

GENERAL TERMS

October 27, 2003

1. INCORPORATION: This subcontract hereby incorporates by this reference all of the terms and provisions of the General Contract, the Contract Documents, the Subcontract Documents and the General Terms thereto, all of which shall be deemed a part of the Subcontract as though fully set forth herein, and all of which Subcontractor certifies he has read and knows the contents thereof. When any provision of the Subcontract is a variance with the General Contract Documents the more stringent provisions shall govern.

2. PAYMENT: General Contractor shall pay Subcontractor within 10 days after General Contractor receives any progress payment from Owner an amount equal to the amount which Owner's or Architect's estimate shows has been earned during the period covered for Subcontractor's work, less the specified retention. The final retention shall be paid no later than 35 days after the occurrence of both of the following conditions: (a) the final acceptance of work by Owner and (b) the receipt by General Contractor of its final payment from Owner. TG and any Subcontractor expressly agree that all payments due to Subcontractor under this Agreement, shall be made by TG solely out of funds actually received by TG from the Owner. Subcontractor acknowledges that Subcontractor is sharing, as set forth herein, in the risk that the Owner may for any reason, including, but not limited to, insolvency or an alleged dispute fail to make one or more payments to TG for all or a portion of Subcontractor's work. Upon receipt of such payments from the Owner, TG will then promptly pay Subcontractor those amounts received from the Owner for Subcontractor's Work. Subcontractor agrees that if the Owner fails to make progress payment(s) or final payments to TG, TG shall have sixty (60) days to make such payment to Subcontractor after TG has exhausted all reasonable efforts through legal proceedings, and otherwise, to collect from the Owner, or others responsible on the Owner's behalf, such amounts due Subcontractor, and that TG can deduct the pro-rata portion of its costs and attorney fees for such collection efforts from the amount then due Subcontractor. Subcontractor also agrees that in no event shall TG be responsible for payment to Subcontractor if Subcontractor's failure to perform its obligations under this Agreement has been asserted as a reason for the Owner's failure to make such payments to TG. The estimate of Owner or Architect, or the estimate of General Contractor as to the amount of work done by Subcontractor if Owner and Architect makes no separate estimate of such work, shall be final and binding upon the parties and shall conclusively establish the amount of work done by Subcontractor to final inspection and approval by Owner, Architect and General Contractor when and as provided for in the Contract Documents. Such final inspection and written certification of Architect's approval shall be a condition precedent to final payment to Subcontractor.

If Owner, for any reason, retains any portion of the General Contract price, General Contractor shall have the right to withhold from Subcontractor an amount equal to that portion of the retention applicable to this Subcontract. Payment to General Contractor of the amount retained by Owner shall be a condition precedent to the right of the Subcontractor to receive payment of that portion of such amount applicable to this Subcontract. If such amount is not paid by Owner, there shall be no obligation to pay Subcontractor. As a condition precedent to the right of the Subcontractor to any payment hereunder, the Subcontractor shall, if requested by the General Contractor, deliver a sworn statement in such form as the General Contractor may request showing in detail the sources of all labor, materials, equipment, tools, plant facilities, services and insurance used and contracted to be used in, or in connection with, the Work, including names and addresses of subcontractors and materialmen and amounts paid and remaining to be paid to each, together with such releases of liens and other documents as shall, in the General Contractor's judgment, be necessary to effectively release all claims and liens which might be made or filed in connection with the Work to the date of such statement. The determination of the General Contractor not to require such statement, releases and other documents, or any portion thereof, with respect to any payment or payments shall not constitute a waiver of the General Contractor's right to require the same with respect to any succeeding payments. T.G. Construction may at its option process payments by way of joint checks to subcontractor and its suppliers/vendors/subcontractors.

3. APPLICATION FOR PAYMENT: Subcontractor shall submit to General Contractor written application for payments, in a form approved by General Contractor, in sufficient time to enable General Contractor to apply for payment in accordance with the Contract documents.

4. WORKMANSHIP AND MATERIALS: Subcontractor shall be bound to General Contractor to lay out and perform said work in the best workmanlike manner by qualified, careful and efficient workers and to use materials satisfactory for the purpose for which they are supplied. The work of this Subcontract is to be done under the direction of General Contractor, to the satisfaction of Architect and General Contractor, and the decision of Architect as to the true construction and meaning of the drawings and specifications shall be final. Subcontractor shall, before proceeding with any affected part of the work, call to General Contractor's attention in writing any errors, inadequacies or inconsistencies in any of the Contract documents. In the event Subcontractor fails to give such notice, Subcontractor shall assume all responsibility for such errors, inadequacies or inconsistencies.

