



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»	DATE:	May 31, 2016	JOB#:	«Project»
	«FirmAddress»	JOB NAME:	«udFullProjectName»		
	«FirmCity», «FirmState» «FirmZip»	LOCATION	«JobAddress», «JobCity»		
ATTENTION:	«ContactFName» «ContactLName»	RE:	SUBCONTRACT AGREEMENT		

**WE ARE SENDING YOU:**

HEREWITH
  UNDER SEPARATE COVER
  FAX: \_\_\_\_\_

COPIES	DATED	NUMBERED	DESCRIPTION
Electronic	«udSubcontractDate»	«SL»	SUBCONTRACT AGREEMENT NO. «SL» «SLDescription»
			<p>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.</p> <p>Thank you!</p>

<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

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

1. **Submittal Package** (Product Data, Shop Drawings, and Samples)
2. **Certificate of Insurance**
3. **Site Specific Safety Plan**



SUBCONTRACT AGREEMENT

THIS AGREEMENT IS MADE AND ENTERED INTO 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

Subcontractor: «FirmName»
Address: «FirmAddress»
«FirmCity», «FirmState» «FirmZip»
Telephone: «FirmPhone»
Fax: «FirmFax»

Attention: «ContactFName» «ContactLName»

Contact Person / Project Manager: (Please Print Name)

Email Address: «FirmEMailAddress»

Dated: «udSubcontractDate»

Contractor, for full, complete, and faithful performance of this Subcontract, agrees to pay Subcontractor:

(a) Lump Sum in the amount of:

\*\*\*Zero And 00/100 Dollars «TotalSubcontract»\*\*\*

OR

(b) Unit Prices as set forth on the attached Unit Price Addendum which on the basis of Owner's estimated quantities will yield a gross contract price of approximately:

\*\*\*Zero per Unit (\$0.00 per Unit)

In consideration therefor, Subcontractor agrees as follows:

1. To furnish and perform all work as described in Article 3 hereof, for the construction of (Project Title and Location):

**«udFullProjectName»  
«JobShipAddress»  
«JobShipCity», «JobShipState» «JobShipZip»**

for **«udOwnerName»  
«udOwnerAddress»  
«udOwnerCity»**

hereinafter called Owner, in accordance with the contract dated **«udContractDate»**, between Owner and Contractor, and the general and special conditions of that contract, and in accordance with the drawings, dated as of **«udDrawingDate»**, and specifications dated **«udProjectManualDate»** and addenda for the construction prepared by

**«udArchitectName»  
«udArchitectAddress»  
«udArchitectCityStateZIP»**

Engineers and Architects, all of which documents in their entirety are hereinafter referred to as the Main Contract and have been and remain available to the Subcontractor.

2. As related to the Subcontract work, Subcontractor agrees to assume toward Contractor all obligations and responsibilities which the Contractor has assumed toward the Owner under the Main Contract, including but not limited to the General, the Special Conditions and any and all warranty, notice, claim and dispute resolution provisions contained therein, and all other documents forming or by reference made a part of the Main Contract, all of which are hereafter referred to as the "Main Contract." In case of conflict between the terms, conditions and responsibilities of the parties to this Subcontract and the Main Contract, the conflicting terms, conditions or responsibilities that are more burdensome on the Subcontractor shall control. A copy of the Main Contract is available at the Contractor's office for review by the Subcontractor and by executing this Subcontract, Subcontractor acknowledges it has reviewed or had an opportunity to review the Main Contract and all other Contract Documents.
3. **SCOPE:** Subcontractor agrees to perform and furnish all labor, services, materials, and equipment required to complete:

**«SLDescription»**

**Work, complete as per plans and specifications, including but not limited to Section listed above, Division 1- General Requirements as it applies, and Addenda.**

- A. OTHER EXHIBITS AND FORMS ATTACHED HERETO AND MADE PART OF THIS SUBCONTRACT AGREEMENT, ARE THE FOLLOWING:
  - 1) EXHIBIT A – SUPPLEMENTAL INSTRUCTIONS
  - 2) EXHIBIT B - SCOPE OF WORK
  - 3) EXHIBIT C - DRAWING LOG
  - 4) EXHIBIT D - SUBMITTAL LOG including LEED Forms
  - 5) EXHIBIT E - INSURANCE CERTIFICATE *SAMPLE FORM*
  - 6) EXHIBIT F - PROJECT INFORMATION SHEET
  - 7) EXHIBIT G - CERTIFIED PAYROLL REPORT
  - 8) EXHIBIT H - APPRENTICESHIP UTILIZATION LOG
  - 9) EXHIBIT H - TERO COMPLIANCE PLAN/ NATIVE HIRING MONTHLY REPORT FORM
  - 10) EXHIBIT I - UNION AFFIDAVIT
  - 11) PAYMENT APPLICATION FORMS
  - 12) SERIOUS OFFENSE SAFETY VIOLATION POLICY

4. Under provisions of Article (R) herein, a bond (is) (is not) required in this Subcontract.

(SEE EXHIBIT A – SUPPLEMENTAL CONDITIONS, ATTACHED HERETO AND MADE PART OF THIS SUBCONTRACT AGREEMENT.)

IN WITNESS WHEREOF, CONTRACTOR and SUBCONTRACTOR have executed this agreement, effective the date of the last authorized signature unless otherwise agreed.

In addition, THE UNDERSIGNED CERTIFY that the provision at Article (M) was reviewed and mutually agreed upon.

By **JOHN KORSMO CONSTRUCTION, INC.**  
**DBA KORSMO CONSTRUCTION**  
\_\_\_\_\_  
CONTRACTOR (Company Name)

By **«FIRMNAME»**  
\_\_\_\_\_  
SUBCONTRACTOR (Company Name)

By \_\_\_\_\_  
CONTRACTOR (Authorized Signature)

By \_\_\_\_\_  
SUBCONTRACTOR (Authorized Signature)

**«PROJECTMANAGER», Project Manager**  
\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

**JOHNKCI126BE**  
\_\_\_\_\_  
Registration Number

\_\_\_\_\_  
Registration Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Federal Tax I.D. Number

\_\_\_\_\_  
Workers' Compensation Account I.D. Number

\_\_\_\_\_  
Unemployment Insurance Reference Number

\_\_\_\_\_  
UBI Number

\_\_\_\_\_  
Small Business Type / Certification Number (if applicable)  
 Federal Certified       State Certified  
 Native American: Tribe Affiliation: \_\_\_\_\_

\_\_\_\_\_  
Date

## **Subcontract General Conditions**

### **A. OBLIGATIONS AND RESPONSIBILITIES**

It is agreed that Subcontractor will assume toward Contractor all obligations and responsibilities which Contractor has assumed toward Owner under the Main Contract, insofar as applicable, generally or specifically, to Subcontractor's work. In case of conflict between the terms, conditions and responsibilities of the parties to this Subcontract and the Main Contract, the conflicting terms, conditions or responsibilities that are more burdensome on the subcontractor shall control. Subcontractor agrees not to assign or subcontract a substantial portion of the performance of this Subcontract without the prior written consent of Contractor. Subcontractor shall designate in writing all lower-tier subcontractors to Contractor and shall not subsequently change lower-tier subcontractors without Contractor's approval. Contractor shall furnish to Subcontractor, upon Subcontractor's request, the legal description of the premises covered by the Main Contract. A copy of the Main Contract will be made available upon request.

### **B. SUBMITTALS**

Subcontractor agrees to furnish in sufficient time so that the project will not be delayed, and as required by Exhibit A, drawings, specifications, mock-ups, final selection of materials, and all other required submittals for approval by Owner or Owner's agent. Any damage or expense caused by delay in making Submittals will be charged to Subcontractor's account. Unless otherwise directed in writing by Contractor, all submittals shall be submitted through Contractor.

Any proposed substitutions or modifications must receive prior written approval by the Architect and must be clearly and specifically set forth in writing by the Subcontractor on shop drawings or other submittal data and in the transmittal letter.

Subcontractor shall conspicuously mark all drawings "For Approval" or "For Construction" as appropriate. Any changes from an Approved Submittal must be brought to the attention of the Contractor and resubmitted for approval.

Neither approval of Submittals, nor failure of the Contractor and/or Owner/Owner's agent, and/or Architect to note errors, omissions, or discrepancies on the Submittals shall relieve Subcontractor from full compliance with, nor alter the requirements of, this Subcontract. It is the Subcontractor's responsibility to field verify and ensure that all work will fit, align with, and have compatibility with the work of other trades on the Project as required by the Contract Documents.

Subcontractor is required to maintain onsite, up-to-date As-built drawings. Each month Subcontractor will record all As-built information onto Contractor's Master set. Failure to comply with this monthly requirement will result in Subcontractor's pay request being held until this information is brought current. Subcontractor will, at the close of the project, transfer all information onto reproducible drawings. Each sheet is to be stamped As-built, dated and signed by the Subcontractor.

When maintenance manuals or as-built drawings are required by the Main Contract, Subcontractor agrees to deliver to Contractor, at least ten (10) days prior to scheduled completion of the Project, unless otherwise specified, all required manuals and drawings. Subcontractor's final payment will be withheld until these requirements are met.

### **C. SCHEDULING**

Subcontractor shall commence work upon receipt of Contractor's notice to proceed and shall diligently prosecute the same and perform progressively as, when, and in such order as directed by Contractor. If Contractor provides Subcontractor with a progress schedule, Subcontractor shall follow such schedule which may be changed by Contractor from time to time for any reason. Subcontractor shall perform in accordance with such modified schedule(s). Subcontractor shall not be entitled to any damages for performance in accordance with such modified schedules, nor shall Subcontractor be entitled to any damages on account of hindrances, interferences, disruptions, or delays from any causes whatsoever. Subcontractor shall cooperate with Contractor and other subcontractors.

Subcontractor will be bound by any provisions in the Main Contract for liquidated damages and, if liquidated damages are assessed against Contractor, shall pay such damages for any delay to the extent caused by Subcontractor. The preceding language shall not be construed to deprive Contractor of any right to recover separate or additional damages for delay to the extent caused by Subcontractor.

## D. PAYMENTS

Subcontractor shall submit to Contractor applications for payment at such times as will enable Contractor to timely apply for payment from Owner. Subcontractor's applications for payment must be in the form of Attachment "A" hereto, "Subcontractor Application and Certification for Payment." As a prerequisite for any payment, Subcontractor shall provide, in a form satisfactory to Contractor, lien and bond claim waivers and releases, claim waivers and releases, and affidavits of payment from Subcontractor, and its sub-subcontractors and suppliers of any tier, for the completed portion of Subcontractor's work.

Subcontractor will receive payments from Contractor only in amounts allowed to Contractor by the Owner on account of Subcontractor's work, and only to the extent of Subcontractor's interest therein, less any deduction or offsets allowed to be deducted under this Subcontract or by law. Subcontractor shall be paid for work to date of Contractor's last progress billing date, as approved by the Architect or Engineer, within ten days after Contractor has received payment for such progress billing. Final payment for work under this Subcontract shall be made within ten days after Contractor has received final or complete payment, provided Subcontractor has completed its work and fulfilled each of its obligations under this Subcontract. In no event will any payment, including payment of retention or other compensation to Subcontractor for work hereunder, be due Subcontractor from Contractor until Contractor has received such payment from Owner. Receipt by Contractor of such payment from Owner shall constitute, and is acknowledged by Subcontractor to be, an express condition precedent to Contractor's obligation to pay Subcontractor. Subcontractor expressly accepts the risk of Owner's non-payment, and expressly relies upon the credit of the Owner, not Contractor, for payment.

Unless otherwise mutually agreed, Contractor shall withhold retainage from Subcontractor in the amount of 7%, or as required by law. Contractor's obligation to release retainage to Subcontractor shall be subject to proof that there are no unpaid claims which would provide the basis of a lien against the premises, retainage or payment bond, or subject to (1) withholding of sufficient funds or (2) furnishing an adequate and sufficient payment and performance bond.

Final payment is conditioned upon Subcontractor paying all material and labor claims (including labor fringe payments due) and paying all lien able claims for labor, materials, equipment, and supplies in connection with the work, and paying all federal, state, and municipal taxes and licenses, including sales taxes, if any, for which Subcontractor, or any of its suppliers, or any subcontractor of Subcontractor may be liable in connection with the Subcontract, and including any obligations incurred by Subcontractor in carrying out the Subcontract, and conditioned upon Subcontractor furnishing Contractor with evidence that all of the same have been paid. Final payment is also conditioned upon the receipt of all required documentation, including, but not limited to, warranties, as-built drawings, operation and maintenance manuals, and required testing and certification of any and all equipment and/or materials provided for the Project.

Payments otherwise due Subcontractor may be withheld by Contractor to account for defective work that has not been remedied by Subcontractor, any breach by Subcontractor of any provision or obligation of this Subcontract, or Subcontractor's failure to timely provide submittals and/or reports.

Subject to the other terms of this Subcontract, Subcontractor shall be paid for work to date of Contractor's last progress billing date, as approved by the Architect or Engineer, within ten days after Contractor has received payment for such progress billing. Final payment for work under this Subcontract shall be made within ten days after Contractor has received final or complete payment provided Subcontractor has completed its work and fulfilled each of its obligations under this Subcontract. When required by Contractor, and as a prerequisite for any payment, Subcontractor shall provide in a form satisfactory to Contractor partial lien releases, claim waivers and affidavits of payment from Subcontractor, and its lower-tier subcontractors and suppliers of any tier, for the completed portion of Subcontractor's work.

If the Main Contract permits payment for materials delivered to the jobsite or to satisfactory storage facilities, Subcontractor may invoice for materials so delivered and receive payment as outlined above; provided, however, that such stored materials shall be at the risk of Subcontractor until acceptance of the Subcontract work. Subcontractor shall notify Contractor of the assignment of the proceeds of this Subcontract prior to such assignment and shall require the acceptance by Assignee of the terms of this Subcontract including the obligation for adjustments and return to Contractor of overpayments. Subcontractor acknowledges that all payments accepted by him or which are otherwise due under this Subcontract shall constitute a trust fund in favor of laborers, materialmen, governmental authorities, and all others who are legally entitled to a claim a lien on the premises covered by this Subcontract or otherwise file a claim against any retainage or payment bond. Subcontractor shall pay its own subcontractors and suppliers all sums owed them within ten days of receipt of payment from or on behalf of Contractor. Subcontractor agrees that monies received for performance of this Subcontract shall first be used to satisfy obligations owing by Subcontractor for labor,

materials, and equipment utilized in performance of this Subcontract before any of said monies shall be diverted to satisfy obligations of Subcontractor on other contracts or for any other purpose. Subcontractor agrees that no assignment of any payment otherwise due under this Subcontract shall be effective without first securing the express approval of any assignee to the limitations contained in this subsection.

Progress payments shall be deemed advances and are subject to adjustment at any time prior to final payment for errors, overpayment or Contractor's good faith determination that the remaining balance of payment may be insufficient to insure completion of work covered by this Subcontract or to pay lien, retainage, or bond claims. If Contractor determines in good faith that Subcontractor is obligated to Contractor or anyone else for labor, fringe benefits, taxes, supplies, materials, equipment rental or other proper charges against Subcontractor or the work covered by this Subcontract, or with regard to any other contract with Subcontractor, the amount of such obligation may be deducted by Contractor from any payment or payments, including retainage, made under this provision. Provided further that Contractor may from time to time require, and Subcontractor shall provide within three (3) days after written demand to Subcontractor, a statement in writing setting forth what amounts, if any, are due or payable by Subcontractor to third parties for labor, fringe benefits, taxes, supplies, materials, equipment, or other proper charges against the work in connection with, or arising out of the performance of, this Subcontract. If Subcontractor fails to furnish such written information within three (3) days after demand by Contractor, Contractor may terminate this Subcontract without further notice. In case of such termination, and in addition to any other rights and remedies Contractor may have, all monies expended by Contractor to complete Subcontractor's work shall be deducted from the contract price herein stated, and if such expenditures exceed the amount otherwise due hereunder, Subcontractor shall pay Contractor the full amount of such excess. The terms of payment provided herein shall not make it incumbent on Contractor to make payments to Subcontractor in an amount that would not leave a sufficient balance to cover the retained percentage together with an amount sufficient to satisfy all obligations of Subcontractor for labor, materials, and equipment furnished or to be furnished by Subcontractor under this Subcontract or under any other contract between Subcontractor and Contractor.

#### **E. LOWER-TIER SUBCONTRACTORS AND SUPPLIERS**

Subcontractor shall not subcontract any portion of the work without the prior written consent of the Contractor. Within five (5) days of the execution of this Subcontract, Subcontractor shall submit to Contractor a written list of all lower-tier subcontractors, and material and equipment suppliers, including their addresses and telephone numbers, which it intends to use on the Project. In the event Subcontractor later intends to use other or additional lower-tier subcontractors, or material or equipment suppliers, Subcontractor must immediately provide Contractor with written notice of such intent, and their names, addresses, and telephone numbers. In the event Subcontractor fails to provide the required written information, Contractor is entitled to withhold payment from Subcontractor until such information is provided.

When requested by Contractor, Subcontractor shall provide Contractor within two working days of Contractor's request with all documents pertaining to sums which are either owing or may in the future be owing to lower-tier subcontractors or suppliers of equipment or materials to Subcontractor. Such documents include, but are not limited to, contracts, purchase orders, invoices, requisitions, and lien waivers. In the event such documentation is not furnished by Subcontractor, Contractor may withhold payment from Subcontractor until such documentation is furnished.

Contractor has the right to pay any lower-tier subcontractor or supplier of equipment or materials to Subcontractor directly or by two-party check. Payment directly to such persons by Contractor or payment of such persons by Contractor by two-party check shall not create any direct contractual or other obligations owing by Contractor to such persons.

Contractor reserves the right, prior to making any payment to Subcontractor, to request and receive from Subcontractor a certificate under oath, and such other evidence as Contractor may request, that all obligations incurred by or on behalf of Subcontractor which are, or may become a claim of lien against the Owner's property, or the Contractor's bond or retainage, or any other contractor's bond or retainage, have been paid or that satisfactory arrangements have been made for such obligations to be paid.

Subcontractor shall secure the immediate release and satisfaction of any claims of lien, claims against any contractor's bond or retainage, or any other contractor's bond or retainage resulting from the performance of this Subcontract, and shall bear all expenses incurred by Contractor or Owner investigating, resisting, or settling such liens or claims, including attorneys' fees incurred by Contractor and Owner. Subcontractor agrees to defend, indemnify, and hold Contractor and Owner harmless from any claims of lien, any claims against any Contractor's bond or retainage, or any claims against any other contractor's bond or retainage resulting from the performance of this Subcontract.



Any lower-tier subcontractor shall be bound to Subcontractor to the same extent Subcontractor is bound to Contractor and to the same extent Contractor is bound to Owner.

**F. CHANGE ORDERS**

Contractor may, without invalidating this Subcontract, order in writing extra work or make changes by altering, adding to, or deducting from the work and the Subcontract price shall be adjusted accordingly. All such work shall be executed under the conditions hereof and of the Main Contract, except that any claims for extension of time caused thereby must be agreed upon at the time of ordering such change. Subcontractor shall make no claims for extras unless the same shall be agreed upon in writing by Contractor prior to the performance of any such extra work. In case of any dispute over adjustment of the Subcontract price or time, Subcontractor shall proceed with the work, and provided that Subcontractor first complies with the requirements of Article G below, the dispute shall be resolved in accordance with the procedures set forth in the Main Contract, to the extent that Contractor is bound by such procedures, otherwise by the procedures set forth in Article U. Subcontractor acknowledges that, unless expressly stated otherwise within a written change order, any change in the contract price and time effected through a written change order shall constitute full payment and accord and satisfaction for all cost incurred, labor performed, material and equipment furnished, and any delay, acceleration, or loss of efficiency associated with the change in the work.

**G. CLAIMS**

Subcontractor shall provide written notice to Contractor within five (5) days or within sufficient time to allow Contractor to give notice to Owner pursuant to the Main Contract (whichever is sooner), after occurrence of any instances of interruption, extra work, additional work, delay, hindrance and/or efficiency loss of any nature whatsoever in Subcontractor's Work, believed by Subcontractor to be caused by the acts or omissions of Contractor, other subcontractors, Owner, Architect/Engineer, or the employees or agents of any of them. To the extent additional information is required of Contractor by the Main Contract to be included with the notice, Subcontractor shall timely supply it. In the event Subcontractor believes it is entitled to receive compensation due to damages from such occurrence(s) and/or is entitled to an extension of time, Subcontractor's Statement of Claim (setting forth in detail the entitlement and quantum basis for Subcontractor's claim with supporting data and/or the entitlement basis to support both additional compensation and any extension of time) shall be delivered to Contractor within an additional 15 days or within sufficient time to allow Contractor to forward Subcontractor's Statement of Claim to Owner (whichever is sooner) to meet any applicable Main Contract requirements. To the extent the Main Contract requires Contractor to provide a different form or additional information for the Statement of Claim than required by this Article, Subcontractor shall timely comply with such required form and timely provide all required additional information such that Contractor can meet all applicable Main Contract requirements. Contractor does not waive the requirement for timely written notice and/or timely written submission of the Statement of Claim unless Contractor's waiver is unequivocal, explicit, and in writing.

**IN THE EVENT CLAIMS OR REQUESTS FOR COMPENSATION OR TIME FOR CHANGE ORDERS ARE NOT PROVIDED IN ACCORDANCE WITH THE PROCEDURES SPECIFIED BY THIS ARTICLE, SUCH CLAIMS AND REQUESTS FOR COMPENSATION OR TIME SHALL BE DEEMED WAIVED BY SUBCONTRACTOR.**

**H. NATURE OF WORK**

Subcontractor has satisfied itself as to the nature and location of the work, the character, kind and quantity of material to be encountered, the character, kind and quantity of equipment needed, the location, conditions and other matters which can in any manner affect the work under this Subcontract agreement, and acknowledges that Subcontractor has had a reasonable opportunity to examine the site, all of the Main Contract documents, and this Subcontract. Prior to commencing the work, Subcontractor shall examine the site and any surfaces upon which work is to be performed, and shall notify Contractor in writing of any conditions which might adversely affect its work; failure to do so will constitute a waiver of entitlement to any additional compensation or contract time arising out of such conditions. This clause shall not be understood to relieve Subcontractor of any additional notice requirements under this Subcontract or the Main Contract.

**I. SUBCONTRACTOR EMPLOYER**

Subcontractor has the status of "employer" as defined by the Industrial Insurance, Workers' Compensation, Unemployment Compensation, Social Security, and other similar acts of the federal, state, and local governments. Subcontractor shall withhold from its payroll applicable Social Security taxes, Workers' Compensation and Unemployment Compensation contributions, and withholding taxes and pay the same; Contractor shall be in no way liable as an employer of, or on account of, any employees of

Subcontractor. Before final payment is made under this Subcontract, Subcontractor shall furnish Contractor affidavits certifying that it has complied with these laws, rules and regulations. Subcontractor hereby agrees to defend and indemnify Contractor for any and all liability under such laws arising from the work performed under this Subcontract.

**J. PERMITS, TAXES**

Subcontractor shall obtain and pay for all permits, fees, and licenses necessary for the performance of this Subcontract and shall pay any and all federal, state, and local taxes, applicable to the work to be performed under this Subcontract. Owner or Contractor shall obtain and pay for the initial building permit applicable to the Main Contract and unless stated otherwise herein shall be responsible, as between Contractor and Subcontractor, for payment of state sales/use taxes applicable to the project.

**K. MATERIALS**

Materials delivered by or for Subcontractor and intended to be incorporated into the construction hereunder shall remain on the jobsite and shall become property of Owner upon payment, but Subcontractor may repossess any surplus materials remaining at the completion of the contract. All scaffolding, apparatus, ways, works, machinery, and plants brought upon the premises by Subcontractor shall remain its property, but in the case of Subcontractor's inability to perform, and completion of the work is done by Contractor, Contractor shall be entitled to use such scaffolding, apparatus, ways, works, machinery, and plants without cost or liability for depreciation or damage by use, and without prejudice to Contractor's other rights or remedies for any damage or loss sustained by reason of Subcontractor's inability to perform. It shall be Subcontractor's responsibility to unload, store, and protect its materials, to bear the risk of loss thereof and to protect such material against loss until actually incorporated into the work, and until the work is accepted, even though title thereto may previously have passed to the Owner under the preceding provisions, except that Subcontractor shall not bear that portion of such loss to the extent it arose out of the fault of Contractor or its employees.

**L. TAKEOVER PERFORMANCE – TERMINATION FOR DEFAULT – TERMINATION FOR CONVENIENCE**

Should Subcontractor at any time:

- 1) fail to maintain the insurance coverage(s) specified in this Subcontract;
- 2) fail to provide the payment and performance bonds required by this Subcontract;
- 3) fail to supply sufficient skilled workers, equipment or materials of proper quality and quantity;
- 4) fail to make timely payments for labor or materials;
- 5) fail to proceed with the work in the sequence directed by Contractor;
- 6) fail to prosecute the work with promptness and diligence;
- 7) cause stoppage, delay or interference to work of Contractor or any other contractor or subcontractor;
- 8) fail to perform the work in compliance with the Contract Documents;
- 9) file, or have filed against Subcontractor, a petition of bankruptcy or for an arrangement or reorganization; or
- 10) become insolvent or go into liquidation or dissolution or make a general assignment for the benefit of creditors or otherwise acknowledge insolvency;
- 11) fail to fulfill warranty obligations;
- 12) fail to promptly and properly correct faulty or defective work;
- 13) fail to comply with any law or regulation of any government entity related to the work;
- 14) fail to promptly remove liens, and/or resolve claims against the Contractor or the Contractor's bond or retainage or the property or the Owner arising out of Subcontractor's scope of work on the Project;
- 15) fail to comply with safety rules, regulations, procedures and/or laws;
- 16) materially breach the Subcontract in any way.
- 17) fail to provide complete submittals/ shop drawings as per contractor's selected dates.

Then upon the occurrence of any of the above listed events, each of which shall constitute a material default of Subcontractor, Contractor shall have the right to the extent permitted by law, and in addition to any other rights or remedies provided by the Contract Documents or by law, after three calendar days written notice to Subcontractor mailed, faxed, emailed or delivered to its last known address, (1) to perform (by itself or through others) any uncompleted part of the work and to deduct the costs thereof from any monies due or to become due to Subcontractor under this Subcontract and/or (2) to terminate employment of Subcontractor for all or any portion of the work, enter upon the premises and take possession of all materials, equipment, scaffolds, tools and other items, all of which Subcontractor hereby transfers, assigns and sets over to Contractor for the purpose of completing

the work, and to employ persons as necessary to complete the work and to provide labor, services, materials, equipment and other items required to complete the work.

In case of termination and/or takeover, Subcontractor shall not be entitled to receive any further payment under this Subcontract until the work shall be wholly completed to the satisfaction of Contractor, at which time, if the unpaid balance of the amount then owed under this Subcontract shall exceed the damage incurred by Contractor in competing the work, such excess shall be paid by Contractor to Subcontractor, but if such damage shall exceed such unpaid balance, then Subcontractor shall pay the difference to Contractor. Such damage shall include but shall not be limited to the cost plus mark-up of furnishing all labor, services, materials, equipment, and other items required to complete the work and also all losses, damages, costs and expenses, including legal fees and disbursements incurred by reason of or resulting from Subcontractor's default.

With respect to any termination and/or takeover for cause undertaken by Contractor pursuant to this Subcontract which is later found to be wrongful, or improper, by a court, arbitrator or other trier of fact, the parties agree that the termination or takeover for cause will automatically be converted to a termination for convenience and Subcontractor expressly agrees that its remedies for such wrongful termination shall be limited to those provided in the termination for convenience Articles below.

**Termination of Subcontract for Convenience.** The Subcontractor agrees that the Contractor, for any reason, on three (3) calendar day's written notice mailed, faxed, emailed or delivered to the Subcontractor at its last known address, may terminate this Subcontract in whole or in part for the Contractor's convenience. Subcontractor's remedy for termination for convenience is limited to the following: (1) Payment shall be made for lump sum items of Work properly performed shall be made on the basis of the percent complete of such items at the time of termination; (2) Payment for non-lump-sum items of Work properly performed shall be made on the basis of cost plus 10% for profit and overhead. Subcontractor shall not be entitled to any additional compensation including but not limited to compensation for loss of anticipated profits or overhead on work not performed.

If the Main Contract is terminated for the convenience of the Owner, the Subcontractor shall not be entitled to receive any greater amount than the Contractor may on behalf of the Subcontractor recover from the Owner for such termination and Subcontractor expressly waives any claim to any such additional compensation.

**M. UNIT PRICE**

In the event this Subcontract contains unit price items it is understood and agreed that any quantities mentioned are approximations only and subject to change as required by the Main Contract or as ordered and directed by Contractor.

**N. MATERIAL QUALITY**

Materials condemned by Contractor, Architect/Engineer, or Owner as failing to conform to the Main Contract, worked or not, shall upon notice from Contractor be immediately removed by Subcontractor. Failure of Contractor to immediately condemn any work or materials as installed shall not in any way waive Contractor's right to object thereto at any subsequent time.

**O. JOB DAMAGE**

Job damage caused by Subcontractor, its lower-tier subcontractor or supplier of any tier, to work other than its own shall be reported immediately to Contractor and Subcontractor shall be responsible for its repair. Job damage caused by Contractor to work of a Subcontractor shall be reported immediately to Subcontractor and Contractor shall be responsible for its repair.

Trade damage repair costs that cannot be attributed to a specific sub trade and/or trades will be collected and charged based on a pro rata share. The pro rata share is determined using this subcontractor's total man hours onsite over a given time period as compared to the total man hours of the jobsite over the same time period. Your share of repair costs will be presented as a percentage and charged accordingly.

**P. SAFETY**

Subcontractor and its lower-tier subcontractors shall take all reasonably necessary safety precautions pertaining to their work and work performance, including compliance with applicable laws, ordinances, regulations and orders issued by a public authority, whether federal, state, local or other, OSHA/WISHA, and any safety measures requested by Contractor. Subcontractor shall at all times be responsible for providing a safe jobsite and be responsible for the work performance and safety of all employees,

personnel, equipment and materials within Subcontractor's or its lower-tier subcontractors' care, custody or control. Subcontractor and its lower-tier subcontractors shall furnish all required safety equipment for their work and ensure all of their employees and lower-tier subcontractors' employees have and wear personal protective equipment in compliance with applicable OSHA/WISHA requirements and Contractor's safety rules, as provided in writing to Subcontractor.

