

SUBCONTRACT AGREEMENT

THIS SUBCONTRACT is entered into this ___ day of _____, between Ferndale Electric Company (FECO) and/or its divisions and _____ (Subcontractor) for a Project known as _____ (the Project).

The Parties hereby agree as follows:

1. _____ shall provide labor and material as further described Exhibit A {the subcontract _____}, your scope letter dated 12/14/2007, and the plans and specifications as provided by _____.

2. FECO has entered into a contract with _____ to perform certain aspects of the Project dated _____ (the Prime Contract). Subcontractor acknowledges that it is fully familiar with the terms of the Prime Contract (which includes any and all document incorporated by reference therein). Subcontractor covenants and agrees that each and every term of the Prime Contract is incorporated by reference in this Subcontract. Subcontractor further covenants and agrees that for the scope of work outlined in Exhibit A, it shall be obligated to perform and is bound by each and every obligation that FECO has agreed to perform or to which FECO is bound in the Prime Contract. Subcontractor further covenants and agrees that FECO shall be entitled to exercise, at its discretion, any and all rights and remedies granted to the Owner and/or the Prime Contractor that are set forth in the Prime Contract.

3. Subcontractor shall be paid _____) for the scope of work outlined in Exhibit A. Subcontractor expressly acknowledges that receipt of

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payment by FECO for Subcontractor's work is a condition precedent to payment by FECO to Subcontractor of any progress payment or final payment.

4. Subcontractor shall indemnify, hold harmless and defend FECO, Prime Contractor, Owner, Design Professionals and all of their agents and employees, to the fullest extent allowed by law from and against all demands, claims, damages, losses and expenses, including attorney's fees, arising out of or resulting from the performance or improper performance of Subcontractor's Work under this Subcontract, provided that any such demand, claim, damages, loss or expense (a) is attributable to bodily injury, sickness, disease, or death, or patent infringement, or to injury to or destruction of property or loss of use resulting there from, and (b) is caused in whole or in part by any negligent act or omission of Subcontractor or anyone directly or indirectly employed by Subcontractor or anyone for whose acts Subcontractor may be liable, or is caused by or arises out of the use of any products, material or equipment furnished by Subcontractor. The only instance in which this indemnification obligation shall not apply is where it is alleged that it is the sole negligence of one of the parties indemnified hereunder that gave rise to the demand, claim, damages, loss or expense, and in any such instance Subcontractor shall still be required to fulfill the obligations set forth in the paragraph to any entity that is not alleged to be solely negligent. In any and all claims against FECO, Prime Contractor, Owner, Design Professional or any of their agents or employees, by any employees of Subcontractor or anyone directly or indirectly employed by Subcontractor, or anyone for whose acts Subcontractor may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any

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limitation on the amount or type of damages, compensation or benefits payable by or for Subcontractor under worker's compensation acts, disability benefit acts or other employee benefit acts. In any instance whereby FECO is entitled, under the terms of this Subcontract, to be indemnified by or to recover any monies from Subcontractor, Contractor shall be entitled to, in addition, recover from Subcontractor: (a) interest on any sums due from Subcontractor at the legal rate of interest per annum from date due until paid; (b) reasonable attorney's fees incurred by Contractor for all investigation, negotiation, litigation, arbitration and other such services commonly performed by attorneys; and (c) all court costs, fees paid to experts, arbitration fees and like expenses.

5. Prior to starting work, Subcontractor shall obtain insurance from a responsible insurer with an A.M. Best rating of A- or better of the types and in the amounts required of FECO in the Prime Contract or if not expressly stated in the Prime Contract at a minimum of the types and in the amounts as set forth in this Subcontract Agreement. Subcontractor shall furnish satisfactory evidence to FECO that Subcontractor has complied with these insurance requirements.

Commercial General Liability

Written on an occurrence policy form which includes coverage for Subcontractor's operations, personal injury, XCU (explosion, collapse and underground), independent contractors, contractual and three years products/completed operations with the following limits and coverage's of liability:

- 2,000,000 Products/Completed Operations Aggregate
- 2,000,000 General Aggregate per Project
- 1,000,000 Any One Occurrence (Coverage A)
- 1,000,000 Any One Person or Organization (Coverage B)
- Per Location/Per Project Aggregate Endorsement

Commercial Automobile Liability (Comprehensive Coverage)

- \$1,000,000 each accident

Commercial Excess Liability (“Umbrella”)

- 1,000,000 Products/Completed Operations Aggregate
- 1,000,000 General Aggregate
- 1,000,000 Any One Occurrence (Coverage A)
- 1,000,000 Any One Person or Organization (Coverage B)

Workers Compensation Insurance covering Subcontractor’s statutory obligation in the state(s) which the work for FECO is to be performed and:

Employers Liability (Coverage “B” on the Workers Compensation Policy)

- \$100,000 Each Accident
- \$500,000 Each Employee for Injury by Disease
- \$100,000 Aggregate for Injury by Disease
- USL & H and Jones Act Coverage

In addition, whether or not required in the Prime Contract, Subcontractor shall provide the following to FECO:

- A. A certificate on an Accord Certificate form 25S or comparable form.
- B. Evidence that a 30-day notice of cancellation is required.
- C. The Prime Contractor and FECO must be named as an additional insured on the General Liability policy using CG2010 or its equivalent. If CG 2010 is not used, the endorsement must be specified on the certificate of insurance and a copy of the endorsement made immediately available upon request.
- D. Any deviation in coverage provided by the Standard 1986 ISO Simplified General Liability policy must be noted.
- E. Additional insured coverage shall be limited and shall include completed operations coverage for a period of 2 years after the work has been accepted.
- F. Liability insurance shall be primary and non-contributory.



Failure to provide the required insurance information will allow FECO, at its sole discretion, to withhold payment to Subcontractor until all insurance conditions are met.

Dated: _____

FERNDALE ELECTRIC COMPANY (FECO)

By:

Its: Project Manager

Dated:_____

(Subcontractor)

By:_____

Its:
