



MASTER SUBCONTRACT AGREEMENT

THIS MASTER SUBCONTRACT AGREEMENT (“MSA” or “Agreement”) is made this [Day] day of [Month], [Year], between JG Companies, Inc., with an office located at 15632 El Prado Road, Chino, CA 91710 (“JG” or “Contractor”), and [Subcontractor Full Legal Name], with an office located at [Subcontractor Address, City State, Zip Code] (“Subcontractor”).

This MSA is entered into by and between the Parties with the intent and understanding that it will serve as a master agreement applying to and governing all projects for which JG engages Subcontractor (regardless of each Party’s division or office issuing the Agreement). This MSA sets forth the terms and conditions under which Subcontractor will provide construction services to JG when requested by JG. For each specific Project on which JG engages Subcontractor, a Project Specific Work Order (“WO”) shall be executed, which shall incorporate this MSA by reference, and shall contain additional terms and conditions governing Subcontractor. The Parties agree that if any modifications are made to this MSA (as would be called out by tracked changes/redlines), such modifications do not apply to any competitive bid public contracts, whether federal, state or local.

This MSA shall consist of the following documents, all of which are either attached hereto as Attachments or are hereby incorporated by this reference, and made a part of the Subcontract Documents (defined below) as follows:

MSA - "Additional Project Standards"	07/2021	MSA - "Sexual Harassment Policy"	07/2021
MSA - "Change Order Procedure"	07/2021	MSA - "Equal Employment Opportunity Policy"	07/2021
MSA - "Minimum Insurance Requirements"	07/2021	JG Safety Manual	10/2019
MSA - "Policy on Drug & Alcohol Abuse"	07/2021		

This MSA shall be in effect for five (5) years but shall also continue in effect for the duration of any Project commenced hereunder within such period of time, unless terminated earlier by JG in its sole discretion.

The Parties agree to the Standard Terms and Conditions set forth below.

1. **SUBCONTRACT DOCUMENTS.** The term “Subcontract Documents” shall include, without limitation, (i) the MSA and all attachments identified in the MSA, (ii) the WO and all attachments identified in the WO, (iii) the Prime Contract Documents applicable to a specific Project, and (iv) all modifications and change orders issued after execution of the Agreement. The “Prime Contract Documents” as used in this paragraph are defined to mean and include the Prime Contract between the Owner and JG for a specific Project, including, but not limited to, all drawings and specifications, general and special or supplementary conditions and all other documents or attachments incorporated in the Prime Contract. Upon Subcontractor’s request, JG shall make copies of the Prime Contract Documents available for review and reproduction, however, JG reserves the right to redact confidential, financial and trade secret information from the Prime Contract Documents made available to Subcontractor. The terms and conditions of any of Subcontractor proposals or quote submitted for a specific Project shall not in any way modify, amend, add or subtract from the terms and conditions contained in this MSA.

(a) **Assumption of Prime Contract Documents into WO.** By signing a WO, Subcontractor certifies that it is fully familiar with all the terms and conditions of all Subcontract Documents applicable to the WO and certifies that it is familiar with the location of the job site, and the conditions under which the Work is to be performed and that it

enters into the Agreement based upon its own investigation of all such matters and is not relying on opinions or representations of JG.

- (b) **Interpretation.** Capitalized terms defined in this MSA shall apply to all Subcontract Documents, and terms not defined herein shall have the same meaning defined in other Subcontract Documents. The Subcontract Documents are complementary, and what is required by any one shall be as binding as if required by all. Subcontractor shall promptly report to JG in writing any discrepancies or errors which come to its attention in the Subcontract Documents.
- (c) **Order of Precedence.** In the event of conflicts in the Subcontract Documents, the order of precedence, highest to lowest, shall be as follows (1) WO and its attachments; (2) MSA and its attachments; and (3) Prime Contract Documents. In the event of inconsistency or conflict amongst the provisions of this Agreement, the provision imposing the most stringent obligation on Subcontractor will control.
2. **PERFORMANCE OF THE WORK.** The “Subcontract Work” or “Work” includes all labor, services, materials, freight, packaging, supplies, hardware, fasteners, fixtures, tools, layout, engineering, value engineering, detailing, equipment, scaffolds, hoisting, administration, supervision, transportation, warehousing, storage and other facilities, and all other items and services necessary for the proper and complete performance and acceptance of the Work and obligations set forth in the Subcontract Documents for a Project and reasonably inferable from the Subcontract Documents and all approved change orders. Subcontractor agrees (1) that all Work shall conform strictly to the Subcontract Documents, (2) to perform the Work within the time specified in the Subcontract Documents, with all necessary certificates, contractors licenses, city business licensing and all applicable and/or required licensing in place for the Work, according to the Subcontract Documents and to the satisfaction of Owner, Architect and JG, and (3) to provide a full-time competent superintendent acceptable to JG who shall have authority to act on behalf of Subcontractor shall attend all meetings as requested by JG and shall supervise the Work. Subcontractor shall submit a schedule of values for approval at the commencement of the Work. The installation of the Subcontractor’s Work will be considered evidence of its acceptance of the existing conditions as being correct and to its approval. Responsibility for proper configurations and dimensions of any part of the Work shall rest with Subcontractor.
3. **SCHEDULE.** Time is of the essence of this Agreement and all WOs. Subcontractor shall provide JG with scheduling information and a proposed schedule for performance of its Work in a form and by a date acceptable to JG. Subcontractor shall conform to JG’s reasonable progress schedule and all reasonable revisions or changes made thereto, which Subcontractor recognizes shall be made for the benefit of the timely progress of the Project. Subcontractor shall prosecute its Work without delaying or hindering JG’s work or the work of others. Subcontractor shall coordinate its Work with that of all other contractors, subcontractors, and of JG.
- (a) Subcontractor agrees to notify JG in writing within two (2) working days (or 24-hours prior to the time within which JG must provide notice to the Owner pursuant to the terms of the Prime Contract Documents, whichever is earlier) of any delays or anticipated delays to the Work and to state the cause of said delays. If Subcontractor fails to provide such written notice, Subcontractor waives any and all rights to additional time or costs associated with all delays or anticipated delays for which timely notice was not given.
- (b) In the event Subcontractor fails to maintain its part of JG’s schedule, it shall, without additional compensation, accelerate the Work as JG may direct until the Work is in accordance with such schedule. JG shall have complete control of the premises on which the Work is to be performed and shall have the right to decide the time and order in which various portions of the Project shall be performed.
- (c) No claims for additional compensation or damages for delays, including, but not limited to, force majeure delays, delays caused by third-party utilities, governmental bodies and regulatory authorities, delays caused by the Owner, its agents, employees, or its separate contractors, or any other delay beyond the Control of JG shall be recoverable from JG. An extension of time for completion shall be the sole remedy of Subcontractor and Subcontractor waives and releases any and all claims for additional compensation; provided, however, that if JG obtains additional compensation from Owner, on account of such delays to the Work, Subcontractor shall be entitled to such portion of the compensation received by JG as is equitable under all of the circumstances. If JG prosecutes a claim against

Owner for additional compensation for any delay, Subcontractor shall cooperate with JG in the prosecution thereof and shall pay its proportionate share of costs and expenses incurred on behalf of Subcontractor in connection therewith.

(d) If Subcontractor should default or otherwise cause delay to JG's work, Subcontractor shall be liable for all losses, costs, expenses, liabilities and damages, including actual, consequential and liquidated damages, sustained by JG, or for which JG may be liable to Owner or any other party because of Subcontractor's default or delay.

(e) Subcontractor agrees to submit (1) on a weekly basis, and at the time of submission of progress payment requests, a report, in a form satisfactory to JG, itemizing on a weekly basis actual quantities of work performed and (2) on a daily basis a "Subcontractor Daily Report" for each day on the jobsite that indicates the daily manpower and equipment employed by Subcontractor on the Project, as well as a description of the activities performed that day.

4. **WARRANTY.** Subcontractor warrants to Owner, Architect and JG that all materials and equipment furnished shall be new, unless otherwise specified, and that all Work shall be free from faults and defects and in conformance with the Subcontract Documents and all laws, codes, ordinances, rules, regulations and orders applicable to the Work. All Work not conforming to these requirements, including substitutions not properly approved and authorized in writing, shall be considered defective. The Subcontractor shall remove, replace and/or repair at its own expense and at the convenience of the Owner any faulty, defective or improper Work, materials or equipment discovered within one (1) year from the date of substantial completion of the Project as defined in the Prime Contract or for such longer period as may be provided in the Plans, Specifications, General Conditions, Special Conditions or other Contract Documents. Without limitation by the foregoing, the Subcontractor shall pay in addition for all damage to the Project resulting from defects in the Work and all costs and expenses necessary to correct, remove, replace and/or repair the Work and any other work or property which may be damaged in correcting, removing, replacing or repairing the Work.

5. **CHANGES IN THE WORK.** JG may at any time, by written change order signed by JG's Project Manager only, and without notice to any surety who issued a Subcontractor bond, make changes in the Work within the general scope hereof. If such changes cause an increase or decrease in the cost of the Work or in the required time for its performance, an equitable adjustment shall be made subject to the conditions of this Paragraph. If JG and Subcontractor cannot agree on the cost or time of performance for the change order work, or if JG or Owner disagrees that any work is change work, Subcontractor shall nevertheless timely perform the disputed work as directed by JG.

(a) No increase in compensation or extension of time for performance shall be allowed unless Subcontractor makes application therefor, in writing, to JG within seven (7) days from the date on which Subcontractor receives a notification of change, (or three days prior to the time within which JG must submit a change order request or quotation to Owner pursuant to the Prime Contract Documents, whichever is earlier). Subcontractor's application must include a detailed breakdown of all costs and any schedule delays associated with the change. JG shall have the right to, but is not obligated to, audit any information submitted by Subcontractor in connection with such application. If Subcontractor does not submit an application in this time period, due to the substantial prejudice sustained by JG as a consequence of Subcontractor's failure to submit a timely written application, Subcontractor shall be deemed to waive and release any claim for additional compensation or additional time for such change. JG will quote the Owner accordingly and Subcontractor will be responsible to perform the changes defined in the change order with no adjustment to Subcontractor's compensation or time required for the performance of the Work.

(b) To the maximum extent allowed by law, JG's obligation to Subcontractor for any delay, disruption, loss of productivity, interference, acceleration or other damages resulting from or arising out of any cause beyond JG's reasonable control, including but not limited to acts or omissions by Owner, Architect, third party utilities, governmental and regulatory authorities or force majeure, is limited to paying to Subcontractor its proportionate share of any amounts which Owner pays to JG as a result of such claim, subject to any offset for JG's costs and expenses incurred in presenting such claim to Owner and Subcontractor waives and releases any claims beyond such share received by JG. Any disputed Work must be tracked and submitted to JG on a daily basis. Failure to provide time and material tickets on a daily basis shall be deemed an agreement by Subcontractor that Work performed that day is not recoverable from JG and Subcontractor waives any and all rights to additional compensation therefrom. Any signature by JG employee on a time and material daily ticket shall mean JG is

acknowledging receipt of the time and material ticket only, and such signature is not an admission that JG is accepting any such time or cost as extra work or that the cost associated with such time or material is due Subcontractor.

