



SUBCONTRACT AGREEMENT

22765 Savi Ranch Parkway, Unit F, Yorba Linda, CA 92887
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CSLB License No. 1031463 • DIR Registration No. 2000004820

SUBCONTRACT NO.	[SUBCONTRACT NO.]	JOB NO.	[JOB NO.]
PROJECT	[PROJECT NAME & CONTRACT / BID NO.]	DATE	[DATE]
SUBCONTRACTOR	[SUBCONTRACTOR LEGAL NAME]	TRADE / BID ITEM	[TRADE — BID ITEM NO.]
SUBCONTRACT AMOUNT	[\$ AMOUNT]	SUBMITTALS DUE	[STANDARD: TWO (2) WEEKS]

This Agreement is made and entered into this [DAY] day of [MONTH], 20[YY], by and between ZECO, INC., a California corporation, CSLB License No. 1031463, of 22765 Savi Ranch Parkway, Unit F, Yorba Linda, CA 92887, hereinafter called “Contractor,” and

SUBCONTRACTOR	[LEGAL NAME]	CSLB LICENSE NO.	[LICENSE NO. / CLASS]
ADDRESS	[STREET, CITY, STATE, ZIP]	DIR REG. NO.	[DIR REGISTRATION NO.]
CONTACT	[NAME, PHONE, EMAIL]		

hereinafter called “Subcontractor.”

WITNESSETH

Whereas, Contractor has entered into a contract with [OWNER / AGENCY], hereinafter called **Owner**, for the construction of [PROJECT NAME & CONTRACT NO.], located at [PROJECT ADDRESS], in accordance with the plans, specifications and addenda thereto prepared by [ENGINEER / ARCHITECT OF RECORD], hereinafter called the **Architect and/or Engineer**; and the parties desire that Subcontractor assume and perform certain portions of said original contract entered into between Contractor and Owner.

NOW THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. Scope of Work:

[INSERT BID ITEM NO. — DESCRIPTION OF WORK — QTY — UNIT — AMOUNT, ONE LINE PER ITEM]

Total for base bid: [\$ AMOUNT]

[SCOPE INCLUDES / WORK EXCLUDED / NOTES AND CLARIFICATIONS — INSERT AS APPLICABLE]

Specifications, plans, and addenda are incorporated as part of this Subcontract.

*ALL WORK SHOWN ON, DESCRIBED IN, OR REASONABLY INFERABLE FROM THE PLANS, SPECIFICATIONS AND ADDENDA AS APPLICABLE TO THIS SCOPE OF WORK IS INCLUDED IN THE SUBCONTRACT AMOUNT, WHETHER OR NOT ITEMIZED ABOVE. SUBCONTRACTOR BID THIS WORK ON THE CONTRACT DOCUMENTS IN EFFECT AT BID TIME AND SHALL RECEIVE NO ADDITIONAL COMPENSATION OR TIME FOR ANY ITEM SHOWN IN OR REQUIRED BY THOSE DOCUMENTS.

*ALL DUTIES, DIRECTIONS, DETERMINATIONS, INTERPRETATIONS, RESPONSES TO REQUESTS FOR INFORMATION, FIELD DIRECTIVES, INSPECTIONS, CORRECTIONS AND REQUIREMENTS OF THE OWNER AND OF THE ENGINEER APPLICABLE TO THIS SCOPE OF WORK — WHETHER ISSUED BEFORE OR AFTER THE DATE OF THIS SUBCONTRACT — FLOW DOWN TO AND BIND SUBCONTRACTOR TO THE SAME EXTENT THEY BIND CONTRACTOR TOWARD THE OWNER, AND SUBCONTRACTOR SHALL COMPLY AT NO ADDITIONAL COST TO CONTRACTOR.

*WHERE ANY CONFLICT, AMBIGUITY OR INCONSISTENCY EXISTS BETWEEN THIS SUBCONTRACT AND THE CONTRACT DOCUMENTS, THE REQUIREMENT IMPOSING THE GREATER QUANTITY, HIGHER QUALITY, LONGER DURATION OR MORE STRINGENT STANDARD UPON SUBCONTRACTOR SHALL GOVERN. NOTHING IN THIS SUBCONTRACT,

INCLUDING ANY EXCLUSION, SHALL BE CONSTRUED TO REDUCE OR LIMIT ANY REQUIREMENT OF THE CONTRACT DOCUMENTS APPLICABLE TO THIS SCOPE OF WORK.

