

Charles DeWeese Construction

765 Industrial Bypass North
PO Box 504
Franklin KY 42135
(270) 586-9122
(270) 586-6349 fax

KY SUBCONTRACT AGREEMENT

BETWEEN

Contractor and Subcontractor

Job No.: XX-XXX **Cost Code:** XX-XX **Purchase Order:** XXXXX

This is the Subcontract Agreement (hereinafter "Agreement") made _____
by and between Charles DeWeese Construction (hereinafter referred to as the "*Contractor*")
and the Subcontractor named below (hereinafter referred to as the "*Subcontractor*") to perform
part of the work on the following project.

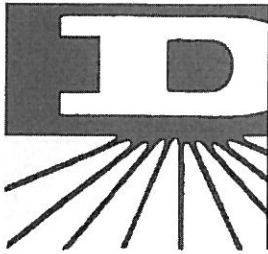
Contractor: Charles DeWeese Construction, Inc. (**"Contractor"**)
765 Industrial ByPass N
Franklin, KY 42134

Subcontractor: **"Subcontractor"**

Project:

Owner: **"Owner"**

Architect/Engineer: **"Architect/Engineer"**



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1. **SUBCONTRACT WORK:** To the extent terms of the agreement between the *Owner* and the *Contractor* ("Prime Agreement) apply to the work of the *Subcontractor*. The *Contractor* assumes toward the *Subcontractor* all obligations, right, duties, and redress that the *Owner* assumes toward the *Contractor*. In an identical way, the *Subcontractor* assumes toward the *Contractor* all obligations, rights, duties, and redress that the *Contractor* assumes toward the *Owner* and others under the Prime Agreement. In the event of conflicts or inconsistencies between provisions of this Agreement and the Prime Agreement, this Agreement shall govern. The *Subcontractor* shall perform the Subcontract Work (as set forth in Exhibit A, attached hereto) under the general direction of the *Contractor* and shall cooperate with the *Contractor* so that the *Contractor* may fulfill it's obligations to the *Owner*. The *Subcontractor* shall provide the Subcontract Work for the Project in accordance with the Progress Schedule to be prepared by the *Contractor* after consultation with the *Subcontractor*, and as it may be adjusted from time to time. The *Subcontractor* shall give timely notices to authorities pertaining to the Subcontract Work and shall be responsible for all permits, fees, licenses, assessments, inspections, testing and taxes necessary to complete the Subcontract Work.

The *Subcontractor* is to provide _____ as more fully described in Exhibit A. ("Subcontract Work")

2. **SUBCONTRACT AMOUNT:** The *Contractor* agrees to pay the *Subcontractor* for satisfactory and timely performance and completion of Subcontract Work the sum of _____ (\$)

Retainage shall be _____ Percent(_____ %), which is equal to the percentage retained from the *Contractor* payment by the *Owner* under the Prime Agreement.

3. **EXHIBITS:** The following Exhibits are incorporated by reference and made part of the Agreement:

EXHIBIT A: Subcontract Work, _____ Pages

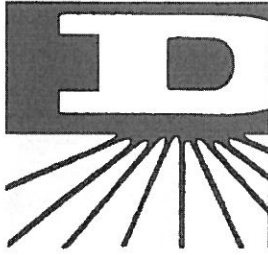
EXHIBIT B: Prime Agreement, Drawings, Specifications, General, Special, Supplementary, and other conditions, and addenda.

EXHIBIT C: Projected Progress Schedule, _____ Pages.

EXHIBIT D: Alternates and Unit Prices, including dates when alternates and unit prices no longer apply, _____ Pages

EXHIBIT E: Bonds, _____ Pages

EXHIBIT __: Other _____, _____ Pages



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4. **ETHICS:** The *Contractor* and the *Subcontractor* shall perform their obligations with integrity, ensuring at a minimum that: a) conflicts of interest shall be avoided or disclosed promptly to the other party, and b) the *Contractor* and the *Subcontractor* warrant that they have not and shall not pay nor receive any contingent fees or gratuities to or from the other Party, including their agents, officers and employees, or others for whom they may be liable, to secure preferential treatment.

5. **SAFETY:** To protect persons and property, the *Subcontractor* shall establish a safety program implementing safety measures, policies and standards conforming to (1) those required or recommended by governmental and quasi-governmental authorities having jurisdiction over the Subcontract Work; and (2) requirements of this Agreement. The *Subcontractor* shall keep project site clean and free from debris resulting from the *Subcontract Work*.

