

STANDARD FORM SUBCONTRACT
STUART OLSON CONSTRUCTION LTD.
("Contractor")

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("Subcontractor")

DISTRICT:
CONTRACT WITH: ("Owner")
PROJECT: ("Project")
OWNER'S CONSULTANT: ("Consultant")
CONTRACTOR'S CONSULTANT ("Contractor's Consultant")

Prime Contract No.: Subcontract No.: Date:

This Subcontract is subject to the terms and conditions ("Conditions") attached hereto and, if any, the terms and conditions in the attached Appendices (all together, with any other documents incorporated into this subcontract, forming and herein referred to as this "Subcontract")

- A. Subcontractor agrees to furnish all labour, material, installation, cartage, supplies, equipment, scaffolding, tools and other facilities of every kind and description and to perform all work hereinafter described (the "Subcontract Work"), all in accordance with the contract (the "Prime Contract") dated 20 , between Owner and Contractor. Reference herein to the Prime Contract includes reference to all documents forming a part thereof or incorporated therein, including, without limitation, the general and other conditions thereto, and the drawings, specifications and addenda thereto prepared by the Consultant or the Contractor's Consultant, as applicable. The Prime Contract is hereby made a part of this Subcontract and Subcontractor acknowledges having received and read the same. Clauses to be specifically included herein under the terms of the Prime Contract are deemed to be so included. Capitalized terms used and not otherwise defined in this Subcontract shall have the meanings given to them in the Prime Contract.
B. Subcontractor acknowledges and agrees that it has made itself fully familiar with the location of the Project site and all conditions, including access, under which the Subcontract Work is to be performed and that it enters into this Subcontract based on its own investigation of all matters and is in no way relying upon any opinions or representations of Contractor.
C. Subcontractor agrees to commence the Subcontract Work on the request of Contractor, diligently prosecute the same and complete and deliver the Subcontract Work in conformance with the schedule of the Project from time to time prepared by Contractor (the "Schedule"), and to promptly and efficiently execute and perform the Subcontract Work.
D. The Subcontract Work consists of:

and is set out in detail in the attached Conditions and Appendices ___ to ___ which shall form part of this Subcontract in all respects.

THIS IS A FIRM PRICE CONTRACT

E. Contractor shall pay to Subcontractor (except as hereinafter provided) the fixed firm price of:

(\$ _____)

in Canadian funds (the “**Subcontract Price**”) excluding value added taxes levied on the Subcontract Price but including all other federal, provincial, international, municipal or other governmental taxes, surtaxes, duties, tariffs, assessments, withholdings and other charges of any nature imposed from time to time (collectively, “**Taxes**”). Subcontractor shall pay or remit when due all such Taxes which are payable and, on default, any assessments, penalties and interest accruing thereon, and Subcontractor agrees to indemnify and hold Contractor harmless from and against any and all claims or liabilities for any such Taxes. Contractor may withhold, set-off or deduct from any amounts payable under this Subcontract or demand immediate payment from Subcontractor for such Taxes in accordance with any applicable law or regulation.

F. Payment terms are set out in Appendix “D” to this Subcontract.

G. In consideration of entering into this Subcontract by Contractor and the other good and valuable consideration hereunder, the receipt and sufficiency of which is hereby agreed, Subcontractor agrees to furnish, if and when required by Contractor and as a condition precedent to payment hereunder, attestations, proof of insurance worker’s compensation clearance certificates, statutory declarations, payroll affidavits, receipts, vouchers and releases of claims, including of labour, material and sub-subcontractors and suppliers performing work or furnishing materials under this Subcontract, all in a form satisfactory to Contractor, and it is agreed that no payment hereunder shall be made except at Contractor's option, until and unless such documentation is furnished.

H. Acceptance of final payment by Subcontractor shall constitute a final release of all Claims arising out of this Subcontract. Subcontractor further agrees that Owner may require Contractor to release Claims where sufficient details of such Claims are not provided by Subcontractor in a timely manner. In the event Contractor is required to release such Claims, or Subcontractor’s failure to provide notice in the period required under the Prime Contract otherwise prejudices Contractor, Subcontractor hereby irrevocably releases Contractor from any responsibility or liability with respect to such Claims.