**Minimum working apparel includes hardhat, safety glasses, high visibility clothing, long pants, shirts with sleeves and durable work boots.**

Subcontractor certifies that it and its lower-tier subcontractors are registered contractors. Subcontractor certifies that it and its lower-tier subcontractors maintain a written Accident Prevention Plan and a jobsite specific safety plan in compliance with applicable OSHA/WISHA regulations. Subcontractor's Accident Prevention Plan should address Subcontractor's role and responsibilities pertaining to safety on the jobsite, training, and corrective action, and be tailored to safety and health requirements for the work involved. Subcontractor shall have and enforce a disciplinary action schedule in the event safety violations are discovered. When and as requested by Contractor, Subcontractor shall provide information regarding safety matters.

Subcontractor shall promptly provide Contractor with written notice of safety hazard(s) or violation(s) found on the jobsite or of any injury to its or its lower-tier subcontractors' workers incurred on the jobsite.

Contractor's supervisor may direct Subcontractor's superintendent to remove employees not in compliance with the requirements of this Agreement. In the event Subcontractor does not promptly correct its safety violation, Contractor may order Subcontractor to stop work until the violation is corrected, and may correct the violation and charge all costs of compliance to the Subcontractor.

Subcontractor agrees to defend, indemnify and hold Contractor harmless from all WISHA and/or OSHA claims, demands, proceedings, violations, penalties, assessments or fines that arise out of or relate to Subcontractor's failure to comply with any safety-related laws, ordinances, rules, regulations, orders or its obligations hereunder. Contractor may charge against the sums otherwise owing to Subcontractor the amount of the fine and the attorneys' fees, costs, and expenses incurred by Contractor in the defense of the claims, citation, and/or fine arising from or relating to the Subcontractor's above-referenced failure.

**Q. HOUSEKEEPING AND CLEANUP**

Subcontractor shall regularly remove all refuse, waste and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the jobsite or creates a safety hazard. Avoidance of safety hazards through good housekeeping is an important part of Subcontractor's obligations. In the event Subcontractor or its lower-tier subcontractor fails or refuses to meet these requirements, Contractor may remove refuse and charge all costs to the Subcontractor, provided that Subcontractor has received 24 hours or one full working day, whichever is greater, prior written notice. In the event Contractor determines emergency conditions exist, Contractor may proceed as above without prior notice.

Cleanup costs that cannot be attributed to a specific sub trade and/or trades will be collected and charged based on a pro rata share. The pro rata share is determined using this Subcontractor's total man hours onsite over a given time period as compared to the total man hours of the jobsite over the same time period. Your share of cleanup costs will be presented as a percentage and charged accordingly.

**R. BOND**

If line number four on page three of this Subcontract requires Subcontractor to supply bonds for this project, then Subcontractor shall at its own expense furnish contractor, within ten (10) days of receipt of this Subcontract, performance and payment surety bonds, acceptable to Contractor, in an amount equal to the Subcontract price. The bonds shall be conditioned upon the full and faithful performance of all terms, provisions, and conditions of this Subcontract and upon payment for all labor, materials, equipment and supplies used in the prosecution of the work described herein.

**S. WORKERS' COMPENSATION**

Subcontractor shall furnish to Contractor evidence that it has in force Workers' Compensation Insurance including Employer's Liability, as may be required by the jurisdiction or jurisdictions in which the work is being performed. Where applicable, this shall include United States Longshoremen's and Harbor Workers' Insurance including Coverage B – Employer's Liability (Maritime) with limits not less than the Bodily Injury limits required of the Contractor by the Main Contract, but in no event less than \$500,000. Such

evidence of insurance shall be in the form of an Insurance Certificate issued by an insurer satisfactory to Contractor and shall provide for not less than 30 days prior written notice to Contractor or cancellation or reduction in coverage. In the event Subcontractor fails to maintain any and all insurance required by this Subcontract during the entire life of this Subcontract, Contractor may at its option, and without waiver of other available remedies, purchase such insurance in the name of Subcontractor and deduct the cost of same from payments due Subcontractor.

**T. INSURANCE**

See Insurance Provisions contained in Exhibit A.

**U. DISPUTES**

1. Pass-through Claims: In the event of any dispute or claim between Contractor and Owner which directly or indirectly involves the work performed or to be performed by Subcontractor, or in the event of any dispute or claim between Contractor and Subcontractor caused by or arising out of conduct for which Owner may be responsible, Subcontractor agrees to be bound to Contractor and Contractor agrees to be bound to Subcontractor to the same extent that Contractor is bound to Owner by the terms of the Main Contract and by any and all procedures and resulting decisions, findings, determinations, or awards made thereunder by the person so authorized in the Main Contract, or by an administrative agency, board, court of competent jurisdiction or arbitration. If any dispute or claim of Subcontractor is prosecuted or defended by Contractor together with disputes or claims of Contractor's own, and Subcontractor is not directly a party, Subcontractor agrees to cooperate fully with Contractor and to furnish all documents, statements, witnesses, and other information required by Contractor for such purpose and shall pay or reimburse Contractor for all expenses and costs, including reasonable attorneys' fees incurred in connection therewith, to the extent of Subcontractor's interest in such claim or dispute.

Subcontractor agrees to be bound by the procedure and final determinations as specified in the Main Contract and agrees that it will not take, or will suspend, any other action or actions (including but not limited to any arbitration(s) or action(s) commenced pursuant to the Federal Miller Act, state lien statutes, or any state bond or retainage act(s)) with respect to any such claims and will pursue no independent litigation with respect thereto, pending final determination of any dispute resolution procedure between Owner and Contractor. The timely presentation, cooperation, and participation of Subcontractor in any determination of a dispute under the Main Contract, including any and all appeals under the disputes provision(s) of the Main Contract, shall be conditions precedent to pursuit of any action by Subcontractor against Contractor with respect to any such claim or dispute. It is expressly understood and agreed that as to any and all claims asserted by Subcontractor in connection with this project arising from the actions or fault of Owner, Contractor shall not be liable to Subcontractor for any greater amount than Owner is liable to Contractor, less any markups or costs incurred by Contractor. As to any claims asserted by Subcontractor for or on account of acts or omissions for Owner or its agents or design professionals, at the sole option of Contractor, Subcontractor agrees to prosecute such claims in Contractor's name. For any amount recovered or collected (whether through proceedings or settlement) by Subcontractor, Contractor shall be entitled to 10% of such amount received or collected as its mark-up for such claims. Subcontractor shall have full responsibility for preparation and presentation of such claims and shall bear expenses thereof including attorneys' fees.

2. Arbitration: All other claims, disputes, and other matters in question between Contractor and Subcontractor arising out of, or relating to, the Main Contract or this Subcontract, the breach thereof, or work thereunder (for which a dispute resolution procedure is not otherwise provided in the Main Contract), at Contractor's sole option, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining. Contractor and Subcontractor agree to be bound by the findings and award of such arbitration finally and without recourse to any court of law other than for the enforcement of the arbitrator's decision. Subcontractor further consents to being joined in any arbitration, or other proceedings, in which Contractor is a party pertaining in any way to the Project which is the subject of this Subcontract. In any dispute between Contractor and Subcontractor, the prevailing party shall be awarded its reasonable attorneys' fees and costs, including expert witness expenses.

3. Mediation: As a condition precedent to the hearing of any trial or arbitration, the parties to this Subcontract shall submit any and all disputes between them to non-binding mediation with the assistance of an experienced mediator. The parties shall each designate a representative with full settlement authority who will participate in the mediation. The parties shall bear equally all expenses, exclusive of attorneys' fees, associated with the mediation.

**V. INDEMNIFICATION**

In Consideration for entering into a Subcontract with Contractor, and as part of that Subcontract, and to the fullest extent allowed, Subcontractor agrees to defend, indemnify, and hold Contractor and Owner and their employees and agents (herein after collectively "Indemnitees") harmless from any and all claims, demands, losses, and liabilities, including but not limited to breach of contract arising from, resulting from or connected with work performed or to be performed under this Subcontract by Subcontractor, or Subcontractor's agents or employees or by Subcontractor's lower-tier subcontractors or suppliers of any tier, even though such claims may prove to be false, groundless or fraudulent, to the fullest extent permitted by law and subject to the limitations provided below.

Subcontractor's duty to indemnify Indemnitees, including the duty and cost to defend, shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of Indemnitees or Indemnitees' agents or employees.

Subcontractor's duty to indemnify Indemnitees, including the duty and cost to defend, for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) Indemnitees or Indemnitees' agents or employees and (b) Subcontractor or Subcontractor's agents or employees, and lower-tier subcontractors or suppliers of any tier shall apply only to the extent of negligence of subcontractor or Subcontractor's agents, employees and lower-tier subcontractors or suppliers of any tier.

Subcontractor agrees that its defense and indemnity obligations under this Addendum survive any limitation imposed by any statute or repose or limitation including but not limited to, RCW 4.16.300, 4.16.310, or 4.16.326 and Subcontractor hereby waives any and all defenses under any statute or repose or limitations including, but not limited to, those provided under RCW 4.16.300, 4.16.310, or 4.16.326. Further Subcontractor agrees that any statute of limitation on a claim by Contractor pursuant to this provision shall not begin to run until Contractor discovers that Subcontractor has breached either its duty to defend or its duty to indemnify, whichever occurs first.

Subcontractor specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW, and all other applicable industrial insurance / workman's compensation acts or their equivalent in the applicable jurisdiction. Further, the indemnification obligation under this Subcontract shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefit acts; provided Subcontractor's waiver of immunity by the provisions of this Article extends only to claims against Subcontractor by Indemnitees, and does not include, or extend to, any claims by Subcontractor's employees directly against Subcontractor.

Subcontractor's duty to defend, indemnify and hold Indemnitees harmless shall include, as to all claims, demands, losses and liability to which it applies, Indemnitees and/or Indemnitees' personnel-related costs, reasonable attorneys' and experts' fees, court costs, and all other claim related expenses.

