



P.O. Box 4189
Paso Robles 93447
License No. 765025
805.238.3510

Master Subcontract Agreement

Contractor: **MGE UNDERGROUND, INC.**
P.O. Box 4189
Paso Robles 93447
License No. 765025

Subcontractor: _____

License No. _____

This Master Subcontract Agreement (hereinafter "Agreement") is made on this ____ day of _____, 20____, between MGE Underground, Inc. (hereinafter "Contractor") and _____ (hereinafter "Subcontractor"). In consideration of the mutual promises hereinafter set forth herein Contractor and Subcontractor mutually agree as follows:

1. MASTER AGREEMENT.

This Agreement shall act as a master agreement pursuant to which Contractor and Subcontractor can then enter into agreements for specific projects by executing a Work Order in the form attached hereto. At any time and for any reason, Contractor may submit to Subcontractor proposed changes or additions to and/or deletions from the Work covered by any Work Order, and no such changes, additions or deletions shall become effective or paid for by Owner and/or Contractor unless via a Change Order authorized by Owner and Contractor in advance in writing. This Agreement, the individual Work Order(s), any related Change Orders and all other Contract Documents as defined in Paragraph 2 shall form a single integrated agreement between Contractor and Subcontractor. Should a conflict arise between any of the Contract Documents, the terms of this Agreement shall prevail.

Contractual obligations between Contractor and the Subcontractor as to any future Work shall arise only upon the award of such work by CONTRACTOR, and only upon the execution and delivery of project specific Work Order. The terms of this Agreement shall be deemed INCORPORATED BY REFERENCE into each Work Order. Each Work Order shall further define the respective rights and obligations of the parties as to the work to be performed by Subcontractor.

With respect to the work to be performed and furnished by the Subcontractor hereunder, the Subcontractor agrees to be bound to the Contractor by each and all of the terms and provisions of the Prime Contract including liquidated damages, if any, and to assume toward the Contractor all of the duties, obligations and responsibilities that Contractor, by the Prime Contract, assumes toward the Owner, and that Contractor shall have the same rights and remedies against the Subcontractor as the Owner, under the terms and provisions of the Prime Contract, has against Contractor with the same force and effect as though every such duty, obligation, responsibility, right or remedy were set forth herein in full. The terms and provisions of the Subcontract are intended to and shall be in addition to and not in substitution for any of the terms and provisions of the Prime Contract.

2. CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement and its attached exhibits (including any documents referenced therein); all project specific Work Orders and any attachments thereto; and all plans, specifications, drawings, general conditions, special conditions, addenda, and general contract, all of which form a part of the contract between Owner and Contractor for various projects during the term of the Agreement, hereinafter collectively referred to as the "Prime Contract". All such documents are hereinafter referred to as the "Contract Documents" and the same are hereby EXPRESSLY INCORPORATED BY REFERENCE, are made a part hereof and shall form a single integrated agreement between Contractor and Subcontractor.

3. THE WORK

Subcontractor agrees to furnish all material, labor, tools, equipment, permits, supervision, coordination, certificates and instruction, and parts manuals therefore to perform and complete, in a workmanlike manner and as directed by and to the satisfaction of Contractor and in complete conformance with the Contract Documents, all work set forth in each project-specific Work Order that is to be constructed for various project owners ("Owner") at various locations as set forth more particularly in the project-specific Work Orders.

Contractor

Subcontractor

("Work"). The Work includes the above, as well as all work that could reasonably be implied from the entire plans and specifications which would customarily be performed or furnished by a Subcontractor performing the aforementioned work.

Subcontractor represents and agrees that it has: carefully examined and understands this Agreement and all other contract documents, has investigated the nature, locality and site of the Work and the conditions and difficulties under which it is to be performed, and that it enters into this Subcontract on the basis of its own examination, investigation, and evaluation of all such matters and not in reliance upon any opinions or representations of Contractor, or of the Owner, or of any of their respective officers, agents, servants, or employees. Subcontractor shall not contract with any other person or entity, except employees, for the performance of Subcontractor's work hereunder without the prior written consent of Contractor.

Subcontractor to diligently pursue the work to allow for overall completion of each phase and total contract in accordance with Contractor's schedule which will be provided to Subcontractor or mutually developed between Contractor and Subcontractor. Subcontractor is responsible for all his own cleanup and haul off. Subcontractor shall effectually secure and protect the work done hereunder and assume full responsibility for the condition thereof until final acceptance by Owner and Contractor. Subcontractor further agrees to provide such protection as is necessary to protect the work and the workmen of Contractor, Owner, and the general public from operations. Subcontractor shall also hold daily tailboard safety meetings involving all field employees or attend Contractor's tailboard meetings depending on crew locations.

2. PRICE AND PAYMENT

Contractor agrees to pay Subcontractor for satisfactory and timely performance and completion of the Work (including all taxes levied against such work or borne by Subcontractor as a result thereof) for the amounts specified as the "Subcontract price", as set forth in the project-specific Work Orders subject to additions and deductions for changes as may be agreed upon, provided that no payments are to be made unless Subcontractor's rate of progress, work done and material furnished are as herein agreed upon. Payment shall be made as follows:

- a) Invoices submitted to and approved by the Contractor shall pay to Subcontractor the amounts not in dispute in such invoices within sixty (60) days, less retention, if any, held by the owner. All such invoices must be dated and signed by Subcontractor and shall clearly identify the work done by Subcontractor including a designation of the MGE Job number, the contract and/or PM number. Invoices for work performed under T&E shall be submitted to include all timesheets and other backup, supporting the invoice amounts. Time sheets shall include signature by Contractor's representative. Contractor may elect to take a 3% early payment discount if payment is made within ten (10) working days of signed pay application.
- b) Subcontractor understands, acknowledges, and agrees that Contractor receives payment from Owner according and pursuant to inspections made by Owner and pursuant to percentages of completion determined or confirmed by Owner or its designated representatives.
- c) Contractor shall make progress payments to Subcontractor based upon Application for Payment in accordance with the percentage of completion of Subcontractor's work, as determined by Owner. Such progress payments shall be made only with sums received by Contractor from Owner for work performed by Subcontractor as reflected in Contractor's Applications for Payment and shall be made within ten (10) days of receipt of such funds by Contractor.
- d) Final payment of the balance owed to Subcontractor shall be due ten (10) days after receipt by Contractor of final payment from Owner for Subcontractor's work.
- e) Payment in the event of dispute as to contractual requirements. In the event a dispute arises between the Contractor, Subcontractor, and/or Owner, as to the work performed by this Agreement, Subcontractor shall not have a right to additional compensation from Contractor unless and until the dispute is resolved. While the dispute is pending, Subcontractor shall only receive payment for the work performed as per the requirements and provisions of this Agreement, as though the requirements and provisions of this Agreement are as contended by the Contractor. This provision applies to both progress payments and final payment. Said payments shall be in sole discretion of Contractor.
- f) Timing of payment in the event of dispute or nonpayment by Owner. If Owner or other responsible party delays making any payment to Contractor, or refuses to make any payment to Contractor, from which payment to Subcontractor is to be made, Contractor and its sureties (where applicable) shall have a reasonable time to make payment to Subcontractor of any amounts actually due and owing to Subcontractor. "Reasonable Time" shall be determined according to the relevant circumstances and law, but in no event shall be less than the time Contractor, Contractor's sureties, and Subcontractor require to pursue to conclusion their legal remedies against Owner or other responsible party to obtain payment, including (but not limited to) Mechanic's Lien/Stop Notice remedies.
- g) In the event the actions or inactions of Subcontractor shall be a contributor to the Owner's nonpayment of any sum hereunder, the costs of collection efforts and any consequential loss or damages resulting from such nonpayment shall be the responsibility of Subcontractor, and shall be an obligation of Subcontractor and may, without limitation, be used as an offset against any sum owed to Subcontractor in the sole discretion of Contractor. No funds relating to Subcontractor's