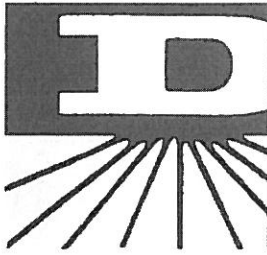
The *Subcontractor* agrees that it is responsible for ensuring the safety of its employees, its Subcontractors' employees and others on or around the jobsite arising out of any aspect of The Subcontract Work. The *Subcontractor* has the duty to provide a safe place for the performance of Subcontract Work, including but not limited to, ensuring the safe use and condition of all equipment used in connection with the performance of the *Subcontractor Work*, and compliance with any and all Federal, state and/or local laws, ordinances or regulations regarding job site safety including all OSHA and similar state and local requirements.

The *Subcontractor* acknowledges that it is the sole party responsible for the safe performance of the *Subcontract Work*, even if the *Contractor* or the *Owner* has implemented any safety program or regulations at the Project site.

6. **ASSIGNMENT:** The *Subcontractor* shall not assign the whole or any part of Subcontract Work or this Agreement without prior written approval of the *Contractor*.

7. **TIME:**

7.1 **SCHEDULE** In consultation with the *Subcontractor*, the *Contractor* shall prepare the schedule for performance of the *Contractor's* work ("Progress Schedule") and shall revise and update such schedule, as necessary. The *Subcontractor* shall provide the *Contractor* with any scheduling information proposed by the *Subcontractor* for Subcontract Work and shall revise and update as Project progresses. The *Contractor* and the *Subcontractor* shall be bound by the Progress Schedule. The Progress Schedule and all subsequent changes and additional details shall be submitted to the *Subcontractor* reasonably in advance of required performance. The *Contractor* shall have the right to determine and, if necessary, change the time, order and priority in which various portions of the *Subcontract Work* shall be performed and all other matters relative to the *Subcontract Work*.



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7.2 Substantial Completion: Substantial Completion shall be defined as set forth in the Prime Agreement.

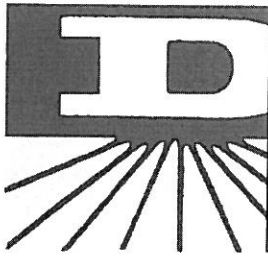
8. CHANGE ORDERS: When the *Contractor* orders in writing, the *Subcontractor*, without nullifying this Agreement, shall make any and all changes in the Subcontract Work, that are within the general scope of this Agreement. Any adjustment in the Subcontract Amount or time of performance shall be authorized only by a written Change Order signed by the Contractor. No adjustments shall be made for any changes performed by the *Subcontractor* that have not been ordered by *the Contractor*. A Change Order is a written instrument prepared by the *Contractor* and signed by the *Subcontractor* stating their agreement upon the change in the Subcontract Work. If commencement of Subcontract Work is delayed without the fault or responsibility of the *Subcontractor*, the time for the Subcontract Work shall be extended by Change Order, and the Progress Schedule shall be revised accordingly.

9. PAYMENT:

9.1 SCHEDULE OF VALUES As a condition of payment, the *Subcontractor* shall provide a schedule of values satisfactory to the *Contractor* not more than three (3) days from the date of this Agreement.

9.2 PROGRESS AND FINAL PAYMENTS Progress payments, less retainage, shall be made to the *Subcontractor*, for Subcontract Work satisfactorily performed, not later than seven (7) days after receipt by *the Contractor* of payment from the *Owner* for the Subcontract Work. Final payment of the balance due shall be made to the *Subcontractor* no later than seven (7) days after receipt by the *Contractor* of final waivers, affidavits, warranties, guarantees or other documentation required by this Agreement or *the Contractor*. If payment from the *Owner* for such Subcontract Work is not received by *the Contractor*, through no fault of the *Subcontractor*, the *Contractor* will make payment to the *Subcontractor* within a reasonable time for Subcontract Work satisfactorily performed and approved by the Contractor and/or the Owner.

9.3 PAYMENTS WITHHELD The *Contractor* may reject a payment application or nullify a previously approved payment application from the Subcontractor, in whole or in part, as may reasonably be necessary to protect the *Contractor* from loss or damage caused by the *Subcontractor* failure to (1) timely perform the Subcontract Work, (2) properly pay subcontractors or suppliers, or (3) promptly correct rejected, defective or nonconforming Subcontract Work, or (4) third party claims involving the *Subcontractor* or reasonable evidence demonstrating that third party claims are likely to be filed, unless and until the *Subcontractor* furnishes the *Contractor* with adequate security in the form of a surety bond, letter of credit or other collateral or commitment sufficient to discharge such claims if established.



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9.4 PAYMENT DELAY If the *Contractor* has received payment from the *Owner* and, if for any reason not the fault of the *Subcontractor*, the *Subcontractor* does not receive a progress payment from the *Contractor* within seven (7) days after the date such payment is due, or if the *Contractor* has failed to pay the *Subcontractor* within a reasonable time for Subcontract Work satisfactorily performed, the *Subcontractor*, upon giving seven (7) days' written notice to, and the *Contractor* without prejudice to and in addition to any other legal remedies, may stop work until payment of the full amount owing to the *Subcontractor* has been received. The Subcontract Amount and time of performance shall be adjusted by the amount of the *Subcontractor's* reasonable and verified cost of shutdown, delay and startup, and shall be affected by an appropriate Change Order.

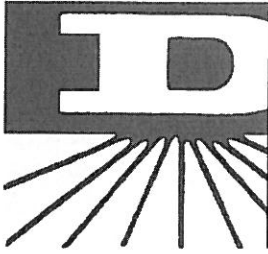
9.5 WAIVER OF CLAIMS Final payment shall constitute a waiver of all claims by the *Subcontractor* relating to the Subcontract Work, but shall in no way relieve the *Subcontractor* of liability for warranties, or for nonconforming or defective work discovered after final payment.

9.6 OWNER'S ABILITY TO PAY

9.6.1 The *Subcontractor* shall have the right upon request to receive from the *Contractor* such information as the *Contractor* has obtained relative to the *Owner's* financial ability to pay for the *Contractor's* work, including any subsequent material variation in such information. The *Contractor*, however, does not warrant the accuracy or completeness of information provided by the *Owner*.

9.6.2 If the *Subcontractor* does not receive the information referenced in Subparagraph 9.6.1, the *Subcontractor* may request information from the *Owner* or *Owner's* lender.

10. INDEMNITY: To the fullest extent permitted by law, the *Subcontractor* shall defend and indemnify and hold harmless the *Contractor*, the *Contractor's* other subcontractors, the Engineer, the owner and their agents, consultants and employees (the Indemnities) from all claims for bodily injury and property damage other than to the Work itself that may arise from the performance of the Subcontract Work, including reasonable attorney's fees, cost and expenses, that arise from the performance of the Subcontract Work, but only to the extent caused by the negligent acts or omissions of the *Subcontractor*, the *Subcontractor's* Sub-subcontractors or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable.



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11. INSURANCE:

11.1 SUBCONTRACTOR'S INSURANCE Prior to starting work, the *Subcontractor* shall furnish satisfactory evidence to the *Contractor* and to other parties upon request, that the *Subcontractor* has insurance as required by the Prime Agreement. All such insurance, including general liability and umbrella/excess liability except Workers' Compensation/Employer's Liability, shall name *the Contractor, the Owner,* and the Architect/Engineer, as an additional insured and shall provide primary coverage (including Completed Operations) for all claims and losses against *the Contractor, the Owner,* and the Architect/Engineer, including but not limited to, those claims that arise out of injuries to the employees of *the Contractor,* employees of the *Contractor's* subcontractors, or injuries to third parties, from the Subcontract Work under this agreement, or as a result of the Subcontractor's performance. Any other insurance in force for said additional insured's shall not contribute in the payment of any claim made hereunder to the extent of the limits of liability afforded hereunder. Any coverage provided by *the Contractor, the Owner,* or the Architect/Engineer shall be excess coverage. Additionally insured status by the *Subcontractor's* insurance carrier will be provided through an ISOCG2010(11-85) endorsement or its' equivalent.

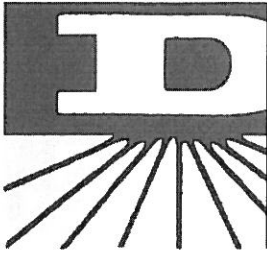
11.2 MINIMUM LIMITS OF LIABILITY The *Subcontractor* shall procure and maintain, with insurance companies licensed in the jurisdiction in which the Project is located and acceptable to the Contractor, which acceptance shall not be unreasonably withheld, at least the limits of liability as set forth.