5. GUARANTEE: Subcontractor guarantees Owner, his successors or assigns, and General Contractor, his successors and assigns, that materials or workmanship furnished under the Subcontract will be free from defects for the guarantee period set forth in the Contract documents. If no period of time is set forth therein, it shall be one year from date of completion and acceptance of the work or such longer period as may be prescribed by law. During this period, at the election of General Contractor and upon written notice to do so, Subcontractor will at his own expense promptly replace any defective material or perform any labor necessary to correct any defect and shall bear all expense of making good any other work damaged thereby. In case Subcontractor fails upon reasonable notice to replace defective materials or perform any labor required under this Article, the General Contractor may furnish such materials and labor as are necessary to bring this work to the standard called for, and Subcontractor agrees to reimburse General Contractor promptly. The election provided by this Article shall in no way be deemed to limit Owner's or General Contractor's right of action against Subcontractor during and subsequent to the guarantee period specified herein based upon, or arising out of defects in the work.

6. SHOP DRAWINGS: Subcontractor shall obtain all necessary measurements from other Subcontractors engaged upon this building, in order that his work may fit other branches of the work. Before proceeding with his work Subcontractor is to check the correctness of contiguous work installed by other trades, and failure on his part to detect or report discrepancies will relieve General Contractor of any and all claims by Subcontractor to recover cost, expense or damage resulting therefrom. Subcontractor

shall prepare and submit for approval such shop drawings as may be necessary to completely describe the detailed construction of his

6. SHOP DRAWINGS (continued): work. Approval of such shop drawings by General Contractor or Architect will not relieve Subcontractor of his obligation to perform the work in strict accordance with the drawings and specifications. Subcontractor will, when required, furnish promptly to General Contractor or other Subcontractors such information and drawings as may be needed by them for completing their work, without additional cost.

7. CLEANUP: Subcontractor shall keep the premises free from accumulation of waste material or rubbish caused by his employees or work, in default of which Contractor may remove the rubbish and surplus materials at Subcontractor's expense.

8. COMMENCEMENT AND PROGRESS OF WORK: Purchase of all materials immediately upon the execution of this Subcontract, and commence field work as scheduled by General Contractor. It is expressly agreed that time is of the essence of this Subcontract and that Subcontractor will strictly conform to General Contractor's starting date and work schedule, and all revisions, thereof, and at all times will have on the jobsite sufficient and satisfactory workmen, equipment, materials and supplies to perform the work so as to allow General Contractor to meet his construction schedule. General Contractor shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of Subcontractor on the premises. Should Subcontractor be delayed in the prosecution or completion of the work by the act, neglect or default of General Contractor, Owner or Architect, or if such delay or failure be due to any cause beyond his control, such as, but not limited to strikes, fires, floods, transportation embargoes, governmental regulations or orders, acts of public enemies, mobs or rioters or acts of God, then the time herein fixed for the completion of the work shall be extended for a period equivalent to the time lost by reason of any of the causes aforesaid. This extension shall be determined and fixed by Architect, but no such allowance shall be made unless a claim therefore is presented in writing to General Contractor within 48 hours of the occurrence of delay, and such claim approved in writing by General Contractor, and under no circumstances shall the time of completion be extended to a date which will prevent General Contractor from completing the entire project within the time allowed General Contractor by Owner for such completion. Should any delay on the part of Subcontractor, due allowance being made for the contingencies expressly provided for herein, occasion loss, damage, liabilities or penalties to Owner or General Contractor, Subcontractor shall become liable for the amount thereof and shall promptly pay said amount. Except as otherwise permitted by law, no claims for additional compensation or damages for delays, whether caused in whole or in part by any conduct on the part of General Contractor, including but not limited to, conduct amounting to a breach of Agreement or delays by other subcontractors or Owner, shall be recoverable from General Contractor; the above-mentioned extension of time for completion shall be the sole remedy of Subcontractor; provided, however, that in the event, and in such event only that General Contractor obtains compensation from Owner on account of such delays, Subcontractor shall be entitled to such portion of the additional compensation so received by General Contractor from Owner as is equitable under all of the circumstances. Nothing herein contained shall require General Contractor to make any claim against Owner for such delays, and it is agreed that the failure of General Contractor to prosecute any such claim against Owner shall not entitle Subcontractor to any claim for damages against General Contractor. In the event, however, that General Contractor prosecutes such a claim against Owner, Subcontractor agrees to pay its pro rata share of all costs and expenses incurred in connection therewith, including, but not limited to, attorney's fees and shall fully cooperate with General Contractor in the prosecution thereof.