6. **PAYMENT.**

- (a) JG agrees, in consideration of the full and complete performance of the Work by the Subcontractor in accordance with the terms and provisions of the Subcontract Documents, to pay or cause to be paid to the Subcontractor the Subcontract Sum. Subcontractor understands that all payments to Subcontractor will be made only from a special fund and a specific source, namely, from payments made by Owner from time to time to JG in respect of Work performed by Subcontractor. JG shall make payments to Subcontractor within seven (7) days after receipt by JG of payment from Owner for the Work of Subcontractor for which payment has been made (or within such shorter period as may be required by law).
- (b) If JG is not paid by Owner any sum claimed due by Subcontractor, then JG's obligation to make payment to Subcontractor with respect to the time for payment to Subcontractor shall, in addition to any other conditions set forth in the Subcontract Documents, be subject to the following conditions precedent:
- (i) If such nonpayment by Owner is finally adjudged to have been caused by a breach by JG of the Prime Contract Documents, and such breach is not caused by Subcontractor's failures in performance, then JG shall pay to Subcontractor such sum as is due under the Subcontract Documents, inclusive of simple interest thereon at the rate of 5% per annum accruing from the date such sum was first due and owing to Subcontractor as set forth above.
 - (ii) If JG does not pay Subcontractor sums claimed due under the Subcontract as a result of nonpayment by the Owner and such nonpayment is caused by the Owner's insolvency, bankruptcy, or lack of sufficient assets, or for reasons other than a breach by JG of the Prime Contract Documents, then Subcontractor's right to payment shall be conditioned upon the passage of such time as may be reasonable and necessary for JG to fully exercise and exhaust to final judgment its legal, extra-judicial and appellate rights and remedies for collection of sums unpaid by Owner, together with the passage of such additional time as reasonably necessary for execution by JG of any final judgment entered in its favor. Simple interest only on such sums as are due to Subcontractor under this Paragraph (ii) shall accrue and be payable to Subcontractor at the rate of 5% per annum commencing from the expiration of the reasonable time reserved to JG in this Paragraph (ii) for recovery and collection from Owner.
 - (iii) Subcontractor agrees to preserve and maintain its mechanic's lien and stop notice rights (of any sort as allowed by law) with respect to a Project and to exercise and exhaust those rights in the event of Owner non-payment under the Prime Contract Documents.
- (c) All billings for work performed shall be made on JG's standard forms. Payment requests must be delivered to JG sufficiently early as to not delay timely submission of JG's progress payment requests to Owner.
- (d) JG shall retain from progress or other payments hereunder ten percent (10%) of the amount due until after final acceptance of the work by the Architect and Owner and until ten (10) days after JG's receipt of final retention payment from Owner, unless otherwise required by law or outlined in the Project Specific Work Order (WO).
- (e) Subcontractor shall furnish Unconditional and Conditional Waiver and Release forms, mechanics' lien, stop notice, construction lien, materialman and bond claim releases (including from lower tier subcontractors and suppliers), payment affidavits, certified payroll and any other forms as required on a Project with each application for progress payments and on final payment. Receipt by JG of all required documents and approval by JG of those documents are conditions precedent to payment by JG.
- (f) Unless otherwise provided in the Subcontract Documents, payments will be made on account of materials or equipment not incorporated in the Work but delivered and suitably stored at the site and, if allowed in the Subcontract Documents and approved in advance by JG, payments may similarly be made for materials or

equipment suitably stored at some other location agreed upon in writing. Payments for materials or equipment stored on or off the site shall be conditioned upon submission by Subcontractor of bills of sale or such other procedures satisfactory to JG to establish Owner's title to such materials or equipment or otherwise protect Owner's interest, including applicable insurance and transportation to the site for those materials and equipment stored off the site.

- (g) JG may withhold or, on account of subsequently discovered evidence, may nullify, the whole or part of any payment as reasonably necessary to protect JG and Owner from any actual or potential loss or damage on account of Subcontractor's performance and Subcontractor's Work on a Project or Subcontractor's breach or alleged breach of the Subcontract Documents, or as otherwise allowed by law. When the reason(s) for withholding payment is/are rectified, amounts then due and owing shall be paid or credited to Subcontractor.
- (h) JG reserves the right to make payment by joint check or by direct check to Subcontractor's materialmen or sub-subcontractors or to any other person or entity who has performed work or furnished materials under this Subcontract. Prior to making any payment by joint check or direct check, JG shall provide Subcontractor written notice of any such intent, and allow Subcontractor a reasonable opportunity to provide reasonable information why such funds are not due or owing to any sub-tier subcontractor or supplier.
- (i) Any payment made hereunder prior to completion and acceptance of the Work shall not be construed as evidence or acknowledgment of proper completion of any part of the Work.

7. **INDEMNIFICATION AND DUTY TO DEFEND.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, SUBCONTRACTOR SPECIFICALLY OBLIGATES ITSELF TO PROTECT, IMMEDIATELY DEFEND, INDEMNIFY AND HOLD JG, OWNER AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES AND ANY OTHER PERSON INDEMNIFIED BY OWNER (HEREINAFTER "INDEMNITEES") HARMLESS AGAINST CLAIMS, DAMAGES, LIABILITY, LOSSES, DEMANDS, CAUSES OF ACTION, JUDGMENTS, COSTS, EXPENSES, INCLUDING ANY FEES OF ACCOUNTANTS, ATTORNEYS, EXPERTS OR OTHER PROFESSIONALS, OR INVESTIGATION EXPENSES (HEREINAFTER "LOSSES") ARISING OUT OF THE SUBCONTRACTOR'S OPERATIONS AND THE WORK. SUBCONTRACTOR'S OBLIGATIONS INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING: (I) LOSSES FOR ANY ALLEGED OR ACTUAL VIOLATION OR INFRINGEMENT BY SUBCONTRACTOR (OR SUBCONTRACTOR'S EMPLOYEES OR SUBCONTRACTORS OR CONSULTANTS OR VENDORS OF ANY TIER) OF ANY LAW, STATUTE, CODES, SAFETY OR OCCUPATIONAL HEALTH ORDERS, RULES, REGULATIONS, STANDARDS, ORDERS OR ANY PATENT OR PATENT RIGHT; (II) LOSSES RESULTING FROM INJURY TO OR DEATH OF ANY PERSON (INCLUDING SUBCONTRACTOR'S EMPLOYEES) OR DAMAGE TO PROPERTY OF ANY KIND (INCLUDING ECONOMIC LOSS), INCLUDING THE SUBCONTRACTOR'S WORK OR THE WORK OF OTHERS ON THE PROJECT, WHICH INJURY, DEATH OR DAMAGE ARISES OUT OF THE PERFORMANCE OF SUBCONTRACTOR'S WORK; (III) LOSSES ARISING FROM: (1) CONSTRUCTION LIENS, MECHANICS' LIENS, OR OTHER MATERIALMAN'S LIEN OF ANY SORT, STOP NOTICE CLAIMS AND PAYMENT BOND CLAIMS MADE BY ANY SUB-SUBCONTRACTOR, SUPPLIERS, LABORERS, RENTAL COMPANIES, OR THE LIKE, AND (2) CLAIMS AND LIENS FOR LABOR TAXES, MATERIALS, APPLIANCES, EQUIPMENT, AND SUPPLIES WHATSOEVER, INCLUDING ANY COSTS, ATTORNEYS' FEES, AND INCIDENTAL DAMAGE RESULTING THEREFROM; AND FOR FAILURE BY SUBCONTRACTOR OR ANY PARTY ACTING ON SUBCONTRACTOR'S BEHALF TO COMPLY WITH ALL LAWS, ORDINANCES AND REGULATIONS OF ALL GOVERNMENTAL AUTHORITIES IN ANY MANNER RELATING TO THE SUBCONTRACT WORK; AND (IV) LOSSES ARISING OUT OF ANY BREACH OF OR FAILURE OR ALLEGED FAILURE TO COMPLY WITH THE TERMS OF THE SUBCONTRACT DOCUMENTS.

SUBCONTRACTOR'S INDEMNITY AND HOLD HARMLESS OBLIGATIONS HEREUNDER SHALL APPLY TO ANY ACTS, OMISSIONS, WILLFUL MISCONDUCT, NEGLIGENT CONDUCT, OTHER FAULT, OR LIABILITY WITHOUT FAULT OF ANY PERSON OR ENTITY FOR WHOM SUBCONTRACTOR IS OR MAY BE RESPONSIBLE; HOWEVER, SUBCONTRACTOR SHALL NOT

BE REQUIRED TO INDEMNIFY AN INDEMNITEE AGAINST CLAIMS ARISING FROM HIS, HER, OR ITS OWN ACTIVE NEGLIGENCE OR WILLFUL MISCONDUCT.

SUBCONTRACTOR ACKNOWLEDGES THE SEPARATE AND INDEPENDENT DUTY TO DEFEND SET FORTH IN THIS PARAGRAPH, AND SHALL, REGARDLESS OF WHETHER ANY INDEMNIFICATION OBLIGATIONS LATER ARISE, AT ITS OWN COST, EXPENSE AND RISK, AND IMMEDIATELY UPON TENDER, DEFEND THE INDEMNITEES IN ANY AND ALL CLAIMS, DEMANDS, ACTIONS, LIEN ACTIONS, SUITS OR OTHER LEGAL, ARBITRAL, ADMINISTRATIVE OR OTHER PROCEEDINGS WHICH MAY BE BROUGHT AGAINST INDEMNITEES. SUBCONTRACTOR MAY APPOINT COUNSEL OF ITS CHOICE, HOWEVER, SUCH COUNSEL SHALL BE (I) EXPERIENCED AND CAPABLE OF EFFECTIVELY HANDLING THE SUBJECT MATTER ASSIGNED, AND (II) FREE OF CONFLICTS OF INTERESTS, BIASES AND PREJUDICES AGAINST THE INDEMNITEES. ALTERNATIVELY, SUBCONTRACTOR MAY ELECT TO PAY, WITHIN 30 DAYS OF RECEIPT OF AN INVOICE FROM JG ITS ALLOCABLE SHARE OF JG'S DEFENSE FEES AND COSTS DURING THE PENDENCY OF A CLAIM. IF SUBCONTRACTOR FAILS TO TIMELY AND ADEQUATELY PERFORM ITS OBLIGATIONS, JG SHALL HAVE THE RIGHT TO PURSUE A CLAIM AGAINST THE SUBCONTRACTOR FOR ANY RESULTING COMPENSATORY DAMAGES, INTEREST ON DEFENSE AND INDEMNITY COSTS FROM THE DATE INCURRED, CONSEQUENTIAL DAMAGES, AND REASONABLE ATTORNEYS' FEES INCURRED TO RECOVER THESE AMOUNTS.