***THIS SUBCONTRACT IS CONTINGENT UPON THE OWNER'S / ENGINEER'S NOTICE TO PROCEED AND APPROVAL PRIOR TO ITS IMPLEMENTATION.**

***ANY DEVIATIONS FROM PLANS & SPECS ARE TO BE NOTED ON THE SUBMITTAL COVER SHEET.**

***SUBCONTRACTOR'S PROPOSAL IS ATTACHED AND INCORPORATED FOR DESCRIPTION OF SCOPE ONLY. ITS TERMS, CONDITIONS, QUALIFICATIONS, ORDER-OF-PRECEDENCE AND ARBITRATION PROVISIONS, AND PAYMENT TERMS FORM NO PART OF THIS SUBCONTRACT.**

This Subcontract is subject to the award and approval of the Owner/Engineer. Any deviations from plans and specs will be noted on the submittal cover sheet. Submittals are to be made in accordance with the specifications. One electronic PDF of submittal is required no later than **[STANDARD: TWO (2) WEEKS]** from the date of this Subcontract. Original Certificates of Insurance must be filed with this office naming the Contractor as additional insured prior to beginning work and before payment can be processed. Lien releases are required with each invoice in order for payment to be processed. This project requires certified payroll reports, and these must be submitted in duplicate with this office to ensure prompt payment.

2. **Examination of Contract Documents:** Subcontractor represents and warrants that they have carefully examined said original contract and all plans, specifications, and addenda thereto, the site of the work, accessibility thereto, and all local conditions in any way pertaining to said work, and they have made all investigations essential to a full understanding of the difficulties which may be encountered.
3. **Obligations and Responsibilities:** Subcontractor agrees with the Contractor to be bound to the letter by the terms of said original contract and said plans, specifications, and addenda thereto (collectively referred to as the Contract Documents), all of which are made a part of this Agreement by reference. Subcontractor assumes toward the Contractor any and all obligations and responsibilities applicable to its work, which, by the aforementioned Contract Documents, the Contractor assumes toward the Owner. Subcontractor agrees that all materials furnished and work performed under this Agreement shall be in strict compliance with the aforementioned Contract Documents.
4. **Schedule and Performance:** Subcontractor shall commence said work immediately after being notified by the Contractor to do so and shall thereafter continue diligently to prosecute said work to completion. Work under this Agreement shall conform to the working schedules and contractual obligations of Contractor and shall be completed in time to reimburse Contractor for all damages, including liquidated damages, for which Contractor may be liable, or which may be deducted from Contractor's payments, or which Contractor may pay because of arbitration, judgment, or settlement on account of Subcontractor's failure to diligently prosecute and/or perform said work within the specified time.
5. **Delays and Breach:** Upon written notification from Contractor to Subcontractor that Subcontractor is delaying said work or is not performing the same in any respect in accordance with the terms of this Agreement, Subcontractor agrees to furnish whatever materials, equipment, and labor as may be required by Contractor to complete said work in accordance with the terms of this Agreement. Subcontractor's failure to do so within forty-eight (48) hours after such notice shall be deemed a breach of this Agreement by Subcontractor, and Contractor may provide any such materials, equipment, or labor at Subcontractor's expense. In addition, Subcontractor shall reimburse Contractor for any damages due to delays suffered due to said breach of this Agreement.
6. **Compensation:** Contractor agrees to pay Subcontractor for furnishing the materials and performing the work specified herein the sum of

[AMOUNT IN NUMERALS]

[AMOUNT IN WORDS]

as hereinafter provided. Partial payment will be made to Subcontractor each month in an amount equal to NINETY-FIVE percent (95%) of the value of work and materials incorporated in the construction and/or materials delivered to the site of the work by the Subcontractor, as estimated by the Architect or Engineer, less the aggregate of previous payments, but such partial payments shall not become due to Subcontractor until seven (7) days after the Contractor receives payment for such work and materials from the Owner. Upon complete performance of this Agreement by the

Subcontractor and final approval and acceptance of Subcontractor's work and materials by the Owner, the Contractor will make final payment to the Subcontractor of the balance due under this Subcontract within seven (7) days after full payment for such work and materials has been received by the Contractor from the Owner. No partial payment to the Subcontractor shall operate as approval and acceptance of the work done or materials furnished under this Agreement. The above price includes any and all sales, excise, and other taxes applicable to this Agreement. Within seven (7) days from the time that all or any portion of the retention proceeds are received by the Contractor from the Owner, the Contractor shall pay Subcontractor its share of the retention received, except that the Contractor may withhold from such payment an amount not to exceed one hundred fifty percent (150%) of the estimated value of any amount disputed in good faith.