9. TEMPORARY BRACING AND SHORING: Should during the process of the work, any of this subcontractor's work require temporary shoring or bracing, subcontractor shall provide stamped calculations and design of the system designed by a qualified engineer registered in the state of California. Bracing/Shoring may be required to remain in place until other components of the structure have been completed. The structural engineer of record for the building will make this determination.

10. FAILURE OF PERFORMANCE: If an order for relief under Title XI of the United States Code is entered against Subcontractor, or Subcontractor shall file a voluntary case under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment or taking possession by a receiver, liquidation, assignee, trustee, custodian, sequestrator (or similar official) of Subcontractor's creditors, or shall fail generally to pay Subcontractor's debts as they become due or shall take any action in furtherance of any of the foregoing, or if a court jurisdiction shall enter a decree or order relief in respect of Subcontractor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Subcontractor shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Subcontractor, or any substantial part of Subcontractor's property, or ordering the winding up or liquidation of the affairs of Subcontractor, and such decree or order shall not be dismissed within sixty (60) days after the entry thereof, or if for any cause a receiver should be appointed for Subcontractor's assets or interests under this Subcontract, or if an attachment or execution or other writ or process should be levied against any of Subcontractor's property and remain unsatisfied or undischarged for a period of more than 5 days, or Subcontractor should fail to perform or prosecute the work with diligence, or fail to adequately supply the job with sufficient men and materials, or fail to remedy defective work, or fail to make prompt payment for materials or labor, or violate or disregard any laws or ordinances, or fail to perform or default under any provision of this Subcontract or any of the other Contract documents, or there is reasonable doubt that the work can be completed for the unpaid balance of the Subcontract price, or there is reasonable indication that the work will not be completed within the General Contractor's construction schedule, or there is damage to another contractor, then General Contractor at his option may, upon giving 48 hours written notice, at any time and from time to time, without liability therefor, without prejudice to any other right or remedy, (a) provide himself or through others all or any portion of any labor, materials, equipment and other things, including any overtime work, and do any other thing which Subcontractor is failing to provide or do in accordance with his obligation hereunder, and all costs and expenses incurred by General Contractor in so doing shall be an indebtedness owing from Subcontractor to General Contractor and payable on demand; (b) terminate the services of Subcontractor hereunder and take possession of the premises or site of the work and of all materials, tools, appliances and other property (including such as may belong to Subcontractor) thereon, and take over and finish the work by whatever method General Contractor may deem expedient for the account and at the expense of Subcontractor and Subcontractor agrees in such event to pay General Contractor on

demand any and all costs and expense, including compensation for additional managerial and administrative services incurred by General Contractor in so doing; (c) whether or not General Contractor exercises his right under (a) and (b) above, withhold any further payments of any kind whatsoever becoming otherwise due Subcontractor under this Subcontract until any failure of default under the provisions of the Contract documents has been wholly remedied (or, if General Contractor shall exercise his rights of termination under (b) above, until the work has been wholly completed), at which time there shall be due to Subcontractor only the balance of any sum withheld which remains to Subcontractor only the balance of any sum withheld which remains after deduction all sums payable, and a reasonable reserve for any sums which may become payable to General Contractor by Subcontractor on account of such violation, failure of performance or default, or otherwise under any of the terms of this Subcontract. If such expenses of General Contractor shall exceed such unpaid balance due Subcontractor, Subcontractor shall pay difference to General Contractor; if Subcontractor refuses to pay said difference, in case suit is instituted to collect this amount or any part thereof, Subcontractor shall pay all of the reasonable costs and expenses of such suit, including but not limited to attorney's fees. This taking over of the work by General Contractor as provided in this paragraph, shall not relieve Subcontractor or Subcontractor's sureties of liability for damages resulting from delay, whether such damages be liquidated or unliquidated.