I. This Subcontract contains the entire agreement between the parties with respect to the subject matter hereof and replaces and supersedes any and all prior agreements, commitments, representations, communications and negotiations, whether oral or written. Amendments to the terms of this Subcontract must be in writing and signed by both parties. This Subcontract may not be assigned by Subcontractor.

IN WITNESS WHEREOF the parties hereto have executed this Subcontract.

Subcontractor Signature:

Contractor Signature:

 I have authority to bind the Subcontractor
 Name: _____
 Title: _____
 Dated this _____ day of _____, 20 _____
 Address _____
 for _____
 Notice: _____
 Attention: _____

 I have authority to bind the Contractor
 Name: _____
 Title: _____
 Dated this _____ day of _____, 20 _____
 Address _____
 for _____
 Notice: _____
 Attention: _____

CONDITIONS

ARTICLE 1. Subcontractor agrees that time is of the essence, and to begin and complete the Subcontract Work in a prompt and diligent manner and so as not to interfere with or delay the work of Contractor, other subcontractors, and/or any other person employed or engaged at the Project site. If Subcontractor fails to observe this condition and, by reason thereof, Contractor suffers any loss, costs or damages, Subcontractor shall pay to Contractor the portion of such loss, costs or damages, including any third-party claims, resulting from Subcontractor's failure.

ARTICLE 2. Subcontractor shall provide to Contractor and Owner the warranties and guarantees required to be provided by Contractor to Owner under the Prime Contract in respect of the Subcontract Work. Without limiting the foregoing, Subcontractor shall, at its cost, correct and make good any defective work, product or materials in the Subcontract Work, and shall make good all work, materials and equipment damaged or destroyed in consequence of such correction, whether part of the Subcontract Work or not, for the warranty period in the Prime Contract, including any extended warranty period in relation to defects and/or latent defects.

ARTICLE 3. Subcontractor agrees that the Prime Contract, including all terms and conditions, schedules and appendices including drawings and specifications forming a part thereof, shall, with respect to the Subcontract Work, unless otherwise modified by this Subcontract, be binding upon Subcontractor. In the event of a conflict between any provisions in this Subcontract, the provisions of the attached Appendices shall govern over the provisions of the Form 10.2 and these Conditions. Without limiting in any way the generality of the foregoing, it is hereby agreed that Subcontractor shall, in respect of the Subcontract Work and in addition to the requirements of this Subcontract, have all of the obligations and liabilities towards Contractor as Contractor has to Owner under the Prime Contract, and all rights and remedies given to Owner under the Prime Contract shall enure to the benefit of and be exercisable by Contractor as to any matter arising under this Subcontract. The Consultant's decisions, instructions and determinations under the Prime Contract shall be binding upon Subcontractor, and, to the extent determined under the Prime Contract, any dispute as to the Subcontract Work shall be decided in the first instance by Consultant and binding upon the Subcontractor or, failing such decision by the Consultant, then by Contractor's Consultant or Contractor subject to the parties' rights as provided in Article 16 hereof.

ARTICLE 4. (a) Contractor may issue instructions in the form of specifications, drawings, schedules, samples, models or other written instructions. Subcontractor shall review such instructions, shall proceed with the Subcontract Work in accordance therewith, and shall be solely responsible for identifying any changes included in such instructions. Should Subcontractor consider that any such instruction constitutes an extra, change, deletion or other alteration in the Subcontract Work or other term of this Subcontract or Prime Contract for which Subcontractor is entitled to an adjustment in the Subcontract Price or Schedule pursuant to this Subcontract or the Prime Contract, Subcontractor shall notify Contractor in writing, within two (2) business days from the time it received such instructions and prior to Subcontractor proceeding with such instructions. Such notice by Subcontractor shall be a condition precedent to Subcontractor's entitlement to claim, and no extra work, changes, deletions or other alterations to the Subcontract Work shall be made, undertaken or commenced by Subcontractor without the prior written confirmation of Contractor.