**By signing below, Contractor and Subcontractor certify that the waiver of immunity contained in this Article was mutually negotiated.**

**JOHN KORSMO CONSTRUCTION, INC.**

**«FIRMNAME»**

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

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

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**W. LABOR AGREEMENTS**

Subcontractor shall comply with, observe, and be bound by all terms and provisions of any collective bargaining agreement to which Contractor is bound, specifically including the terms of any such agreement providing (a) for the assignment of work or settlement of jurisdictional disputes, (b) for the adjustment of any other disputes or grievances, (c) for hiring and union security, and (d) for the

making of payments into or under health and welfare, pension, or other fringe benefit funds or plans, to the extent that the terms of such agreement can legally be applied to the work of this Subcontract. Subcontractor agrees that if any portion of its work is further subcontracted, such subcontractor shall be bound by the terms of this Article, and that an express provision imposing such obligation upon such subcontractor shall be included in Subcontractor's subcontract with such sub-tier subcontractor. Subcontractor shall defend, indemnify, and hold Contractor harmless from any failure or allegation of failure of Subcontractor or its sub-tier subcontractors to comply with the requirements of this Article. Failure of Subcontractor to comply with the terms and conditions of a labor agreement to which Contractor is bound shall constitute a material breach of this Subcontract.

#### **X. WARRANTY**

1. Subcontractor warrants to Contractor that all materials and equipment furnished under this Subcontract will be of good quality and new, that the work, materials, and equipment will be free from defects, and that the work, materials, and equipment will conform to the Subcontract and Main Contract documents. Subcontractor further warrants that the work, materials, and equipment will comply with all applicable codes, regulations, statutes, ordinances and laws, all industry standards and manufacturers' installation requirements and standards. Work not conforming to any of the above warranties, including but not limited to substitutions not properly approved and authorized, will, at Contractor's option, be considered defective and a breach of this Subcontract. If required by Contractor, Subcontractor shall furnish satisfactory evidence as to the kind and quality of materials, equipment, and work provided. Subcontractor hereby assigns to Contractor all warranties provided by those who furnish equipment, materials, and/or services in connection with the Subcontract Work. Subcontractor further agrees to cooperate and assist Contractor in obtaining the benefit of any such warranties. Subcontractor agrees that claims against Subcontractor by Contractor are timely under any applicable statute of repose or statute of limitations or other period of limitations to the extent they derive from a timely filed (or allegedly timely filed) claim, arbitration demand, or lawsuit filed by the Owner, another third party or third parties against Contractor, including but not limited to claims by a Homeowner's Association, a business, and/or an individual homeowner, and Subcontractor waives any and all defenses to such Contractor claims based on any applicable statute of repose, statute of limitations, or other period of limitations. If Subcontractor performs defective work or supplies defective materials, Contractor will have in addition to any other options allowed by contract, law, equity, or otherwise the option to:
  - (a) direct Subcontractor to repair and/or replace the defective work and/or materials at Subcontractor's expense, and Subcontractor agrees to do so without delay per all terms of this Subcontract; and/or
  - (b) with its own forces or forces of a third party, and at Subcontractor's expense, repair and/or replace the defective work and/or materials.
2. Regardless of which option Contractor chooses, Subcontractor agrees that all damages and expenses arising out of or related to Subcontractor's defective work, including but not limited to Contractor's charge to repair and/or replace the defective work and/or materials, shall be at Subcontractor's expense.

#### **Y. MODIFICATIONS**

No modification to, or waiver of any rights under, this Agreement shall be valid or binding on the parties to this Subcontract unless the same be in writing. Failure of Contractor to insist upon strict performance of any term or condition of this Subcontract, or to exercise any option herein conferred on one or more instances, shall not be construed to be a waiver of such performance or option, or of any other covenants or agreements, on subsequent occasions, but the same shall be and remain in full force and effect.

#### **Z. INTEGRATION**

This Subcontract represents the entire integrated agreement between the parties with respect to the Project and supersedes all prior negotiations, proposals, correspondence, representations or agreements, whether written or oral, express or implied. This Subcontract may only be amended or modified in a Change Order or other writing signed by both Contractor and Subcontractor. The failure of Contractor to enforce at any time or for any period of time any one or more of the provisions of the Subcontract shall not be construed as a waiver of any such provision or provisions.

**AA. MISCELLANEOUS**

This Subcontract shall be considered to have been made in and shall be interpreted under the laws of the State of Washington. The site of any arbitration or venue of any lawsuit arising out of this Subcontract or the work hereunder shall be at PIERCE County, Washington.

Any written notice required to be given to a party shall be hand-delivered or delivered to the address of that party indicated above. Subcontractor shall comply with all federal, state and local laws, regulations and orders prohibiting discrimination on the basis of race, religion, sex or national origin. This Subcontract represents the final understanding of the parties and Contractor assumes no responsibility for any different understanding or any representations made by any of its officers, agents, or others prior to the execution of this Subcontract unless expressly stated herein.

**Time is of the essence of this Subcontract.**

**BB. SPECIAL PROVISIONS**

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# EXHIBIT A SUPPLEMENTAL CONDITIONS

## SUBCONTRACT AGREEMENT NO. «SL» «FirmName» «Project» «udFullProjectName»

The following Subcontract Special Conditions shall supplement, and where applicable, take precedence over the Main Contract Provisions; however, nothing in these Subcontract Special Conditions shall act to waive the provisions and requirements of the Subcontract Agreement, insofar as they are otherwise applicable. It is the subcontractor'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 subcontract 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.

In addition to 3 hard copies of all product information and shop drawings, an electronic format shall be uploaded to Korsmo Construction's ftp site at <https://korsmo.sharefile.com>. Please contact «PMAFirstName» «PMALastName», Project Coordinator, 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. Subcontractor shall provide all documentation as per contract documents. Subcontractor shall comply with the requirements set forth hereunder to achieve this certification. Exhibit WSSP includes forms and data that are required of the Subcontractor 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. Subcontractor shall comply with the requirements set forth hereunder to achieve this certification. Exhibit LEED includes forms and data that are required of the supplier 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. TERO Tribal Employment Rights Ordinance - Native Hiring

a. Subcontractor shall provide Native Hiring Preference to Tribal members in the following precedence:

- 1) [TRIBE Name] Tribal members;
- 2) Spouse, supporting household member of the [TRIBE Name] Tribal member;
- 3) Other Tribal members from other Tribes;
- 4) Spouse, supporting household member of other Tribal members of other Tribes.

b. Subcontractor shall provide TERO Reports (certified payroll) on a monthly basis no later than the 5<sup>th</sup> day of the month for the previous month reported. Prior monthly project activity report to show the hours worked for each employee. Non-conformance may be subject to withhold of progress monthly payments and/or termination of contract.

c. Subcontractor shall attend a TERO Orientation Class prior to commencing work on site. Please contact «ProjectManager», Project Manager, for more information and to schedule a class with the [TRIBE Name] Tribe's TERO Department.

Please refer to the attached TERO Exhibit for more information.

3. Equal Opportunity Policy

All subcontractors are required to comply fully with the specific specification section outlining Equal Opportunity Policy.

4. Insurance

The following provisions apply unless more stringent requirements are contained in the Main Contract, in which case, the following provisions are modified, but only to the extent of the more stringent provision.

A. Subcontractor's Liability Insurance

- 1) Subcontractor shall purchase and maintain such insurance as will protect it from the claims set forth below which may arise out of or result from Subcontractor's operations under this Agreement whether such operations be by itself or by any sub-subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:
  - a) Claims under worker's compensation, disability benefit, and other similar employee benefit acts which are applicable to the work to be performed.
  - b) Claims for damages because of bodily injury, occupational sickness or disease, or death of its employees under any applicable employer's liability law.
  - c) Claims for damages because of bodily injury or death of any person other than its employees.
  - d) Claims for damages because of usual personal injury liability coverage.
  - e) Claims for damages because of injury to or destruction of tangible property, including loss of use therefrom.
  - f) Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle.

2) Coverage Forms

- a) Subcontractor's General Liability insurance shall be written on an industry standard Commercial General Liability Occurrence form (CG 00 01) and shall include the following coverage extensions: Stop Gap Liability and Per Project (CG 25 03), and Waiver of Subrogation.

In addition, Contractor and Owner shall be named as additional insureds (Form CG 20 10 (11-85 ed. or equivalent)) with respect to work performed by or for Subcontractor on behalf of Contractor. Subcontractor's General Liability insurance shall be primary with respect to Contractor and Owner, and any other insurance maintained by Contractor or Owner shall be excess to and not contributing insurance with Subcontractor's insurance until such time as all limits available under the Subcontractor's insurance policies have been exhausted. All deductibles and/or self-insured retentions (SIR) are the responsibility of Subcontractor.

Such insurance policies shall also be endorsed with the CG 2503 (03/07 Edition) Designated Construction Project Aggregate Limit Endorsement and the CG 2404 (10/93 Edition) Waiver of Transfer Endorsement.

- b) Subcontractor shall maintain completed operations liability insurance for a minimum period of five (5) years following completion of Subcontractor's work, or longer if required by the Main Contract.
- c) Subcontractor's Workers' Compensation insurance shall be written on an industry standard Workers' Compensation and Employer's Liability policy form (WC 00 00 00), where applicable.

In the State of Washington, Subcontractor shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. Any subcontractor or sub-subcontractor or employer qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington shall so certify by a letter signed by a corporate officer setting forth the limits of any policy of excess insurance covering their

employees. Subcontractor shall be responsible for confirming compliance of all sub-subcontractors with this provision.

- d) All workers' compensation insurance companies shall have a Best's rating of A-VII or better.
- 3) Subcontractor's Liability insurance, as required by Subparagraphs A.1 and A.2 shall be written for the minimum limits as indicated below:

STANDARD COVERAGE / LIMITS

- a) Workers' Compensation  
Statutory Bodily Injury by Accident or Disease
  
- b) Employer's Liability  
\$1,000,000 Bodily Injury by Accident – Each Accident  
\$1,000,000 Bodily Injury by Disease – Policy Limit  
\$1,000,000 Bodily Injury by Disease – Each Employee
  
- c) General Liability – Bodily Injury, Personal Injury, and Property Damage  
\$2,000,000 General Aggregate  
\$2,000,000 Products and Completed Operations Aggregate  
\$1,000,000 Personal Injury  
\$1,000,000 Each Occurrence  
  
Stop Gap  
\$1,000,000 Each Accident  
\$1,000,000 Disease – Policy Limit  
\$1,000,000 Disease – Each Employee
  
- d) Automobile Liability  
\$1,000,000 Bodily Injury and Property Damage per accident

If the Subcontractor maintains higher insurance limits than the minimums shown herein, the Contractor shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Subcontractor, irrespective of whether such limits maintained by the Subcontractor are greater than those required by this contract or whether any certificate of insurance furnished to the Contractor evidences limits of liability lower than those maintained by the Subcontractor.