11. TERMINATION: In the event that the Prime Contract is terminated for any cause whatsoever at any time after the date hereof, this Subcontract shall likewise be deemed terminated, and it is understood that Subcontractor shall have no claim of any kind whatsoever against General Contractor for breach of this Subcontract or for any cause : or reason whatsoever and that General Contractor shall be under no liability to Subcontractor. The Contractor may, at any time, terminate the Subcontract for the Contractor's convenience and without cause. Upon receipt of written notice from the Contractor of such termination for the Contractor's convenience, the Subcontractor shall cease operations as directed by the Contract in the notice; take actions necessary, or that the Contractor may direct, for the protection and preservation of the work; except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders. In case of such termination for the Contractor's convenience, the Subcontractor shall be entitled to receive payment for work executed and cost incurred by reason of such termination, along with reasonable overhead and profit on the work completed.

12. CHANGES IN THE WORK: Subcontractor shall perform the work in strict compliance with the Contract Documents, unless a change therefrom is ordered in writing by General Contractor. Upon receipt of a written order from General Contractor to change, eliminate from, or add to the Subcontract Work, Subcontractor agrees, without nullifying this Subcontract to immediately comply therewith. If any such ordered change increases or decreases the cost of performing the work, the Subcontract price shall be adjusted as follows:

- (a) Prior to commencement of the changed work, and no later than seven (7) working days after receipt of the change request, Subcontractor shall submit to General Contractor a written cost or credit proposal for such changed work;
- (b) If General Contractor agrees to said proposal, it will issue a written change order adjusting the Subcontract price, and the adjusted price set forth in said change order will be final and binding upon both General Contractor and Subcontractor, and no other claims for money, time arising out of such change may be made by Subcontractor;
- (c) If General Contractor so elects, it may order said changed work performed on a time and materials basis by notifying Subcontractor of its election to do so in writing; upon receipt of such notice, Subcontractor will perform the work and will accept in full payment thereof an amount equal to the direct cost of the labor, materials and equipment actually used to perform the changed work, plus a markup of 15% (or less if a lesser amount is stipulated in the General Contract) thereof to cover all indirect costs, general and administrative expense, overhead and profit..
- (d) Subcontractor will keep written records of the labor, materials and equipment used to perform the changed work and will submit said records to the General Contractor's Superintendent daily for approval. Subcontractor will permit General Contractor, upon request, to inspect and audit Subcontractor's books, records, estimates, orders and files, as necessary to check or verify any change or credit claimed by Subcontractor.

The time of completion of the Subcontract work will remain unchanged unless expressly agreed to by General Contractor in a written change order. Subcontractor hereby waives any right to compensation for any changed or extra work performed without prior written authorization from General Contractor, and Subcontractor waives any right to compensation for work performed on a time and material basis on any day for which records of labor, material and equipment are not kept and submitted to General Contractor's Superintendent for approval. If a dispute arises as to whether any work ordered by General Contractor is a change or not, Subcontractor will make known its claim to General Contractor in writing and will immediately comply with General Contractor's written instructions to perform such work. Subcontractor will thereupon keep written records of the labor, materials and equipment used to perform such disputed work and will submit said records to General Contractor's Superintendent daily. Subcontractor hereby waives any right, which it might otherwise have to be compensated for such work performed on any day for which such records are not kept and submitted.

13. OVERTIME: General Contractor shall have the right to order Subcontractor to work overtime, and when so ordered in writing by General Contractor, Subcontractor agrees to begin working overtime promptly, in order to expedite the final completion of the structure or any part thereof. It is that for such overtime, General Contractor is to pay only the excess cost of labor over the regular rates, plus the actual amount of taxes and contributions required by law and pursuant to agreements with unions applicable to said excess cost of labor. Should it be necessary, in the sole discretion of General Contractor, for Subcontractor to work overtime due to failure on Subcontractor's part to keep up with the general progress of the structure, then, whenever ordered to do so by General Contractor, Subcontractor shall work overtime and the entire cost and expense so incurred as a result of such overtime work shall be borne by Subcontractor.

