Agreement and the Work agreed to. Further any and all modifications to this Master Agreement, in the form it is presented to Subcontractor made by Subcontractor, shall be brought to the specific attention of Contractor and expressly agreed to by Contractor, as evidence by the hand written initials by an authorized representative of the Contractor, otherwise such changes shall be void and unenforceable and the terms of this Master Agreement as originally proposed by Contractor shall govern the agreement between Contractor and Subcontractor.

Subcontractor agrees that for the purpose of enforcement of the terms of this Agreement that the terms and conditions provided herein were mutually negotiated and this Agreement and the Subcontract were mutually drafted. Subcontractor has had a full opportunity to have the Agreements and documents reviewed by all necessary professional such as attorneys, accountants, engineers and the like. Subcontractor

further agrees that the signatory and the owners of the Subcontractor personally guarantee all the terms and conditions hereof.

28. AVAILABILITY OF RECORDS, ACCOUNTS AND AUDIT:

- 1) The Subcontractor shall make available to Contractor or its designee at its office at all reasonable times, the materials described below for examination, audit or reproduction, until Three (3) years after completion and acceptance of the Project as a whole.
  - a. The Subcontractor shall maintain and the Contractor or the representative of the Contractor shall have the rights to examine and audit books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all expenditures claimed to have been incurred or anticipated to be incurred in performing this Subcontract. This right of examination shall include inspection, at all reasonable times, of the Subcontractor's location(s) or parts of them, engaged in performing the Subcontract and whatever applicable records are maintained.
  - b. Contractor or representative of the Contractor shall have the right to examine and audit any books, records, documents, and other data of the Subcontractor including computations and projections related to negotiating, pricing, or performing the Subcontract or modification.
  - c. Contractor shall have the right to inspect and audit such part of the records as related to cost reimbursement or performance of labor provisions. Copies of documents and records supporting request for payment or compliance with labor-related provisions shall be furnished to Contractor with such request or at such times as Contractor directs.
- 1) If the Contract is completed or partially terminated, the records relating to the work terminated shall be made available for a period of Three (3) years after resulting final termination settlement.
- 2) At Contractor's request, Subcontractor shall produce a copy of its insurance policies for Contractor's review and approval.

29. CONFIDENTIALITY:

Subcontractor shall not publicize, publish, or photograph the Project, the Sublet Work, or any part of this Agreement or Subcontract, including bid or pricing information, except by written consent of Contractor and in compliance with General Contractor's regulations for the Project. Subcontractor will maintain in confidence and not use or disclose any confidential proprietary information of Contractor or Owner. Subcontractor will execute and, if requested, will cause its employees or agents to execute, such form in written secrecy agreement, further defining this confidentiality agreement, as is required of other participants in the Project. All plans, specifications data and other material relating to the Project shall be delivered to Contractor, on request, when no longer required by Subcontractor for performance of the Sublet Work.

**SIGNATURE PAGE OF MASTER AGREEMENT**

**Notice of Indemnification: Subcontractor (and Owner if applicable) and Contractor hereby acknowledge and agree that this Master Subcontract Agreement contains certain indemnification obligations and covenants and Waivers of Rights.**

Subcontractor (and Owner if applicable) acknowledges receipt of a copy of and agrees to the terms and conditions of the Master Agreement after reviewing the same.

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

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

CONTRACTOR

SUBCONTRACTOR

L.A. Perks Petroleum Specialists

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Phone No.: (775) 358-4403

Phone No.: \_\_\_\_\_

Subcontractor Name: \_\_\_\_\_

Address: 765 East Greg Street, Suite 103

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

Sparks Nevada 89431

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