As a Subcontractor providing services to Charles DeWeese Construction, Inc, we require that you provide us with evidence of insurance with the minimum requirements outlined below:

Commercial General Liability (Occurrence Form)

General Aggregate (other than Prod/Comp Ops Liability)	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Personal & Advertising Injury Liability	\$ 1,000,000
Each Occurrence	\$ 1,000,000

- Per Project Aggregate Endorsement to be included.



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Workers Compensation and Employer's Liability

Workers' Compensation

State Statutory Limits

Employer's Liability

Bodily Injury by Accident

\$500,000 each accident

Bodily Injury by Disease

\$500,000 policy limit

Bodily Injury by Disease

\$500,000 each employee

Umbrella Liability

Each Occurrence and Aggregate

\$ 1,000,000

Per Project Aggregate Endorsement to be included.

Property

Property of Others in Your Care, Custody & Control

\$ _____

Automobile

Each Occurrence and Aggregate

\$ 1,000,000

Professional Liability

Each Occurrence and Aggregate

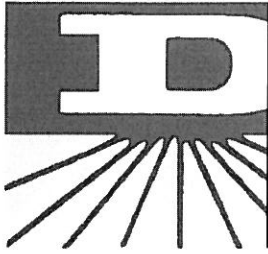
\$ 1,000,000

Pollution Liability

Each Occurrence and Aggregate

\$ 1,000,000

The above coverages must be placed with an insurance company with an A.M. Best rating of A:-VII or better.



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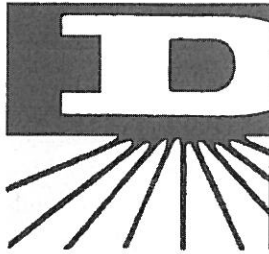
Certificate of Insurance Sample Wording

- ◆ Additional insured coverage is provided as stated in the contract. Additional Insured Status by subcontractors carrier will be provided through an ISO CG 2010 (11/85) endorsement or it's equivalent. Additional Insured Endorsement should be attached to the Certificate of Insurance. Coverage afforded by ABC Contracting is primary and non-contributory as stated in the contract. Waiver of Subrogation in favor of Charles DeWeese Construction, Inc. ISAOA as stated in the contract. * We reserve the right to request copies of your policies.

11.3 NUMBER OF POLICIES Commercial General Liability Insurance and other liability insurance may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability Policy.

11.4 CANCELLATION, RENEWAL AND MODIFICATION The *Subcontractor* shall maintain in effect all insurance coverage required under this Agreement at the *Subcontractor's* sole expense and with insurance companies acceptable to *the Contractor*, which acceptance shall not be unreasonably withheld. The policies shall contain a provision that coverage will not be cancelled or not renewed until at least thirty (30) Days' prior written notice has been given to the *Contractor*. Certificates of insurance showing required coverage to be in force pursuant to Subparagraph 11.2 shall be filed with the *Contractor* prior to commencement of the Subcontract Work. In the event the *Subcontractor* fails to obtain or maintain any insurance coverage required under this Agreement, the *Contractor* may purchase such coverage as desired for the *Contractor's* benefit and charge the expense to the *Subcontractor*, or terminate this Agreement.

11.5 CONTINUATION OF COVERAGE The *Subcontractor* shall continue to carry Completed Operations Liability insurance for at least one year after either ninety (90) days following Substantial Completion of the Subcontract Work or final payment to *the Contractor*, whichever is earlier. Prior to commencement of the Subcontract Work, the *Subcontractor* shall furnish the *Contractor* with certificates evidencing the required coverage.



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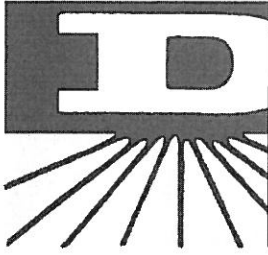
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11.6 PROPERTY INSURANCE Upon written request of the *Subcontractor*, the *Contractor* shall provide the *Subcontractor* with a copy of the Builder's Risk Policy of insurance or any other property or equipment insurance in force for the Project and procured by the *Owner* or the *Contractor*. The *Contractor* shall advise the *Subcontractor* if a Builder's Risk Policy of insurance is not in force.