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portion shall be due or payable until such collection efforts have been exhausted, and the full extent of Contractor's costs, losses, and damages have been determined. This Program shall apply to both progress and final payments.

- h) Subcontractor's applications for payment must be accompanied by: (1) conditional releases in compliance with California Civil Code Sections 8132 [progress] or 8136 [final] properly executed by Subcontractor and his laborers, subcontractors, material suppliers and/or equipment lessors for all mechanic's lien, stop notice, or payment bond rights for labor, services, materials and/or equipment furnished to the Project up to and including the date of the Request, and (2) unconditional releases in compliance with California Civil Code Sections 8134 [progress] or 8138 [final] properly executed by Subcontractor and his laborers, subcontractors, material suppliers and/or equipment lessors for all mechanic's lien, stop notice, or payment bond rights for labor, services, materials and/or equipment furnished to the Project up to and including the date of the prior Request for Payment. Failure to supply proper releases will result in delay of payment. Contractor may, at his option, make any payment or portion thereof by joint check payable to Subcontractor and any of his subcontractors, suppliers, material men and/or equipment lessors.
- i) It is understood and agreed that the full and faithful performance of this Agreement on the part of Subcontractor (including the payment of any obligations due from the Subcontractor to Contractor, and any amount due to labor or materialmen furnishing labor or material for said work) is a condition precedent to Subcontractor's right to receive payment for work performed, and any monies paid by Contractor to Subcontractor under the terms of this Agreement shall be impressed with a trust in favor of labor and materialmen furnishing labor and material to Subcontractor on the work herein subcontracted.
- j) Contractor may withhold or, on account of subsequently discovered evidence, nullify the whole or part of any payment to the extent necessary to protect Contractor from loss, including costs and actual attorneys' fees, on account of (1) defective work not remedied; (2) claims filed or reasonable evidence indicating probable filing of claim; (3) failure of Subcontractor to make payments properly to its subcontractors or for material, labor or fringe benefits; (4) a reasonable doubt that this Agreement can be completed for the balance then unpaid; (5) damage to Contractor or another subcontractor; (6) penalties assessed against Contractor or Subcontractor for failure of Subcontractor to comply with state, federal, or local laws and regulations; or (7) any other grounds for withholding payment allowed by state or federal laws, or as otherwise provided in this Agreement. When the above matters are rectified, such amounts as then due and owing shall be paid or credited to Subcontractor.
- k) In case suit is brought on any claim or lien for labor performed or materials used on or furnished to the project, Subcontractor shall pay and satisfy any such lien or judgment as may be established by the decision of the court in said suit. Subcontractor agrees within ten (10) days after written demand to cause the effect of any such suit or lien to be removed from the premises, and in the event Subcontractor shall fail so to do, Contractor is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed and the cost thereof, together with actual attorneys' fees, shall be immediately due and payable to Contractor by Subcontractor. Subcontractor may litigate any such lien or suit provided it causes the effect thereof to be removed, promptly in advance, from the premises, and still further do such things as may be necessary to cause Owner not to withhold any monies due to Contractor from Owner by reason of such liens or suits.

3. PERFORMANCE AND PROGRESS OF WORK

- a) Subcontractor shall prepare and submit to Contractor such shop drawings, samples, specimens, and other data as may be necessary to describe completely the details and construction of the work. Approval of such shop drawings, samples, specimens or other data by Contractor and/or the Architect shall not relieve Subcontractor of its obligation to perform the work in strict accordance with the plans, specifications, additional provisions hereof, and the other Contract Documents not its responsibility or for the proper matching and fitting of the work with contiguous work. Subcontractor shall make the initial submission of all such shop drawings, samples, specimens or other data to Contractor twenty-one (21) calendar days from the date of the execution of this Subcontract or such earlier time as is provided in the Prime Contract. All proposed substitutions of materials specified in the contract documents and all claims that another material is equal to, and may be used in place of, a material specified in the contract documents must be submitted to the Contractor, or the Contractor's designee, within twenty-one (21) calendar days from the date of the Work Order Agreement or at such earlier time as provided in the Prime Contract, with a substitution warranty signed by Subcontractor.
- b) Subcontractor agrees that within seven (7) days of request from Contractor, Subcontractor will provide Contractor with a Schedule of Values which itemizes the Subcontractor's bid on the work to be performed under the Work Order Agreement.
- c) Subcontractor agrees that the Work will be completed in a time that is in complete compliance with Contractor's schedule or mutually developed between Contractor and Subcontractor.
- d) Subcontractor agrees to be prepared to begin work within 48-hours written notice of approval and acceptance of this Agreement by Contractor; and Subcontractor agrees to commence work on a date selected by Contractor, provided Contractor gives Subcontractor 48-hours' notice in advance of date of initial work commencement, and to continue said work diligently with sufficient personnel and equipment upon the job at all times. If, in the opinion of the Contractor the job is not proceeding in accordance with the mutually agreed upon schedule, Contractor may give Subcontractor notice in writing, allowing Subcontractor 48 hours in which to supply the necessary labor and/or material. Should Subcontractor fail or refuse to comply with the written

Contractor

Subcontractor

request, Contractor may eject Subcontractor from the jobsite and may order such labor and material as is necessary to complete the job; or Contractor may relet the job to another Subcontractor on a contract basis (without calling for bids), and the cost of same and all other damages sustained by contractor shall be paid by Subcontractor. In the event Contractor exercises this right, Contractor may withhold all sums payable to Subcontractor, which withheld sums shall be an offset against Subcontractor's obligation.