14. LIENS AND CLAIMS: Subcontractor agrees to keep the premises and the work free and clear of any and all liens of persons furnishing labor and/or material in connection with Subcontractor's prosecution of the work specified herein. Should Subcontractor fail to remove any such lien within four (4) days after a written demand by General Contractor that it do so, General Contractor is authorized to use whatever means in its discretion it may deem appropriate to cause said lien to be removed and the cost thereof, together with attorney's fees, shall be immediately due and payable to General Contractor by Subcontractor. Subcontractor shall

indemnify and hold General Contractor harmless from and against liability, liens, claims, damages, costs and expenses, including attorneys' fees, arising out of or resulting from Subcontractor's prosecution of the work or from persons furnishing labor and materials in connection with said work, including but not limited to claims, demands and suits by Owner brought against General Contractor subsequent to the completion of said work. Subcontractor agrees, upon demand by General Contractor, to defend actions or proceedings brought against General Contractor in respect to the matters embraced by this Article, but General Contractor has the right to conduct such defenses if he chooses to do so. If at any time there be any lien or claim against Subcontractor, or reasonable evidence indicating probable filing of such or claim, for which, if established, Owner, General Contractor, his surety or the property might be held liable, then General Contractor may retain out of the monies due or to become due Subcontractor an amount sufficient to indemnify against liability or loss by reason of such lien or claim, including the cost of litigation and attorneys' fees, until the same shall be satisfied or discharged, and General Contractor, as a prerequisite to making any payment, may demand satisfactory evidence that Subcontractor has paid the cost of the work, or proportionate cost of materials for which such payment is to be made. If General Contractor, at any time, decides that there is a possibility that Subcontractor will not or cannot pay for all labor, materials, supplies and/or equipment used and/or installed in connection with the work, then General Contractor may demand bona fide invoices showing payment in full for all materials or supplies and/or equipment used and/or installed in connection with said work, and satisfactory evidence of payment in full for all labor furnished in connection with said work. If same are not furnished General Contractor forthwith, General Contractor may withhold all further payments to Subcontractor and, if General Contractor deems it expedient and necessary, may pay any sum or sums due or as they may become due Subcontractor, direct to those persons who have therefore furnished labor, materials, supplies and/or equipment in connection with said work. Subcontractor warrants and guarantees said title to all work, materials and equipment covered by an application for payment, whether incorporated in the project or not, will pass to the Owner upon the receipt of such payment of Subcontractor, free and clear of all liens, claims security interests or encumbrances; and that no work, materials or equipment covered by an application for payment will have been acquired by the Subcontractor or by any other person performing the work at the site or furnishing materials and equipment for the project, subject to an agreement under which an interest therein or an encumbrance thereon is retained by the seller or otherwise imposed by the Subcontractor or such other person.

15. INSURANCE AND INDEMNITY: Prior to starting work, subcontractor shall provide, maintain, and enforce:

- **COMMERCIAL GENERAL LIABILITY of at least \$2,000,000 for Bodily Injury and Property Damage per occurrence and \$2,000,000 General Aggregate, including:**

Products/Completed Operations limits of at least \$2,000,000 for Bodily Injury and Property Damage per occurrence, and \$2,000,000 General Aggregate, including:

Severability of Interest Clause;

Aggregate Limits of Liability shall apply on a Per Project Basis

An Additional Insured endorsement CG2010 11/85, Form B, or its equivalent naming TG Construction, Inc., its officers, directors, and employees as additional insured and provide such insurance afforded by this policy for the benefit of certificate holder shall be primary insurance and that any insurance carried by the Contractor/Owner, its officers, directors and employees is excess and noncontributing with this insurance. The certificate of insurance alone will not be accepted.

Waiver of Subrogation endorsement naming TG Construction, Inc.

The policy shall be on an OCCURRENCE form. Claims made coverage is not acceptable.

- 15.1 Coverage shall be written on Comprehensive General and Automotive Liability form and shall include contractual liability insurance as applicable to Subcontractors obligations under paragraph 15.5. Coverage shall also include the perils of explosion, collapse, and underground liability (XCU); Independent Contractor's Coverage; Personal Injury, Including coverage for suite brought by employees of Subcontractor, Broad Form Property Damage including Completed Operations, and Completed Operations Insurance, Completed Operations insurance shall remain in effect for five (5) years after substantial completion of the Project.**

- **BUSINESS AUTO LIABILITY insurance insuring not less than \$1,000,000 each occurrence for bodily injury and/or property damage liability combined including:**

Owned Autos, Hired or Borrowed Autos, and Non-owned Autos

Waiver of Subrogation endorsement naming TG Construction, Inc.