THE FOREGOING INDEMNITY AND DEFENSE OBLIGATIONS ARE NOT LIMITED BY THE AMOUNT OF ANY AVAILABLE INSURANCE AND ARE IN ADDITION TO ANY EXPRESS OR IMPLIED INDEMNITY OR CONTRIBUTION RIGHTS AVAILABLE TO ANY OF THE INDEMNITEES AT LAW OR IN EQUITY.

ALL WORK DONE AT THE SITE OR IN PREPARING OR DELIVERING MATERIALS OR EQUIPMENT, OR ANY OR ALL OF THEM, TO THE SITE SHALL BE AT THE RISK OF SUBCONTRACTOR EXCLUSIVELY UNTIL THE COMPLETED WORK IS ACCEPTED BY JG.

WITH RESPECT TO CLAIMS AGAINST AN INDEMNITEE, ASSERTED BY AN EMPLOYEE OF SUBCONTRACTOR, BY AN EMPLOYEE OF ONE OF SUBCONTRACTOR'S SUBCONTRACTORS, BY AN EMPLOYEE OF ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM, OR BY AN EMPLOYEE OF ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE, SUBCONTRACTOR'S INDEMNITY OBLIGATIONS SHALL NOT BE LIMITED BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION, OR BENEFITS PAYABLE BY OR FOR SUBCONTRACTOR OR SUBCONTRACTOR'S SUBCONTRACTORS UNDER WORKER'S COMPENSATION ACTS, DISABILITY ACTS, OR OTHER EMPLOYEE BENEFIT ACTS.

ALL INDEMNITY OBLIGATIONS UNDER THIS SUBCONTRACT AGREEMENT SHALL APPLY TO CLAIMS ARISING BOTH BEFORE AND AFTER COMPLETION OF THE WORK UNDER THE SUBCONTRACT DOCUMENTS AND TO CLAIMS ARISING BOTH BEFORE AND AFTER THE TERMINATION OF ANY OF THE SUBCONTRACT DOCUMENTS. THE INDEMNITY OBLIGATIONS SET FORTH IN THIS OR IN ANY OTHER PROVISION OF THE SUBCONTRACT DOCUMENTS SHALL NOT BE CONSTRUED TO NEGATE, ABRIDGE, OR REDUCE ANY OTHER RIGHTS OF INDEMNITY ACCORDED BY LAW OR EQUITY TO THE INDEMNITEES.

8. INSURANCE

- (a) Subcontractor shall, at its own expense, procure not less than the insurance coverages and limits of insurance as specified within the Insurance Attachment, which is attached to the Subcontract Agreement and is an integral part of this Agreement. Such insurance shall be maintained with insurers, policy forms and deductibles satisfactory to JG and the Owner. Such insurance shall not contain any exclusion(s) that apply to the type of work performed by Subcontractor under this agreement, or to the cause of resultant damage arising out of work performed by

Subcontractor. If Subcontractor uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth within the Insurance Attachment, Subcontractor agrees to amend, supplement or endorse the existing coverage to do so, at no additional cost to JG.

- (b) Subcontractor will also carry any other insurance specified in the Contract Documents for protection of Owner, JG and Subcontractor, and will keep all policies and endorsements in force as long as may be necessary to protect any of the above. Any acceptance of insurance certificates or endorsements by JG shall in no way limit or relieve the Subcontractor of its duties and the responsibilities assumed by him in this Agreement.
- (c) Subcontractor shall be responsible for payment of the deductible for any Builder's Risk/Course of Construction Insurance ("Builder's Risk") claim regardless of whether such coverage is procured by the Owner, JG or Subcontractor. Subcontractor shall be responsible for payment of the deductible in proportion to its percentage of responsibility of the entire loss (covered under the Builder's Risk Policy), as calculated prior to the application of the policy deductible.
- (d) JG may, at its own option, insure either the General Liability and Excess, or the General Liability, Excess and Workers' Compensation coverages by JG's Project Wrap Up Insurance Program. If the Project is under a JG's Project Wrap Up Insurance Program, then Subcontractor shall be responsible for payment of the deductible for any Workers Compensation and/or General Liability claim arising from its work under the Contractors' Project Wrap Up Insurance Program in accordance with the Project Specific Insurance Manual issued for the Project. Subcontractor shall be responsible for payment of the deductible in proportion to its percentage of responsibility of the entire loss (covered under the Contractors wrap-up insurance program), as calculated prior to the application of the deductible.
9. **BONDS.** If performance and/or payment bonds ("Bonds") are required on a Project, Subcontractor agrees to furnish, concurrently with the execution of the WO, a performance bond in an amount equal to full Subcontract Sum and a payment bond in an amount equal to full Subcontract Sum with a corporate surety or sureties listed in the most current United States Department of the Treasury-Federal Register. Bonds shall be in a form satisfactory to JG and Owner. If Subcontractor fails to provide the required Bonds within three (3) days after demand by JG, JG shall have the immediate right to (1) terminate this MSA and any WO then in effect as a result of Subcontractor's default and recover all costs and damages arising out of such default, including but not limited to the difference in cost of replacement JG, and Subcontractor shall have no right to payment for any work performed prior to such termination, or (2) JG can secure such bonds for Subcontractor and back charge Subcontractor for the cost to do so. If change order work results in an increase in the Subcontract Sum, Subcontractor shall provide bond riders evidencing that the penal sum of the bonds has been increased to equal the adjusted Subcontract Sum. The cost of such increase in bond coverage shall be at Subcontractor's expense and included in said change orders
10. **SAFETY.** Subcontractor shall comply fully with all laws, orders, citations, rules, regulations, standards and statutes with respect to occupational health and safety, the handling and storage of hazardous materials, accident prevention, safety equipment and practices including any and all accident prevention and safety programs of Owner and JG applicable to a Project.
11. **CLEAN-UP.** At all times during the course of performing the Work Subcontractor shall perform any necessary clean-up so as to maintain the Project site in a clean, safe and orderly condition. Subcontractor shall follow all directions of JG in regards to clean-up both during the course of the Work and at the completion of the Work. JG shall be entitled to back charge Subcontractor for the costs of clean up if Subcontractor fails to clean up its work after written demand by JG to do so.
12. **PROTECTION OF WORK.** Subcontractor shall secure and reasonably protect the Work and assume responsibility for the condition thereof until final acceptance by Architect, Owner and JG. Subcontractor shall provide such reasonable protection as is necessary to protect the work and the workers of JG, Owner and other subcontractors from its operations. Subcontractor shall be liable for any loss or damage to its Work in place or its materials on the Project. Subcontractor shall also be liable for loss or damage to work in place or damage to equipment and/or materials on the Project caused by Subcontractor or anyone for whom Subcontractor is responsible.

13. **USE OF JG'S EQUIPMENT.** If Subcontractor uses JG's equipment, materials, labor, supplies or facilities, Subcontractor shall reimburse JG at a predetermined rate. Further, Subcontractor assumes any liability connected therewith and responsibility for physical damage to such equipment, materials, labor, supplies, or facilities used by Subcontractor or its agents, employees, or permittees. Subcontractor accepts any and all of JG's equipment, materials, labor, supplies or facilities as furnished. The use by Subcontractor of JG's equipment or employees must be approved by JG.
14. **CLAIMS FOR ADDITIONAL COMPENSATION AND DELAY.** In the event Subcontractor believes it is entitled to any additional compensation, time or other benefit, it shall submit a Claim in accordance with this Article. A Claim is a written demand or assertion by Subcontractor seeking an adjustment of the Subcontract's terms, payment of money, delay, extension of time or other relief with respect to the Subcontract Documents. Timely notice is a condition precedent to Subcontractor bringing any Claim against JG. Subcontractor shall submit any Claim to JG within three (3) working days of the occurrence of the event giving rise to the Claim (or two (2) working days prior to the time which JG must submit a pass-through request to the Owner pursuant to the Prime Contract Documents, whichever is earlier). Claims must be in writing, and contain sufficient narrative detail and supporting documentation justifying all claimed costs and delays. Claims shall be dated, signed and certified by a duly authorized representative of Subcontractor. Any Claim not timely submitted shall be deemed waived and forever released by Subcontractor. JG shall have the right to, but is not obligated to, audit any Claim.

Notwithstanding any other provision of the Subcontract Documents, to the maximum extent allowed by law, JG will be liable to Subcontractor on any Claim only if and to the extent Owner is liable to JG for the adjustment sought in such Claim. It is expressly understood that the only obligation JG has to Subcontractor under this provision is to pass on to Owner any Claim, and to pay to Subcontractor any amounts which Owner pays to JG as a result of such Claim. Subcontractor will reimburse JG for all costs and expenses, including attorneys' and consultants' fees and costs, incurred in connection with presenting any such Claim to Owner.

Unless otherwise agreed in writing, Subcontractor shall continue to prosecute the Work and maintain the Project Schedule pending resolution of any Claim. Any failure of Subcontractor to continue diligent and timely prosecution of the Work shall be deemed a material breach of the Subcontract Documents.

If, during the performance of this Agreement, the price of Subcontractor's materials significantly increase by more than 5% of the material costs from the date of execution of this Agreement, Subcontractor shall immediately notify JG in writing of the material cost increase when Subcontractor receives price increase notification from its material suppliers to allow JG to procure the materials before the cost increase becomes effective. Sufficient backup documentation in the form of quotes, invoices, or receipts from Subcontractor's suppliers will be required to support any material cost increase. Subcontractor may not charge JG any overhead or profit or otherwise markup the cost of purchasing any increased priced materials. If Subcontractor fails to notify JG of any material price increases effecting their trade before the increased price becomes effective and fails to provide JG with sufficient time for JG to purchase the materials before the price increase become effective, Subcontractor shall be liable for payment of the costs associated with the material cost increase for material necessary to complete their Work.

15. **DISPUTES AND DISPUTE RESOLUTION.** A Dispute shall arise when JG denies or otherwise challenges a timely Claim brought by Subcontractor or the Parties have another form of disagreement arising from the Subcontract Documents (collectively "Dispute").
- (a) **Work Continuation and Payment.** Subcontractor shall not delay or postpone any Work pending resolution of any Dispute and shall keep account of all cost information related to any Dispute. During a Dispute, JG shall continue to make payments for undisputed Work in accordance with the Subcontract Documents.
- (b) **Disputes under the Prime Contract.** If a Dispute between Subcontractor and JG pertains in any way to a claim, dispute, or matter in question between JG and Owner arising out of or relating to the Prime Contract Documents, then the Dispute will be decided using the same law, procedures, forum, and process set forth in the Prime Contract Documents, regardless of whether Subcontractor formally joins the process as a litigant or named party. Subcontractor agrees to reasonably cooperate with JG in such process and to share proportionately the legal fees

and costs associated with the preparation for and execution of the hearing to the extent mutually agreed upon related to the Claim being pursued by JG on Subcontractor's behalf. Subcontractor further agrees to stay any action filed by the Subcontractor against JG until the dispute between JG and Owner is resolved.