(b) The Schedule, including milestone dates, may require periodic adjustment by Contractor. Should it be necessary for Subcontractor to change its method or sequence of operation, its manpower or other aspect of its Subcontract Work execution to conform to the progress of the Project or Contractor's instructions, Subcontractor shall notify Contractor in writing, within two (2) business days from the time it is instructed to make such change, if such change will result in an increase in its costs for which Subcontractor is entitled to an adjustment to the Subcontract Price pursuant to this Subcontract or the Prime Contract. Such notice by Subcontractor shall be a condition precedent to Subcontractor's entitlement to claim, and no changes, deletions or other alterations shall be made, undertaken or commenced by Subcontractor, and no adjustment shall be made, without the prior written confirmation of Contractor.

(c) Should there be disagreement between Contractor and Subcontractor as to the adjustment to the Subcontract Price or the Schedule, including under this Article 4, Article 11 or under the change procedure under the Prime Contract, the Subcontract Work shall continue unless otherwise instructed in writing by Contractor and the determination of the adjustment, if any, shall be resolved in accordance with the provisions of this Subcontract and the process set out in Article 16 hereof. Subcontractor, should it fail to give any notice in the time periods required by this Articles 4 or 11 or otherwise under this Subcontract, shall be deemed to have waived any claim to or for any adjustment to the Subcontract Price and/or Schedule. Except as provided in this Article 4 or Article 11, Subcontractor hereby waives any claims for any extra, change, deletion or other alteration in the Subcontract Work or in relation to delay or acceleration, including any costs, expenses, additional compensation, damages or any extensions to the Schedule or other relief or entitlement arising from any instructions of Contractor or adjustments to the Schedule, including the milestone dates.

ARTICLE 5. Subcontractor agrees to comply with all occupational, health, safety and environmental procedures and requirements on the Project in accordance with all applicable occupational, health, safety and environmental legislation and in accordance with Contractor's, and any Owner's, safety and environmental rules and procedures from time to time communicated to Subcontractor. Disregard for any occupational, health, safety or environmental rules, procedures or requirements shall constitute a breach of this Subcontract and shall, in addition to Contractor's rights under Article 10, entitle Contractor to terminate this Subcontract for default immediately upon written notice where such disregard is material, repeated or grounds for termination under the Prime Contract.

ARTICLE 6. Should Consultant, Contractor's Consultant or Contractor reject any work done or materials supplied by reason of defective work or workmanship, defective or deficient materials or products, whether due to damage, carelessness or other acts or omissions of Subcontractor, its employees or agents, Subcontractor shall, within two (2) business days of receipt of written notice from Contractor or another time mutually agreed, proceed to remedy such defective Subcontract Work and remove from the site all materials and equipment, whether used or unused, or incorporated or not, which Consultant, Contractor's Consultant or Contractor has rejected and Subcontractor shall make good all work, materials and equipment damaged or destroyed in consequence of such removal at no additional cost to Contractor, whether part of the Subcontract Work or not.

ARTICLE 7. Subcontractor shall comply with requirements of the workers' compensation and insurance legislation of the jurisdiction in which the work is done. Should any part of the Subcontract Work be carried out in a jurisdiction in which there is no such legislation, Subcontractor shall carry such adequate insurance as is satisfactory to Contractor against claims that may arise from accidents to its workers. Subcontractor shall give Contractor satisfactory evidence that its obligations under this Article have been complied with before starting any Subcontract Work at the Project site and as a precondition to payment.

ARTICLE 8. Throughout the performance of the Subcontract Work and for three (3) years after substantial performance of the Project or such longer time as such insurance is required to be maintained under the Prime Contract, Subcontractor shall maintain commercial general liability insurance, owned and non-owned automobile insurance, watercraft or aircraft liability insurance (where applicable), property insurance for Subcontractor's own tools, assets and equipment (with a limit equal to the replacement or market value of such tools, assets or equipment, as applicable) and insurance to cover the replacement cost of any materials, products and equipment while in shipment to the Project site. Where the Subcontract Work includes design, Subcontractor shall also provide and maintain until three (3) years after substantial performance of the Project or such longer time as such insurance is required to be maintained under the Prime Contract, professional liability insurance. Each insurance policy or coverage will have a minimum limit of \$5,000,000, except as stated above. Policies and coverage shall be in a form and with insurers meeting the requirements of the Prime Contract and otherwise satisfactory to Contractor. Prior to the commencement of the Subcontract Work and upon the placement, renewal, or extension of all or any part of such insurance, Subcontractor shall furnish a certificate of each such insurance policy to Contractor: providing for 30 days' written notice to Contractor before material change, adverse reduction, cancellation or expiry of such policies; naming Contractor, Owner, Consultant and Contractor's Consultant as additional insured; and with a waiver of subrogation as against Contractor, Owner, Consultant and Contractor's Consultant for any and all claims. Subcontractor hereby waives any and all claims against Contractor, Owner, Consultant and Contractor's Consultant for any claims covered by such insurances or that would have been covered if Subcontractor complied with this provision and properly maintained the required insurance, including any deductibles and where any claim is in excess of the stated limit(s).