11.6.1 If the *Owner* has not purchased property insurance reasonably satisfactory to the *Subcontractor*, the *Subcontractor* may procure such insurance as will protect the interests of the *Subcontractor*, its' subcontractors and their subcontractors in the Subcontract Work. The cost of this insurance shall be charged to the *Owner* in a Change Order.

11.6.2 If not covered under the Builder's Risk Policy of insurance or any other property or equipment insurance required by the Subcontract Documents, the *Subcontractor* shall procure and maintain at the *Subcontractor's* own expense, property and equipment insurance for the Subcontract Work including portions of the Subcontract Work stored off the site or in transit, when such portions of the Subcontract Work are to be included in an application for payment.

11.7 WAIVER OF SUBROGATION The *Contractor* and the *Subcontractor* waive all rights against each other, the *Owner*, and Architect/Engineer, and any of their respective consultants, subcontractors, and sub-subcontractors, agents and employees, for damages caused by perils to the extent covered by the proceeds of the insurance provided in Paragraph 11.2, except such rights as they may have to the insurance proceeds. The *Subcontractor* shall require similar waivers from its subcontractors. If the policies of insurance referred to in this article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed. No changes in wording, however, If the *Owner* or *CM* provides the Builders Risk we would keep this section. If *CDCI* provides Builders Risk then we would delete this section.



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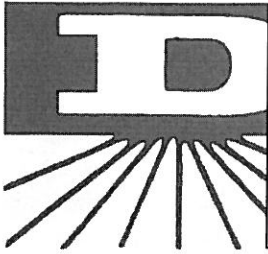
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11.8 WAIVER OF WORKERS' COMPENSATION LIEN, RIGHTS OF SUBROGATION OR RECOVERY OF WORKERS' COMPENSATION BENEFITS To the fullest extent permitted by law, the *Subcontractor* for itself and on behalf of its workers' compensation insurer who may be obligated to pay workers' compensation benefits to the *Subcontractor's* employee, hereby waives and releases any and all rights and/or claims for subrogation, workers' compensation statutory lien or other rights and/or claims of recovery for workers' compensation benefits against the Owner, the *Contractor*, and the Architect/Engineer, who are liable or alleged to be liable for work-related injury to the *Subcontractor's* employee, arising out of the *Subcontractor's* contract with the Contractor. The *Subcontractor* will obtain a waiver of any subrogation rights or workers' compensation lien that its insurers may acquire against the Owner, the Contractor, and the Architect/Engineer by virtue of payment of any workers' compensation benefits.

11.9 CONTRACTOR'S LIABILITY INSURANCE The *Contractor* shall obtain and maintain its own liability insurance for protection against claims arising out of the performance of this Agreement, including without limitation, loss of use and claims, losses and expenses arising out of the *Contractor's* errors or omissions.

12. BONDS: The *Subcontractor* shall shall not furnish to the *Contractor*, as Oblige, surety bonds in a form as set forth in Exhibit E to this Agreement and through a surety mutually agreeable to the *Contractor* and the *Subcontractor*, to secure faithful performance of Subcontract Work and to satisfy the *Subcontractor* payment obligations related to the Subcontract Work.

13. RISK OF LOSS: Except to the extent a loss is coverage 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.



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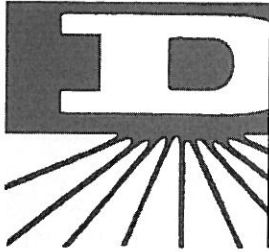
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14. CONTRACTOR'S RIGHT TO PERFORM SUBCONTRACTOR'S RESPONSIBILITIES AND TERMINATION OF AGREEMENT

14.1 FAILURE OF PERFORMANCE Should the *Subcontractor* fail to satisfy contractual deficiencies or to commence and continue satisfactory correction of the default with diligence or promptness within three (3) business days from receipt of written notice from the Contractor, then *the Contractor*, without prejudice to any right or remedies, shall have the right to take whatever steps it deems necessary to correct deficiencies and charge the cost thereof to the *Subcontractor*, who shall be liable for such payment, including reasonable overhead, profit and attorneys' fees. In the event of an emergency affecting safety of persons or property, the *Contractor* may proceed as above without notice, but the *Contractor* shall give the *Subcontractor* notice promptly after the fact as a precondition of cost recovery.