- (c) **Subcontractor Cooperation.** In the event it is not possible to join a Dispute to the dispute resolution procedures between Owner and JG as provided in Paragraph 15(b) above, Subcontractor agrees to enter into a mutually agreeable liquidating agreement with JG and to cooperate fully with JG in the prosecution or defense of Subcontractor's Claim by JG.
- (d) **Disputes between JG and Subcontractor.** If a Dispute is only between JG and Subcontractor, then the dispute resolution procedure set forth in Paragraphs 15(e) through 15(f) below shall apply. JG reserves the right to consolidate any mediation, lawsuit or arbitration arising under this Agreement or a WO with any mediation, lawsuit or arbitration relating to disputes between JG and Owner. Subcontractor shall include in each of its sub-tier agreements a specific provision whereby the necessary party agrees to be joined or consolidated with any dispute procedure between JG and Subcontractor.
- (e) **Mediation.** Neither Party shall proceed with arbitration or litigation until the Parties have mediated the Dispute. Mediation will be conducted under the American Arbitration Association's Construction Industry Mediation Rules unless the Parties agree otherwise. The costs of the mediator shall be shared equally by the Parties. The Parties agree to stay any legal or equitable proceedings pending completion of mediation. The mediation shall be held in the city or county where the Project is located, unless otherwise agreed. Prior to the mediation, Subcontractor shall provide sufficient supporting information as determined by JG to enable JG to reasonably evaluate Subcontractor's claims. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.
- (f) **Binding Arbitration.** For Disputes not resolved by mediation as set forth above, the Parties agree to resolve such Disputes by binding arbitration as follows:
- (i) Arbitration shall be administered and conducted using the Construction Industry Arbitration Rules of the American Arbitration Association in effect at the time of initiation or the Parties may mutually agree to select another set of arbitration rules. The administration of the arbitration shall be as mutually agreed by the Parties.
 - (ii) It is the intent of the Parties that any Dispute arising under this Agreement or a WO may be consolidated with arbitration or mediation proceedings arising under the Prime Contract Documents or other agreements relating to the same transaction or series of transactions relating to the Work or the Project, provided that the agreement governing the other arbitration or mediation (1) permits consolidation; and (2) the disputes to be consolidated substantially involve common issues of law or fact creating the possibility of conflicting rulings.
 - (iii) It is the intent of the Parties that in any Dispute arising under this Agreement or a WO, either Party may include by joinder persons or entities who are parties to agreements relating to the same transaction or series of transactions relating the Work or the Project, provided the joinder is required if complete relief is to be accorded, to prevent the possibility of conflicting rulings on a common issue of law or fact, or otherwise to prevent risk of the Parties being subjected to inconsistent obligations or decisions.
 - (iv) Similarly, Subcontractor agrees to be joined in any arbitration or mediation between JG and any person or entity with whom JG has an agreement to arbitrate or mediate that relates to the same transaction or series of transactions relating to the Subcontractor's Work or the Project, including, but not limited to, the Prime Contract Documents, provided Subcontractor's presence is required if complete relief is to be accorded, to prevent the possibility of conflicting rulings on a common issue of law or fact, or otherwise to prevent risk of the Parties being subjected to inconsistent obligations or decisions.
 - (v) If a Party fails or refuses to appear or participate in the arbitration, or in any portion of the arbitration, after having been given notice and opportunity to participate by failing to participate in arbitrator selection, failing to pay arbitrator costs or fees, failing to respond to the arbitration demand, failing to provide the arbitrator with papers or information demanded, or failing to appear at hearings, the arbitration will proceed and the arbitrator

may render a final award on the basis of the evidence presented by the participating Party. An award rendered under such circumstances is valid and enforceable as if all Parties had participated fully.

16. **JG'S REMEDIES.**

- (a) If Subcontractor or any of Subcontractor's subcontractors, suppliers, materialmen or laborers at any time commit any of the acts or omissions below, it shall constitute an event of Default:
- (i) refuse or neglect to supply a sufficient number of properly qualified workers or a sufficient quantity of materials of proper quality;
 - (ii) abandon the Work or fail to promptly and diligently prosecute the Work;
 - (iii) fail to promptly pay subcontractors, suppliers, materialmen, rental companies or laborers;
 - (iv) fail to accelerate the Work as required by Article 3 hereof;
 - (v) give JG a reasonable basis to doubt the Work can be completed for the unpaid portion of the Subcontract Sum or within the required time;
 - (vi) declare bankruptcy or make a general assignment for the benefit of creditors or files for bankruptcy, assigns assets for the benefit of creditors, becomes insolvent or be unable to pay its obligations as they mature;
 - (vii) fail to comply with JG's prequalification program;
 - (viii) otherwise fail to perform any of the terms, conditions, agreements and obligations set forth in the Subcontract Documents; or
 - (ix) a default by Subcontractor in the performance of any contract or agreement with JG, whether related to this MSA or otherwise, shall constitute a Default under this Agreement.
- (b) In the event of a Default, JG may pursue any remedies available by common law or statute, including but not limited to one or more of the following:
- (i) withhold any sums due or thereafter to become due to Subcontractor under the Subcontract Documents and any other contract, including any contract between Subcontractor (or any of its subsidiaries or affiliates) and JG (or any of its subsidiaries or affiliates), whether related to the Project or otherwise. During such period such withheld amounts shall not accrue interest;
 - (ii) provide and/or supplement any labor and materials as JG shall determine to cure such Default and deduct the cost thereof from any sums otherwise due to Subcontractor under the Subcontract Documents or any other contract, agreement, or otherwise, including any contract between Subcontractor (or any of its subsidiaries or affiliates) and JG (or any of its subsidiaries or affiliates);
 - (iii) upon the appointment of a receiver for Subcontractor or upon Subcontractor making an assignment for the benefit of creditors or if Subcontractor seeks protection under the Bankruptcy Code or commits any other act of insolvency, JG may terminate this Agreement upon giving forty-eight (48) hours written notice, by certified mail, to Subcontractor and its surety, if any. If an order for relief is entered under the Bankruptcy Code with respect to Subcontractor, JG may terminate this subcontract by giving forty-eight (48) hours written notice, by certified mail, to Subcontractor, its trustee, and its surety, if any, unless Subcontractor, the surety, or the trustee:
 - (a) promptly cures all Defaults;
 - (b) provides adequate assurance of future performance;
 - (c) compensates JG for actual pecuniary loss resulting from such Defaults; and
 - (d) assumes the obligations of Subcontractor within the statutory time limits.

- (iv) terminate the Subcontract and any WO for Default, in which case Subcontractor assigns, conveys and transfers to JG all rights, title and interests in the following: (1) all contracts, whether written or oral, between Subcontractor and persons or entities providing labor, material or equipment pertaining to the Subcontract Work, and (2) all equipment, tools, materials or personal property of any kind located on a Project site at the time of termination. Once the Subcontract is terminated, JG may finish the Subcontractor's Work by whatever method JG may deem expedient and charge all costs associated with repairing and/or completing Subcontractors work to Subcontractor.
- (v) take possession of all the materials and appliances belonging to Subcontractor at the Project site without any further compensation to Subcontractor, and either complete Subcontractor's Work or contract with any other person or persons to complete Subcontractor Work and provide the material therefore; in which case if the unpaid portion of the amount to be paid under the Subcontract Documents exceeds the charges, expenses and damages sustained by JG in completing the Work or as a result of such Defaults, such excess shall be paid by JG to Subcontractor, but if such charges, expenses, and damages exceed said unpaid portion, Subcontractor shall pay the difference to JG immediately upon demand; or
- (vi) offset and apply any amounts due JG as a result of such Default against any earned but unpaid amounts owing to Subcontractor by JG under the Subcontract Documents, including without limitation, any retainage held by JG, any amounts owed to Subcontractor under any other contract, including any contract between Subcontractor (or any of its subsidiaries or affiliates) and JG (or any of its subsidiaries or affiliates), whether related to the Project or otherwise.
- (vi) deduct all costs associated with the termination of Subcontractor from any compensation due Subcontractor at the time of termination including, but not limited to, reasonable burdens resulting from the termination of the Subcontractor, administration fees, costs associated with schedule delays, mobilization charges and any increased cost to JG to replace Subcontractor.
- (vii) reconcile Subcontractor daily logs, sign in sheets for Subcontractor manpower to the date of termination and require Subcontractor provide JG with its material receipts used in connection with work completed to the date of termination and at the sole discretion of JG determine the compensation owed Subcontractor less any deductions for reasonable termination fees and other expenses.

Prior to exercising the remedies in this Paragraph 16(b), JG shall provide Subcontractor written notice of Default with not less than two (2) working days to cure such default (unless the time to cure any Default is less than two days in the Prime Contract Documents, at which time the Prime Contract Documents will control). JG's remedies are cumulative, and the exercise of one remedy shall not restrict JG from exercising any other remedy set forth in this Agreement, or any right or remedy provided by equity or applicable law.

If a termination for default of this Subcontract is found not to have been warranted, the total compensation Subcontractor is entitled to recover shall be limited to the compensation that would have been payable to Subcontractor if the Subcontract had been terminated pursuant to Paragraph 16(c).

- (c) Termination for JG's Convenience. JG may at any time and for any reason, or for no reason, terminate any part of Subcontractor's services and work for JG's convenience. Such termination shall be by written notice to Subcontractor at Subcontractor's place of business. Upon receipt of such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue the Work and the placing of orders for materials, equipment and supplies in connection with the Work and shall, if requested, make every reasonable effort to procure cancellation of all existing orders or contracts upon terms satisfactory to JG, or at the option of JG, give JG the right to assume those obligations directly, including all benefits to be derived therefrom. Subcontractor shall thereafter do only such work as may be necessary to preserve and protect the Work already in progress and to protect material and equipment on the Project site or in transit thereto.

In the event of a Termination for Convenience, Subcontractor shall be entitled to payment of the following in full and final satisfaction of all Work and Claims by Subcontractor on a Project: (1) payment for that portion of the

Work actually completed and materials actually delivered and accepted by Owner and JG, and only as to that portion of the Subcontract Price as allocated in the schedule of values for that portion of the Work performed, inclusive of profit, overhead, and general conditions allocated in the schedule of values for the Work completed, plus (2) such other costs actually incurred by Subcontractor as are payable to JG under the Prime Contract and approved by Owner; less (3) any amounts due JG, less (4) the amount of any payments made to Subcontractor prior to the date of termination. Subcontractor waives any other claims, including loss of anticipated profit in the event of such termination and payment.