- **WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY insurance as required by law, regulation or statute with Employers Liability minimum limits as follows:**

Bodily Injury by Accident \$1,000,000 each accident

Bodily Injury by Disease \$1,000,000 policy limit
Bodily Injury by Disease \$1,000,000 each employee

Waiver of Subrogation endorsement naming TG Construction, Inc.

- **UMBRELLA LIABILITY Necessary if General Liability and/or Automobile Liability limits do not meet minimum above, limits must be each occurrence and aggregate.**
- **Cancellation Provision:**
Provide 30 days written notice of cancellation or reduction of coverage

The following wording must be deleted: “endeavor to” and, “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” wording crossed out. Certificates and endorsements affording evidence of coverage required must be delivered to Owner and General Contractor prior to Owner and General Contractor executing the contract and prior to subcontractor performing any work.

15.1.1 Coverage shall be written on a Comprehensive General and Automobile Liability form and shall include contractual liability insurance as applicable to Subcontractor’s obligations under Paragraph 15.5. Coverage shall also include the perils of explosion, collapse, and underground liability (XCU); Independent Contractor’s Coverage; Personal Injury, including coverage for suits brought by employees of Subcontractor, Broad Form Property Damage including Completed Operations, and Completed Operations insurance. Completed Operations insurance shall remain in effect for five (5) years after substantial completion of the Project.

15.1.2 TG and the owner shall be added as additional insureds, together with any other entities required by the Contract Documents to be named as additional insureds, under Subcontractor’s Comprehensive General liability Policy, including Completed Operations Insurance, to insure them, and coverage under such Policy shall be primary with TG’s, the Owner’s and the others’, as noted above, insurance to be non-contributory and excess over Subcontractor’s coverage.

15.2 Comprehensive General and Auto Liability Insurance may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability policy.

15.3 All policies required under this Agreement shall contain a provision that coverages afforded under the policies will not be cancelled or not renewed until at least thirty (30) days’ prior written notice has been given to TG. Certificates of Insurance and insurers shall be acceptable to TG and shall name TG, the Owner, and others, as noted in this Agreement, as additional insureds as provided herein shall be filed with TG prior to the commencement of Work and no payments will be made until the Certificates are received and approved by TG.

15.4 TG and Subcontractor waive all rights and claims against each other and against the Owner, the Architect/Engineer, separate contractors, and all other sub for damages to the extent reimbursed by Builder’s Risk or any other property insurance, except such rights as they may have to the proceeds of such insurance and responsibility for the cost of deductibles, which Subcontractor will pay when responsible for such damage.

15.5 To the fullest extent permitted by law, Subcontractor agrees to indemnify and hold harmless TG, the Owner, the Architect and all of their parents, subsidiaries, affiliates, agents, officers and employees from and against all claims, damages, losses, penalties, intellectual property law violations, and expenses, including, but not limited to, attorney’s fees and court costs, arising out of, or resulting from the performance, or failure in performance, of sub’s Work and obligations as provided in the Contract Documents, including any extra work, and from any claim, damage, loss or expense which (1) is attributable to bodily injury, sickness, disease, death, injury to or destruction of tangible property including the loss of use resulting therefrom, and (2) is caused in whole or in part by any acts, omissions or negligence of Subcontractor or anyone directly or indirectly employed by Subcontractor or anyone for whose acts Subcontractor may be liable regardless of whether it is caused in part by the acts, omissions or negligence of a party indemnified hereunder. Such obligations shall not be constituted to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any party or person, described in this paragraph, 15.5. Subcontractor agrees, upon demand by General Contractor, to defend actions or proceedings brought against General Contractor, and /or Owner, in respect to the matters embraced by this article, the General Contractor has the right to conduct such defenses if he chooses to do so. In any and all claims against TG, the Owner, the Architect or any of their agents or employees by any employee of Subcontractor, anyone directly or indirectly employed by Subcontractor or anyone for whose acts Subcontractor may be liable, the indemnification obligation under this Paragraph 15.5 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Subcontractor under Worker’s Compensation acts, disability benefits acts or other employee benefit acts or by the insurance required herein.

15.6 Subcontractor shall be responsible for providing insurance for all its property, tools, and equipment used on the site or away from the site.