- e) Subcontractor agrees to cooperate with Contractor and other subcontractors to the end that several works to be performed by Contractor, Subcontractor and other subcontractors may proceed concurrently, in accordance with the Construction Schedule including revisions.
- f) Subcontractor warrants and presents for the benefit of Contractor and Owner that Subcontractor possesses valid and current contractor's licenses covering all the work to be performed hereunder. Subcontractor certifies that it has the necessary material under its control to be delivered to the job when required and a sufficient crew of qualified workers to execute the work properly, without delay, when required by Contractor, in accordance with the Construction Schedule including revisions.
- g) Subcontractor represents that it is fully familiar with all ordinances, codes, rules, and regulations of any agency having jurisdiction that apply to the work, and that Subcontractor will comply with them in performing the work.
- h) Any obvious uncertainty or inconsistency in the plans or specifications shall be brought to the attention of the Contractor prior to proceeding with Subcontractor's work thereon and such uncertainty or inconsistency shall be resolved and performed as directed by Contractor. Non-performance by reason of alleged defective work by other subcontractors, trades or crafts will not be recognized unless brought to the attention of the Contractor prior to commencement of Subcontractor's work.
- i) Subcontractor agrees to consolidate his debris daily and to remove his debris from the jobsite immediately after completion of each phase of his work or as required by Contractor.
- j) The use of any Contractor's equipment shall be upon the express understanding that Subcontractor uses such equipment or service at his own risk and takes same "as is". Subcontractor assumes all liability for and agrees to hold Contractor harmless from any claims or damages of whatever kind resulting from the use of such equipment or services. Subcontractor shall only use the equipment of services of Contractor having secured prior written consent from Contractor.
- k) Before commencing work, Subcontractor will satisfy himself as to the location of all utilities that may affect or interfere, directly or indirectly, with Subcontractor's work. Any subcontractor performing excavation services, in which earth, rock, asphalt, or other material in the ground is moved, removed, or otherwise displaced by means of tools, equipment, or explosives in any of the following ways: sawcutting, grading, trenching, digging, ditching, drilling, augering, tunneling, scraping, cable or pipe plowing and driving, or any other way shall be required to adhere to California Government Code 4216 and the Common Ground Alliance best practices for excavation. Subcontractor shall ensure a valid USA ticket exists for the specific area of work contemplated and forward a copy of the USA ticket to Contractor prior to excavation. Subcontractor will fully protect existing utilities at all times.
- l) In the event the scope of work includes installation of materials or equipment furnished by others or work to be performed in areas to be constructed or prepared by others, it shall be the responsibility of Subcontractor to examine and accept, at the time of delivery of first access, the items so provided and thereupon handle, transport, store and install the items with such skill and care as to insure a satisfactory completion of the work. Use of such items or commencement of work by Subcontractor in such areas shall be deemed to constitute acceptance thereof by Subcontractor. Loss or damage due to acts of Subcontractor shall be charged to the account of Subcontractor and deducted from monies otherwise due under this Agreement.
- m) Subcontractor acknowledges that it maintains an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code.
- n) Subcontractor represents that it has a drug and alcohol abuse policy and appropriate testing that is in compliance with the policy of the Owner and Contractor.

4. **WARRANTY**

Subcontractor hereby warrants all material and workmanship provided under this Subcontract for a period of one (1) year from the date of acceptance of the project as a whole by the Owner, or for such longer period and to the full extent as may be required of Contractor by the terms of the Prime Contract or for the longest time permitted by California Law. Subcontractor shall promptly amend and make good any defective materials or workmanship to the entire approval and acceptance of the Owner, the Architect and the Contractor. If Subcontractor refuses or neglects to proceed at once with the correction of the defective or rejected material or workmanship, after receiving notice to do so, Contractor shall have the right and power to have the defects remedied or changes made at the expense of the Subcontractor, and Subcontractor agrees to pay immediately the cost thereof to Contractor.

Contractor

Subcontractor

5. DELAYS

Time is of the essence. Should Subcontractor not perform the Work in conformance with the project schedule, default in performance of the Work or should otherwise commit any act which causes delay, Subcontractor shall be liable for all losses, costs, expenses, liabilities and damages arising therefrom. Contractor may immediately eject Subcontractor from the job and employ another Subcontractor or Contractor's own forces to perform the work required by this Agreement, in which event all costs and damages incurred by Contractor as a result shall be deducted from the Subcontract price, and upon completion of the work required by this Subcontractor, the balance of the Subcontract price shall be paid by Contractor to Subcontractor, or by Subcontractor to Contractor, as the situation may require. In the event that Subcontractor delays the progress of the job, Subcontractor will pay to Contractor the amount of any loss or damage which Contractor may sustain as a result.

If the Contract Documents provide for liquidated or other damages for delay beyond the completion date set forth in the Contract Documents, and such damages are actually assessed, then the Contractor may, along with any other remedies available under this Agreement or applicable law, assess same against Subcontractor in proportion to the Subcontractor's share of the responsibility for such delay giving rise to the liquidated damages assessed. Subcontractor represents that it has reviewed and understands all provisions in the Contract Documents concerning liquidated damages, and agrees that in the event liquidated damages are imposed as the result, in whole or in part, of the performance or non-performance of Subcontractor, such liquidated damages (or an appropriate share thereof) are reasonable as to amount, and not a penalty, as potentially applied to Subcontractor and will constitute one element of the damages that Contractor shall be entitled to recover from Subcontractor by back-charge or otherwise.

In the event that Subcontractor's performance of this Agreement is delayed or interfered with solely by acts of Owner, Contractor, or other Subcontractors, Subcontractor's sole remedy shall be an extension of time equal to the period of delay, provided the Subcontractor has given Contractor written notice of the commencement of delay within 48 hours of its occurrence. In the event of such a delay, Subcontractor shall not be entitled to any increase in the Subcontract Price or to damages or additional compensation as a consequence of such delays. In no event shall Subcontractor's time of completion be extended to a date which will prevent Contractor from completing the entire Project within the time allowed Contractor by Owner. This provision shall not be construed to require the Contractor to pursue any delay in claim against the Owner or any other party.