14.2 TERMINATION BY OWNER Should the *Owner* terminate the Prime Agreement or any part which includes the Subcontract Work, the *Contractor* shall notify the *Subcontractor* in writing within three (3) business days of termination and, upon written notification, this Agreement shall be terminated and the *Subcontractor* shall immediately stop the Subcontract Work, follow all of *the Contractor's* instructions, and mitigate all costs. In the event of termination by the *Owner*, *the Contractor's* liability to the *Subcontractor* shall be limited to the extent of the *Contractor's* recovery on the *Subcontractor* behalf under the Prime Agreement. The *Contractor* agrees to cooperate with the *Subcontractor*, at the *Subcontractor's* expense, in the prosecution of any claim arising out of the *Owner's* termination, and to permit the *Subcontractor* to prosecute the claim for the use and benefit of the *Subcontractor*, or to assign the claim to the *Subcontractor*.

14.3 TERMINATION BY CONTRACTOR If the *Subcontractor* fails to commence and satisfactorily continue correction of a default within three (3) business days after written notification issued under Paragraph 14.1, then the *Contractor* may, in lieu of or in addition to Paragraph 14.1 issue a second written notification, to the *Subcontractor* and its surety, if any. Such notice shall state that if the *Subcontractor* fails to commence and continue correction of a default within seven (7) days of the written notification, the Agreement will be deemed terminated. A written notice of termination shall be issued by the Contractor to *the Subcontractor* at the time the *Subcontractor* is terminated. The *Contractor* may furnish the materials, equipment and/or employ such workers or subcontractors as the *Contractor* deems necessary to maintain the orderly progress of the *Contractor's* work. All cost incurred by the *Contractor* in performing the Subcontract Work, including reasonable overhead, profit and attorneys' fees, costs and expenses shall be deducted from any monies due or to become due to the *Subcontractor*. The *Subcontractor* shall be liable for payment of any amount by which



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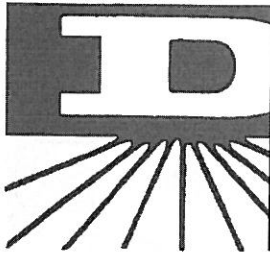
such expense may exceed the unpaid balance of the Subcontract Amount. At the *Subcontractor's* request, the *Contractor* shall provide a detailed accounting of the costs to finish the Subcontract Work.

14.4 TERMINATION BY SUBCONTRACTOR if the Subcontract Work has been stopped for thirty (30) days because the *Subcontractor* has not received progress payments or has been abandoned or suspended for an unreasonable period of time not due to the fault or neglect of the *Subcontractor*, then the *Subcontractor* may terminate this Agreement upon giving the *Contractor* seven (7) days' written notice. Upon such termination, the *Subcontractor* shall be entitled to recover from the *Contractor* payment for all Subcontract Work satisfactorily performed but not yet paid for, including reasonable overhead, profit and attorneys' fees, costs and expenses. However, if the *Owner* has not paid the *Contractor* for the satisfactory performance of the Subcontract Work through no fault or neglect of *the Contractor*, and the *Subcontractor* terminates this Agreement under this Article because it has not received corresponding progress payments, the *Subcontractor* shall be entitled to recover from *the Contractor*, within a reasonable period of time following termination, payment for all Subcontract Work satisfactorily performed but not yet paid for, including reasonable overhead and profit. The *Contractor's* liability for any other damages claimed by the *Subcontractor* under such circumstances shall be extinguished by the *Contractor* pursuing said damages and claims against the *Owner*, on the *Subcontractor's* behalf, in the manner provided for in Paragraph 14.2 of this Agreement.

15. CLAIMS AND DISPUTES:

15.1 CLAIMS RELATING TO CONTRACTOR The *Subcontractor* shall give the *Contractor* written notice of all claims within seven (7) days of the *Subcontractor's* knowledge of facts giving rise to the event for which claim is made; otherwise, such claims shall be deemed waived. All unresolved claims, disputes and other matters in question between the *Contractor* and the *Subcontractor* shall be resolved in the manner provided in this Agreement.

15.2 DAMAGES If the Prime Agreement provides for liquidated or other damages for delay beyond the completion date set forth in the Prime Agreement, and such damages are assessed, the *Contractor* may assess a share of the damages against the *Subcontractor* in proportion to the *Subcontractor's* share of responsibility for the delay. However, the amount of such assessment shall not exceed the amount assessed against *the Contractor*. Nothing in the Agreement shall be construed to limit the *Subcontractor's* liability to the *Contractor* for the *Contractor's* actual delay damages caused by the *Subcontractor's* delay.