- 7. Releases and Claims:** If requested, Subcontractor shall, prior to receiving any payment, release contracts from all claims to the date of payments and supply Contractor with satisfactory evidence that as of that date there are no claims against the Subcontractor in connection with the work, and that all laborers, Subcontractor's and materialmen have been paid in full. Contractor may defend, pay, or compromise any such claims, and Subcontractor will reimburse Contractor for such amounts together with the costs of defending and administering such claims, including attorneys' fees actually incurred. No payment shall be considered due to the Subcontractor for any purpose prior to full compliance by Subcontractor with this paragraph.
- 8. Extra Work and Compensation:** No claim for additional compensation, whether on account of extra work or materials furnished or for any other reason, shall be made or paid unless the same is furnished under a written order signed by Contractor prior to furnishing the same. However, any claims for additional compensation because of changes in the work ordered by the Owner or due to acts, neglects, or omissions by the Owner shall be forwarded to the Contractor by the Subcontractor in the manner specified in the said Contract Documents and in time for the Contractor to make a claim against the Owner within the time specified for filing such claims by the said Contract Documents. If said claims for additional compensation are not settled to the satisfaction of the Subcontractor and the Contractor by change order or otherwise, the Contractor agrees to permit the Subcontractor to prosecute his claim in the name of the Contractor and to cooperate in presenting the Subcontractor's claims to the Owner. The Contractor shall only be liable to the Subcontractor for such amounts as the Subcontractor recovers from the Owner for said changes in the work ordered by the Owner or acts, neglects, or omissions of the Owner. The Subcontractor specifically agrees that the Contractor shall only be liable to the Subcontractor in an amount equal to what the Contractor is able to collect from the Owner, less any overhead and profit allowances permitted to the Contractor by the Owner.
- 9. Insurance Requirements:** Prior to the commencement of work, the Subcontractor and its Subcontractors shall, at their own expense, purchase, maintain, and provide evidence of insurance of the following types of coverage and limits of liability with insurers rated "A- VII" or better by A.M. Best Co. If Contractor's contract with Owner or another Contractor requires different coverage or terms, or higher limits, Subcontractor shall provide evidence of insurance that complies with those requirements.

1. Commercial General Liability (CGL):

- \$2,000,000 Each Occurrence Limit
- \$2,000,000 Personal & Advertising Injury Limit
- \$4,000,000 Annual Aggregate Limit
- \$2,000,000 Products-Completed Operations Limit

2. Automobile Liability:

- Business Auto Liability with limits of at least \$2,000,000 for each accident
- Business Auto coverage must include coverage for liability arising out of all owned, leased, hired, and non-owned automobiles
- General Contractor, Owner, and all other parties required of the General Contractor shall be included as insureds on the auto policy

3. Commercial Umbrella Liability:

- Umbrella limit must be not less than \$1,000,000
- Umbrella coverage must include as insureds all entities that are additional insureds on the CGL

- Umbrella coverage for such additional insureds shall apply as primary before any other insurance or self-insurance, including any deductible maintained by or provided to the additional insured other than the CGL, Auto Liability, and Employers Liability coverages maintained by the Subcontractor

4. Workers' Compensation and Employers Liability:

- Employers Liability insurance limits of at least \$1,000,000 for each accident for bodily injury by accident, \$1,000,000 for each employee for injury by disease, with a policy limit of \$1,000,000 for injury by disease
- Where applicable, U.S. Longshore and Harborworkers Compensation Act Endorsements shall be attached to the policy
- Where applicable, the Maritime Coverage Endorsement shall be attached to the policy