It is further specifically agreed that no dispute shall interfere with the progress and performance of the Work. Subcontractor will proceed as directed by Contractor in all instances with its Work. Any failure of Subcontractor to comply and proceed with its Work shall be deemed a breach of this contract.

6. CHANGES

Contractor shall have the right, without notice to any surety and without invalidating this Subcontract, to require extra work to be done or to make changes in work required by the Subcontract and the plans and specifications under which it is performed by altering, adding to or deduction there from. The amount of adjustment in the Subcontract price which is to result from the extra work, change or omission shall be determined as follows:

In the manner, if any, provided in the Prime Contract: or

If the Prime Contract does not specify then as agreed between Contractor and Subcontractor;

or if the parties do not agree then in the manner provided for in this Agreement.

Subcontractor shall perform any such extra work, change or omission only upon written authorization from Contractor and upon receiving such written authorization Subcontractor shall proceed with such work and/or change in accordance with Contractor's instructions to Subcontractor whether or not the price adjustment has yet been determined and agreed upon. No officer, employee or agent of Contractor is authorized to direct any extra or changed work by oral order. With respect to any price adjustment proposed by Subcontractor or for any such extra work, change or omission, Subcontractor shall supply Contractor with an itemized cost breakdown within seventy two (72) hours after Contractor's request therefor. Any such additions, omissions or changes shall be deemed to be part of the work hereunder and shall be performed and furnished in strict accordance with this Subcontract.

7. SUSPENSION

- a) If Contractor suspends the construction work on account of Owner's failure to comply with Owner's Prime Contract with Contractor or for any other cause not the fault of Contractor, then Subcontractor shall immediately, upon written order from Contractor, discontinue work permanently or for such period of time as may be required by such cause and proceed again at such time as shall be ordered by Contractor. If such a suspension is permanent and the work of improvement is not to be completed by Contractor and Subcontractor is not in default under this Subcontract, Subcontractor shall receive payment for so much of said work as he performed or furnished, at such price as said work is worth in proportion to the total work done under this Subcontract, at this Subcontractor's price, and shall receive no further compensation or damages.

8. LABOR

Contractor

Subcontractor

- a) All work shall be performed by employees who are technically competent, tested for the type and method of specific work, certified as appropriate, and trained on-site regarding the safety procedures and site rules of the Owner and Contractor prior to commencing any work. Subcontractor shall keep a representative capable of reading, writing and speaking English at the job site during all times when Subcontractor's work is in progress, and such representative shall possess a comprehensive knowledge of subcontractor's responsibilities and be authorized to represent and bind Subcontractor as to all phases of the work. Prior to Commencement of the work, Subcontractor shall notify Contractor who Subcontractor's representative is to be, and in the event of any change of representative, Subcontractor shall notify Contractor who the new representative is to be prior to such change becoming effective.
- b) Employment of labor by Subcontractor shall be under conditions which are satisfactory to Contractor. Subcontractor shall use his best efforts to prevent the occurrence of any labor dispute, including, but not by way of limitation, any strike, slowdown, picketing or other labor difficulty, occurring at the jobsite by reason of the activities of Subcontractor, its employees, subcontractors, suppliers or material carriers. Subcontractor shall immediately inform Contractor of any facts which reasonably cause Subcontractor to expect the occurrence of any such labor dispute. Should there be picketing on Contractor's job site, and Contractor establishes a reserved gate for Subcontractor's purpose; it shall be the obligation of Subcontractor to continue the proper performance of its work without interruption or delay. If any such labor dispute occurs, Subcontractor shall keep Contractor informed of the progress of such labor dispute and shall cooperate fully with Contractor to resolve such labor dispute. If Subcontractor fails to prevent any such labor dispute, Contractor shall have the right, in addition to any other rights or remedies provided by this Subcontract or other contract documents or by law, after forty-eight (48) hours written notice mailed or delivered to the last known address of Subcontractor, to terminate this Agreement or any part thereof or the employment of Subcontractor for all or any portion of the work, and for the purpose of completing the work, to take possession of the premises and finish Subcontractor's work by whatever means it may deem expedient. In the event of such termination, the rights and obligations of Contractor and Subcontractor shall be determined the same as if this Subcontract were terminated under the provisions of Paragraph 7 hereinabove.
- c) In the event that any work is required to be performed by union labor, then the Subcontractor agrees that it is signatory to an agreement with the relevant union and will comply with all terms and conditions of the union labor agreement.
- d) Pursuant to California Labor Code Section 1775, if a worker employed by Subcontractor on a public works project is not paid the general prevailing per diem wages by the subject Subcontractor, the prime contractor of the project is not liable for the penalties under subdivision (a) of Labor Code Section 1775 unless the prime contractor had knowledge of that failure of the Subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:
 - i) In the event the contract executed between the contractor and the Subcontractor is on a public works project, then the contract for the performance of work on the public works project shall include a copy of the provisions of California Labor Code Sections 1771 , 1775, 1776, 1777.5, 1813 and 1815.
 - ii) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the Subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.
 - iii) Upon becoming aware of the failure of the Subcontractor to pay his or her workers the specified prevailing rate of wages, the Contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the Subcontractor for work performed on the public works project.
 - iv) Prior to making final payment to the Subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the Subcontractor that the Subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

9. INSURANCE

Subcontractor shall, at its expense, procure and maintain insurance on all its operations, with carriers acceptable to Contractor, and in amounts acceptable to Contractor and required by the Prime Contract. Insurance requirements are set forth in Exhibit "A" and are expressly incorporated by reference as though fully set forth herein.

10. GOVERNMENTAL REGULATIONS

- a) Subcontractor agrees that the prevention of accidents to workers engaged upon or in the vicinity of the jobsite is Subcontractor's responsibility. Subcontractor agrees to comply with all laws, ordinances, rules, regulations, codes, orders, notices and requirements concerning safety including Contractor's Safety and Health requirements set forth in Exhibit "B". Subcontractor agrees to pay for all fines or penalties levied against the subcontractor, contractor and owner for any and or all Cal or Fed/OSHA, NIOSH, Air Quality Control Board, Public Works and/or any other Governmental regulatory agency, as a result of subcontractor noncompliance.

Contractor

Subcontractor

- b) Subcontractor agrees that all work to be performed hereunder and all actions by or on behalf of Subcontractor in pursuance thereof shall comply with all federal, state, municipal and local laws, ordinances, rules, regulations, orders, codes, standards, notices and requirements, including, without being limited thereto, those relating to discrimination in employment, fair employment practices, or equal opportunity. Subcontractor shall take whatever action may be required by Contractor to comply with Contractor's affirmative action plan for equal employment opportunity as the same may be amended from time to time; the Subcontractor shall at any time upon demand furnish such proof as Contractor may require showing such compliance and the correction, at Subcontractor's sole cost and expense of any violations.