- (d) **Termination Right Under the Prime Contract.** JG may also terminate this Subcontract or suspend the Subcontractor's Work for the same reasons Owner may terminate or suspend JG under the Prime Contract Documents. If the Prime Contract is terminated for the convenience of Owner, the termination settlement under this Subcontract shall be as provided in the Prime Contract Documents. Subcontractor shall not be entitled to receive any greater amount than JG may on behalf of Subcontractor recover from Owner for such termination. Subcontractor shall cooperate by timely providing a proper termination for convenience cost proposal, if requested by JG.
- (e) If this Agreement or a WO, in whole or in part, is terminated for any reason, Subcontractor's warranties, guarantees and indemnities with respect to the Work performed through the termination date will survive the termination and be in full force and effect for the time period prescribed by the Subcontract Documents or law, whichever is longer. Subcontractor will, prior to final payment, provide all warranties and guarantees required by the Subcontract Documents with respect to the Work.

17. **LABOR RELATIONS AND SUBCONTRACTOR EMPLOYEES.** Subcontractor shall employ only competent, well-disciplined workers to perform the Work and Subcontractor agrees to immediately remove and replace any employee(s), including Subcontractor's superintendent, whom JG, Owner or Architect deems unsatisfactory. Subcontractor shall comply with all of the provisions of any collective bargaining agreements executed by or on behalf of JG. Subcontractor shall comply with all laws pertaining to unemployment compensation, workers' compensation, Social Security and employment, including but not limited to, all laws pertaining to immigration and prevailing wages. JG will not in any way be liable as an employer of, or on account of, any of the employees of Subcontractor. JG shall have no liability to Subcontractor for any costs, expenses or liability resulting from any stoppage of work, however caused, arising out of a labor dispute or controversy. Subcontractor shall be liable for any and all costs, including but not limited to compensatory and liquidated damages, resulting from work stoppages or other labor disputes associated with Subcontractor, Subcontractor's employees or the subcontractor(s) or suppliers of Subcontractor. Should there be picketing on JG's job site and JG establishes a reserved gate, it shall be the obligation of Subcontractor to continue the proper performance of Subcontractor's Work without interruption or delay.

18. **MISCELLANEOUS PROVISIONS**

- (a) **ARCHITECT.** The term "Architect" as used herein includes anyone appointed to be the Owner's designated representative to supervise on its behalf the work of JG, or as otherwise set forth in the Prime Contract Documents.
- (b) **TAXES.** The compensation payable to Subcontractor as herein provided includes all sales, gross receipts, excise and other taxes and is not subject to any addition on account of taxes which are now or may hereafter be levied. Subcontractor is an independent contractor within the purview of the Internal Revenue Code, the Federal Social Security Act, and any and all unemployment insurance laws, both State and Federal, and is solely responsible to the Federal and State Government for all payroll taxes, deductions, and contributions under such laws.
- (c) **ASSIGNMENT.** Any assignment, subletting or delegation, by operation of law or otherwise, in whole or in part, by Subcontractor of the Subcontract Documents, of the Work, or of any Claims arising hereunder without the prior written consent of JG shall be void. Any assignment hereunder shall be subject to, and JG reserves, all rights and remedies possessed by or available to JG by law or under this Agreement as against Subcontractor, its sureties and assigns including, without limitation, rights of set-off, to retain moneys, to amend or modify this agreement, and to assert all other defenses and claims whether or not arising under this agreement. JG shall have the right in its sole

discretion, and without Subcontractor's consent, to assign its rights and obligations under this Agreement, as well as any claims arising hereunder, as allowable under the applicable law.

- (d) **FAIR EMPLOYMENT.** The Subcontractor agrees to be bound by and comply with all applicable Fair Employment Practices, Provisions and Regulations of Federal, State or other Governmental authority having jurisdiction including the provisions of Executive Order No. 11246, and Title VII of the Civil Rights Act of 1964, including amendments or revisions thereof, relating to nondiscrimination in employment, and any affirmative action provisions (including MBE or WBE requirements) contained in the Subcontract Documents or required by applicable law.
- (e) **ENTIRE AGREEMENT.** The Subcontract Documents represent the entire agreement between the Parties and supersede any previous document including but not limited to Subcontractor qualifications, exclusions or other bid documents that the Subcontractor may have submitted to JG as well as any other prior representation, statement or agreement, oral or written, with regard to the subject matter herein. No modification hereto shall be valid unless it is in writing and signed by both parties, except for JG's unilateral change orders as set forth in Article 5 of this Agreement.
- (f) **WAIVER.** Waiver by JG of any particular Default by Subcontractor shall not affect or impair JG's rights in respect to any subsequent Default of the same or of a different nature.
- (g) **NOTICES.** All notices provided hereunder shall be in writing and mailed to the other party at the address stated on this Agreement or a WO.
- (h) **CONTRACTOR'S LICENSE.** Contractors are required by law to be licensed and regulated by the Contractors State License Board. Any questions concerning a Contractor may be referred to the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827. Mailing Address: P.O. Box 26000, Sacramento, California 95826. If the Project is located in any other State, then, to the extent the State in which the Project is located requires Subcontractor to be licensed, Subcontractor shall maintain any and all licenses required for it to perform such Work, and any failure to do so, shall be considered a material breach of this Agreement.
- (i) **SEVERABILITY.** If any provision of this Agreement shall be deemed invalid or unenforceable, the remainder of the Agreement, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- (j) **GOVERNING LAW AND VENUE.** This Agreement shall be enforced in accordance with the laws of the State where the Project is located, and venue for any legal action shall be in the State and County where the Project is located.
- (k) **MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES.** Neither Party shall be liable to the other for consequential damages incurred directly by either Party arising out of or related to a breach of this Agreement or a WO except that Subcontractor shall remain liable for indemnification and the duty to defend against any actual, consequential or liquidated damages that arise out of the Work of Subcontractor or a breach of this Agreement or a WO which are assessed or claimed against JG by third parties, including but not limited to the Owner, as well as for any such damages that are caused by an insurable event and covered by insurance.
- (l) **CONSTRUCTION OF AGREEMENT.** This Agreement shall not be construed as though drafted by either Party, and the Parties specifically covenant that the rule of construction of an agreement against its drafter, shall be inapplicable in the interpretation of this Agreement.
- (m) **ANNUAL COMPLIANCE WITH PREQUALIFICATION PROGRAM.** Subcontractor shall, on an annual basis, comply with JG's prequalification program
- (n) **ELECTRONIC SIGNATURES.** JG may establish a procedure by which documents may be signed by the Parties using an electronic signature methodology designated by JG in its sole discretion. Such electronic signature methodology will be considered binding and may be relied upon by both Parties.

JG COMPANIES, INC.
MASTER SUBCONTRACT AGREEMENT (MSA)

Accepted, upon the Terms and Conditions stated herein.

, Subcontractor

JG COMPANIES, INC.

, Contractor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

License No.: _____

License No.: 492927

SAMPLE

1. **CONTRACT DESCRIPTION:**

The form of Master Subcontract Agreement (MSA) is JG Companies, Inc. Standard Master Subcontract Agreement **without modifications**. Any qualifications to the terms and conditions of this subcontract form must be agreed upon by JG.

This Exhibit supplements and expands upon the Subcontract Documents, which should be reviewed in conjunction with this Exhibit. Items in this manual are not intended to supersede more stringent requirements contained elsewhere in the Subcontract Documents. Any conflicts between this manual and other Subcontract Documents should immediately be brought to the attention to JG for clarification.

****Note**:** By signing this agreement, the subcontractor acknowledges that he has read these referenced documents and will unconditionally abide by its terms and conditions.

Sexual Harassment: JG has always stressed a discrimination free working environment and has stated policy on sexual harassment which prohibits any form of sexual harassment by employees and non-employees on our job sites. All subcontractors, suppliers and/or vendors are required to comply with this policy and any and all other requirements of the State of California.

2. **GENERAL DESCRIPTION OF WORK:**

- A. Without the intent of limiting the Scope of Work to be performed, Subcontractor shall provide all necessary labor, materials, equipment, supervision, tools, rigging, special hoisting, shop drawings, submittals, coordination, samples, protection and accessories to provide the complete Scope of Work.
- B. This Scope of Work supersedes any/all previous bid proposals, quotes, budget estimates or similar submissions made on this project.
- C. This Subcontractor shall provide and install the Scope of Work in accordance with plans and specifications capable of being put to its intended use without further modifications in accordance with the Contract Documents.
- D. Subcontracts shall be based upon JG withholding a 10% retention from the monthly progress payment unless specified otherwise in the project specific Work Order (WO).
- E. **Supervision:** A consistent, single source of responsibility for fieldwork supervised by the Subcontractor will be required. Additionally, this individual will be required to attend coordination meetings called by JG Project Manager and/or Superintendent. The Subcontractor's field supervisor or superintendent must have the authority to take direction from JG as it affects the Subcontractor's work, and to receive and implement all changes that affect the work.
- F. Subcontractor includes all freight for material supplied by Subcontractor.
- G. Subcontractor includes all licenses and taxes for his/her own work.
- H. Subcontractor shall provide all material handling equipment for the proper transportation, receiving, unloading and disbursement of their materials. Once delivered, the material shall be promptly installed to prevent any hazardous storage conditions on site and minimize site stocking requirements.
- I. Provide standard safety and protection for the work. Safety and protection are to be maintained by this subcontractor during the time period he is working in the area.
- J. Coordinate all of your work with the architectural and structural elements site.
- K. Subcontractor is responsible for providing enough manpower, equipment, and materials to prosecute the Work and maintain the project schedule.
- L. All work shall be completed in a quality & professional manner.
- M. Provide a representative to be present to accept shipments for this subcontractor's work. JG will not receive or

unload any deliveries for this subcontractor's work.

- N. Provide and submit submittals and/or shop drawings as may be required for approval and acceptance by the Architect/Engineer and/or JG.
- O. Provide and register all warranties, guarantees, and test certificates in accordance with the contract documents and manufacture recommendations.
- P. Maintain work areas in a neat, orderly fashion at all times.

3. STANDARD PROJECT PROCEDURES:

- A. Subcontractor must submit ALL submittals and RFI's through **Procore** project collaboration program. All distributions and correspondences through Procore remain the subcontractor's responsibility to follow, track, and stay up to date on current approvals, responses & distributions.
- B. **RFI's** – must be submitted with detail to such extent that the RFI can be submitted to the Owner or Architect without additional edits and/or clarifications. A detailed RFI explains more than the current condition or problem; it illustrates the issue using Contract Documents and/or photos, explains why a change or clarification is needed, and provided potential cost-effective solutions.

