



Foss Landing
1940 East D Street, Suite 300
Tacoma, WA 98421

Mailing Address
P.O. Box 1377
Tacoma, WA 98401

Phone (253) 582-6712
Fax (253) 582-6788
www.korsmo.com

TRANSMITTAL

TO: «FirmName» «FirmAddress» «FirmCity», «FirmState» «FirmZip»	DATE:	May 31, 2016	JOB#:	«Project»
	JOB NAME:	«udFullProjectName»		
	LOCATION	«JobShipAddress» «JobShipCity», «JobShipState»		
	RE:	MATERIAL AGREEMENT		
ATTENTION: «ContactFName» «ContactLName»				

WE ARE SENDING YOU:

HEREWITH UNDER SEPARATE COVER FAX:

COPIES	DATED	NUMBERED	DESCRIPTION
Electronic	«udSubcontractDate»	«SL»	MATERIAL AGREEMENT NO. «SL» «SLDescription»
			Please review, sign and return via email to me ASAP. Once returned, Korsmo Construction will sign and return one executed copy to your firm via email for your records.
			Thank you!

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> FOR REVIEW AND SIGNATURES | <input type="checkbox"/> FOR APPROVAL | <input type="checkbox"/> APPROVED AS IS |
| <input type="checkbox"/> FOR YOUR USE | <input type="checkbox"/> FOR YOUR FILES | <input type="checkbox"/> APPROVED AS NOTED |
| <input type="checkbox"/> RESUBMIT FOR APPROVAL | <input type="checkbox"/> FOR REVIEW AND COMMENT | <input type="checkbox"/> RETURNED FOR CORRECTIONS |
| <input type="checkbox"/> AS REQUESTED | <input type="checkbox"/> AS REQUIRED | <input type="checkbox"/> SUBMIT COPIES FOR DISTRIBUTION |

COPY TO: FILE

BY: «PMAFirstName» «PMALastName»
Project Coordinator

IMMEDIATE SUBMITTAL REQUIREMENTS

Supplier shall submit the following items immediately and prior to commencing work. Supplier will not be paid if contract compliance are not complete. Specific instructions are included in Exhibit A-Supplemental Conditions of this Material Agreement.

1. **Submittal Package** (Product Data, Shop Drawings, and Samples)



MATERIAL AGREEMENT FORM

JOHNKCI126BE Job Name: «udFullProjectName»
(Contractor's Registration Number)

601 060 081 Job No.: «Project»
(Contractor's Washington Resale Number)

THIS AGREEMENT, issued on «udSubcontractDate», by and between:

Contractor: John Korsmo Construction, Inc.
DBA **Korsmo Construction**

Address: P.O. Box 1377 1940 East D Street, Suite 300
Tacoma, WA 98401 Tacoma, WA 98421

Telephone: (253) 582-6712
Fax: (253) 582-6788

Supplier: **«FirmName»**
Address: **«FirmAddress»**
«FirmCity», «FirmState» «FirmZip»

Telephone: **«FirmPhone»**
Fax: **«FirmFax»**
Attention: **«FirmContactName»**

Contact Person /
Project Manager: _____
(Please Print Name)

Email Address: _____

Dated: **«udSubcontractDate»**

WITNESSETH:

Section 1. The Seller agrees to furnish all material set forth in "Section 2" hereof necessary in the construction of **«Project» «ProjectDescription» Project** for **«udOwnerName»** hereinafter called the Owner, at **«JobShipAddress», «JobShipCity», «JobShipState»**; in accordance with the Plans dated **«udDrawingDate»**, Specifications dated **«udProjectManualDate»**, and Addenda No. **[IF ANY]** prepared by **«udArchitectName»**, all of which shall be considered part of this Agreement by reference thereto. The Seller agrees that the material supplied will be in accordance with the plans and specifications and will be subject to inspection and acceptance by the supervising authority to determine conformance thereto.

Section 2. It is agreed that the materials to be furnished by the Seller are as follows:

- A. Provide all labor, equipment, material and appurtenances to supply «SLDescription», complete as per plans, specifications, and addenda. Seller shall provide submittal package as listed on the Submittal Schedule and Exhibit A–Supplemental Conditions, attached hereto and made part of this Material Agreement.**

Section 3. All material furnished under this Agreement is to be furnished F.O.B.

