

MASTER SUBCONTRACTOR AGREEMENT

THIS MASTER SUBCONTRACTOR AGREEMENT (hereinafter “Master Agreement”) is entered into this 1st day of July, 2019 between CLARK CONSTRUCTION, LLC, a Washington limited liability company (hereinafter “Contractor”), and _____, a Washington corporation (hereinafter “Subcontractor”).

IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN MADE, CONTRACTOR AND SUBCONTRACTOR AGREE AS FOLLOWS:

1. **MASTER AGREEMENT:** The parties hereto agree that from the date hereof until this Master Agreement is terminated, Contractor may contract with Subcontractor for the furnishings of materials and/or the performance of various work on projects being constructed by Contractor. The parties further agree that this Master Agreement shall control their respective rights, responsibilities and privileges which arise out of the Subcontractor furnishing materials and/or performing any work on Contractor’s construction projects.

It is the intent of the parties that the terms and conditions of this Master Agreement will apply to any provisions or services by Subcontractor regardless of whether these terms and conditions are referenced in any purchase order or subsequent project release, etc. during the term of this Master Agreement.

Entering into the Master Agreement shall not obligate Contractor or Subcontractor to agree to any subsequent request for services or to any volume of business during the term of the Master Agreement. The intent is that if any services are procured and agreed to by both parties during the terms of this Agreement, the terms and conditions of this Master Agreement shall apply. Where this agreement and the project release conflict, the project release shall take precedence on only that project to which it is referenced.

2. **SUBCONTRACTOR INFORMATION:** Subcontractor shall provide the following information as part of the Master Agreement:

- . A current copy of its contractor’s registration
- . Certificate of Insurance naming Clark Construction, LLC as an additional insured
- . A completed W-9 form

Subcontractor shall complete the following information as part of this agreement:

LEGAL NAME OF COMPANY: _____
ADDRESS, CITY, STATE & ZIP: _____
OFFICE TELEPHONE NUMBER: _____
FAX NUMBER: _____
MAIN CONTACT NAME: _____
MAIN CONTACT CELLPHONE NUMBER: _____
E-MAIL ADDRESS: _____

WASHINGTON MASTER LICENSE NUMBER: _____

CONTRACTOR REGISTRATION NUMBER: _____ EXP. DATE _____

STATE INDUSTRIAL INSURANCE NUMBER (UNEMPLOYMENT INSURANCE NUMBER): _____

SUBCONTRACTOR INSURANCE COMPANY: _____

INSURANCE AGENT & COMPANY: _____

AGENT PHONE NUMBER: _____

3. PROJECT MANAGEMENT: The Subcontractor shall designate a competent superintendent satisfactory to Contractor who shall be physically present or readily available to the project site and shall be authorized to act for Subcontractor in all respects, as required. This person shall be accessible to Contractor by telephone during normal business hours Monday thru Friday or during the hours to which the project is operating. Subcontractor shall ensure the on-site attendance of a competent, English speaking superintendent or foreman who, if necessary, fluently speaks the same language as all persons working for Subcontractor on said project.

4. GENERAL CONDITIONS:

- A. Subcontractor shall be responsible for performing field measurements and verifying dimensions on drawings.
- B. Subcontractor shall regularly remove all refuse, waste and debris produced by its operations. Refuse may not be permitted to accumulate to the extent that it interferes with free access to the work site or creates a safety concern. Avoidance of safety hazards through good housekeeping is a material part of the subcontractor's obligations. The subcontractor shall dispose of all debris as directed by the job site superintendent or as otherwise stated in a work order. Should the subcontractor fail to promptly comply with the cleanup, the subcontractor agrees that Contractor may charge Subcontractor a cleanup fee, which will include but not be limited to, all labor at the rate of \$150 per hour, equipment removal and all disposal fees, plus an administration fee of \$100.00.
- C. Materials delivered by Subcontractor to the job site must be delivered pursuant to the job superintendent's instructions. Subcontractor shall protect its unfinished work against loss or damage by others. Subcontractor is responsible for all loss or damage to materials or equipment furnished to the Subcontractor by Contractor. Subcontractor is responsible for proper use and handling of materials and is further responsible for damage of any kind caused by Subcontractor or his agents to the structure or premises.
- D. Subcontractor will not sublet or assign any work without the prior written consent of Contractor.
- E. Job damage caused by Subcontractor to work other than its own shall be reported immediately to Contractor, and Subcontractor shall be responsible for the cost of its repair.
- F. Any sub-tier subcontractor shall be bound to Subcontractor to the same extent Subcontractor is bound to Contractor and the same extent Contractor is bound to Owner. This Master Agreement may be used for sub-tier subcontractor.
- G. All subcontracted work is to be performed in a safe and workmanlike manner and must conform to any Contractor policies provided to Subcontractor and/or its