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15.2.1 CONTRACTOR CAUSED DELAY Nothing in this Agreement shall preclude the *Subcontractor's* recovery of delay damages caused by the *Contractor*.

15.3 WORK CONTINUATION AND PAYMENT Unless otherwise agreed in writing, the *Subcontractor* shall continue the Subcontract Work and maintain the Progress Schedule during any dispute resolution proceedings. If the *Subcontractor* continues to perform, the *Contractor* shall continue to make payments in accordance with this Agreement.

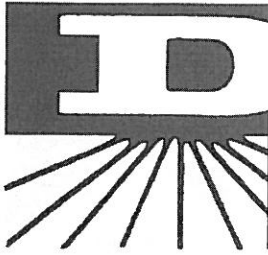
15.4 MULTIPARTY PROCEEDING The Parties agree, to the extent permitted by the Prime Agreement, that all Parties necessary to resolve a claim shall be Parties to the same dispute resolution proceeding. To the extent disputes between the *Contractor* and the *Subcontractor* involve, in whole or in part, disputes between the *Contractor* and the *Owner*, disputes between the *Subcontractor* and the *Contractor* shall be decided by the same tribunal and in the same forum as disputes between the *Contractor* and the *Owner*.

15.5 NO LIMITATION OF RIGHTS OR REMEDIES Nothing in this Article 15 shall limit any rights or remedies not expressly waived by the *Subcontractor* which the *Subcontractor* may have under lien laws or payment bonds.

15.6 STAY OF PROCEEDINGS In the event that provisions for resolution of disputes between the *Contractor* and the *Owner* contained in the Prime Agreement do not permit consolidation or joinder with disputes of third parties, such as the *Subcontractor*, resolution of disputes between the *Subcontractor* and the *Contractor* involving in whole or in part disputes between the *Contractor* and the *Owner* shall be stayed pending conclusion of any dispute resolution proceeding between the *Contractor* and the *Owner*.

15.7 DIRECT DISCUSSION If a dispute arises out of or relates to this Agreement, the Parties shall endeavor to settle the dispute through direct discussion.

15.8 MEDIATION Disputes between the *Subcontractor* and the *Contractor* not resolved by direct discussion shall be submitted to mediation pursuant to the Construction Industry Mediation Rules of the American Arbitration Association. The Parties shall select the mediator within fifteen (15) days of the request for mediation. Engaging in mediation is a condition precedent to any form of binding dispute resolution.



Charles DeWeese Construction

765 Industrial Bypass North
PO Box 504
Franklin KY 42135
(270) 586-9122
(270) 586-6349 fax

15.9 BINDING DISPUTE PROCESSES If the matter is unresolved after submission of the matter to mediation, the Parties shall submit the matter to:

Arbitration using the current Construction Industry Arbitration Rules of the American Arbitration Association or the Parties may mutually agree to select another set of arbitration rules. The administration of the arbitration shall be as mutually agreed by the Parties.

Litigation in either the state or federal court having jurisdiction of the matter in the location of the Project.

15.10 COST OF DISPUTE RESOLUTION The costs of any binding dispute resolution procedure shall be borne by the non-prevailing Party, as determined by the adjudicator of the dispute.

15.11 VENUE The venue of any binding dispute resolution procedure shall be the location of the Project, unless the Parties agree on a mutually convenient location.

16 JOINT DRAFTING: The Parties expressly agree that this Agreement was jointly drafted, and that they both had opportunity to negotiate terms and to obtain assistance of counsel in reviewing terms prior to execution. This Agreement shall be construed neither against no in favor or either Party, but shall be construed in a neutral manner.

CHARLES DEWEESE CONSTRUCTION, INC.

BY:.....

DATE:_____

PRINT NAME _____ **TIM SMITH** _____

PRINT TITLE _____ **EXECUTIVE VICE PRESIDENT** _____

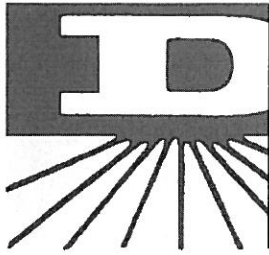
SUBCONTRACTOR:

BY:.....

DATE:_____

PRINT NAME _____

PRINT TITLE _____



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