

GREAT LAKES AERIAL MAINTENANCE & CONSTRUCTION COMPANY, INC

MASTER SUBCONTRACTOR AGREEMENT

THIS MASTER SUBCONTRACTOR AGREEMENT (this “*Agreement*”) is made effective _____, 2008, by and between Great Lakes Aerial Maintenance & Construction Company, Inc., (“*GLA*”) and _____ (“*Subcontractor*”) for the performance of such services by Subcontractor as GLA may request and Subcontractor may agree to undertake and provide by separate purchase order (each, a “*Project*”), as may further be described in the Contract Documents (as defined in paragraph 1, below). Contact information:

Great Lakes Aerial : 8065 Ida East Rd
Ida, MI 48140

Name of Contact Person: Kristie Miller
Phone: 734-269-9168
Fax: 734-868-5033

Subcontractor: _____

Name of Contact Person: _____
Phone: _____
Fax: _____

THE PARTIES AGREE AS FOLLOWS:

1. **Master Agreement.** This Agreement describes the terms and conditions under which Subcontractor will provide services for Projects as designated by GLA. For each Project, GLA shall execute and send to Subcontractor a purchase order (“*Purchase Order*”) setting forth a description of the scope of work for the Project (“*Work*”), the dollar amount of compensation to be paid to Subcontractor for services on the Project (the “*Contract Amount*”), the date for Final Completion (as defined in paragraph 2, below) of the Project, and other requirements for the Project, and may include Project-specific drawings and specifications as well as additional Project-specific terms and conditions. This Agreement, the Purchase Order, the other documents described in this paragraph, together with any subsequent written change orders or written modifications shall constitute the contract documents for the Project (the “*Contract Documents*”). The terms and conditions of this Agreement shall apply to all Projects, and the additional provisions of the Contract Documents for a specific Project shall apply to that specific Project. Subcontractor shall not begin Work on any Project until GLA has executed a Purchase Order for the specific Project.

2. **Term of Agreement.** This Agreement will expire 1 year from date set forth above; provided, however, that this Agreement shall automatically renew for multiple, consecutive 1 year terms unless GLA or Subcontractor provides at least 30 days prior written notice to the other stating it does not desire to renew. Expiration of this Agreement pursuant to this paragraph shall not affect or impair any Project for which a Purchase Order was issued prior to expiration, and this Agreement and the Contract Documents for the Project shall continue to apply to the Project. Subcontractor acknowledges and agrees

that this Agreement does not confer an exclusive relationship for the services and that GLA may engage other Subcontractors to perform the same type or similar types of services.

3. ***Subcontractor's Performance; Time of Completion.*** (a) Subcontractor shall fully perform the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others. The safe performance of the Work shall be Subcontractor's responsibility. Before commencing Work, Subcontractor shall visit the Project site to verify that the Work may be performed according to specifications, will promptly notify GLA of any perceived errors or problems, and will advise GLA if any additional information is needed before commencing. Subcontractor shall have sole responsibility for performing the Work as specified.

(b) Subcontractor shall commence Work on the Project by the date specified in the Purchase Order, and the Project shall be substantially completed on or before the date set forth for substantial performance therein. Substantial completion shall mean that all Work has been completed such that the Project is fully functional and available for use as intended and according to specifications ("***Substantial Completion***"). Immediately upon Substantial Completion, Subcontractor shall notify GLA so that GLA may inspect the Project (or cause the Project to be inspected by others) and prepare a punch list of deficient items, if any, to be remedied by Subcontractor. Such inspection shall be completed within a reasonable time, and Subcontractor shall thereafter have 5 days to remedy all punch list items. Once GLA has verified that all punch list items have been satisfactorily remedied, that all Work is acceptable, and that the Project is fully performed according to this Agreement, the Project will be deemed completed ("***Final Completion***").

4. ***Contract Amount; Payment.*** (a) Subject to additions and reductions by change orders, the Contract Amount shall be established and agreed upon by the parties for each Project prior to the initiation of the Work and shall be the total amount payable to Subcontractor for performance of the Work. The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work. Subject to provisions of any Project-specific Contract Documents, GLA shall pay Subcontractor for the Work at a Project in accordance with the following:

- i. For Projects with a Contract Amount of \$10,000 or less, payment in full will be made within 35 days after Final Completion and receipt of all lien waivers and a final invoice from Subcontractor;
- ii. For Projects with Contract Amounts over \$10,000, payments shall be made in accordance with the schedule set forth in the Purchase Order or other Contract Documents;
- iii. Whenever progress on a Project has reached a level of completion calling for a payment, Subcontractor shall submit an invoice supported by information and documents substantiating Subcontractor's right to payment as well as such additional documentation as GLA may reasonably require.