- 4) Certificates of Insurance Accord Form 25 2009/09 and additional insured endorsements (Form CG 20 10 01-85 ed. or equivalent) evidencing all of the above-required coverages shall be filed with Contractor within five (5) working days of award of Subcontract and prior to commencement of the work. Such certificates and endorsements shall show that those listed in Subparagraph A.5 have been named as primary additional insureds on the general liability policy (and excess liability policy, if any), and clearly show that such policies provide primary coverage with respect to those listed in Subparagraph A.5. In addition, Subcontractor shall provide Contractor with forty-five (45) days' written notice in case of cancellation, except ten (10) days' written notice for non-payment of premium.
  
- 5) Required Primary Additional Insureds:  
John Korsmo Construction, Inc.  
dba Korsmo Construction  
Owner: «Owner»

B. Property Insurance

- 1) Contractor shall have the obligation to provide, or cause Owner to provide, only builder's risk insurance that is specifically required by the Main Contract with Owner and will be responsible to Subcontractor only to the extent that any claim for loss or damage that Subcontractor may make is reimbursable to Contractor by such insurance.

- 2) Subcontractor shall provide insurance against any and all other losses that may occur to the work, tools, equipment, facilities, and stored materials, including stored materials for which it has been paid, and shall make its own provision for reimbursement of such deductible amounts as may be applicable to Contractor or Owner's insurance.
- 3) Coverage Forms – Subcontractor's equipment insurance shall provide coverage for physical damage to Subcontractor's owned, leased, rented, or borrowed equipment used on the jobsite, including continuing rental charges. Subcontractor shall waive all rights against Contractor and Owner for damages covered by such insurance.
- 4) All Subcontractor property insurance companies shall have a Best's rating of "A-VII" or better.
- 5) Certificates of Insurance evidencing that Subcontractor has obtained the above coverage shall be filed with Contractor within five (5) working days of award of subcontract and prior to commencement of the work. Such certificates shall indicate that a waiver of subrogation provision in favor Contractor and Owner is included in Subcontractor's equipment insurance policy.

Acceptance of insurance certificates by Contractor shall not relieve or decrease the liability of the Subcontractor hereunder.

5. Verification of Insurance Premiums Paid

Subcontractor shall keep in good standing their Workers Compensation Account with the Department of Labor & Industries in order to get paid. If premiums are not current, the owing amount shall be retained from progress payments until current status is achieved.

6. Prevailing Wages

All Subcontractors (including lower-tier subcontractors) are to pay the 'prevailing wage rate' and 'fringe benefits' as documented. A schedule can also be found at the Department of Labor & Industries website.

Each Subcontractor must submit a Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid. Subcontractor will not be paid until the Statement of Intent is approved by Department of Labor & Industries. It is the Subcontractor's responsibility to pay the filling fee. Send the approved forms to the attention of:«ProjectManager».

Note:

- a. All Subcontractors must file Statements and Affidavits regardless of whether they sub all the installation to a lower tier subcontractor.
- b. Owner/Operators still must file a Statement and Affidavit even though no other workers will be on the project. The number of hours worked on project must be indicated although an hourly amount need not be identified.
- c. Refer to the rules and regulations of the Department of Labor & Industries.

7. Certified Payroll

This is a certified payroll job. Certified payroll shall be submitted every week to Korsmo Construction. Payments from the Owner will be affected if certified payroll is not turned in on time. Additionally, payments to Subcontractor will not be made if certified payrolls are not current. Subcontractor shall submit Certified Payrolls to the Main Office.

8. Minimum Levels of Apprenticeship Participation

In accordance with the Supplemental Conditions and with RCW 39.04.320 the State of Washington requires 15% apprenticeship participation for projects estimated to cost one million dollars or more.

- A. Apprentice participation, under this contract, may be counted towards the required percentage (%) only if the apprentices are from an apprenticeship program registered and approved by the Washington State Apprenticeship and Training Council (RCW 49.04 and WAC 296-04).
- B. Subcontractor shall submit a "Statement of Apprentice/Journeyman Participation" forms provided by the Department of General Administration, also attached, with every Request for Progress Payment. The data to be provided includes the following:
  1. Contractor name and address

2. Contract number
3. Project name
4. Contract value
5. Reporting period "Notice to Proceed" through "Invoicing Date"
6. Name and registration number of each apprentice
7. Total number of apprentices and labor hours worked by them, categorized by trade or craft
8. Total number of journeymen and labor hours worked by them, categorized by trade or craft
9. Cumulative combined total of apprentice and journeyman labor hours
10. Total percentage of apprentice hours worked

9. Monthly Union Affidavit

A Monthly Union Affidavit must be obtained from all affiliated union(s) and submitted monthly with Subcontractors pay application. This Affidavit states that all union trust benefits on behalf of the Subcontractor's employees are paid and current with the union trust. Subcontractor's failure to provide the Affidavit is a condition of payment.

10. Change Orders and Extra Cost Claims

Subcontractor allowable overhead and profit markup for work performed X%

11. Progress Billings

- a. Prior to submission of the first billing, all Subcontractors must submit the following items that are indicated on the Subcontractor Request For Payment, attached. In addition, a Schedule of Values is to be comprised of, at a minimum, labor, materials, punchlists and closeout (O&M Manuals).
- b. Subcontractor shall submit invoices on provided Progress Billing Form to Korsmo Construction's office no later than the 20<sup>th</sup> of each month (projected through the end of the month) in order for the invoice amounts to be included in our Payment Request to the Owner. Invoices received in any form other than with this summary form will be rejected in full. Any payment request received after the 20<sup>th</sup> of the month will not be processed until the following month. **Billings may be submitted via email to [subbilling@korsmo.com](mailto:subbilling@korsmo.com), fax to (253) 582-6788 or U.S. mail to our office located at 1940 East D Street, Suite 300, Tacoma, WA 98421.**
- c. Joint Checking. Korsmo Construction reserves the right to joint check, including but not limited to, subtiers, suppliers, and union trust, as deemed necessary.
- d. 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 work, Korsmo Construction will issue a Subcontract Change Order. Extra work cannot be billed until you have received a Subcontract Change Order.
- e. A Monthly Waiver of Lien and/or a Final Waiver and Release of Lien are required as a Condition of Payment.
- f. A letter from the Department of Labor & Industries stating the current status of your quarterly taxes shall be submitted with each progress application for payment. A print-out from L&I's website is acceptable. Subcontractor shall submit this verification to Korsmo Construction in order to get paid. If premiums are not current, the owing amount shall be retained from progress payments until current status is achieved.
- g. Other documents may be required for submittal with your progress billing. Subcontractor shall submit all required documents as listed on the Subcontractor Request For Payment for timely payments. Billings not having all documents attached will be processed the following month.
- h. As-built drawings must be updated before payment for Mechanical and Electrical subcontractors. Verification on-site by the Superintendent and Project Manager will be performed.

12. Retainage

- a. A sum equal to five percent (5%) of each month's approved Progress Billing shall be retained per the Main Contract.
- b. A sum equal to two percent (2%) of each month's approved Progress Billing shall be retained for close-out documents. The total sum of 2% may be released only if 100% close-out documents have been received and approved.
- b. Billings of 50% completion will not be released until manuals and warranties are in the possession of our Main Office.

13. Project Information Sheet

A Project Information Sheet for this project is attached for your reference. This sheet should be forwarded to subtiers as information is provided to file pre-lien notices to the Owner.

A Request for Subtier Information Sheet from Subcontractors shall be submitted with all material suppliers that will be used for this project. Address, contact numbers, etc. should be included in this list. A blank form is provided for your use. Subcontractor shall submit this prior to your first billing.

14. Safety

Each Subcontractor is responsible for the safety of its own personnel and will:

- a. Provide and execute all work so as to comply with WISHA, OSHA and all state and local codes of the Project Safety Manual. Where conflicts occur, the most stringent shall apply;
- b. At all times provide and enforce the use of personal protective equipment specified by WISHA, or OSHA, Federal Register Title29, 1929/1910 and the Project Safety Manual;
- c. In addition to WISHA requirements, comply with the procedures and practices that the Korsmo Construction team may, at their discretion, institute to ensure jobsite safety;
- d. Provide supervisory investigation reports on all accidents;
- e. Attend all project safety meetings;
- f. Schedule 'toolbox' safety sessions for all employees and maintain records;
- g. Take immediate action to correct unsafe practices or conditions when discovered;
- h. Maintain a file of Material Safety Data Sheets (MSDS) for all hazardous materials on the jobsite, conduct the necessary training, and provide personal protective equipment as required;
- i. Report to the Superintendent or Project Manager observed unsafe conditions, practices or violations of job security which are not within Contractor's jurisdiction;
- j. Tools and equipment will be inspected by each Subcontractor as required by the Project Safety Manual;
- k. Provide a copy of your company's written Site-Specific Safety Program to the Project Manager and Superintendent;
- l. If you have any workers exposed to fall hazards greater than ten feet, you must develop and submit a site specific fall protection plan to our Project Superintendent prior to their exposure; and
- m. Conduct a thorough safety indoctrination of all new hires and maintain records of it.

15. Work Hours

Works hours shall be scheduled by Korsmo Construction's Site Superintendent. Subcontractor shall attend a pre-construction/coordination meeting with the Site Superintendent prior to commencement.

16. Project Close-Out

Each Subcontractor 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.