15.7 All indemnification obligations of Subcontractor under this Agreement shall remain in full force and effect as to claims occurring after this Agreement is terminated or completed, and shall not be limited by the insurance requirements contained herein. All insurance companies providing coverage under this Agreement must be acceptable to TG.

All of Subcontractor’s insurance (i) shall be primary insurance and any insurance or self-insurance maintained by TG Construction Company, Inc. shall be in excess of Subcontractor’s insurance and shall not contribute with it and (ii) shall be written by a California admitted surety, as defined in California Code of Civil Procedure Section 995.120, acceptable to TG construction Company Inc. Furthermore, the insurance policies required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best Rating Guide, The Key

Rating Guide, or in the Federal Register.

16. UNEMPLOYMENT INSURANCE OR TAXES: Subcontractor shall pay all taxes and contributions for unemployment insurance, old age retirement benefits and life pensions and annuities which may now or hereafter be imposed by the United States or any State, whether measured by the wages, salaries or remuneration paid to persons employed by Subcontractor or otherwise, for the work required to be performed hereunder; shall comply with all Federal and State laws on such subjects and all rules and regulations promulgated thereunder, and shall maintain suitable forms, books and records and save General Contractor harmless from the payment of any and all such taxes and contributions, or penalties; and shall pay all taxes, excise, assessments or other charges levied by any governmental authority on or because of the work to be done hereunder, or on any equipment, supplies or materials used in the performance or transfer.

17. RESPONSIBILITY FOR WORK: Subcontractor shall be responsible for, and bear any loss from damage to the work and all materials, supplies and equipment, until final acceptance thereof, unless such loss or damage results from the direct and sole negligence of General Contractor, and shall maintain insurance satisfactory to General Contractor covering all his work incorporated in the building and all materials for the same in or about the premises, the policies to be made payable to General Contractor and Subcontractor as their interests may appear.

18. ASSIGNMENT: Subcontractor agrees not to assign or sublet any portion of the work of this Subcontract, not to hypothecate, pledge or assign any payments thereunder, not to change his responsible managing officer without the written consent of the General Contractor, which General Contractor may give or withhold in its sole discretion. This Subcontract shall be binding upon the heirs, administrators, executors, successors and assigns of each party.

19. PERMITS: Subcontractor shall procure and pay for all permits and inspections required by the Contract documents or governmental regulations for any part of the work and to furnish any bonds, security or deposits required by any such authority to permit performance of the work.

20. LAWS AND REGULATIONS: Subcontractor shall comply with all applicable laws, statutes, rules and regulations, Federal, State and Municipal, particularly those relating to wages, hours and working conditions; with all safety rules and regulations; with all equal employment opportunity and affirmative action requirements, and with any accident-prevention program of Owner and/or General Contractor; shall provide and maintain all barricades and safety devices pertaining to that portion of their work which may cause injury to any person on the project. Subcontractor shall not permit employees to use any machinery or equipment for any purpose other than that for which it is intended.