11. INDEMNITY

Subcontractor shall indemnify, hold harmless and defend with counsel acceptable to Contractor, Contractor and Owner, and their officers, agents, consultants and employees, (the Indemnitees) against all claims, demands, costs, attorney fees, and liability of every nature arising from injury to person or property or the economic interests of any party resulting from or alleged to result from Subcontractor's performance or nonperformance of this Agreement.

Such indemnity shall extend to all claims, demands, and liability arising or alleged to arise from the activities of Subcontractor and its subcontractors and suppliers while engaged in performing the work to be done under this Agreement. This indemnity agreement applies to claims, demands, and liability for injuries occurring after completion of the project as well as during the performance of the project and extends to claims, demands, and liability for injury contributed to by the negligence or other misconduct of Owner or Contractor, if the injury is alleged to be or is caused in part by the negligence or misconduct of Subcontractor or of its subcontractors, employees, agents, or suppliers. No indemnity will be provided against claims, demands, or liability to the extent the claims, demands, or liability arise out of, pertain to, or relate to the sole negligence of the Indemnitee.

RISK OF LOSS. Except to the extent a loss is covered by applicable insurance, risk of loss and/or damage to the Subcontract Work shall be upon the SUBCONTRACTOR until the date of substantial completion, unless otherwise agreed to by the Parties.

12. DISPUTES

For purposes of this Subcontract, Contractor and Subcontractor agree as follows with respect to any disputes, as hereinafter defined:

- a) In addition to all other notice requirements of this Agreement, should any dispute arise between Contractor and Subcontractor regarding performance of the work, or any alleged change in the work, Subcontractor shall give written notice of a claim for additional compensation for the disputed work within seventy-two (72) hours after commencement of the disputed work. Subcontractor's failure to give written notice within the seventy-two (72) hours period constitutes an agreement by Subcontractor that it will receive no extra compensation for the disputed work.
- b) If any dispute arises between Contractor and Subcontractor and which also involves Owner, and if in order to resolve the dispute or establish the rights and duties as between Contractor and Owner, Contractor is required to pursue procedures established by law or established by the Prime Contract for resolution of disputes between Contractor and Owner, then Subcontractor shall follow and participate in such procedures for the purpose of resolving all the rights, obligations and liabilities of Owner, Contractor, and Subcontractor relating to such dispute. Any final decision under such procedures shall be binding upon Contractor and Subcontractor to the same extent it is binding upon Contractor and Owner. Subcontractor agrees to furnish all documents, statements, witnesses and other information required by Contractor for such purposes and to pay or reimburse Contractor for all expenses and costs incurred in connection therewith. It is expressly understood that Contractor shall never be liable to Subcontractor to any greater extent than the Owner is liable to Contractor. In the event any such dispute involves anyone or more of Contractor's other subcontractors, Contractor and Subcontractor herein shall take such steps as are necessary to consolidate their respective claims with those of such other subcontractors in a single procedure under the provisions of this subparagraph (a), so that the rights and liabilities of all parties to such dispute may be finally resolved by such single procedure.
- c) A claim which will affect or become part of a claim which the Contractor is required to make under the Prime Contract within a specified time period or in a specified manner shall be made in sufficient time to permit the Contractor to satisfy the requirements of the Prime Contract. Such claims shall be received by the Contractor not less than five (5) working days preceding the time by which the Contractor's claim must be made. Failure of the Subcontractor to make such a timely claim shall bind the Subcontractor to the same consequences as those, which the Contractor is bound under the Contract Documents.
- d) In the event that the Claim is determined to be, in the Contractor's sole discretion, only between the Subcontractor and Contractor, Subcontractor agrees that it is required, as a condition precedent to taking any legal recourse against Contractor, to:
 - i) Attempt to informally negotiate the Claim with the Contractor at the field level; and if negotiations are unsuccessful.

Contractor

Subcontractor

- ii) Participate in private mediation, costs equally shared by the Contractor and Subcontractor.
- e) For purposes of this Section, "dispute" is defined as any claim or disagreement arising out of or relating to the rights, duties, and/or obligations of the parties under this Subcontract involving Contractor and Subcontractor or involving Contractor, Subcontractor and Owner or their agents, employees, representatives or contractors, including, but not by way of limitation, any claim or disagreement that concerns or relates to any authorized or claimed extra, change or modification under this Subcontract.
- f) No dispute shall interfere with the progress of construction and the Subcontractor agrees to proceed with its work as directed, despite disputes it may have against Contractor, the Owner or other parties.
- g) It is the intent of the parties to this Subcontract that this Section shall be interpreted broadly to carry out its purpose of obtaining final resolution of disputes through a single procedure so as to avoid a multiplicity of actions and the risk of inconsistent decisions. However, this Paragraph 12 shall not be construed to inhibit or prevent the Contractor from exercising his right to terminate this Agreement in accordance with Paragraph 13 below.

13. DEFAULT

If Subcontractor fails to perform or comply with this Agreement in any respect, including, but not by way of limitation, any act of bankruptcy or insolvency by Subcontractor, or any failure to perform his work properly or at a speed which would permit its completion within the time allotted, in accordance with the Contract Schedule including revisions, Subcontractor shall be deemed to be in default and, without prejudice to any other remedies it may have under this Agreement, Work Order, the Prime Contract and/or law, Contractor may, at any time after providing forty-eight (48) hours written notice to Subcontractor do the following:

- A) Furnish such labor and/or materials as is necessary to complete Subcontractor's work or to prevent or resolve labor disputes. In such event, Subcontractor shall immediately pay to Contractor all the costs thereof, including compensation and liability insurance.
- B) Terminate this Agreement and/or Work Order. In such event, Contractor shall have the right to enter upon the premises of the project and take possession for the purpose of completing the work included under this Agreement, of all materials of Subcontractor, and may employ any other person or persons to finish the work and provide the materials therefore. In case of such termination of Subcontractor's right to proceed with the work, said Subcontractor shall not be entitled to receive any further payment under this Agreement until the work undertaken by Contractor in its prime contract is completely finished. At that time, if the unpaid balance of the amount to be paid under this Agreement exceeds the expenses incurred by Contractor in finishing Subcontractor's work, such excess shall be paid by Contractor to Subcontractor; but, if such expense shall exceed such unpaid balance, then Subcontractor shall promptly pay to Contractor the amount by which such expense exceeds such unpaid balance. The expense referred to in the last sentence shall include expenses incurred by Contractor for furnishing materials, for finishing the work, for attorney's fees, and any damages sustained by Contractor by reason of Subcontractor's default, plus a markup of 15% General Overhead and 10% Profit on any and all of such expenses; and Contractor shall have a lien upon all materials taken possession of, as aforesaid, to secure the payment thereof. The notice referred to in this paragraph will be sufficient and complete when mailed to Subcontractor at its address shown in this Agreement.
- C) The Contractor's determination of default made in good faith shall be conclusive as to Contractor's right to proceed as provided herein.