Jobsite : «JobShipAddress» | «JobShipCity», «JobShipState» «JobShipZip»

Delivery shall be:

Please call «SFirstName» «SLastName» for verification of schedule. Cell phone: «SMobilePhone»

If this space is not filled in, the schedule shall be mutually agreed upon within two weeks after acceptance of this contract. Contractor shall inspect all materials at time of delivery and note on a Bill of Lading any apparent defects. Satisfactory performance shall be contingent upon timely written approval of both parties of the following material samples, shop drawings, and credit submittals:

Section 4. The Contractor agrees to pay the Seller for the material as follows:

subject to additions and deductions agreed to in writing by Contractor and Seller for changes as may result from operations of Contractor's contract with Owner. Terms of payment are as follows:

Payment Contingent on Owner Payment.

No payment on account shall operate as an approval and acceptance of materials furnished, or any part thereof.

Section 5. 1 copy of invoices shall be mailed to: **P.O. Box 1377, Tacoma, WA 98401**

All invoices received after the payment cut-off date of **20th of each month** will go into the next month's account. Fax copies are acceptable.

Section 6. In the event of any breach of contract, lien, claim or other liability asserted against the Contractor by a third party arising out of the Seller's performance hereunder, the Contractor shall have the right to retain out of any payments due or to become due to the Seller in amount sufficient to protect the Contractor from damage resulting therefrom, until the situation has been eliminated or adjusted by the Seller.

Section 7. Seller warrants the material to be in accordance with the plans and specifications, except as noted in Section 2., and to be free of defects at time of delivery.

Section 8. Consideration of extension of time shall be contingent upon written request for such extension by the Seller within three working days of Seller's good faith determination that there will be a delay.

Section 9. In the event the Seller fails to comply with the provisions herein and fails to commence corrective measures immediately, or to notify Contractor for the delay in such corrective measures after written request by the

Contractor, the Contractor may, without prejudice to any other right or remedy, after written notice, furnish or secure elsewhere the necessary materials to remedy the breach, and the necessary cost of which will be at the expense of the Seller.

Section 10. Only material listed in Section 2 will be furnished. No separate installation items or materials will be furnished unless shown on plans and specifications or noted herein.

Section 11. The Seller shall obtain and pay, except as provided otherwise in the specifications, for all patent rights, permits, licenses, tests and official inspections necessary to his performance under this agreement, and shall comply with all laws, ordinances, taxes and regulations bearing on the production of his material and the furnishing thereof.

Section 12. The Seller shall indemnify the Contractor against and save him harmless from any and all claims, suits or liability for injuries to property, injuries to persons, including death, and from any other claims, suits or liability on account of any negligent act or omission of the Seller, or any of his officers, agents, employees or servants. The Contractor shall indemnify the Seller against and save him harmless from any and all claims, suits or liability for injuries to property, injuries to persons, including death, and from any other claims, suits or liability on account of any negligent act or omission of the Contractor, or any of his officers, agents, employees or servants. In any action to enforce this section, including trial and appellate proceedings, reasonable attorneys' fees shall be awarded to the prevailing party.

Section 13. The Seller shall not assign or contract a substantial portion of any special fabrication necessary for this contract without prior written consent of the Contractor. If the Seller assigns the proceeds of the contract, he shall give written notification thereof to the Contractor.

Section 14. In any case of litigation between parties concerning this Material Contract, including trial and appellate proceedings, reasonable attorneys' fees shall be awarded to the prevailing party; and venue any choice of law shall be that of the State of Washington.

JOHN KORSMO CONSTRUCTION, INC.

By DBA KORSMO CONSTRUCTION
CONTRACTOR (Company Name)

By «FIRMNAME»
SELLER (Company Name)

By _____
CONTRACTOR (Authorized Signature)

By _____
SELLER (Authorized Signature)

«PROJECTMANAGER», Project Manager
(Print Name and Title)

(Print Name and Title)

Date

Date

Federal Tax Identification Number

EXHIBIT A SUPPLEMENTAL CONDITIONS

«Project» «udFullProjectName»
«SL» «SLDescription» «FirmName»

The following Material Special Conditions shall supplement, and where applicable, take precedence over the Main Contract Provisions; however, nothing in these Material Special Conditions shall act to waive the provisions and requirements of the Material Agreement, insofar as they are otherwise applicable. It is the Seller's responsibility to become familiar with the bidding requirements, contract forms and conditions of the contract, and all other elements of the project related to your own work.

By this reference, this document is attached to and becomes a part of all Material Agreements on this project.