C. Submittals:

- 1. Subcontractor is responsible to ensure its submittals comply with the Contract Documents and is responsible for any delays caused by lack of such compliance.
- 2. Submittal Log: Within one (1) week after notification of award of contract, Subcontractor shall provide a complete list of all items it is required to submit, including closeouts documentation. Subcontractor shall ensure the submittal submission dates allow for timely review, procurement and delivery of construction materials in accordance with Project Schedule and any other dates specified in the Subcontract Documents.
- 3. Subcontractor shall also provide a corresponding Procurement Log detailing dates and durations for Submittal Procurement, Submittal Review, Material Procurement, Fabrication, Freight, Customs and Delivery to Site. Final format and timing of logs will be decided at work order execution. Cost incurred for delays caused by Subcontractor's failure to submit as scheduled or having to resubmit, are Subcontractor's responsibility.

D. Shop Drawings:

- 1. Index: All sets of drawings must have an index on the front sheet listing each drawing by sheet number, title, original drawings date, revision number and revision date.
- 2. Internal Shop Drawing References: Shop drawings details must refer to additional section, elevations, blowups and details within the shop drawings by sheet and detail numbers. Details must refer back to the sheet from where they are taken.
- 3. Coordination: Shop drawings shall be furnished by Subcontractor and will be uploaded in Procore as required for distribution to other trades. Subcontractor shall coordinate the requirements of its work with that of other trades prior to the preparation of the shop drawings.
- 4. Submittals will not be "approved" by the Architect/Engineer or Contractor; they will be reviewed for general compliance with Contract Documents and stamped according to the provisions of applicable specification sections. Such submittals, once reviewed, shall not supersede or take precedence over the Contract Documents.
- 5. Review by the Architect/Engineer and/or Contractor shall not relieve Subcontractor from responsibility for any errors or omissions of any sort, or from necessity of furnishing Work required by the Contract Documents which may not have been shown on the submittal.
- 6. It is Subcontractor's responsibility to obtain specific approval for deviations from the Contract Documents by "clouding" details on the shop drawings and submittals, clearly noting them as deviations from the Contract Documents, and receiving written verification that the change(s) are accepted by the Architect.

7. Subcontractor shall furnish the necessary product or equipment specifications, tests, and other satisfactory evidence as to the quality of a material or piece of equipment or the installation of the same.
8. Non-conforming details required for reasons beyond Subcontractor's control (Contract Document details which are incorrect, proven to be faulty or not feasible, etc.) and that will result in an increase in the Subcontract Sum, shall be brought to Contractor attention in writing immediately (prior to fabrication and/or installation). Failure to follow this procedure will jeopardize Subcontractor's ability to recover additional incurred costs, if any.
9. Revisions: All revisions must be "clouded", properly indexed and dated. Previously submitted drawings are not to be revised without clouding all changes on each sheet. Subcontractor shall specify the origin of any revision. Resubmittals must specifically address each marked-up reviewer comment by repeating the comment, describing where the comment was made and explaining how it has been or will be addressed. Cloud, number and date revisions on resubmitted drawings.
10. Subcontractor is responsible for the Contractor's, Architect's and Consultant's follow-up correspondence, handling and review costs associated with improper submittals, substitution requests and unnecessary resubmittals.

4. **SCHEDULE:**

- A. It is anticipated that the **Scope of Work** will begin in the field in as the earliest possible date and substantially completed in conformance with **JG's Base Project Schedule, attached to your project specific Work Order (WO)**.
- B. The bidders shall notify JG immediately if information obtained during the bid period indicates potential problems meeting the schedule as it relates the planned Work in the field.
- C. JG reserves the right to update the schedule based on project conditions, actual performance of the Work, and detailed schedule information obtained from Subcontractors. This update is intended to be for the betterment of the project as a whole, not for the advantage of the parts.
- D. Subcontractor is required to provide an adequate amount of manpower, skilled tradesmen, equipment, and material to execute the work in a timely manner and maintain the project schedule.

5. **SITE LOGISTICS:**

- A. **Storage:** There will be a limited amount of storage & staging onsite. Coordinate with JG's superintendent prior to storing and/or staging materials and equipment.
- B. Subcontractor shall provide all material handling equipment for the proper transportation, receiving, unloading and disbursement of their material and equipment.
- C. The Subcontractor shall provide all labor and rigging to hoist, unload, and transport all materials required to complete their scope of work.
- D. **Parking:** Coordinate all parking locations with JG Superintendent.

6. **TEMPORARY UTILITIES AND FACILITIES:**

- A. **Power** – is available onsite by general contractor unless otherwise provided specifically in subcontractors Scope of Work attached to your project specific Work Order (WO). The subcontractor is responsible for hookups, extensions cords, spider boxes, etc. as necessary to provide power to its working location.
- B. **Lighting** – JG will provide temporary lighting inside the building unless otherwise provided specifically in subcontractors Scope of Work attached to your project specific Work Order (WO). If additional temporary lighting is required to perform the work, subcontractor shall provide its own temporary lighting, if needed.
- C. **Water** - will be available onsite as specified for reasonable construction purposes. Hoses, extensions and damage resulting from careless use will be the Subcontractor's responsibility.
- D. **Toilets** - will be provided by JG and maintained for the use of all workers.
- E. **Fire Protection** - will be the responsibility of everyone on site. Adequate numbers of portable ABC type

extinguishers shall be provided by JG. Any Contractor performing cutting, grinding, burning, welding, or other heat, spark, or flame generating type of work will also provide adequate number of portable ABC extinguishers in the vicinity of the work. A fire watch must be performed during the activity and for a minimum of one hour after completion.

Any work which may affect existing fire protection and/or fire alarm systems, shall be planned, coordinated, and approved in advance by JG and the Subcontractors.

7. **CLEANUP:**

A. Construction Debris Dumpsters and/or Recycling Dumpsters will be provided by JG. Subcontractor(s) are required to provide daily cleanup of their working areas, and place their generated debris in appropriate debris dumpsters. Any subcontractor not in compliance with the above will be unilaterally back-charged at a rate of \$70.00/per man hour + supervision and a minimum \$250 administration fee via deductive change order for JG to cleanup and remove debris due to Subcontractor(s) negligence to comply. JG reserves the right to enforce this action without notice to subcontractor. This will be **STRICTLY** enforced.

8. **MATERIAL HANDLING & PROCUREMENT:**

A. **Critical Items & Expediting**

1. Every effort must be made to expedite shop drawing submittals and subsequent acquisition of materials which are "critical" to the timely completion of the Project. All materials or equipment with a lead time greater than four weeks shall be identified to Contractor. Subcontractor shall ensure submittals are processed within enough time to maintain schedule.
2. Subcontractor's Submittal Log will be referred to in determining items requiring special attention. The log shall be updated as required and submitted to Contractor. Subcontractor will be expected to closely coordinate delivery with its suppliers and advise Contractor of potential delays due to late delivery and long lead items. Subcontractor shall provide copies of purchase orders (with price deleted if desired) and delivery confirmation documents as requested by Contractor.

B. **Deleted Material:**

If materials have been purchased by Subcontractor as part of its Work and materials are deleted by an Architect or Owner initiated change prior to installation, one of the following options will be used:

1. Credit will be given to the Owner for the cost of the material minus any reasonable restocking charge.
2. If the material cannot be returned to the manufacturer or supplier for a reasonable credit, the material is to be turned over to Owner at the time the building itself is being turned over and accepted by the Owner. Treat the material as follows:
 - a. Subcontractor is to inventory and store the material (offsite if required) and is responsible for the care and custody of the material until it is turned over to the Owner. Information on the inventory list shall include quantities and descriptions of all items and denote the Change Order number for the change if applicable. All costs associated with handling, storage and turnover of the material are to be included in Subcontractors changed proposal at the time the material is deleted.
 - b. Subcontractor shall arrange, through Contractor, for the Architect or the Owner's authorized representative to sign the inventory sheet verifying the quantity and Owner's acceptance of the material. A Contractor representative is to be present when the material is turned over. A copy of the signed acceptance sheet is to be given to the Contractor. Contractor will not sign for, nor accept responsibility for, the care and custody of material that is to be turned over to the Owner.
 - c. If there are any disagreements regarding the turnover of material to the Owner, Subcontractor will be required to produce copies of the signed acceptance sheet(s). If Subcontractor does not have signed copies of the acceptance sheet(s), they will be required to furnish the material in question.
3. Owner, at its option, may elect to have the deleted material disposed of in lieu of having it turned over. Written instruction, issued through Contractor, will be given to Subcontractor if this option is to be used.

Subcontractor will be liable to replacement cost for any deleted material that is disposed of without proper written instruction.

9. FIELD CONDITIONS:

A. Subcontractors Field Supervision

1. Subcontractor shall have a supervisor on site at any time Work is performed who has the authority to control all aspects of Subcontractor's Work and shall have the authority to receive and act upon directions given to the Subcontractor by Contractor. This person will be on site at any time Work is performed, from the first day of mobilization until the last punch list or Work item is signed off. Subcontractor's Field Supervisor will have the authority to control all aspects of Subcontractor's Work, including crew size, scheduling, punch list, etc. Subcontractor's Field Supervisor will also focus on adherence to the schedule, trouble shooting, quality assurance and coordination with Contractor and other trades. Subcontractor shall provide its field personnel with adequate drawings, specifications and instructions as required to undertake and complete the Work in an efficient and timely manner. If Subcontractor's personnel arrive at the jobsite without adequate information and instructions, Subcontractor will be responsible for any delays incurred per the Subcontract Documents. Subcontractor is fully responsible for the acts or failure to act, and omissions of the Subcontractor's own employees, sub-subcontractors and vendors.

B. Job Meetings:

1. Subcontractor Meetings will be held at the jobsite office or via conference call provided by JG on a weekly basis or as required by Contractor's Project Superintendent. Failure by the Subcontractor's Fields Supervisor to attend all meetings that occur starting two weeks before and during the time that subcontractor is performing Work on site, may be cause for withholding that month's progress payment until remedied. This requirement can be waived in writing by the Contractor's Project Superintendent. Subcontractor's office representatives are invited to attend job meetings and may, upon Contractor's directive, be required to attend.

C. Directives:

1. Subcontractors shall not consult directly with the Owner, Architect or Consultants without specific permission from Contractor. Contractor will have no obligation to honor verbal instruction given to a subcontractor by the Owner, Architect or Consultants.

D. Daily Sign-In & Reporting:

1. Subcontractors shall all sign-in and out daily with Contractors Project Superintendent per the daily sign-in sheets located at the Contractors project jobsite trailer unless directed otherwise. On a project specific basis, subcontractor may be required to complete daily logs of work performed on JG provided log sheets. Daily log sheets must be completed and turned in to Contractor Superintendent by no later than 9:00 am the following day of work performed. Subcontractor is required to outline a brief description of expected work to be completed by end of day and advise with Contractors Superintendent of such and if any other work is to take precedence over the originally project scope to complete.

E. Food, Trash & Debris:

1. Food is not allowed in areas where "Finishes" have begun. Food trash must be properly disposed of regardless of location on the jobsite. Food trash found in areas of finish work being performed or completed will be documented and charged back to the appropriate subcontractor for T&M cleanup services per the terms outlined in Section 7A above.
2. All subcontractors are required to participate in jobsite cleanup of their specific trade work and put forth a good faith effort to work together with other trades in maintaining good housekeeping.