The General Aggregate Limit shall apply separately to each project. CGL coverage shall be written on ISO Occurrence form CG00 01 10/01 or a substitute form providing equivalent coverage. General Contractor, Owner, and all other parties required of the General Contractor shall be included as insureds on the Subcontractor's CGL policy using ISO Additional Insured endorsements CG 20 37 (10/01) and either CG 20 10 (10/11) or CG 20 38 (04/13) or an endorsement providing equivalent coverage. This insurance for the additional insureds shall be as broad as the coverage provided for the named insured Subcontractor. Subcontractor must also cause its policy to be amended to provide that the coverage afforded to the additional insured is primary and non-contributory to any other insurance, self-insurance, or deductible amount maintained by or provided to the additional insured. Attached to each certificate of insurance shall be a copy of the Additional Insured Endorsement that is part of the Subcontractor's Commercial General Liability Policy, as well as a copy of the policy's endorsement providing coverage to the additional insured on a primary and non-contributory basis.

5. Waiver of Subrogation: Subcontractor waives all rights against Contractor, Owner, and Architect and their agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by Commercial General Liability, Commercial Umbrella Liability, Business Auto Liability, or Workers' Compensation and Employers Liability Insurance maintained per the requirements stated above.

6. Hazardous Materials Insurance: If Subcontractor and/or its subcontractors or suppliers, regardless of tier, perform remediation of hazardous material, or if their operations create exposure to hazardous materials as defined in federal, state, or local law, Subcontractor and its subcontractors and suppliers must obtain a "Contractor's Pollution Liability" policy with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for Bodily Injury, Personal Injury, and Property Damage, naming Contractor and Owner as additional insured. If Subcontractor or its subcontractors or suppliers haul hazardous materials (including, without limitation, waste), they must carry Auto Liability Insurance with a \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage applicable to all hazardous waste hauling vehicles, and include MCS 90 and CA9948.

10. Professional Liability Insurance: Any subcontractor performing work that includes design/building work or services shall obtain a Professional Liability Insurance Policy. Design/building work includes, without limitation, design/building work with respect to mechanical, structural, plumbing, and fire sprinkler systems. Coverage must allow for a minimum of two years following the completion of the project. If the Owner or Contractor elects to purchase a project design policy, Subcontractor's policy shall be endorsed to provide excess coverage only.

11. Rigger's Liability and Aircraft Liability: Should Subcontractor's work involve the moving, lifting, lowering, rigging, or hoisting of property or equipment, Subcontractor shall carry Rigger's Liability Insurance to insure against physical loss or damage to the property or equipment. If Subcontractor (or its subcontractors or suppliers, regardless of tier) use any owned, leased, borrowed, chartered, or hired aircraft of any type in the performance of this Subcontract, they shall maintain Aircraft Liability Insurance in an amount of not less than \$10,000,000 per occurrence, including Passenger Liability. Evidence of coverage in the form of a certificate of insurance shall be provided prior to the start of the project.

12. Property Insurance: Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

Upon written request of the Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment coverage in force for the project and procured by Contractor. Subcontractor shall satisfy themselves as to the existence and extent of such coverage prior to commencement of Subcontractor's work.

If Builder's Risk Insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damages to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to the Subcontractor's work and/or damages to other work caused by Subcontractor.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Contract Documents, Subcontractor shall procure and maintain at their own expense property and equipment insurance for portions of Subcontractor's work stored off the site or in transit.

If Owner or Subcontractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor may procure such insurance at their own expense as will protect the interests of Subcontractor and their subcontractors in the work. Such insurance shall also apply to any of the Owner's or Contractor's property in the care, custody, or control of Subcontractor. Contractor shall not be liable to Subcontractor for damage or loss to Subcontractor's interests in the work, and Subcontractor agrees to assume such risk until such time as Subcontractor's work has been accepted by Owner and Contractor.