14. TERMINATION FOR CONVENIENCE.

Contractor, in its sole and absolute discretion, shall have the right at any time to terminate for its convenience the Subcontractor's right to proceed with the Work in whole or in part upon 48 hours' written notice. Upon receipt of such a notice, Subcontractor shall stop the work. If this Agreement is terminated for Contractor's convenience, Contractor shall pay to Subcontractor the reasonable and properly documented costs for the Work which has been satisfactorily completed. There shall be deducted from such sums as provided in this paragraph the amount of any payments made to Subcontractor prior to the date of termination of this Agreement. In no event shall Subcontractor be entitled to payment of anticipated profits on Work not performed. Subcontractor shall not be entitled to any claim, or claim of lien, against Contractor or against Owner for any additional compensation or damages in the event of such termination and payment.

15. CONTRACTOR'S RIGHT TO OFFSET

With respect to any damages, costs or expenses of any kind sustained by Contractor by reason of Subcontractors breach of this Master Subcontract Agreement and with respect to any costs, expenses or other amounts owing by Subcontractor to Contractor pursuant to this Master Subcontract Agreement, Contractor shall be entitled to deduct the same from any payments then or thereafter due or becoming due to Subcontractor. If any damages, costs, expenses, claims or other amounts owing by Subcontractor pursuant to this Master Subcontract Agreement shall exceed the unpaid balance of the Subcontract price, Contractor shall be entitled to offset

Contractor

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such excess against any funds in Contractor's possession belonging to or claimed by Subcontractor or against any sums now or then due or becoming due Subcontractor from any source whatsoever.

16. COMPLIANCE WITH SB 727/LABOR CODE §218.8

- a) Upon request of Contractor, Subcontractor and any lower tier subcontractors under contract with Subcontractor shall provide payroll records, which, at a minimum, contain the information set forth in subdivision (a) of Section 226, and which are payroll records as contemplated by Section 1174, of its employees who are providing labor on a private work, which payroll records shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. The payroll records must contain information sufficient to apprise the requesting party of the subcontractor's payment status in making fringe or other benefit payments or contributions to a third party on the employee's behalf.
- b) Upon becoming aware of the failure of Subcontractor to pay wage, fringe or other benefit payment or contribution to employees, Contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due Subcontractor for work performed on the Project.
- c) As a condition precedent to final payment, Subcontractor shall submit to Contractor an affidavit signed under penalty of perjury that the Subcontractor has paid the wage, fringe or other benefit payment or contribution due to the employees for all work performed on the Project. Contractor shall also have the right to request an audit of the payroll records for Subcontractor and its sub-subcontractors of all tiers at any time, up to two (2) years following final completion of the Project.
- d) To the fullest extent permitted by law, Subcontractor shall indemnify, defend and hold harmless Contractor, Owner and [REDACTED], against any and all claims, damages, injury, loss, liability and expense, including but not limited to, penalties, liquidated damages, attorneys' fees and expert fees incurred as a result thereof, arising out of, connected with or related in any way to any claim that is made against Contractor or any of the Indemnified Parties, whether directly or indirectly, alleged or actual, for unpaid wage, fringe or other benefit payment or contribution by a wage claimant or a third party on the wage claimant's behalf for such wage claimant's performance of labor for any portion of the Work, which includes, but is not limited to, claims that are brought against Contractor or any of the Indemnified Parties pursuant to Labor Code Section 218.7 or 218.8 for any claim, damages or loss arising out of, connected with or related in any way to Subcontractor's or any of its sub-subcontractor's actual or alleged failure to pay, including, but not limited to unpaid wages, attorneys' fees and expert fees, fringe or other benefit payment or contribution, interest, penalties, liquidated damages or otherwise as may be assessed against Contractor or any of the Indemnified Parties (collectively, "Wage Claims").

17. NON-SOLICITATION / NON-COMPETE

- a) Subject to the provisions of this Agreement, Subcontractor agrees and covenants that it will not, during and for a period of one (1) year after the termination of this Agreement, directly or indirectly, as an individual or on behalf of a firm, corporation, partnership or other legal entity, solicit for employment or endeavor in any way to entice or lure away from employment or hire or offer to hire any employee or agent of Contractor.
- b) In addition to the foregoing restrictions, and subject to the provisions of this Agreement, Subcontractor agrees and covenants that it will not, during and for a period of one (1) years after the termination of this Agreement, directly or indirectly, as an individual or on behalf of a firm, corporation, partnership or other legal entity (i) solicit any known or reasonably identifiable vendors, customers or consultants of Contractor for the purpose of operating in the same business industry as Contractor, or (ii) take any action that would interfere with, diminish or impair the valuable relationships that Contractor has with its third party vendors or customers.

18. CONFIDENTIALITY & NON-DISPARAGEMENT

- a) Subcontractor agrees that any books, records, notes, files and other information ("Customer Information") regarding customers, vendors or consultants of Contractor (collectively referred to as "Customer") is the property of Contractor and constitutes confidential information of the Customer, and confidential proprietary information of Contractor. Subcontractor agrees to maintain the confidentiality of all such Customer Information, to prevent the unauthorized disclosure of such information and to use Customer Information only when pertaining to and benefitting the business of Contractor.
- b) Subcontractor acknowledges that all items containing or disclosing information and data relating to the business, products and services of Contractor are the exclusive property of Contractor, whether developed or made by Subcontractor or by any other person. Such items include, without limitation, for example: manuals; letters; notes; notebooks; reports; formulae; memoranda; records; files; computer programs; financial and technical data; Subcontractor, supplier, and customer lists; marketing information, including strategies, leads, and product development; and financial and commercial information relating to costs, profits, markets, sales information or the like. Such items, copies, or reproductions thereof, or notes regarding such information shall not be delivered or disclosed to any other person, company, or organization except in the proper performance of Subcontractor's duties as a Subcontractor of Contractor. Upon request by Contractor, or upon termination of the Agreement for any reason, Subcontractor shall promptly deliver to Contractor all such materials within his

Contractor

Subcontractor

custody or control, except such items as Contractor shall, by advance written permission, allow Subcontractor to retain or destroy.