1. Submittals

Complete submittals must be received by Korsmo Construction within two (2) weeks of receipt of the Material Agreement or Letter of Intent.

An electronic format shall be emailed or uploaded to Korsmo Construction's ftp site at <https://korsmo.sharefile.com>. Please contact «ProjectManager», Project Manager, to provide you access.

Product Literature shall be labeled with specific details: Specification Number, Paragraph and Item Number. For instance,
Section 072100, 2.3-a.1 Rigid Insulation

2. Washington Sustainable Schools Protocol (WSSP)

The Owner has implemented WSSP regulations and requirements for this project. Seller shall provide all documentation as per contract documents. Seller shall comply with the requirements set forth hereunder to achieve this certification. Exhibit WSSP includes forms and data that are required of the Seller to submit. Other information is required from the manufacturer. Please coordinate and ensure requirements are met. If you shall have any questions, please call Melissa Santos at our Main Office for details.

2. Leadership in Energy and Environmental Design (LEED)

The Owner has registered this project under USGBC Council to obtain LEED Certification. Seller shall comply with the requirements set forth hereunder to achieve this certification. Exhibit LEED includes forms and data that are required of the Seller to submit. Other information is required from the manufacturer. Please coordinate and ensure requirements are met. If you shall have any questions, please call Melissa Santos at our Main Office for details.

3. Progress Billings

a. Seller shall submit invoices to Korsmo Construction's office no later than the 20th of each month in order for the invoice amounts to be included in our Payment Request to the Owner. **Billings may be submitted via fax to (253) 582-6788.**

b. Seller shall use the provided Pay Application form when invoicing for payment. Furthermore, any miscellaneous documents attached to the billing shall reference Material Agreement No. «SL».

c. Any extra work requiring the issuance of a Change Order by our office is to be submitted as a proposal, fully describing the work to be completed. Upon approval of such extra, Korsmo Construction will issue a Change Order. Extra work cannot be billed until you have received a Change Order.

d. Billings of 50% completion will not be released until manuals and warranties are in the possession of our main office. All Warranties and Operations & Maintenance Manuals shall be submitted to the Main Office to incorporate into one binder for submittal to the Owner. Payment will not be considered if not in possession of our main office

4. Project Information Sheet

Attached is the Project Information Sheet for this project. This will assist Seller's suppliers and sub-tiers in submitting pre-lien notices to the Owner.

A Supplier/Supplier Subtier Information Sheet from Seller shall be submitted with all material suppliers that will be used for this project. Address, contact numbers, etc. should be included in this list.

5. Delivery Hours

Delivery shall be scheduled by Korsmo Construction's Site Superintendent. All delivery shall be coordinated with the Site Superintendent prior to delivering of products.

6. Project Close-Out

Each Supplier shall be responsible for furnishing all applicable close-out documents including, but not limited to, Operation & Maintenance Manuals, As-built Drawings, extra equipment & spare parts, and all other items required by the specifications. Failure to submit this information will result in delay of full contract payment to everyone from the Owner.

Record Documents

The General Contractor will maintain a set of As-built Architectural Drawings and Specifications on-site. Mechanical and electrical will maintain their own As-built drawings. Changed conditions (after bid) are to be noted "IN RED" on the field copies of the As-builts at the time the change(s) occurs.

- Supplier shall submit 2 prints of As-built drawings.

Extra Equipment, Materials and Supplies

All Suppliers required to provide extra equipment, materials and supplies are to turn them over to the Korsmo Construction jobsite Superintendent for safe keeping prior to substantial completion. All items must be turned over, in writing, and signed for by the Superintendent. The Owner will only accept extra items at ONE time from Korsmo Construction – at substantial completion.

Operations and Maintenance Manuals

At 50% completion of the Supplier's work, Operations & Maintenance Manuals shall be submitted to the Main Office to incorporate into one binder for submittal to the Owner. Payment will not be considered if not in possession of our main office. We will need the following:

- 1 sets - Full sets of all information for the distribution to the Owner.

Warranties

At 50% completion of the Supplier's work, all Warranties from Supplier and manufacturer shall be submitted to the Main Office to incorporate into one binder for submittal to the Owner. All warranties shall have a minimum warranty length of one (1) year (unless stated differently in the Manufacturer's Standard Warranty clause) from the date of substantial completion of the entire project. We will need the following:

- 1 each - for distribution to the Owner and Architect, and for file at final completion/acceptance

NOTE: An electronic copy of the documents required as listed above, please email to «PMAEmail».