employees and/or agents as well as all federal, state, WISHA, OSHA, and local building codes. Subcontractor shall provide all safety equipment required to perform the work unless previously agreed in writing that Contractor will furnish the required safety equipment. Subcontractor shall develop and enforce an accident prevention program together with the site-specific plans consistent with the Washington Industrial Safety and Health Act. Subcontractors shall comply and shall enforce compliance with all safety rules promulgated pursuant to its accident prevention program or safety plan pursuant to WISHA requirements. Subcontractors shall have and enforce a disciplinary schedule that will be followed by sub-tier subcontractors in the event that safety violations are discovered, regardless of who makes the discovery. Disciplinary action shall not be contingent upon the issuance of a WISHA citation. In order to effectively promote safety at the work site, the subcontractor shall identify, prior to commencement of work, an employee or officer of the subcontractor's company who is responsible for job site safety, and such employee or officer shall report to Contractor and respond to all inquiries or concerns of Contractor during the course of the work. Subcontractor and lower-tier subcontractor employees shall be drug and alcohol free when on site. Contractor's superintendent may direct the subcontractor's supervisor to remove employees not in compliance with the preceding safety requirements of this Master Agreement. In the event the subcontractor does not promptly correct its safety violation, Contractor may order the subcontractor to stop all work until violation is corrected. Subcontractor will be responsible for all costs incurred due to work stoppage for a safety violation caused by Subcontractor.

- H. Subcontractor shall provide Contractor with notice of any safety hazards, violations, or concerns found on the job site or of any injury to its own or its lower-tier subcontractors' workers incurred on the job site. When and as requested by Contractor, Subcontractor shall provide information regarding safety matters.
- I. The Subcontractor shall be responsible for all taxes, licenses, fees, social security, workman's compensation, employee wages and benefits, unemployment taxes, all other taxes, premiums or assessments, relating to the performance of the Subcontractor's obligations to Contractor.
- J. Contractor shall give to Subcontractor advanced notice of the anticipated starting date for the Subcontractor's work. Contractor shall consult with Subcontractor on development and update of a construction schedule at Subcontractor's request. Subcontractor shall start work on the date named by Contractor as time is of essence, and shall complete its work at such times as will enable Contractor to fully complete its work according to the overall project schedule. Subcontractor shall cooperate with Contractor and other subcontractors. Subcontractor agrees to perform its work in accordance with the project schedule.
- K. If Contractor is fined by Labor & Industries or other government agency based upon safety violations of the Subcontractor, the Subcontractor shall reimburse Contractor for any fines so levied against Contractor.
- L. Contractor may offset any amounts owed to the Subcontractor on one project with offsets or back charges against the Subcontractor on another project.

5. SCHEDULE OF WORK: Subcontractor shall furnish manpower, materials, facilities, and equipment and shall work such hours as may be necessary to insure completion of the work in accordance with the approved and currently updated progress schedule. If in-place work falls

behind the current updated and approved schedule and it becomes apparent from the current schedule that the work will not be completed within the contract time, Subcontractor agrees it will, as necessary, take some or all of the following actions at no additional cost to Contractor to improve its progress: (1) Increase manpower in such quantities and crafts as will substantially eliminate the backlog of work; and (2) Increase the number of working hours per shift, shifts per working day, working days per week, or the amount of equipment, or any combination of the foregoing sufficiently to substantially eliminate the backlog of work. Subcontractor shall keep Contractor fully advised at all times of any pending or possible delays in deliveries or work accomplishments that could affect immediate or long-range scheduling of the project.

Subcontractor shall work during the regular business hours as established by the job superintendent. Only upon approval of the job superintendent can Subcontractor work outside of these hours. Contractor may elect to require that Contractor be on site during this off-hour work to which Subcontractor shall reimburse Contractor the cost of having a supervisor on the project for Subcontractor's work. If Contractor elects to allow Subcontractor to work without Contractor being on site, Subcontractor's work is performed at the Subcontractor's own risk. Any work that is performed after hours will be revised at the Subcontractor's expense if work completed outside regular hours is deemed unacceptable by the job superintendent.

6. SCOPE OF WORK: The Subcontractor agrees to perform, supply and finish in a thorough and workmanlike manner all work contracted. All work must meet or exceed all applicable building codes and regulations adopted by the governmental jurisdiction in which the project is located and must meet Contractor standards of quality and workmanship to the reasonable satisfaction of Contractor. The Subcontractor shall supply all equipment, tools, utilities, machinery, scaffolding and safety devices, etc. as required at its own expense. All engineering details and specifications must be met as outlined and presented on plans and specifications per design.

7. TERMINATION: Either party may terminate this Master Subcontract upon 30 days written notification, provided however, that in the event the Subcontractor is not in default, then as to remaining work in progress this Master Agreement shall continue until its completion.

8. SITE READINESS: If the Subcontractor enters onto a job site that has not been cleaned by the prior workman, the Subcontractor shall contact Contractor immediately, and the cleanup due to the prior work shall be the responsibility of Contractor. If Subcontractor is unable to contact Contractor, the Subcontractor shall make a written list of the necessary clean up, and submit the list to Contractor. If Contractor is not contacted as provided above, the Subcontractor shall be responsible for cleaning up the job site in preparation for its own work including scraps, leftover materials and waste from both the prior work and the Subcontractor's work. By commencing work under this Master Agreement, the Subcontractor accepts the cleanup work as previously performed by others and the existing substrate.

9. PAYMENT: To make application for payment, the Subcontractor shall submit to Contractor an invoice by the 25th of the month on the payment application attached to this Master Agreement as Exhibit "A". Subcontractor shall mail all invoices directly to Contractor's accounting office at PO Box 10625, Bainbridge Island, WA 98110. Fax and email copies shall also be accepted at 206-842-3895 and info@clarkconstruct.com respectively. Invoices shall include only that work that has been performed on or prior to the 25th of the month. Amounts

invoiced for materials are limited to only those materials that are on site as of the 25th day of the month. Contractor shall pay Subcontractor's invoice less any offsets or deductions on the 10th day of the month, following receipt of Subcontractor's invoice for work performed and following completion of said work and furnishing of materials by the Subcontractor, provided that the Subcontractor has complied with the following conditions precedent:

- A. Subcontractor has complied with all of the provisions of this Agreement.
- B. Subcontractor's invoice has been received by Contractor no later than the close of the business day on the 25th day of the month.
- C. Subcontractor's invoice is submitted on the pay application attached as Exhibit "A" to this Master Agreement.
- D. Work is fully completed and to the satisfaction of Contractor or is partially completed to a stage commensurate with the Subcontractor's invoice.
- E. Contractor's office has a current W-9.
- F. Contractor's office has received and approved all items listed in the liability insurance section.
- G. Subcontractor has separately invoiced Contractor for each construction project.
- H. Subcontractor has a current account with the Department of Labor & Industries and current payments of the L & I premiums are necessary. Otherwise, Contractor may retain the estimated premiums on invoices. If Subcontractor is exempt from making such payments, Contractor shall be provided with a letter of exemption from the Department of Labor & Industries.
- I. Contractor has received payment for the work from the Owner.

Contractor may deduct and withhold from any payment to the Subcontractor any sums due under this Master Agreement for one or more of the following reasons:

- A. Failure to perform its work;
- B. Loss or damage to persons or property caused by the Subcontractor to the Owner, Contractor or others to whom Contractor may be liable;
- C. Failure to properly pay for labor, materials, equipment or supplies furnished in connection with the Subcontractor's work;
- D. Rejected, nonconforming or defective work which has not been corrected in a timely fashion;
- E. Reasonable evidence of delay in performance of the work such that the work will not likely be completed within the Contractor schedule.
- F. Reasonable evidence that the unpaid balance of the subcontract price may not be sufficient to offset the liquidated or actual damages that may be sustained by Contractor as a result of the anticipated delay caused by the Subcontractor;
- G. Reasonable evidence that the unpaid balance of the Subcontract price may be insufficient to cover the cost to complete the Subcontractor's work (this includes punch list work at the end of the project);
- H. Third party claims involving the Subcontractor, unless and until the Subcontractor furnishes Contractor with adequate security in the form of a surety bond, letter of credit, or other collateral or commitment which are sufficient to discharge such claims if established.

Progress payment for work does not constitute Contractor's acceptance of the work, but is rather to be considered as an advance of funds, subject to final review and acceptance by Contractor.

10. LIENS: Subcontractor agrees not to record a labor and material man's lien against the property upon which Subcontractor has performed work, until Subcontractor has provided a minimum of thirty (30) days written notice to Contractor in order to allow Contractor a thirty-day period within which to resolve the dispute with Subcontractor. Subcontractor shall not file a lien or shall immediately release a lien in the event that Contractor deposits a sum of money equal to the amount of the lien with the Subcontractor's attorney, or in a joint interest-bearing savings account with the Subcontractor, with the understanding that said funds shall be paid only upon mutual agreement of the parties or as per dispute remedy procedure as described in section 19.

Any labor and material man's lien filed by Subcontractor which is later determined to be 25% or more in excess of the net amount ultimately found due and owing to the Subcontractor shall result in Contractor's right to collect from the Subcontractor all damages, consequential losses, or other expenses, incurred by Contractor as a result of contesting said lien, including home office administrative expenses and attorneys' fees.

Provided that Subcontractor has been paid for Work completed under the Contract Documents, Contractor, as its sole option, shall have the right to require Subcontractor to provide lien releases or waivers by all person supplying labor, materials, or services to Subcontractor for the work performed by Subcontractor and to withhold any future and/or final payment until such releases are supplied.

11. LIEN WAIVER: The clearing of any check constitutes a lien waiver and release of all claims through the date of the check for any job upon which the check is written. Additionally, the Subcontractor shall fill out and sign the lien waiver form provided by Contractor and attached to this Master Subcontract as Exhibit "B" for each invoice, for each project.

12. WORKER'S COMPENSATION: Subcontractor warrants to Contractor that the Subcontractor has obtained worker's compensation (State Industrial Insurance) coverage for all employees of the Subcontractor. If the Subcontractor is a sole proprietor, the Subcontractor warrants that it has obtained workers compensation (State Industrial Insurance) coverage in accordance with the worker's compensation laws of the State of Washington. The Subcontractor is an Independent Contractor and NOT an employee of Contractor.

13. WARRANTY: If a defect in material and/or workmanship occurs, Contractor will notify Subcontractor of such defect. Upon receipt of such notice, Subcontractor shall promptly and at its expense satisfactorily repair and/or replace the defective material and/or workmanship and/or systems. The Subcontractor, at its own expense, shall participate in any mediation and arbitration procedures established under any contracts between Contractor and Contractor's customer. The term of Subcontractor's warranty shall be for the same duration as the term of Contractor's warranty to Contractor's customer. Subcontractor shall provide all product warranties to Contractor at the completion of the Subcontractor's work and prior to receiving final payment from Contractor.

14. INSURANCE: The Subcontractor warrants to Contractor and will provide Contractor, prior to commencement of work, a Certificate of Insurance that includes commercial general liability coverage, on an occurrence form, automotive liability, and employer's liability with the

following minimum limits:

- \$1,000,000 Per Occurrence
- \$2,000,000 Annual Aggregate
- \$1,000,000 Products/Completed Operations
- \$2,000,000 Products/Completed Operations Aggregate
- \$1,000,000 Automobile Liability with Symbols 1, 8, & 9
- \$1,000,000 Employers Liability any one disease/any one occurrence

Contractor will be endorsed as a primary additional named insurance on all policies. The insurance carrier for the Subcontractor must have an A.M Best Rating of A- or better and the rating must be listed in the Certificate of Insurance.

Subcontractor shall provide a list of exclusions contained within their policy. Under the General Liability policy, the Subcontractor shall add Clark Construction, LLC to its officers, directors, and employees and the Owner (if required by contract) as additional insured using form CG 20 10 11 85. The policy shall be endorsed to stipulate that the insurance afforded Contractor its officers, directors, and employees and the Owner as additional insured shall apply as primary insurance. Any other insurance carried by the Contractor or the Owner will be excess only and will not contribute with Subcontractor's insurance. The General Liability policy shall be endorsed using form CG 24 04 10 93 or equivalent to waive rights of recovery.

No insurance will be altered, reduction of limits, or cancelled without thirty (30) days prior written notice to Contractor. Subcontractor may be asked to provide a five-year loss run report on open, closed, pending or potential reserves or litigation. Subcontractor will be in breach of contract for failure to timely supply and maintain proper insurance as warranted under this Master Agreement and evidenced by the certificate provided.

Annually, Subcontractor shall supply Contractor with a new and replacement Certificate of Insurance. Not less than two weeks prior to the expiration, cancellation, or termination, the Subcontractor will provide Contractor with a new additional insured endorsement naming Contractor as a primary additional named insured.

The required insurances shall be subject to approval of Contractor but any acceptance of insurance certificated by the Contractor shall in no way limit or relieve Subcontractor of the duties and responsibilities assumed by Subcontractor in his Contract. No work shall be performed at the project site until said certificates have been furnished and approved.

Payment may be withheld, at the option of the Contractor, until such certificates have been furnished or if upon receipt of a cancellation notice on a policy, until withdrawal of the notice or reinstatement of the canceled policy. Subcontractor shall ensure that all tiers of their subcontractors shall maintain insurance in like form and amounts, including the additional insured requirements set forth above, and they will provide evidence of sub-subcontractor's insurance prior to starting work.

Failure of Contractor to enforce in a timely manner any of the provisions of these insurance requirement shall not act as a waiver to enforcement of any of these provisions later in the performance of this Agreement. Any exceptions to these insurance requirements must be

delineated in the contract documents.

In the event Subcontractor does not comply with the requirements of this section, Contractor at its option, may provide insurance coverage to protect its interests and charge the Subcontractor for the cost of that insurance, together with a \$200 administration fee.

15. WAIVER OF SUBROGATION: The Subcontractor agrees to waive any and all tort or other subrogation rights for property damage or bodily injury against Contractor arising directly or indirectly out of, relating to, or in connection with the performance of Subcontractor's services.

16. DEFAULT: If Subcontractor refuses or fails to supply sufficient and properly skilled workers or materials to maintain the schedule of work; refuses or fails to make prompt payment to the sub-subcontractors or suppliers of labor, materials, or services; fails to correct, replace or re-execute faulty or defective work done or materials furnished; disregards the law, ordinances, rules, regulations or orders of any public authority having jurisdiction; or files for bankruptcy or is guilty of material breach of this Agreement, and fails to correct the default and maintain the corrected condition within and no less than two (2) working days of receipts of written notice of the default, then Contractor, without prejudice to any rights or remedies otherwise available to it, shall have the right to any or all of the following remedies:

A. Supply such workers and quantity of materials, equipment and other facilities as Contractor deems necessary for the completion of Subcontractor's work or any part thereof, in which Subcontractor has failed to complete or perform after the above notice and to charge the cost thereof to Subcontractor who shall be liable for the payment of the same including reasonable overhead and profit;

B. Contract with one or more alternative subcontractors to perform such part of the Subcontractor's work as Contractor shall determine necessary to complete the project and charge the cost thereof to the Subcontractor;

C. Terminate this Master Agreement and/or the Subcontractor from the project, after 48 hours written Notice of Default, provided for above, to Subcontractor, and remove Subcontractor from the job, take possession of the site and finish the work by whatever reasonable method that Contractor deems expedient and commercially practicable. When Contractor terminates Subcontractor, Subcontractor shall not be entitled to receive further payment until the work is finished. If the unpaid balance of the subcontract exceeds the cost of finishing, including additional compensation to Contractor for services and expenses made necessary thereby, including overhead an additional administrative cost, such excess shall be paid to Subcontractor. On the other and, if such costs exceed the unpaid balance, Subcontractor shall pay the difference to Contractor. Contractor may back charge Subcontractor for all costs incurred in completing Subcontractor's work including Contractor's staff time, job delay expenses or costs, additional interest expense, closing delay procedures, etc. A back charge may be applied against another subcontract between Contractor and Subcontractor for any other project job that Subcontractor may be engaged with Contractor.

17. CHANGE ORDERS: Contractor may order additional work. Subcontractor shall perform such changes in the work as directed in writing. Any change or adjustment to the price shall be as specifically stated in a written and signed change order. If the Subcontractor encounters

conditions it considers different from those described in the project documents or plans, the Subcontractor shall issue notice and have a change order signed by Contractor prior to proceeding with the change order work. Subcontractor must provide notification to Contractor in a timely manner so as not to impact the project schedule. Subcontractor's schedule shall be equally adjusted if such schedule adjustment is agreed to by Contractor. If Subcontractor and Contractor do not agree in advance and in a mutually signed writing upon a price for changes in the work, Subcontractor and Contractor may elect (on a case by case basis and in writing) to allow Subcontractor to proceed with the change order work, and Subcontractor will be paid based on the actual cost to Subcontractor plus a 15% markup for profit and overhead expenses.

Subcontractor may not negotiate directly with the owner at any time. In the event Subcontractor carries on independent discussions with the owner, which in the opinion of Contractor are detrimental to the progress of the job, Contractor reserves the right not to process change orders so generated and will back charge for any extra work caused by such discussions.

18. TITLE TO MATERIALS: Subcontractor shall bear the risk and be responsible for the replacement and/or reconstruction of all materials and work damaged or lost by fire, theft and/or vandalism until Contractor has accepted the Subcontractor's completed performance of all work.

19. DISPUTES AND REMEDIES: Any dispute that arises under this agreement shall be resolved according to this section 19. Either party may initiate the dispute by delivering a written notice of dispute to the other party. Within seven (7) days after delivery of the notice of dispute, the parties or their designated representatives, shall meet in person to attempt to resolve the dispute.

If the parties cannot resolve the dispute within seven (7) days after the date of the meeting described above, then the parties shall settle the dispute by arbitration administered by the American Arbitration Association/American. The place of arbitration shall be Kitsap or King Counties, Washington, and Washington State law shall apply. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof

Subcontractor shall continue to perform the work and adhere to the schedule during all disputes with Contractor. No work shall be delayed or postponed pending resolution of any disputes in accordance with this section 19.

If a dispute arises out of this Agreement, the prevailing party shall be reimbursed its reasonable costs and expenses incurred in the dispute, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy court proceeding. Subject to the arbitration section set forth above, this Agreement shall be governed by and construed in accordance with the substantive law applicable to contracts and executed and performed in the State of Washington.

20. INDEMNIFICATION: Subcontractor shall indemnify, defend, at Subcontractor's sole expense, and hold harmless Contractor, the Owners (if different from Contractor), affiliated companies of Contractor, their partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors, and assigns ("Indemnified Parties"), from and against any and all claims for bodily injury or death, damage to property, demands, damages, and expenses (including but not limited to investigative and repair costs,

attorneys' fees and costs, and consultants' fees and costs) ("Claims") which arise or are in any way connected with the work performed, materials furnished or services provided under this Master Agreement by Subcontractor or its agents. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of Subcontractor, its employees or agents, whether active or passive. Subcontractor shall not be obligated to indemnify and defend Contractor or Owner for Claims found to be due to the sole negligence of willful misconduct of Indemnified Parties. Subcontractor's indemnification and defense obligations hereunder shall extend to Claims occurring after this Master Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally adjudicated or barred by applicable laws. Subcontractor specifically and expressly waives any immunity that may be granted it under Washington State Industrial Insurance Act, Title 51 RCW. Furthermore, the indemnification obligation under this Master Agreement shall not be limited in any way to the amount or type of damages, compensation acts, disability benefit acts, or other employee benefit Acts: provided Subcontractor's waiver of immunity by provisions of this paragraph extends only to claims against Contractor for damages arising out of bodily injury to persons or damage to property caused by or resulting from the negligence of Subcontractor, its agents of employees, and does not include or extend to any claims by Subcontractor's employees against Subcontractor.