ARTICLE 9. Contractor or Owner will arrange for and maintain Builder's Risk Insurance to insure the Project. It is the responsibility of Subcontractor to satisfy itself as to the adequacy of such insurance. Subcontractor and its sub-subcontractors and suppliers shall be responsible for any deductible amounts to the extent arising from or where it caused, is responsible for, or has a claim in relation to, the insurance to be arranged by Contractor or Owner under this Article.

ARTICLE 10. (a) In the event Subcontractor shall become insolvent or bankrupt or commit another act of bankruptcy including taking any action for its own benefit or protection under any bankruptcy or insolvency laws, or makes a proposal, or makes a general assignment for the benefit of its creditors, or if a receiver or trustee is appointed for Subcontractor's business or assets, or a part thereof, or Subcontractor makes a false warranty or representation under Article 25 or breaches any obligation thereunder, Contractor may, without prejudice to any other right or remedy it may have, by written notice, immediately terminate this Subcontract upon written notice and/or exercise the rights and remedies set out in Article 10(b) below.

(b) In the event Subcontractor: (i) refuses or fails to supply sufficient properly skilled workers or proper workmanship, products or construction machinery or equipment, or otherwise delays or abandons the Project site; (ii) fails to make payment due to a sub-subcontractor, supplier or worker of Subcontractor; (iii) refuses or fails to provide any documentation or submittals required to be provided hereunder; (iv) disregards the laws applicable to the Subcontract Work or this Subcontract or Contractor's instructions; (v)

fails to carry out the Subcontract Work in a good and workmanlike manner; (vi) breaches a provisions of the Prime Contract; or (vii) otherwise fails to perform any of its obligations under this Subcontract; then, Contractor shall be entitled to give three (3) days' written notice to Subcontractor to cure such default. If Subcontractor does not commence to remedy such default within the said three (3) days or, having so commenced, does not, in the sole opinion of Contractor, continue diligently to remedy such default, then Contractor may at its option, at any time thereafter, without prejudice to any other right or remedy it may have under this Subcontract or otherwise in law, correct such refusal, failure or other default, including supplementing Subcontractor's forces, and may deduct the cost thereof from and against any payment then or thereafter otherwise due to Subcontractor under this Subcontract or any other subcontract or agreement, and/or may terminate this Subcontract and, in the event of termination, Contractor shall have the right to forthwith enter the site, expel Subcontractor, take over all material, equipment, machinery and tools belonging to or provided by Subcontractor which are on the site or being used in connection with the Subcontract Work and use the same to complete the Subcontract Work.

(c) Should Contractor exercise any of the rights granted to it by Article 10 (a) or (b), Subcontractor shall not be entitled to receive any further payment under this Subcontract until the Subcontract Work shall be wholly finished and accepted by Owner, Consultant and Contractor's Consultant and, upon completion, Contractor shall charge to Subcontractor the amount by which the full cost of completing the Subcontract Work and other damages incurred by Contractor exceeds the unpaid balance of the Subcontract Price, or, if the sum of the cost of finishing the Subcontract Work and other damages incurred by Contractor is less than the unpaid balance of the Subcontract Price, then pay the difference to Subcontractor.

(d) This Subcontract shall immediately terminate or be suspended if the Prime Contract is terminated or suspended, as applicable. Subcontractor's rights and remedies, including its entitlement to any compensation, shall be limited to the rights and remedies of Contractor against Owner under the Prime Contract in relation to the Subcontract Work and all other terms and conditions of the Prime Contract shall apply to this Subcontract, mutatis mutandis.