#### Extra Equipment, Materials and Supplies

All Subcontractors 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 Subcontractor'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:

#### Warranties

At 50% completion of the subcontractor's work, all Warranties from subcontractor 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:

#### Number of Copies

- Subcontractor shall submit 2 prints of As-built drawings.
- 5 sets - Full sets of all information for the distribution to the Owner.
- 5 each - for distribution to the Owner and Architect, and for file at final completion/acceptance
- 1 Electronic pdf set by email, thumb drive, or uploaded onto ShareFile

#### 17. Clean-Up

All Subcontractors are responsible for their own cleanup. Subcontractor shall provide a Competent Person to represent their company to provide clean-up services of its work every day. Competent Person shall report to Korsmo Construction's Superintendent for verification. If your crew fails to clean up, as directed by the jobsite Superintendent, Korsmo Construction labor will proceed, at your expense.

Additionally, a dumpster will be provided by Korsmo Construction for construction waste only. All other debris including garbage and materials classified as hazardous will be disposed of at the Subcontractors expense.

#### EXAMPLES OF ITEMS NOT TO BE DISPOSED OF IN KORSMO SUPPLIED DUMPSTER:

- Gypsum wallboard
- Lunch garbage.
- Demolition debris.
- Paints, adhesives, sealers and the like.

18. 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»  
«JobCity», «JobShipState» «JobShipZip»

Project Manager: «ProjectManager»  
Cell Phone: «PMMobilePhone»  
E-mail: «PMEmail»

Superintendent: «SFirstName» «SLastName»  
Cell Phone: «SMobilePHone»  
E-mail: «SEmail»

Project Coordinator: «PMAFirstName» «PMALastName»  
E-mail: «PMAEmail»

Project Engineer: «PEFirstName» «PELastName»  
Cell Phone: «PEMobilePhone»  
E-mail: «PEEmail»

Accounting: subbilling@korsmo.com



**EXHIBIT B  
SCOPE OF WORK**

**SUBCONTRACT AGREEMENT NO. «SL» «FirmName»  
«Project» «udFullProjectName»**

**EXHIBIT C  
DRAWING LOG**

**SUBCONTRACT AGREEMENT NO. «SL» «FirmName»  
«Project» «udFullProjectName»**

**EXHIBIT D  
SUBMITTAL LOG**

**SUBCONTRACT AGREEMENT NO. «SL» «FirmName»  
«Project» «udFullProjectName»**

**EXHIBIT E  
CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YY)

PRODUCER

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.**

AGENTS NAME & ADDRESS

**COMPANIES AFFORDING COVERAGE**

INSURED

COMPANY NAME AND MAILING ADDRESS

COMPANY A	INSURANCE COMPANY
COMPANY B	INSURANCE COMPANY
COMPANY C	INSURANCE COMPANY
COMPANY D	INSURANCE COMPANY

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAME ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> COMPLETED WORK <input checked="" type="checkbox"/> WA STOP GAP GEN'L AGGREGATE LIMIT APPLIES: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT	POLICY NUMBER	(MM/DD/YY)	(MM/DD/YY)	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE \$ 50,000 MED EXP \$ 5,000
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	POLICY NUMBER	(MM/DD/YY)	(MM/DD/YY)	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (per Person) BODILY INJURY (per Accident) PROPERTY DAMAGE
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA	POLICY NUMBER	(MM/DD/YY)	(MM/DD/YY)	EACH OCCURRENCE AGGREGATE
	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b>	WA STATE FUND			EACH ACCIDENT DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE
	<b>PROFESSIONAL LIAIBILITY</b> <b>POLLUTION LIABILITY</b>	POLICY NUMBER	(MM/DD/YY)	(MM/DD/YY)	EACH OCCURRENCE AGGREGATE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / SPECIAL ITEMS

**RE: [PROJECT NAME] PROJECT. JOHN KORSMO CONSTRUCTION, INC. DBA KORSMO CONSTRUCTION AND «OWNER» SHALL BE ADDITIONALLY INSURED. ENDORSEMENT FORM # \_\_\_\_\_ ATTACHED.**

**CERTIFICATE HOLDER**

**CANCELLATION**

**JOHN KORSMO CONSTRUCTION, INC.  
DBA KORSMO CONSTRUCTION  
P.O. BOX 1377  
TACOMA, WA 98401**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY SHALL MAIL WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

AUTHORIZED SIGNATURE

**ADDITIONAL INSURED - AUTOMATIC - OWNERS, LESSEES OR CONTRACTORS - BROAD FORM**

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**Name Insured:**  
**Address (including ZIP Code):**

This endorsement modifies insurance provided under the:  
**Commercial General Liability Coverage Part**

- A. Section II - Who Is An Insured** is amended to include as an insured any person or organization who are required to add as an additional insured on this policy under a written contract or written agreement.
- B.** The insurance provided to the additional insured person or organization applies only to “bodily injury”, “property damage” or “personal and advertising injury” covered under **SECTION I - Coverage A - Bodily Injury And Property Damage Liability and Section I - Coverage B - Personal and Advertising Injury Liability**, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by:
1. Your acts or omissions; or
  2. The acts or omissions of those acting on behalf; and resulting directly from:
    - a. Your ongoing operations performed for the additional insured, which is the subject of the written contract or written agreement; or
    - b. “Your work” completed as included in the “products-completed operations hazard”, performed for the additional insured, which is the subject of the written contract or written agreement.
- C.** However, regardless of the provisions of paragraphs **A.** and **B.**, above:
1. We will not extend any insurance coverage to any additional insured person or organization:
    - a. That is not provided to you in this policy; or
    - b. That is any broader coverage than you are required to provide to the additional insured person or organization in the written contract or written agreement; and
  2. We will not provide Limits of Insurance to any additional insured person or organization that exceed the lower of:
    - a. The Limits of Insurance provided to you in this policy; or
    - b. The Limits of Insurance you are required to provide in the written contract or written agreement.

**EXHIBIT F**  
**PROJECT INFORMATION SHEET**

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

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

Owner: **«udOwnerName»**  
Address: **«udOwnerAddress»**  
**«udOwnerCity»**

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: **«SFirstName» «SLastName»**  
Registration Number: **JOHNKCI126BE**  
Intent ID Number: **[JKC STATEMENT OF INTENT ID NUMBER]**

Bond: **«udBondNumber»**

# EXHIBIT G CERTIFIED PAYROLL REPORT

**SUBCONTRACT AGREEMENT NO. «SL» «FirmName»  
«Project» «udFullProjectName»**

Department of Labor and Industries  
Prevailing Wage Program  
P.O. Box 44540  
Olympia, WA 98504-4540  
(360) 902-5335



Prime Contractor

Project Name                      County                      Project or Contract

Subcontractor   
Phone

Project Address                      City                      State  
Company Name                      Phone

For the week ending:                      Awarding Agency Name  
Month/Day/Year                      Address                      City                      State                      Zip + 4

Address                      City                      State                      Zip + 4

## CERTIFIED PAYROLL REPORT

Work Classification and Soc Sec # of Employee	Name and Address	Overtime or Regular	<u>Day and Date</u>							Total Hours	Rate of Pay	Gross Amount Earned	Total Hourly Usual Benefits	Deductions		NET WAGES
			S	M	T	W	T	F	S					FICA	With-hold Tax	
			Hours Worked Each Day													
1.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
2.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
3.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
4.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
5.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
6.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
7.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
8.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
9.		RG								0.00	\$0	\$0	\$0			\$0
		OT														
10.		RG								0.00	\$0	\$0	\$0			\$0
		OT														

# AFFIRMATION

Today's Date	Printed name of party signing this report	Title
The party signing this report pays or supervises the payment of the persons employed by: (Name of contractor or subcontractor)		
Project Name:	For the week starting:	For the week ending:

"USUAL BENEFITS" DISTRIBUTION (Please report in "per hour" terms)						
Work Classification	Total Hourly "Usual Benefits" (A + B + C + D + E)	(A) Hourly Pension	(B) Hourly Medical	(C) Hourly Vacation	(D) Hourly Holiday	(E) Approved Apprenticeship Program
1.	\$ 0.00					
2.	\$ 0.00					
3.	\$ 0.00					
4.	\$ 0.00					
5.	\$ 0.00					
6.	\$ 0.00					
7.	\$ 0.00					
8.	\$ 0.00					
9.	\$ 0.00					
10.	\$ 0.00					

The party signing below **AFFIRMS** the following:

- (1) All information contained in this Certified Payroll Report, including any addenda, is correct and complete.
- (2) The wage rates for workers, laborers or mechanics as reported above are not less than the applicable wage rates contained in any wage determination related to the contract; and the classifications as reported above for each worker, laborer or mechanic conform with the actual work performed by such worker, laborer and mechanic.
- (3) The payments of usual benefits as listed above have been or will be made to appropriate approved plans, funds or programs for the benefit of such employees.
- (4) All persons employed on the above-referenced project(s) have been paid the full weekly wages earned, and no rebates have been or will be made either directly or indirectly to or on behalf of the above-named contractor or subcontractor from the weekly wages earned by any person. No deductions, other than those which are legally permissible, have been made by any person either directly or indirectly from the full wages earned.
- (5) Any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with the Washington State Apprenticeship and Training Council.

**Falsification of any of the above statements is a violation of RCW 39.12.050 subject to prosecution, sanctions, and penalties.**

Print or type name of party signing this report	Title	Signature
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## EXHIBIT H APPRENTICESHIP UTILIZATION FORM

SUBCONTRACT AGREEMENT NO. «SL» «FirmName»  
«Project» «udFullProjectName»

### Subcontractor's Apprenticeship Utilization Report

In addition to the Weekly Certified Payroll Reports, Subcontractor shall submit this form with total hours worked for the month for all employees, total hours worked for the month for apprentices only, total wages paid for all employees for the reporting month, and percentage ratio.

(Instructions on back)

Prime / Subcontractor: \_\_\_\_\_

Union  Non-Union

Scope of Work: \_\_\_\_\_

Project Description: \_\_\_\_\_

Month Reporting: \_\_\_\_\_

To the extent possible, Contractors shall recruit Apprentices from multiple trades or crafts.

Failure to submit this report attached to Weekly Certified Payrolls will result in Progress Payments being withheld.

1) Total Labor hours worked by all employees this month period on *this job*: \_\_\_\_\_

2) Total Labor hours worked by apprentices only this month period on *this job*: \_\_\_\_\_

3) Total Wages paid *including benefits* to all employees this payroll period on *this job*: \_\_\_\_\_

4) Employee Name	5) Apprenticeship Member Number	6) Craft	7) Class (J or A)	8) Type of hours	9) Total Hours worked (this job/this month)	10) Hourly Rate of pay incl. F/B
						\$
						\$
						\$

I, the undersigned, affirm that the information contained herein is true and correct.