7. The Korsmo Construction project team and contact numbers are as follows:

Main Office

Foss Landing
1940 East D Street, Suite 300
Tacoma, WA 98421

Phone: (253) 582-6712

Fax: (253) 582-6788

Jobsite Office

«JobShipAddress»

«JobShipCity», «JobShipState» «JobShipZip»

Project Manager: «ProjectManager»

Cell Phone: «PMMobilePhone»

E-mail: «PMEmail»

Project Coordinator: «PMAFirstName» «PMALastName»

E-mail: «PMAEmail»

Superintendent: «SFirstName» «SLastName»

Cell Phone: «SMobilePhone»

E-mail: «SEmail»

Project Engineer: «PEFirstName» «PELastName»

Cell Phone: «PEMobilePhone»

E-mail: «PEEmail»

Accounting: subbilling@korsmo.com

EXHIBIT B
SCOPE OF WORK
«Project» «udFullProjectName»
«SL» «SLDescription» «FirmName»

PROJECT INFORMATION SHEET

Legal Description: **[LEGAL DESCRIPTION FROM DRAWINGS]**

Project Name: **«Project» «udFullProjectName»**
Address: **«JobAddress»**
«JobCity», «JobState» «JobMailZip»

Owner: **«Owner»**
Contact: **«OwnerPhone»**

Bid Due Date: **«udBidDate»**
Award Date: **«udContractDate»**
County: **COUNTY**
City: **CITY**

Contractor: **John Korsmo Construction, Inc.**
Address: **P.O. Box 1377, Tacoma, WA 98401**
Phone: **(253) 582-6712**
Project Manager: **«ProjectManager»**
Superintendent: **«SuperFirstName» «SuperLastName»**
Registration Number: **JOHNKCI126BE**
Intent ID Number: **[JKC STATEMENT OF INTENT ID NUMBER]**

Bond: **«udBondNumber»**

July 20, 2015

To all Korsmo Construction Suppliers,

In our efforts to better serve our valued Suppliers, owners, and Korsmo team members the following **SUPPLIER REQUEST FOR PAYMENT** Submission Policy will be applied August 2015.

To improve timely processing and payment all **Supplier requests for payment must be submitted on or before the 20th** of any given month using the Korsmo Construction Supplier Request for Payment, a sample completed Supplier Request for Payment is attached for reference.

The Supplier Request for Payment will not be accepted, processed, or included in the billing to the owner unless properly submitted based on the guidelines below.

The Supplier Request for Payment must include; but not limited to the following:

1. The Supplier Request for Payment form must be fully completed, reconciled and balanced upon submission to the Korsmo Accounting Department.
2. The conditional lien release must accompany the Supplier Request for Payment.
3. A schedule of values must accompany the Supplier Request for Payment. The Korsmo Project Manager will advise the appropriate format.
4. A completed Sub-tier / Supplier list must accompany the Supplier Request for Payment.

Please note:

Supplier progress payments will be processed if;

- payment is received by the owner
- we have an executed material agreement
- an up-to-date insurance certificate
- a site specific safety plan approved by Korsmo's Safety Director,
- a Statement of Intent Approved by L&I
- L&I premiums are current and in good standing
- a Union Affidavit is on file for the appropriate month
- an unconditional lien release is on file after the first payment has been processed
- sub-tier lien releases are on file if applicable
- certified payroll reports are current if applicable
- TERO reports are current if applicable
- all other conditions for payment have been met

For complete guidelines please refer to your Korsmo Construction Supplier Agreement.

Suppliers please disburse to your accounting personnel.

If you have any questions please do not hesitate to contact me.

Thank you!



Foss Landing | 1940 East D Street, Suite 300 Tacoma, WA 98421
P 253.582.6712 | F 253.582.6788



MATERIAL AGREEMENT REQUEST FOR PAYMENT

INSTRUCTIONS AND CHECKLIST

Billing must be received by the 20th of the month. Any billing received after the 20th will be held until the following month for submittal to the owner for payment. You may submit your billings by email to Subbilling@korsmo.com, fax to 253-582-6788 or U.S. mail to 1940 East D Street, Suite 300, Tacoma, WA 98421.