21. LABOR CONDITIONS: Employment of labor by Subcontractor shall be effected under conditions, which are satisfactory to General Contractor. Subcontractor shall remove or cause to have removed from the project any employee or employees who are considered unsatisfactory by the General Contractor. If General Contractor has entered into labor agreements with labor unions covering the work to be performed pursuant to this Subcontract and if such labor agreements require that all such work undertaken by Subcontractor on the jobsite be performed in accordance with the terms of such labor agreements, then Subcontractor hereby agrees to be bound by all the terms and conditions of said labor agreements. Subcontractor shall also require his subcontractors to agree in writing to these terms and conditions as they apply to their employees working on the jobsite. Subcontractor shall at its expense, conform to the basic safety policy of General Contractor, and comply with all specific safety requirements promulgated by any governmental authority, including, without limitation, the requirements of the Occupational Safety Health Act of 1970, the Construction Safety Act of 1969, the California Labor Code, including Sections 6300 through 6604, and 7100 through 7332, inclusive, and all successors and amendments thereto, and all standards and regulations which have been or shall be promulgated by the parties or agencies which administer said Acts. Subcontractor shall, at his own expense, conform to the equal employment opportunity policies of General Contractor, and, in addition, shall comply with all equal employment requirements promulgated by any governmental authority, including, without limitation, the requirements of the Civil Rights Act of 1964, 42 United States Code, Section 1983, Executive Orders 11246, 11375 and 11478, the California Fair Employment Practices Act, the California Plan, and other statute or ordinances, plans or programs, inclusive, and all successors and amendments thereto, and all plans, programs, standards and regulations which have been or shall be promulgated or approved by the parties or agencies which administer said Acts or Orders. Subcontractor shall have and exercise full responsibility for compliance hereunder by his agents, employees, materialmen, and Subcontractors generally, and in particular, with respect to his portion of the work on this project, shall himself comply with said requirements, standards and regulations, and require and be directly responsible for compliance therewith on the part of his said agents, employees, materialmen and subcontractors; and shall directly receive, respond to, defend, and be responsible for all citations, assessments, fines or penalties which may be incurred by reason of his failure or failure on the part of his agents, employees, materialmen or Subcontractors to so comply. Subcontractor shall keep a representative at the jobsite during all times when Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the work. Prior to commencement of the work, Subcontractor shall notify General Contractor who Subcontractor's representative is to be, and in the event of any change of the representative, Subcontractor shall notify General Contractor, in writing and receive TG approval on who the new representative is to be prior to such change becoming effective. Should there be picketing on General Contractor's jobsite, and the General Contractor establishes a reserved gate for the Subcontractor's purpose, it shall be the obligation of the Subcontractor to continue the proper performance of his work without interruption or delay. Subcontractor shall comply with all equal employment and affirmative action requirements promulgated by any governmental authority, including, without limitation, the requirements of the Civil Rights Act of 1964. Subcontractor acknowledges that the work of this Subcontract is subject to all provisions of Executive Order No. 11246 dated September 24, 1965, provisions of Section 503 of the Rehabilitation Act of 1973, and Section 402 of the Vietnam Era Veterans readjustment Assistance Act of 1974. Subcontractor further agrees to send a letter to each Labor Union or representative of each Labor Union with whom he has collective bargaining agreement or other contract or understanding, advising the said Labor Union of Subcontractor's commitment under this agreement of Subcontractor's commitment under this agreement.

22. ARBITRATION: All claims, disputes and matters in question arising out of, or relating to this Agreement or the breach thereof, except for claims which have been waived by the making or acceptance of final payment, shall be decided by the claims procedure, including arbitration, specified in the General Contract. In the absence of an agreement to arbitrate in that contract, no claims or

disputes shall be arbitrated unless mutually agreed upon by General Contractor and Subcontractor in writing. Should General Contractor enter into any arbitration with Owner or other, that relates, in whole or in part, to any portion of this Agreement of the work hereunder, General Contractor shall give written notice of such proceedings to Subcontractor, and Subcontractor shall have the right to be present and to present evidence at such arbitration proceedings. The results of such arbitration proceedings shall be binding and conclusive upon Subcontractor.

23. FORUM SELECTION: This Subcontract should be construed under the laws of the State of California. No action proceeding shall be instituted by Subcontractor against Contractor upon any claim or clause of action arising out of or relating to this Subcontract or breach thereof unless any such action or proceeding is commenced in Los Angeles, California.

24. ATTORNEYS' FEES: In the event either party becomes involved in litigation or arbitration in which the services of an attorney or other expert are reasonably required arising out of this Agreement or other performance thereof, the prevailing party shall be fully compensated for the cost of its participation in such proceedings, including all reasonable attorneys' fees and experts' fees.

25. SUBCONTRACTOR'S STATUS: Subcontractor is at all times an independent contractor and this status shall not be changed by the acts or omissions of General Contractor, his agents or employees, unless such change is reduced to writing and signed by the officer who executed this Subcontract for General Contractor.

26. TEMPORARY FACILITIES: Temporary offices or shed within or adjacent to the building shall be constructed of fire resistant materials.

27. LICENSING: Contractors and Subcontractors are required by law to be licensed and regulated by the Contractor's State License Board. Any questions concerning the responsibilities of a contractor may be referred to the Registrar of the Board, whose address is: Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

28. GIFTS: Contractor's employees are prohibited from accepting any gift, gratuity or reward from project Subcontractors or their personnel, regardless of any innocent motive. Neither Subcontractor nor anyone acting on Subcontractor's behalf shall give, nor offer or promise to give, any individual employed by Contractor any gift, gratuity or reward, whether in cash, kind or services. Subcontractor shall inform its project personnel of this prohibition.

-END OF GENERAL TERMS-