(b) Subcontractor warrants that, upon submittal of an invoice or other request for payment, (i) all Work performed is free and clear of liens, claims, security interests or other encumbrances; (ii) Subcontractor shall promptly pay each of its subcontractors and material suppliers upon receipt of payment from GLA out of the amount paid to Subcontractor on account of such entities' portion of the Work; and (iii) neither GLA nor any architect or engineer engaged by GLA shall have responsibility for the payment of money to a subcontractor or material supplier for which payment has already been made to Subcontractor.

(c) The fact of GLA having made a progress payment, or the use or occupancy of the Project, shall not constitute acceptance of Work not performed in substantial compliance with the Contract Documents. Payments may be withheld if (i) Work is found to be defective and not remedied to the reasonable satisfaction of GLA in accordance with the Contract Documents and industry standards and practices; (ii) Subcontractor does not make or has not made prompt and proper payments to its subcontractors of for labor, materials or equipment; (iii) Subcontractor has caused damage to the Project, Project site; (iv) claims or liens have been filed affecting the Project that are the responsibility of Subcontractor to discharge; or (v) in the reasonable opinion of GLA and consistent with industry standards and practices, Work is not progressing in accordance with the Work schedule agreed upon between the parties.

5. **Change Orders.** If, after issuance of a Purchase Order, GLA requires changes in the Work, it shall do so by written change order agreed to and signed both by GLA and by Subcontractor (“**Change Order**”). A change in the Work, Contract Amount, or the Substantial Completion date shall require a Change Order.

6. **Access; Cooperation.** Subcontractor shall at all times provide GLA with reasonable access to the Work and the Project. Subcontractor agrees to cooperate with GLA in the scheduling of Work and to follow all reasonable rules and regulations of the GLA where the Project is located, including rules and regulations relating to entry, access, and conduct.

7. **Insurance.** Prior to the commencement of Work, Subcontractor will provide evidence of all necessary insurance coverage as follows (or as otherwise set forth in the Contract Documents):

- (i) comprehensive general liability insurance with a minimum limitation of liability of \$1,000,000 for injury or death arising out of one occurrence, \$2,000,000 general aggregate, \$2,000,000 for products and completed operations, and \$5,000,000 excess/umbrella;
- (ii) workers’ compensation insurance of at least the statutory minimum amount; and
- (iii) _____
_____.

Subcontractor shall name GLA and any other party that GLA may designate as additional named insureds under its builder’s risk and comprehensive general liability policies and require its insurance company to give GLA at least 30 days prior written notice of termination, cancellation or material alteration of the policies. The insurance carrier must be licensed in the state in which the Project is located and have a financial rating acceptable to GLA. (If required by the Contract Documents, Subcontractor shall also procure and maintain a bond covering the full and faithful performance of its obligations.)

8. **Warranty.** Subcontractor warrants to GLA that materials and equipment furnished by Subcontractor under the Contract Documents will be of good quality and new unless otherwise required or permitted by the specifications, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform to the requirements of the Contract Documents and industry standards and practices. Work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective.

9. **Taxes.** Subcontractor shall pay sales, consumer, use and similar taxes for the Work provided by Subcontractor.

10. **Permits, Fees and Notices.** Subcontractor shall obtain and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work, and such amounts are included in the Contract Amount. Subcontractor shall comply with and give notices required by agencies having jurisdiction over the Work. If Subcontractor performs Work contrary to any laws, statutes, ordinances, building codes, and rules and regulations, Subcontractor shall assume full responsibility for such Work and shall bear all resulting costs. Subcontractor shall promptly notify GLA in writing of any known inconsistencies between the Contract Documents and governmental laws, rules and regulations. Subcontractor shall also be responsible for obtaining all official inspections, permits, certificates, and licenses necessary for the Work anticipated by the Contract Documents, including all legal fees.