F. Construction of Finishes:

1. Upon construction of interior finishes, ALL food and drinks will not be permitted at specific locations where finishes are being performed, installed, completed, etc. Any food or drink trash and/or debris left by subcontractor will be subject to cleaning fees and back charged as outlined in Section 7A above.

2. AT NO TIME should mechanical equipment, mechanical material lifts or man lifts or any other series of heavy mechanical lift equipment be used in locations where general finishes and floor finishes have been completed. Ladders, and rolling scaffolding may be used to access high overhead work WITH the proper use of floor protection. At any time, a subcontractor should use mechanical lift equipment in areas where finishes or floor finishes have been installed and completed, subcontractor will have borne the cost of any and all damages repairs or reworks to correct damages as outlined in this Master Subcontract Agreement.
3. Should heavy mechanical equipment be of absolute necessity to access work areas after finishes or floor finishes have been installed or completed, it remains the responsibly of subcontractor to adequately provide floor protection with a minimum, Masonite or plywood with ram board underneath. Subcontractor MUST ensure the finished floor surface is free and clear of all debris, has been swept and cleaned of particle dirt to avoid scratches prior to laying any Masonite, plywood or any general floor protection. ANY MECHANICAL EQUIPMENT NEEDED TO BE USED AFTER FLOOR FINISHES, MUST BE APPROVED BY THE PROJECT SUPERINTENDENT.

10. COMPLIANCE WITH JG QUALITY ASSURANCE MANUAL

- A. JG has implemented a comprehensive quality assurance program to followed for each and every project. This program requires the attention of all project team members and efforts by all vendors to help minimize risk, failures, defects, non-conformances, etc., to ensure we turn over a top-quality project to our clients. The Compliance by subcontractor is required to perform work on a JG jobsite as outlined:
 1. Subcontractor agrees to read, understand and comply with JG Quality Assurance Program, minimum subcontractor requirements and Quality Control Checklists.
 2. Subcontractor is required to attend our internal trade inspections and reviewing checklist with the JG Project Superintendent. Subcontractor is encouraged to advised of items they feel should be reviewed on our checklist or needs to be incorporated. The QA checklist shall not serve as JG's approval and conformance of work rather as an aid to help minimize risk and defects. Subcontractor is still responsible for defects of work performed as outlined in the Master Subcontract Agreement.

MASTER SUBCONTRACT AGREEMENT
"CHANGE ORDER PROCEDURE"

**Percentage Markup and Procedures to Work
Added to or Omitted from the Original Subcontract Agreement**

LUMP SUM

Predetermined Lump Sum Additions and/or omissions to the Agreement are to be based upon the estimated "Net Actual Cost", plus the following percentages for total combined Overhead and Profit:

	Labor	Materials	Sublet
Additions:	10%	10%	5%
Omissions:	(10%)	(10%)	(5%)

Max. Total OH&P on Sublet Work = 5%

TIME AND MATERIAL

Additional work to the Contract, authorized by JG Companies, Inc. in advance to be performed on a Time and Material basis, is to be based upon the "Net Actual Cost", plus the following percentages for the total combined Overhead and Profit:

	Labor	Materials	Sublet
Additions:	10%	10%	5%

GENERAL

1. All Change Orders **MUST BE SUBMITTED** within **7 days** of request from JG or notified of potential cost impact identified onsite within 2 days.
2. Submission of estimates and costs shall be itemized in a form satisfactory to JG to permit ready analysis and evaluations.
3. No overhead and profit will be permitted on casual or intermittent premium time.
4. Percentages shall apply to net differences in quantities for adds and deducts.
5. Material markups (OH&P) will not be permitted on material price increases due to natural market volatility as outlined in the MSA.

"NET ACTUAL COST" DEFINED

1. **Labor**
 - a. Wages of labor, including foreman, engaged in work and directly on the Subcontractor's payroll.
 - b. Engineering and drafting performed at the Project with JG prior approval.
 - c. Fringe Benefits established by governing trade organizations.
 - d. Federal Insurance Contributions Act, Federal and State Unemployment Taxes
 - e. Net actual premium paid for Public Liability, Workmen's Compensations, Property Damage and any other forms of insurance required by JG.
2. **Material**
 - a. Net cost of construction materials and supplies delivered to site including applicable Sales and/or Taxes, transportation costs, trade and cash discount.
 - b. Costs of a special nature, approved in advance by JG, such as for riggers, labor transportation, equipment rentals, royalties, permits and other expenses of this general nature.

PERCENTAGES SHALL INCLUDE ALL PROFIT AND THE FOLLOWING OVERHEAD COSTS:

1. Supervision, Superintendent, Senior Foremen and executive expenses.
2. Small tools, ladders and portable scaffolding, blocking, shores, appliances, job vehicles, etc., and the expense of maintaining same.
3. Administrative expenses, clerical, etc., both at the Project and in the Subcontractor's office.
4. Taxes required to be paid by the Subcontractor, but not included under the aforementioned "Net Actual Costs".

TIME & MATERIAL WORK (T&M)

If subcontractor is instructed to perform on a "Time and Material" (T&M) basis, including overtime, the cost of the work is to be determined as follows:

1. T&M slips are to be signed **on the day the work is performed** by JG Project Superintendent. One copy of the signed slip is to be given to JG Superintendent. Daily T&M slips shall include the following information:
 - a. JG Job Number
 - b. Date of work performed
 - c. Subcontractor Company Name
 - d. **Complete description** of the work including type, location, extent, quantities, reason requested, etc.
 - e. Number of persons involved, broken down by trade, classification (e.g., apprentice, journeyman, and foreman) with the number of hours worked by each.
 - f. Detailed list of materials used.
 - g. Detailed list of equipment used.
 - h. Description of work left to complete and, if applicable, notification of work completion.
2. Daily T&M Tickets that do not have the proper information required as listed and described above, will be strictly considered VOID.
3. Quotations for time & material work are to be submitted within **Five (5) working days** of the completion of the work. Copies of the signed daily T&M tickets are to be submitted as backup. Change Orders will not be processed unless signed time and material tickets are submitted daily.
4. Subcontractor must notify JG Project Superintendent prior to starting or resuming T&M work. Failure to do so may result in a dispute over time and material amounts.

DISPUTED WORK:

If Subcontract is instructed to perform work which Subcontractor believes is not within its scope, Subcontractor shall notify JG in writing within three (3) days and state the reasons for the dispute. In the meantime, the disputed work is NOT to be delayed. A Time and Material ticket will be requested to track the work and the cost responsibility will be determined by the Project Managers for JG & Subcontractor.

The procedure used to document and track Disputed Work is the same as the process used for "Time and Material" work described above. The signature of JG Project Superintendent on time and material tickets is only to verify that the work was performed and is NOT an acceptance of responsibility for the cost of the work, nor an affirmation that the work is to be considered as "extra".

If the Disputed work is later acknowledged by JG as a valid change, signed daily time and material slips will be used to determine the change amount. Failure by Subcontractor to provide signed T&M slips will constitute a waiver of Subcontractor's right to additional compensation for the disputed work, regardless of language on Subcontractor's ticket.

MASTER SUBCONTRACT AGREEMENT
 “MINIMUM INSURANCE REQUIREMENTS”

MINIMUM INSURANCE REQUIREMENTS

Subcontractor shall furnish a Certificate of Insurance, which fully complies with Contractor’s minimum insurance requirements in addition to any below project specific requirements prior to starting work on a JG project.

THINK GREEN! In an effort to become more efficient we will **no longer accept hard copies or faxed copies** of insurance certificates. All Insurance certificates must be emailed to insurance@jg-companies.com with the **Project Name clearly labeled in the email subject line.**

- ❖ **Workers’ Compensation and Employers Liability Insurance.** Worker’s Compensation insurance shall be provided as required by California Law. Subcontractor’s insurance carrier shall waive right of subrogation against JG Companies, Inc., the Owner and all other indemnitees named in the Contract Documents, and subcontractor’s insurance policies shall contain an endorsement requiring such waiver of subrogation.
- ❖ **General Liability Insurance.** Subcontractor shall carry Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of Subcontractor providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for the following and limits of liability shall be not less than the amounts required of Subcontractor under the Contract Documents, but in no event less than:

Required Coverage	Minimum Limits
Commercial General Liability (CGL) Occurrence Form	\$1,000,000 Each Occurrence \$2,000,000 Per Project Aggregate \$2,000,000 Products/Completed Operations Aggregate
Commercial Automobile Liability (Personal “business use” policy is no accepted.)	\$1,000,000 Combined Single Limit Covering “Any Auto” or “Owner, Non-Owned, Hired”.
Workers Compensation (Including Employers Liability)	\$1,000,000 Bodily Injury by Accident \$1,000,000 Bodily Injury by Disease – Policy Limit \$1,000,000 Bodily Injury by Disease – Each Employee
Owner Required Excess/Umbrella Liability (Above standard \$1,000,000 CGL)	\$1,000,000 Each Occurrence \$1,000,000 Aggregate

Project Specific Information

Project #: _____
 Project Name: _____
 Project Address: _____
 Project Address: _____

Additional Insured Certificates must include the following names and added to the verbiage of the “Additional Insured Endorsement” section below:

[Company Name] [Company Address] [Company Address]	[Company Name] [Company Address] [Company Address]

Other Requirements:

- ❖ **Land Surveyors, Engineers & Architects MUST also provide a \$1,000,000 Errors & Omissions policy naming JG Companies, Inc. as Additional Insured.**
- ❖ Insurance Carrier rating by **A.M. BEST** of "**A**" **VII** or higher required.
- ❖ JG Companies, Inc. must be named as the certificate holder and Additional insured as outlined below:

JG Companies, Inc.
15632 El Prado Road
Chino, CA 91710

❖ **Additional Insured Endorsement.**

JG Companies, Inc., the Owner and its affiliates and any other parties required by owner shall be named as additional insureds under the Comprehensive General Liability or Commercial General Liability policy for any liability arising out of the performance of work. Coverage for the Contractor, the owners, and its affiliates additional insureds shall be provided by a policy provision or by an endorsement providing coverage at least as broad as Additional Insured.

- ❖ Ongoing & Completed Projects Endorsements **MUST** be included with Certificate **APPROVED** Endorsements: CG20101185 (ongoing & completed), CG 20100413 or CG 20101219 (Ongoing), CG 20370413 or CG 20371219 (Completed) or word equivalent.

Subcontractor will modify their insurance policy by endorsement, to stipulate that their General Liability insurance coverage applicable to the additional insureds is primary insurance and that any other insurance carried by the Contractor will be excess only and will not contribute with this insurance.

The products liability and completed operations coverage provided for in the Commercial General Liability policy shall be maintained by Subcontractor for a minimum of five (5) years following completion of the work provided for herein.