- 13. Maintenance/Cancellation of Insurance:** There will be no cancellation, nonrenewal, or reduction of coverage of any required insurance without an unqualified, thirty (30) day, prior written notice to Contractor. Such notice may be sent by Subcontractor's insurance carrier, insurance broker, or Subcontractor.
- 14. Requirement of the Prime Contract:** If the prime contract requires limits of insurance higher than the minimum limits outlined above or broader coverage than outlined above, the requirements of the prime contract shall apply to the extent that they exceed the minimum requirements above.
- 15. Indemnification:** Subcontractor is to be liable and responsible for the acts and omissions of workmen under their supervision by contract, labor loan, employment, or otherwise, and for acts and omissions of their subcontractors. Subcontractor agrees to indemnify and save harmless the Contractor from and against all actions and claims, whether valid or not, on account of injuries to persons or property caused by any alleged act or omission of the Subcontractor or those acting under or through the Subcontractor in connection with the work under this Subcontract, and to reimburse the Contractor upon demand for any expenses, including attorneys' fees incurred by Contractor in this regard.
- 16. Debris and Material Removal:** Subcontractor agrees to remove all their debris and surplus material from the jobsite as the job progresses. If not done, Contractor may remove the same and charge the cost of removal to Subcontractor.
- 17. Termination for Breach:** In case of any breach of Subcontractor's obligations hereunder, Contractor may terminate the interest of the Subcontractor under this Agreement and take possession of all materials and appliances of every kind on the premises and may employ any other person or firm to finish the work. In the event of such breach, Subcontractor shall not be entitled to any further payment hereunder, and Subcontractor will reimburse Contractor for any expenses incurred in performing Subcontractor's obligations or in paying, defending, or compromising any claims arising out of Subcontractor's performance, whether by laborers, suppliers, or otherwise, including reasonable attorneys' fees. Contractor may, without legal process, apply any sums owed to or claimed by Subcontractor to this account.
- 18. Performance and Payment Bonds:** Concurrently with the execution of this Subcontract, or at any time prior to or during the performance of its work, Subcontractor shall, if required by Contractor, execute a labor and material bond and a performance bond, each in the amount equal to one hundred percent (100%) of the subcontract amount. Said bonds shall be executed by a corporate surety acceptable to Contractor, admitted to do business in the State of California in accordance with Code of Civil Procedure §995.311, and shall be in a form satisfactory to Contractor. Subcontractor shall pay the premium of said bonds unless otherwise provided herein.
- 19. Disputes and Withholding of Payments:** In the event of any claim or dispute involving the Subcontractor or any of the work covered by this Subcontract, Contractor, without regard to the ultimate merits of such claim or dispute, shall have the right to withhold from any money due to Subcontractor on any account any amount which Contractor deems necessary to protect itself from possible liability of the Contractor, Owner, and any surety, including administrative costs, employee's time and expenses, and attorneys' fees which may be incurred by such parties. Contractor shall have

the right but not the obligation to settle and compromise any such claims or disputes in whole or in part and as to some or all of the parties involved, and to secure reimbursement from such funds. No interest shall be payable on such sums withheld by Contractor pursuant to any withholding rights granted herein. Should the amounts of claims for which Contractor is entitled to protective withholding hereunder exceed the sums withheld by the Contractor, plus twenty-five percent (25%) thereof, Subcontractor agrees forthwith upon demand to deposit with Contractor the amount of any deficit.