11. **Use of Site; Clean Up.** Subcontractor shall confine operations at the Project site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the Project site with materials or equipment. GLA reserves the right to designate areas within the Project site for the storage of materials or equipment for use by Subcontractor. Subcontractor shall keep the Project site and surrounding area free from accumulation of waste materials or rubbish. At completion of the Work, Subcontractor shall remove from the Project site all waste materials, rubbish, Subcontractor's tools, construction equipment, machinery and surplus materials and return the site to the original condition, except as modified by the Project. If Subcontractor fails to clean up as provided herein, Owner may do so and the cost thereof shall be charged to Subcontractor.

12. **Indemnification.** To the fullest extent permitted by law, Subcontractor shall indemnify and hold harmless GLA and its architects, engineers, agents, and employees from and against any and all claims, damages, losses, and expenses, including but not limited to attorney's fees, arising out of or resulting from (i) the failure of Subcontractor to make prompt and proper payments to sub-subcontractors or suppliers for labor, materials or equipment; (ii) another subcontractor or sub-subcontractor being damaged by an act for which Subcontractor is responsible; (iii) claims or liens filed for which Subcontractor is responsible for payment; (iv) losses caused by failure to perform work timely and on schedule; (v) performance of the Work, but only to the extent caused in whole or in part by negligent acts or omissions of Subcontractor, a sub-subcontractor of the Subcontractor or anyone directly or indirectly employed by them or anyone for whose acts they may be liable; and (vi) breach of any of Subcontractor's obligations under the Contract Documents.

13. **Time; Delays.** Time is of the essence as to all dates for commencement and completion of Work in Section 2. In the event that Subcontractor unreasonably delays the Work by failing to perform timely, or by improperly timed activities or defective construction, Subcontractor shall be liable to GLA for any resulting damages.

14. **Ownership and Use of Drawings, Designs, and Other Documents.** Subcontractor shall have no rights or interest in or to documents, drawings, or specifications prepared by or on behalf of GLA, which Subcontractor is given a license to use solely with respect to this Project. GLA shall retain all common law, statutory and other reserved rights, including copyrights, that it may have.

15. **Licenses.** Subcontractor hereby represents and warrants to GLA that it possesses all licenses required by all federal, state, and local governmental agencies or authorities for which licensure is required to perform the Work.

16. **Termination or Suspension of Work for Cause.** If Subcontractor fails or refuses to perform any of its obligations under the Contract Documents, or its performance is in breach of the Contract Documents, then GLA may, without prejudice to other remedies it may have, issue a written

order to Subcontractor to stop Work, or any portion thereof, until otherwise directed by GLA. Alternatively, GLA may, without prejudice to other remedies it may have, correct the deficiencies, in which case an appropriate Change Order shall be issued deducting from amounts due to Subcontractor the reasonable cost of correcting the deficiencies, including GLA related expenses. If payments thereafter due to Subcontractor are not sufficient to cover such amounts, Subcontractor shall immediately pay the difference to GLA upon written demand.

17. **Termination or Suspension for Convenience.** GLA may, without cause, order Subcontractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as GLA may determine. The Contract Amount and completion times shall be adjusted accordingly. In such event, Subcontractor shall be entitled to receive payment for Work performed and costs incurred by reason of such termination and suspension, along with the profit Subcontractor would have made had the Project been completed.

18. **Miscellaneous.**

(a) The Contract Documents may not be assigned without the consent of all parties;

(b) The Contract Documents shall be binding upon and inure to the benefit of the parties and their respective successors and assigns;

(c) Subcontractor shall at all times be deemed an independent contractor for all purposes. Subcontractor shall be wholly responsible for withholding and payment of all federal, state, and local taxes of whatever nature;

(d) The Contract Documents, together with the attachments hereto, constitutes the entire agreement between the parties as to the subject matter hereof and may not be modified or amended except by an instrument in writing signed by all parties;

(e) The Contract Documents shall be governed by laws of the State of Michigan without giving effect to the principles of conflicts of laws;

(f) The parties executing this Agreement warrant and represent that they have the authority to sign and thereby to bind their respective parties to this Agreement;

(g) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute but one instrument; and

(h) Facsimile copies of original signatures shall be binding as if they were original signatures.

DATED as of the date first set forth above.

Great Lakes Aerial Maintenance &
Construction Company, Inc.

By _____

Subcontractor: _____

By _____