In the event of any reduction or exhaustion of an aggregate annual limit of liability or any general aggregate policy limit of liability, Subcontractor shall then obtain additional insurance to replenish the limits of liability herein provided.

- ❖ **Claims Made Policy Form Provisions.** Subcontractor shall not provide general liability insurance under any Claims Made General Liability form without the express prior written consent of Contractor.
- ❖ **Automobile Liability Insurance.** Subcontractor shall carry Automobile Liability insurance, including coverage for all owned, hired and non-owned vehicles. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage.
- ❖ **Professional Liability Exposures.** Subcontractor shall carry a \$1,000,000 Professional Liability insurance policy with a two-year repute period for claims if Subcontractor or its subcontractor is to provide design/build services to the project.

Certificates of insurance, as evidence of the insurance required by this Agreement and including the required "additional insured" and "primary insurance" endorsements, shall be furnished by Subcontractor to Contractor before any work hereunder is commenced by Subcontractor. The certificates of insurance shall provide that there will be no cancellation or reduction of coverage without 30 days prior written notice to the Contractor.

Contractor may take such steps as are necessary to assure Subcontractor's compliance with its obligations under this Section 16. In the event Subcontractor does not comply with the insurance requirements outlined in this Agreement, Contractor may, at its option, provide such coverage to protect its interests and charge the Subcontractor for the cost of that insurance, or terminate this Agreement.

The required insurance shall be subject to the approval of Contractor, but any acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of the duties and responsibilities by it in this Agreement. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor will comply with such requirements.

MASTER SUBCONTRACT AGREEMENT
"MIMINUM INSURANCE REQUIREMENTS"

Sub-subcontractor Requirements. Subcontractors shall require that any and all tiers of its subcontractors shall maintain insurance in like form and amounts including the additional insured endorsement naming Contractor and Owner.

"Modified Occurrence" Policy. "Modified Occurrence" insurance policies will not be accepted under any circumstances.

SAMPLE

1. **PURPOSE:**

To help insure a safe, healthy, and productive work environment for the employees of JG, this Subcontractor and all others on our work site, to protect property and to ensure efficient operations, JG and this Subcontractor agree to adopt a policy of maintaining a workplace free of drug and alcohol abuse. This policy restricts certain items and substances from being brought on, or being present on work site, prohibits all of this Subcontractor's and JG employees and other working on work sites from reporting to work or working with measurable levels of illegal, unauthorized and/or non-prescription drugs, alcohol and other controlled substances which effect the employee's ability to perform work safely.

Employees under the influence of drugs or alcohol on the job poses serious safety and health risks not only to the user, but also to all those who surround or come in contact with the user. Therefore, JG requires this Subcontractors' full cooperation and support in implementing this policy.

Any current employee of this Subcontractor who feels that he or she has a drug or alcohol related problem is encouraged to seek professional help. Any employee of this Subcontractor voluntarily seeking such help should be referred to professional assistance by this Subcontractor and such action by any employee should be kept strictly confidential.

2. **RULES:**

- A. Possessing, manufacturing, distributing, dispensing and/or use of illegal drugs, drug paraphernalia, unauthorized controlled substances and other intoxicants on or in work sites is strictly prohibited and will result in immediate removal of employee by this Subcontractor from jobsite upon request of JG.
- B. Reporting to and being at work under the influence of illegal drugs, or unauthorized controlled substances is prohibited. Reporting to or being at work under the influence of a quantity of alcohol or tother legal intoxicant which can adversely affect the individual's performance or the safety of the individual or those surrounding the individual is also prohibited. Violation of this rule will result in immediate removal of employee by this subcontractor from jobsite upon request of JG.
- C. Legally prescribed drugs may be permitted on a work site provided the drugs are prescribed by an authorized medical practitioner for current use by the person in possession of the drugs. Reporting to and being at work with a quantity of prescribed or over-the-counter drugs, where such use prevents the employee of this Subcontractor from performing the duties of the job or poses a safety risk to the employee and/or other persons or property is prohibited.
- D. Any individual who is found to be in violation of this Policy will be removed from the jobsite upon request of JG. It is clearly understood and agreed that any individual removed from a particular JG jobsite is barred from doing work on any JG jobsite without the specific consent of JG Site Superintendent. It shall be the responsibility of this Subcontractor to notify JG Superintendent of any such individual who is intendent to work on a JG jobsite.
- E. The possession or use of alcohol on or in work sites is prohibited except for special circumstances or events which are authorized by JG.

3. **TESTS & SEARCHES:**

- A. This Subcontractor agrees in advance that its employees may, to the extent consistent with applicable law, be requested to undergo a diagnostic test for the use of illegal and non-prescription drugs, alcohol or other substances under any of the following or other circumstances which may be determined by JG:
 1. Prior to assignment to a worksite;
 2. If involved in a work place accident or incident resulting in personal injury to the individual or others working in the area, or damage to property, or work place circumstances which could have resulted in personal injury to either the employee or others, or damage to property, when there is suspicion to believe that the accident or incident has occurred due to drug or alcohol use.

MASTER SUBCONTRACT AGREEMENT
"POLICY ON DRUG & ALCOHOL ABUSE"

3. When there is suspicion to believe that an employee is under the influence of illegal drugs, unauthorized controlled substances, alcohol or other intoxicants while on the work site, during working hours, or that the employee has reported to work under the influence of illegal drugs, unauthorized controlled substances, alcohol or other intoxicants which would affect the safety of the individual and/or others.
4. As required by JG/Owner contract agreement, or applicable government regulations.
- B. JG reserves the right to search any person entering on the work site and to search property, equipment and storage areas for illegal drugs, drug paraphernalia, unauthorized controlled substances, alcohol or other intoxicants. This shall include, but not limited to clothing, personal effects, vehicles, buildings, plant facilities, offices, parking lots, desks, cabinets, lockers, closets, lunch and toolboxes and equipment.
- C. Any employee of this Subcontractor who refuses to submit to a diagnostic test, as permitted by law and/or collective bargaining agreement, or search, will be immediately removed from site by this Subcontractor. Any other persons refusing to submit to a search will be denied access to, or be required to immediately leave any work site.
4. **COST OF INITIAL TESTING:**
 - A. If an employee of this Subcontractor is requested by JG Project Superintendent to submit to a drug test, the cost of that test and the confirmatory test of the same specimen will be paid for by this Subcontractor.
5. **APPLICATION OF POLICY:**
 - A. This policy shall apply to all individuals entering a JG work site or JG property including, but not limited to full and part-time personnel, consultants, vendors, subcontractors and employees of this Subcontractor.
6. **NOTIFICATION OF AUTHORITIES:**
 - A. JG will report information concerning possession, distribution, or use of illegal drugs, unauthorized controlled substances, alcohol or other intoxicants to law enforcement officials, and will turn over to the custody of law enforcement officials any such substances found during a search of an individual or property. JG will cooperate fully in the prosecution and/or conviction of any violators of the law.
7. **COOPERATION WITH THE COMPANY:**
 - A. This Subcontractor, as a condition of the Work, has an obligation to cooperate with any JG investigation of drug or alcohol abuse on the jobsite. Failure of this Subcontractor to cooperate in any such investigation will result in termination of the agreement in accordance to Master Subcontract Agreement.

THIS POLICY IS NON-DISCRIMINATORY AND APPLIES EQUALLY TO ALL EMPLOYEES AND SUBCONTRACTORS OF JG COMPANIES AND ITS SUBSIDIARIES.

MASTER SUBCONTRACT AGREEMENT
"SEXUAL HARASSMENT POLICY"

JG has always stressed a discrimination free working environment and has stated policy on sexual harassment which prohibits any form of sexual harassment by employees and non-employees on our job sites. All subcontractors, suppliers and/or vendors are required to comply with this policy and any and all other requirements of the State of California. JG recognizes that false accusations of sexual harassment can have serious effects on innocent individuals. We trust that all our employees will continue to act responsibly to establish and maintain a discrimination free working environment.

1. PURPOSE:

- A.** In order to provide a productive working environment, it is important that we at JG maintain an atmosphere of mutual respect. Accordingly, the kind of conduct characterized as harassment below, will not be tolerated. In addition, we will endeavor to protect employees, to the extent possible, from reported harassment by non-employees in the workplace.
- B.** Sexual harassment has been defined by federal and state regulations as a form of sex discrimination. It can consist of unwelcome sexual advances, requests for sexual favors, as well as other physical or verbal conduct of a sexual nature by supervisors or others in the workplace.
- 1.** Sexual Harassment exists when:
- Supervisors or managers make submission to such conduct either an explicit or implicit term or condition of employment (including hiring, compensation, promotion, or retention) or
 - Submission to or rejection of such conduct is used by supervisors or managers as a basis for employee decisions.
- 2.** Sexual Harassment may also exist when such conduct unreasonable interferes with an employees' ability to perform their job or creates an intimidating work environment.
- 3.** Sexual Harassment does not refer to casual behavior or occasional compliments of socially acceptable nature. It refers to behavior that is not welcome, that is offensive in nature, that fails to respect the rights of others and that, therefore, interfere with work effectiveness.

2. PROCEDURES:

- A.** An employee who feels that he or she has been harassed is strongly encouraged to immediately bring the matter to the attention of the project manager or department head or if the above are unsatisfactory, to the Operations Manager, Human Resources or Sr. Executives.
- B.** Inquires and/or complaints will be investigated immediately by appropriate company management or Human Resources. Investigations will be conducted in a confidential manner.
- C.** Any employee determined by impartial investigation to have harassed another employee will be subject to disciplinary measures up to and including discharge.
- D.** A non-employee who subjects an employee to sexual harassment in the workplace will be informed of JG policy and other action will be taken as appropriate.

3. RESPONSIBILITY:

- A.** All employees should ensure that they do not participate in any form of sexual harassment.
- B.** Each manager and supervisor are responsible for making sure that all employees within his or her area or responsibility is aware of this policy, for ensuring that personnel decision are in accordance with this policy and for initiating corrective action (after consulting with upper management and/or human resources) when improper behavior is observed or reported.

1. The Subcontractor shall agree as follows relative to Non-Discrimination:

- A. The Subcontractor will not discriminate against any employee or applicant because of race, color, religion, sex or national origin. The Subcontractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, sex or national origin. Such action shall include, but not limited to the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by an appropriate agency of the Federal Government setting forth the requirements of these non-discrimination provision.
- B. The Subcontractor will in all solicitations or advertisements for employees by or on behalf of the Subcontractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, sex or national origin.
- C. The Subcontractor shall comply with all Federal, State, Municipal and local laws, ordinances, codes, rules, regulations, standards, orders, notices and requirements, including those relating to discrimination in employment, fair employment practices, immigration laws or equal employment opportunity.
- D. Regarding equal employment opportunity and non-discrimination, the Subcontractor shall further comply with any project specific employee or employment requirement, quota, limit, standard or practice that is stated or required within this Master Subcontract Agreement or project specific Work Orders and Contract Document's.

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