- c) Subcontractor shall not, during or at any time after employment with Contractor, use for himself or others, or divulge or convey to others, except as required in the proper performance of Subcontractor's duties as a Subcontractor of Contractor, any Customer Information, trade secret or confidential information of either the Contractor or of third parties, that is obtained in the course of Subcontractor's prior or during current employment with Contractor.
- d) Subcontractor shall not, during or at any time after employment with Contractor, make any statements or engage in any conduct that might tend to disparage or attempt to disparage, or encourage or induce others to disparage, or make negative or unfavorable comments, about Contractor, or any of its owners, officers, agents or subcontractors.
- e) Subcontractor shall not do anything by indirect means that would be prohibited by this Agreement or by law if done by him directly.
- f) Except as specifically restricted by law, Contractor may notify any person, company, or organization at any time of the existence and provisions of this Agreement, and Subcontractor hereby consents to any such notification.
- g) Subcontractor recognizes and acknowledges that a breach of the obligations imposed on him by this section, and section 17 are not capable of being easily measured by monetary damages, but that these provisions are an essential part of its subcontract relationship with Contractor. Consequently, Subcontractor specifically agrees that these covenants may be enforced by injunctive relief and that Contractor shall not be required to post any bond in connection with applying for or obtaining any such injunctive relief. Subcontractor further agrees that in addition to such injunctive relief and not in lieu thereof, Contractor may also bring suit for actual damages if such are incurred by Contractor as a result of a breach of Subcontractor's obligations under said sections. In the event a court of competent jurisdiction (or other arbiter) finds any of the provisions of this section to be unenforceable, it is Subcontractor's intent that such provisions be reduced in scope by the court (or other arbiter), but only to the extent being necessary by the court (or other arbiter) to render the provision reasonable and enforceable, keeping in mind that it is Subcontractor's intention to give Contractor the broadest possible protection against disparagement and harmful competition.

19. TERM AND MODIFICATION OF AGREEMENT

This Agreement shall commence and be effective upon the full execution hereto by Contractor and Subcontractor and shall continue in effect until terminated by either party upon 30 days written notice. However, no termination of this Agreement pursuant to the preceding sentence shall be effective if any Project Subcontract Agreements are in effect on the day the Master Agreement is to be terminated. In such event, the Master Agreement remains in effect solely for the purpose of those executed Project Subcontract Agreements entered into prior to the effective date of termination of this Agreement (and not for the purpose of executing new Project Subcontract Agreements) until the Work that are the subject of said Project Subcontract Agreements are 100% complete and Subcontractor has fully performed its obligations under said Project Subcontract Agreement. Further, Contractor reserves the right, but is not obligated to, periodically update and/or modify this Agreement. Any such modification shall be in writing and executed by both Contractor and Subcontractor in accordance with this Agreement.

20. INDEPENDENT CONTRACTOR.

Subcontractor understands and acknowledges that neither Subcontractor, nor the employees of Subcontractor are employees of Contractor and no withholding for taxes or social security will be made from payment to Subcontractor. Subcontractor is an independent contractor and shall, at its sole cost and expense, and without increase in the Subcontract Price, comply with all laws, rules, ordinances, and regulations of all governing bodies having jurisdiction over the work, obtain all necessary permits and licenses therefore; pay all manufacturers' taxes, sales taxes, use taxes, processing taxes, and all federal and state taxes, insurance and contribution for Social Security and Unemployment which are measured by wages, salaries, or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules, or regulations. Subcontractor, upon request, shall furnish evidence satisfactory to Contractor that any or all of the foregoing obligations have been fulfilled.

21. MISCELLANEOUS

- a) This Agreement represents the entire agreement of the parties, and it shall supersede and not be modified by any proposal, bid, estimate, conversation, submittal, or other form of communication between Subcontractor and Contractor before the date when this Subcontract is fully executed, whether or not such proposal, bid or estimate is signed by either or both of the parties hereto. This Agreement cannot be modified by oral agreements and may be modified only by a writing Signed by both parties after the date of this Subcontract. This Agreement or the moneys becoming due under this Subcontract shall not be assigned in whole or in part, voluntarily or involuntarily, without the written permission of the Contractor. Any such assignment shall not release Subcontractor from his duty to Contractor to discharge his obligations and liabilities under this Subcontract and assignee shall take subject to all rights of Contractor provided in this Subcontract.

Contractor

Subcontractor

- b) Any and all notices, demands or other matters required or permitted by this Agreement or by law to be served on or given to or delivered to either party by the other party to this Agreement shall be in writing and shall be deemed duly served, given or delivered when personally delivered to the party to whom it is addressed (or to a supervisory employee of such party), or in lieu of such personal service, when deposited in the United States mail, first class postage prepaid and addressed as provided in the introductory paragraph of this Subcontract.
- c) In the event either party hereto shall prevail in any action, arbitration, or other proceeding concerning this Master Subcontract Agreement, such party shall be entitled to receive from the other party all court costs, a reasonable sum as attorney's fees and all other expenses incurred therein and the preparation thereof.
- d) The waiver by Contractor of a breach of any term, covenant or condition contained in this Agreement shall not be treated as a continuing waiver of such term, covenant, or condition or as a waiver of a future breach of the same or any other term, covenant or condition contained in this Subcontract. All rights and remedies under this Agreement shall be cumulative and are in addition to, and not in derogation of, all other rights and remedies. All such rights and remedies may be exercised either successively or concurrently. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

CONTRACTORS ARE REQUIRED TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD, ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR OF THE BOARD WHOSE ADDRESS IS:

CALIFORNIA CONTRACTORS STATE LICENSE BOARD 1020 N STREET SACRAMENTO, CALIFORNIA 95814

IN WITNESS WHEREOF, the parties have executed this Subcontract in duplicate as of the day and year first above written.

SUBCONTRACTOR

CONTRACTOR

MGE Underground, Inc.

By: _____
 Title: _____
 CA State License Number: _____
 Federal Identification Number: _____
 State EDD Number: _____

By: _____
 Title: _____
 CA State License Number: 765025

PLEASE PROVIDE A COPY OF YOUR W-9 AND SUBMIT WITH THE SIGNED AGREEMENT.

NOTE: THIS CONTRACT HAS IMPORTANT LEGAL CONSEQUENCES. CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION.