- 20. Protection of Work:** Subcontractor shall be responsible for the protection, preservation, and reconstruction of all work referred to in this Agreement which may become damaged prior to the acceptance of the entire project by the Owner. All costs for such protection, preservation, and reconstruction shall be borne by the Subcontractor.
- 21. Assignment of Work or Payment:** Subcontractor shall not sublet or assign said work or any part thereof, or the payments to become due under this Agreement, without first obtaining written permission from the Contractor.
- 22. Patent Infringement:** Subcontractor shall hold Contractor and Owner harmless from all claims, royalties, damages, and costs resulting from any alleged infringement of any patents or for the misuse of any patented article by Subcontractor in the performance of the work.
- 23. Compliance with Wage and Hour Laws:** Subcontractor agrees to comply with all conditions relative to wage scale and working hours imposed under the original contract between Contractor and Owner. Subcontractor shall be bound by any labor agreements executed by Contractor to the extent that such provision can be legally applied to the work hereunder, and to hire union labor and to pay union wage scale. In the event any provision of this Agreement is contrary to any applicable law, ruling, or regulation, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.
- 24. Insolvency or Bankruptcy:** It is agreed that in the event a petition in bankruptcy, or for the appointment of a receiver, is filed against Subcontractor, or if Subcontractor becomes insolvent, or if Subcontractor's operations shall be impaired by any labor dispute, they shall be considered as disabled from complying with the terms and provisions of this Agreement, and any such event shall be deemed a breach of this Agreement.
- 25. Bonds for Performance:** Concurrently with the execution of this Subcontract, or at any time prior to or during the performance of its work, Subcontractor shall, if required by Contractor, execute all labor and material bond and a performance bond, each in the amount equal to one hundred percent (100%) of the subcontract amount. Said bonds shall be executed by a corporate surety acceptable to Contractor, admitted to do business in the State of California in accordance with Code of Civil Procedure §995.311, and shall be in a form satisfactory to Contractor. Subcontractor shall pay the premium of said bonds unless otherwise provided herein.
- 26. Enforcement of Obligations:** In the event it becomes necessary to enforce any of the obligations of Subcontractor hereunder, Subcontractor agrees to reimburse Contractor for the costs of such enforcement, including the time and expenses of Contractor's employees and reasonable attorneys' fees.
- 27. Notices:** Any notices hereunder shall be in writing and may be served personally on the Superintendent of either party at the jobsite, or may be served by certified mail directly to the Contractor or to the Subcontractor.
- 28. Binding Agreement:** The terms and conditions hereof shall inure to and be binding upon the parties hereto, their successors, assigns, executors, administrators, and legal representatives. This document contains all covenants, stipulations, and provisions agreed upon by the parties. No agent of either party has authority to make, and the parties shall not be bound by nor liable for any statement, representation, promise, or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CONTRACTOR
ZECO, INC.

SUBCONTRACTOR
[SUBCONTRACTOR LEGAL NAME]

Signature: _____	Signature: _____
Printed Name & Title: Amin Nazarinia — President	Printed Name & Title: _____
Date: _____	Date: _____

ATTACHMENT A

MANDATORY PRIME CONTRACT PROVISION — TERMINATION FOR CONVENIENCE OF THE AGENCY

The Special Provisions for this Project require that the Agency's termination-for-convenience provision be PHYSICALLY INCLUDED IN ALL SUBCONTRACTS. This Attachment is included in satisfaction of that requirement and forms part of this Subcontract.

The Agency may terminate the Prime Contract for its convenience at any time. Upon receipt of a notice of termination for convenience, Contractor shall notify all subcontractors and suppliers that the Contract is being terminated and that their contracts or orders are not to be further performed unless otherwise authorized in writing by the Engineer. Subject to the prior written approval of the Engineer, Contractor shall settle all outstanding liabilities and all claims arising out of subcontracts or orders for materials terminated. To the extent directed by the Engineer, Contractor shall assign to the Agency all the right, title and interest of Contractor under subcontracts or orders for materials terminated, and Subcontractor consents in advance to such assignment.

Compensation for terminated work shall be reasonable cost WITHOUT PROFIT, plus a reasonable allowance for profit which shall in no event exceed four percent (4%) of the cost. All records of Contractor and Contractor's subcontractors necessary to determine compensation shall be open to inspection or audit by representatives of the Agency at all times after issuance of the notice of termination and for a period of three (3) years thereafter, and those records shall be retained for that period. A termination for breach later determined not to have been justified shall be deemed a termination for convenience under this Attachment.

This Subcontract is subject to termination for the convenience of Contractor on the same terms, and Subcontractor's sole remedy upon such termination is the compensation described above. Subcontractor shall include this provision in every lower-tier subcontract and purchase order.

The parties further agree that: a copy of this Subcontract will be filed with the Agency before Subcontractor begins work; this Subcontract shall be annulled by Contractor at the order of the Agency if in the Agency's opinion Subcontractor fails to comply with the requirements of the Prime Contract; and any person employed by Subcontractor who is deemed by the Engineer to be incompetent or to act in an improper manner shall, at the request of the Engineer, be dismissed immediately from the job and shall not be employed again on the Work.

ATTACHMENT B

SUBCONTRACTOR'S PROPOSAL

Subcontractor's proposal follows this page and is incorporated into this Subcontract FOR DESCRIPTION OF SCOPE ONLY. The terms, conditions, qualifications, exclusions, order-of-precedence provisions, arbitration provisions, payment terms and limitations of liability contained in Subcontractor's proposal form no part of this Subcontract and are of no force or effect.