\_\_\_\_\_  
Signature of Responsible Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## Instructions for completing the Weekly Payroll Report

If no work was performed on this job for this week, write **No Work Performed** on line # 1.

If work was performed on this job for this week, complete the form using the following instructions.

- 1) Enter the number of hours worked on this job by **all** employees
- 2) Enter the number of hours worked on this job by **apprentices only**
- 3) Enter the total Gross wages paid to **all** employees, (including fringe benefits) for this job
- 4) Enter Employee Name
- 5) Enter Social Security Number
- 6) Enter Craft
  - if this employee worked in more than one craft category, enter 4) through 10) on separate lines
- 7) Enter the employee class, Journeyman (J) or Apprentice (A)
- 8) Enter type of hours (regular (R) , overtime (O), double time (DT), for this employee
  - for each change in type of hours enter 4) through 10) on separate lines
- 9) Enter the total hours worked by this employee for the month reporting on this job
- 10) Enter the rate of pay (including fringe benefits) for this employee

Sample

<b>1) Total hours worked on this job by all employees</b>	<u>142</u>
<b>2) Total hours worked on this job by apprentices only</b>	<u>86</u>
<b>3) Total gross pay for all employees working on this job</b>	<u>\$ 5412.91</u>

3) Employee Name	4) Apprenticeship Member Numer	5) Craft	6) Class J / A	7) Type of hours	8) Hours worked (this job)	9) Hourly Rate of pay incl. F/B
Joe Smith	A12345	Laborer	J	R	15	\$31.34
		Laborer	J	O	5	\$47.01
Ken Swanson	A34567	Electrician	A	R	32	\$29.93

**EXHIBIT I**  
**UNION LETTERHEAD**

**IF YOUR COMPANY IS NOT SIGNATORY TO THE UNION,  
PLEASE SEND A CERTIFICATION LETTER ON YOUR  
COMPANY LETTERHEAD.**

**Name of Union  
Address  
Phone Number  
Fax Number**

**AFFIDAVIT**

**For:**  
(Account #: xxxxxx)

**Project:**

\_\_\_\_\_  
Name of Subcontractor

\_\_\_\_\_  
Project Name

\_\_\_\_\_  
Project Address

\_\_\_\_\_  
(City, State, Zip Code)

SAMPLE

The undersigned parties hereby certify that all Trust benefits on behalf of the above-named subcontractor are paid and current through \_\_\_\_\_. This certification shall in no way relieve the subcontractor of responsibility for employee benefit contributions not reported or incorrectly reported and due.

Union Trust: NAME OF UNION

<b>By:</b>	<i>(Signature)</i>
<b>Title:</b>	
<b>Date:</b>	
<b>Address:</b>	
<b>Telephone:</b>	
<b>Fax:</b>	

July 20, 2015

To all Korsmo Construction subcontractors,

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

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

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

1. The Subcontractor 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 Subcontractor Request for Payment.
3. A schedule of values must accompany the Subcontractor Request for Payment. The Korsmo Project Manager will advise the appropriate format.
4. A completed Sub-tier / Supplier list must accompany the Subcontractor Request for Payment.

**Please note:**

Subcontractor progress payments will be processed if;

- payment is received by the owner
- we have an executed subcontract
- 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 Subcontractor Agreement.

**Subcontractors 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

 [Find us on Facebook](#)

# SUBCONTRACTOR 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](mailto: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
- Insurance Certificate
- Site Specific Safety Plan
- Subcontractor Sub-tier Listing
- Statement of Intent Approved by LNI  
TERO Compliance Plan

#### **B) WITH EACH PROGRESS BILLING:**

- Verification of Premiums Paid
- Union Dues Affidavit
- Certified Payroll Report (for current month)
- TERO Report (for current month)
- Schedule of Values (AIA G703 format)  
Subcontractor'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"/>
_____	<input type="checkbox"/>

#### **C) AT 100% BILLING:**

- All Close-out Documents (including O&M Manuals, As-built Drawings, Warranties from Manufacturer and Installer, etc.)
- Affidavit of Wages Paid
- Final Certified Payroll Report
- Final TERO Report
- Final Apprenticeship Utilization Report



## SUBCONTRACTOR REQUEST FOR PAYMENT

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

Company: «FirmName»

Project: «udFullProjectName»

JKC Project No.: «Project»

Agreement No.: «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
<b>TOTAL:</b>						

Subtotal: \$

Less Retainage @ 5% \$

Less Close-out Retainage @ 2% \$

CURRENT REQUEST FOR PAYMENT: \$

**Pay Applications will not be processed without the following documents:**

- 1) Pay Application Form
- 2) Conditional Lien Release
- 3) Schedule of Values

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: \_\_\_\_\_

SUBCONTRACT 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
	<b>GRAND TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>



# CERTIFICATION AND CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

SUBCONTRACTOR NAME: «FirmName»  
PROJECT: «Project» «udFullProjectName»

TO WHOM IT MAY CONCERN:

Subcontractor certifies that the work performed and the materials supplied to date, as shown on the pay application, represent the actual value of accomplishment under the terms of the Subcontract (and all authorized changes thereto) between Subcontractor and John Korsmo Construction, Inc., dba Korsmo Construction, relating to the above-referenced project, and that the remaining subcontractor balance is sufficient to cover all costs of completing the Subcontract work in accordance with the contract documents.

In exchange for a progress payment of \$ \_\_\_\_\_ through \_\_\_\_\_ and when the check has been endorsed and paid by the bank upon which it was drawn, the Subcontractor further certifies that all payments, less applicable retention, have been made through the period covered by previous payments received from John Korsmo Construction, Inc. dba Korsmo Construction to (1) all subcontractors of Subcontractor, and (2) for all materials, equipment, and labor used in or in connection with the performance of this Subcontract. Subcontractor further certifies that it has complied with federal, state, and local tax laws, including Social Security, Unemployment Compensation, Workers' Compensation, and immigration laws, insofar as applicable to the performance of this Subcontract.

Subcontractor further waives and releases any claim for compensation, mechanic's or materialman's lien, equitable lien, stop notice, bond or retainage claim rights Subcontractor has on this project for labor, services, equipment, or material furnished by or through Subcontractor to John Korsmo Construction, Inc. dba Korsmo Construction, through the last date of the period covered by this pay application in consideration for the sums sought by this application; PROVIDED, that this waiver and release shall not be effective as to retainage, AND FURTHER PROVIDED that nothing herein shall be construed to waive or release any rights which may accrue to the benefit of Subcontractor for labor, services, equipment, or material furnished subsequent to the period covered by this pay application, or for compensation due Subcontractor for items specifically identified above under the heading, "WAIVER AND RELEASE OF CLAIMS FOR EXTRA COSTS OR DELAYS/ACCELERATION."

In consideration of this progress payment, Subcontractor agrees to defend, indemnify, and hold John Korsmo Construction, Inc. dba Korsmo Construction, harmless from any claim, cause of action, or liability, including, but not limited to, costs, expenses, arbitration fees, interest, and reasonable attorneys' fees, arising from any claims hereafter made on account of labor, services, equipment, or material covered by this pay application.

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: \_\_\_\_\_





## SERIOUS VIOLATION POLICY SYSTEM STANDARDS

SUBCONTRACTOR NAME: «FirmName»

PROJECT: «Project» «udFullProjectName»

The following is Korsmo Construction's Serious Violation Policy System Standards for non-compliance. Subcontractor acknowledges the responsibility of the safety and health of its employees and other trade workers on site. Violation of the following may lead and include termination.

- Evidence of drugs or alcohol on a jobsite  
\*\*\* Immediate Termination
- Failure to use fall protection when required  
\*\*\* First Offense – Termination
- Fall Protection: Improper use, failure to inspect, lack of training, etc.  
\*\*\* First Offense – Citation and possible suspension dependent on severity  
\*\*\* Second Offense – Termination
- Throwing debris from roof or elevated area without a watchman or barricaded area  
\*\*\* First Offense – Citation and possible suspension dependent on severity  
\*\*\* Second Offense – Termination
- Fighting (physical, non-verbal)  
\*\*\* First Offense – Probably termination dependent on circumstances – possible suspension  
\*\*\* Second Offense – Termination
- Horseplay (rowdy behavior that would result in an unsafe work environment)  
\*\*\* First Offense – Possible termination dependent on circumstances – possible suspension  
\*\*\* Second Offense – Termination
- Improper use of ladders (extension ladder not tied off, not 3'-0" above deck, leaning portable ladders, above legal rungs, etc.)  
\*\*\* First Offense – Citation  
\*\*\* Second Offense – Suspension  
\*\*\* Third Offense – Termination
- Failure to wear proper personal protective equipment when situation requires  
\*\*\* First Offense – Citation  
\*\*\* Second Offense – Suspension  
\*\*\* Third Offense – Termination
- Working in an excavation without proper step backs, shoring, or escape routes  
\*\*\* First Offense – Termination
- Improper use of mechanical equipment (no seatbelt on equipment, riding as passenger, standing on rails in scissor lift, scissor lift not chained, using snorkel lift as crane, exclusion zone not established, lack of spotter, etc.)  
\*\*\* First Offense – Citation  
\*\*\* Second Offense – Suspension  
\*\*\* Third Offense – Termination

- Disregard of caution tape
  - \*\*\* First Offense – Citation
  - \*\*\* Second Offense – Suspension
  - \*\*\* Third Offense – Termination
  
- Disregard of danger tape
  - \*\*\* First Offense – Termination, suspension, or citation dependent on severity
  
- Failure to follow “HOT WORK” or “LOCK OUT / TAG OUT” procedures
  - \*\*\* First Offense – Termination, suspension, or citation dependent on severity
  
- **OTHER SAFETY OFFENSES NOT LISTED BUT SERIOUS ENOUGH TO WARRANT ACTION MAY BE CONSIDERED ON A CASE BY CASE BASIS.**

**Citation** – Written warning placed in file or forwarded to Subcontractor's office.

**Suspension** – Removed from project for one week. Korsmo employees without pay.

**Termination** – Removed from project. No work on a Korsmo Construction project for six (6) months.

Acknowledged By:

«FirmName»

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*Signature*

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*Print Name*

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*Date*