NOTE: BILLINGS WILL NOT BE PROCESSED WITHOUT THE FOLLOWING DOCUMENTS:

A) BEFORE FIRST PROGRESS BILLING:

- Fully executed Contract Agreement

B) WITH EACH PROGRESS BILLING:

- Schedule of Values (AIA G703 format)
Supplier's Conditional Lien Release for this billing
- Subtier's Conditional Lien Release for this billing:

<u>Sub-tier Name</u>	<u>Lien Release Attached</u>
----------------------	------------------------------

_____	<input type="checkbox"/>
_____	<input type="checkbox"/>
_____	<input type="checkbox"/>
_____	<input type="checkbox"/>

C) AT 100% BILLING:

- All Close-out Documents (including O&M Manuals, As-built Drawings, Warranties from Manufacturer and Installer, etc.)



MATERIAL AGREEMENT REQUEST FOR PAYMENT

Date: _____

Company: «FirmName»

Project: «udFullProjectName»

JKC Project No.: «Project»

Material Agreement #: «SL»

Application No.: _____

BREAKDOWN OF BILLING:

(IF A CHANGE ORDER HAS MORE THAN ONE COST CODE, PLEASE SEPARATE DOLLAR AMOUNT)

	Amount	Previously Billed	This Month Billing	Balance	Phase Code	Scope Description
Base Bid	«Amount»				«PhaseCode»	«Description»

Change Orders:

Number	Amount	Previously Billed	This Month Billing	Balance	Phase Code	Scope Description
TOTAL:						

CURRENT REQUEST FOR PAYMENT: \$ _____ Percentage Complete _____ %

Supplier's Option: If billing is received by the 20th of the month and paid by **the 10th of the following month**, a discount is offered at **2%**.

Before billing for change order work all change orders must be approved and assigned a change order number by John Korsmo Construction, Inc. No change order billing will be accepted without this number.

Billings requesting 100% payment, will not be approved unless it is accompanied with all closeout information as required by your specification section(s).

SCHEDULE OF VALUES - **SAMPLE**

APPLICATION NO.: _____

APPLICATION DATE: _____

PERIOD TO: _____

MATERIAL AGREEMENT NO.: _____

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G ÷ C)	BALANCE TO FINISH (C - G)	RETAINAGE
			FROM PREVIOUS APPLICATION	THIS PERIOD					
1	Base Contract Scope of Work	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
2	C.O. #001 - Scope of Work	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
3	C.O. #002 - Scope of Work	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
	GRAND TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00



CONDITIONAL WAIVER AND RELEASE

TO WHOM IT MAY CONCERN:

«FirmName» (the "Releasing Party"), Material Agreement No. «SL» has performed work or supplied materials or equipment for construction on the «udFullProjectName» Project (the "Project") located at «JobAddress», «JobCity» (the "Property").

In exchange for a progress payment in the amount of \$ _____, and when the check has been endorsed and has been paid by the bank upon which it was drawn, the Releasing Party hereby waives and releases any and all claims, liens, claims of lien, rights to lien, bond claims, Miller Act claims, pursuant to RCW 39.08 et seq. and RCW 60.28 et seq., stop notices and rights to submit stop notices (whether under statute, in equity or otherwise and whether received through assignment or otherwise) either arising against the owner(s) of the Property (the "Owner"), the Contractor, the Contractor's Bond or bonding company or any higher tier contractors or Suppliers, or arising in connection with the Project or the Property (hereinafter collectively "Claim"), through the date of _____, except its claim for retention described below.

The Releasing Party expressly acknowledges that it has been paid all amounts due and owing to it for work, materials or equipment in connection with the Project through the above date, except retention in the amount of \$ _____.

In the event any Claim is made or filed by the Releasing Party or any Supplier or supplies at any tier below the Releasing Party, the Releasing Party (1) shall immediately release and discharge, or secure the release or discharge of, such Claim and (2) shall indemnify, defend (with an attorney approved by Contractor) and hold harmless the Owner, the Contractor, any contractors or Suppliers of a higher tier, and their respective subsidiaries, affiliates, partners, successors and assigns from and against any and all costs, damages, expenses, court costs and attorney fees arising from any such claim or litigation.

DATED this _____ of _____, _____.

(Signature)

(Company)

By: _____
(Print Name)

Its: _____
(Print Title)

STATE OF _____)

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and acknowledged that he/she signed this instrument as the _____ of _____, and acknowledged it to be the free and voluntary act and deed, for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, _____.

Print name: _____
Notary Public in and for the State of Washington,
Executed at _____

My Appointment Expires: _____