21. RIGHT TO AUDIT. If Contractor is audited or required to disclose financial and related records for any reason, then Contractor and its authorized representatives shall have the right to audit, to examine, and to make copies of or extracts from all financial and related records (in whatever form they may be kept, whether written, electronic, or other) relating to or pertaining to this Agreement kept by or under the control of the Subcontractor, including, but not limited to those kept by the Subcontractor, its employees, agents, assigns, successors, and subcontractors. Such records shall include, but not be limited to, accounting records, written policies and procedures; subcontract files (including proposals of successful and unsuccessful bidders, bid recaps, etc.); all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices; ledgers; cancelled checks; deposit slips; bank statements; journals; original estimates; estimating work sheets; contract amendments and change order files; backcharge logs and supporting documentation; insurance documents; payroll documents; timesheets; memoranda; and correspondence.

Subcontractor shall, at all times during the term of this Agreement and for a period of 5 years after the completion of this Agreement, maintain such records, together with such supporting or underlying documents and materials. The Subcontractor shall at any time requested by Contractor, whether during or after completion of this Agreement, make such records available for inspection and audit (including copies and extracts of records as required) by Contractor. Such records shall be made available to Contractor during normal business hours at the Subcontractor's office or place of business and subject to a three day written notice. In the event that no such location is available, then the financial records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location that is convenient for Subcontractor. Subcontractor shall ensure Contractor has these rights with Subcontractor's employees, agents, assigns, successors, and subcontractors, and the obligations of these rights shall be explicitly included in any subcontracts or agreements formed between the Subcontractor and any subcontractors to the extent that those subcontracts or agreements relate to fulfillment of the subcontractor's obligations to Contractor. Costs of any audits conducted

under the authority of this right to audit and not addressed elsewhere will be borne by Contractor unless certain exemption criteria are met. If the audit identifies overpricing or overcharges (of any nature) by the Subcontractor to Contractor in excess of one percent (1%) of the total contract billings, the Subcontractor shall reimburse Contractor for the total costs of the audit. If the audit discovers substantive findings related to fraud, misrepresentation, or non-performance, Contractor may recoup the costs of the audit work from the Subcontractor. Any adjustments and/or payments that must be made as a result of any such audit or inspection of the Subcontractor's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of Contractor's findings to Subcontractor.

THE UNDERSIGNED HEREBY CERTIFY THAT PARAGRAPH "INDEMNIFICATION" WAS MUTUALLY NEGOTIATED.

IN WITNESS WHEREOF, Contractor and Subcontractor have here to set their hands and seal the day and year of written first below.

Date: _____

Date: _____

Clark Construction, LLC

Subcontractor

By: _____

By: _____

Print name: _____

Print name: _____

SAMPLE

CLARK CONSTRUCTION, LLC

Exhibit "A" to Master Agreement:
Application for Payment

Subcontractor: _____

Inv # _____

Address: _____

APP # _____

Date: _____

Phone: _____

Fax: _____

ORIGINAL SUBCONTRACT							
Line Item	Description	ORIG	Changes	Current	% COMPL	Prev Billed	Current Billing
1							0
2							0
3							0
4							0
5							0
6							0
7							0
							0

TOTALS	\$	-	\$	-	\$	-
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APPROVED CHANGES		
Line Item	Description	Amount
		\$ -

Exhibit "B" to Master Agreement



WAIVER OF LIEN

INVOICE SPECIFIC: INVOICE # _____ AMOUNTS \$ _____

My/Our contract with: Clark Construction, LLC To provide: Labor & Materials for the improvement of the property described as:

Name:

Address:

City/State/Zip:

Conditional

Having been fully paid and satisfied, all my/our construction lien rights against such property are hereby waived and released this waiver is conditioned on actual payment of \$ _____ (less retainage amount, if any).

Unconditional

Having been fully paid and satisfied, all my/our construction lien right against such property are hereby waived and released \$ _____ (less retainage amount, if any).

Signature _____

Date _____

Title _____

Company _____

Phone _____