Contractor

Subcontractor

Exhibit "A"

Insurance Requirements

Subcontractor shall, five (5) days prior to performing any Work, provide Contractor with certificates of insurance from an insurance company with an AM Best rating of A-7 or better, indicating coverage for Commercial General Liability, Commercial Auto Liability, claims under Workers' compensation, disability benefit, and other similar employee benefit acts which are applicable to the work to be performed in accordance with the Contract Documents and for the following minimum limits:

Commercial General Liability		Commercial Auto	
Bodily Injury	\$ 10 Million per occurrence /10 Million Aggregate	Bodily Injury	\$ 2 Million Combined Single Limit
Property Damage	\$10 Million per occurrence /10 Million Aggregate	Property Damage	\$ 2 Million Combined Single Limit
Workers' Compensation	\$ Legal Limit		

CGL coverage shall be written on ISO Occurrence form CG00011 093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury. Use of any CGL form covering defense costs within the limits of insurance requires the prior written consent of the Contractor.

Contractor, its officers, directors and employees and Owner shall be included as additional insureds on the CGL, using ISO Additional Insured Endorsement CG20101185 or an endorsement providing equivalent coverage to the additional insureds. This contract requires that coverage afforded the additional insured(s) under any form other than CG201 01185 must be as broad as coverage that would be provided under CG20101185. 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 to and noncontributing with 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-contributing basis. Said CGL coverage shall include coverage for third-party action over claims for damages because of bodily injury, occupational sickness or disease, or death of an employee(s) of Subcontractor or any insured. Additional insured endorsement must be provided for four years following project completion.

Claims Made/Self-Insurance Provisions. Subcontractor shall not provide general liability insurance under any Claims-Made General Liability form without express prior written consent of Contractor. Any self-insurance program coverage in excess of \$25,000 per occurrence requires the prior written consent of the Contractor.

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

If Subcontractor's work, or a portion thereof, is 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 its own expense property and equipment insurance for portions of Subcontractor's work not covered, including material stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor shall procure such insurance at its own expense as will protect the interest of Subcontractor, and its subcontractors in the work. Such insurance shall also apply to any of the Owner or Contractor's property in the care, custody, or control of Subcontractor.

Subcontractor shall, within five (5) days of the same time period, furnish a certificate of insurance in the amount of \$1,000,000.00 to protect himself and Contractor from claims arising out of the performance of professional services caused by any errors, omissions, or negligent acts for which Subcontractor is legally liable. Contractor shall be named as additional insured.

Certificates of insurance acceptable to the Contractor shall be filed with the Contractor prior to commencement of the work. These certificates and the insurance policies required by Section 8 shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire until at least 30 days prior written notice has been given to the Contractor. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Subcontractor with reasonable promptness in accordance with the Subcontractor's information and belief.

Contractor

Subcontractor

The Contractor and Subcontractor waive all rights against each other and any of their subsidiaries, agents, and employees, each of the other, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to all paragraph 8 subparts or other property insurance applicable to the Work. The insurance policies shall each provide waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to person or entity even though that person or entity would otherwise have a duty of indemnification, contractual, or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

Subcontractor shall carry automobile liability insurance, including coverage for all owned, hired and non-owned automobiles.

If the Prime Contract requires additional insurance types or 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 impose additional requirements or exceed the minimum requirements above.

Within five (5) days of a request by Contractor made at any time prior to the completion of the work and at Contractor's expense, Subcontractor shall furnish a performance and/or labor and materials payment bond from a surety and in a form satisfactory to Contractor which shall not cost Contractor more than one and two-tenths (1.2%) of the Subcontract price provided in Paragraph 2 hereinabove.

Subcontractor shall require that any third party who contracts with Subcontractor to do any work involving this contract shall carry insurance in the amounts and of the types that this paragraph requires Subcontractor to carry.

Contractor

Subcontractor

Exhibit "B"

Safety and Health Requirements

Subcontractor shall maintain a safety program implementing safety measures, policies and standards conforming to those required or recommended by governmental and quasi-governmental authorities having jurisdiction, trade specific best standard practices, requirements of the owner and requirements of the Contractor. Contractor requires all persons on the jobsite to employ Personal Protective Equipment (PPE). PPE shall include but not be limited to: hardhat, high visibility garment (ANSI/ ISEA 107-2010, class 2 or 3, Level 2). For any roadway(s) with speeds exceeding 50 MPH, high risk environments, and any work performed during hours of darkness, a minimum Class 3 high visibility garment shall be used. Safety glasses (ANSI Z87+) and properly rated FR clothing shall be worn when required, or when performing services for, or on behalf of Pacific Gas and Electric (PG&E). Also, task specific PPE (such as hearing protection, rubber gloves, etc.) shall be used as applicable. Rubber gloving and all live electric operations shall be performed in accordance with the greater of (1) industry standards, (2) any specific prevailing wage or union standards, and (3) requirements of the owner. Subcontractor shall ensure all persons employed or associated with the Subcontractor comply with these requirements at all times.

Subcontractor acknowledges that worker safety and avoiding WPEs (work procedure errors) is paramount to the success of this contract. Contractor maintains an alliance relationship with the Owner and continued work order issuance is dependent on a successful safety program and WPE avoidance in addition to low cost, efficient, timely performance. The metric of Safety carries the single highest weighting on the Contractor's performance scorecard with the owner. As a partner in the alliance, Subcontractor agrees to make all efforts necessary to ensure that as team we do not incur jobsite injuries or WPEs.

Subcontractors performing services for, or on behalf of Pacific Gas and Electric (PG&E) are required to have subscribed to ISNetworld (www.isnetworld.com) and have met PG&E's safety pre-qualification criteria. This information must be submitted to contractor prior to any work taking place for, or on behalf of PG&E. Additionally, any changes in subcontractors ISN grade or status must be immediately submitted to contractor. Failure to do so could delay payment of progress work.

Subcontractors performing excavation-related services for, or on behalf of Pacific Gas and Electric (PG&E) are required to be Gold Shovel Standard Certified. This information must be submitted to contractor prior to any work taking place for, or on behalf of PG&E. Additionally, any changes in subcontractors Gold Shovel Standard Certification or status must be immediately submitted to contractor. Failure to do so could delay payment of progress work.

Contractor's representatives will consult with Subcontractor on safety and QA/QC topics on an ongoing basis. Subcontractor agrees to cooperate and actively participate in such interactions, and to take part in required onboarding, orientations, and periodic safety meetings.

Any injuries or WPEs incurred by Subcontractor in connection with this contract shall be reported to Contractor immediately and in no case more than 2 hours after the occurrence of such incident. The Subcontractor is responsible for ensuring that a drug and alcohol test is conducted as soon as possible of the incident.

Contractor

Subcontractor