ARTICLE 11. (a) Should Subcontractor be delayed in the prosecution or completion of the Subcontract Work by the act, neglect or default of Owner or Consultant or by any other event, including damage caused by fire or other casualty, or by a work action of workers not employed by Subcontractor or its sub-subcontractors, or by conditions of the site, in each case which is in no way caused by the Subcontractor, and which is in no way caused by or resulting from any default, collusion or other acts or omissions of Subcontractor, then, provided that notice is given in writing to Contractor within two (2) business days of the occurrence of such event, the time herein fixed for the completion of the Subcontract Work shall be extended for a commensurate period not exceeding the extension of time granted by Owner to Contractor under the Prime Contract, and Contractor shall only be liable to Subcontractor for damages, costs and expenses suffered or incurred by Subcontractor as a result of or arising from such delay in an amount not exceeding the amount recovered from Owner by Contractor for such damages, costs and expenses.

(b) Further to Subcontractor's coordination obligations in Appendix B, Subcontractor agrees that it shall work cooperatively and in coordination with Contractor's other subcontractors ("Other Subcontractor(s)") so as to avoid delay or disruption in the performance of the Subcontract Work and the Project, and to ensure all Subcontract Work and work of the Other Subcontractor(s) is performed in accordance with the Schedule. In the event Subcontractor is delayed or disrupted in the prosecution or completion of the Subcontract Work by an act or omission of any Other Subcontractor(s), Subcontractor agrees that its sole recourse shall be against the Other Subcontractor(s) causing such delay or disruption and Subcontractor hereby waives and releases Contractor from and against any Claims (as defined below) arising out of any such delay or disruption. Contractor will enter into separate contracts with the Other Subcontractor(s) that will contain terms and provisions which are consistent with these terms and provisions. Contractor will attempt to facilitate a meeting between Subcontractor and the Other Subcontractor(s) to attempt to resolve any disputes between Subcontractor and Other Subcontractor(s) relating to this Article.

ARTICLE 12. (a) Subject only to Contractor's payment obligations under this Subcontract, Subcontractor shall not directly or indirectly cause or permit any proceedings, demands, suits, actions, causes of action, adjudications, liens, claims for lien or written notices of lien, or any claims for damages, losses, interest, costs and/or expenses of any kind ("Claims") by any party claiming by, through or under Subcontractor, made against Owner, the Project, the site, the Work (including the Subcontract Work), Contractor, Contractor's surety or any other person with a claim for contribution or indemnity against Contractor. If any Claim is made, Subcontractor shall immediately:

- (i) pay such Claim,
- (ii) where the Claim is a claim for lien or written notice of lien, promptly, and no later than 5 days after receiving notice of such Claim, vacate or discharge such Claim, or
- (iii) provide collateral or security in respect thereof, in a form satisfactory to Contractor, acting reasonably.

No further payment shall be made by Contractor to Subcontractor unless and until all such Claims are satisfied in accordance with this Article. Subcontractor shall indemnify, defend and protect Contractor from and against any and all such Claims and any and all losses arising out of or relating to such Claims (including legal fees and costs on a dollar for dollar basis). Without limiting the generality of the foregoing, in the event of a Claim by a claimant under Contractor's labour and material payment bond, Subcontractor shall indemnify and save Contractor harmless from amounts paid or payable by Contractor or Contractor's surety to satisfy such Claim, including amounts payable in accordance with a determination of an adjudicator under the Construction Act (Ontario) or similar legislation.

(b) To the extent required by any builders lien, construction lien, mechanics lien or other legislation applicable in the place of the Subcontract Work, the Subcontractor hereby consents and agrees on its own behalf and as agent for each of its suppliers and sub-subcontractors providing labour materials and/or equipment to the Project (and Subcontractor hereby represents and warrants that it has authority to act as agent for and on behalf of its suppliers and sub-subcontractors for the purpose of this clause and that this clause is reproduced in each such supplier's and sub-subcontractor's contract for the Project), in advance, to the posting by Contractor of cash or, at Contractor's sole option and discretion, a lien bond, in lieu of cash security, issued by a surety licensed to carry out suretyship in the place of the Subcontract Work, to vacate or remove from title, or discharge, as applicable under applicable law, any lien or claim for lien asserted or arising in connection with the Subcontract Work or part thereof. The cash or lien bond to be posted shall be for an amount equal to the lesser of the amount required by applicable laws or the sum of: (x) the face value of the lien or claim for lien; and (y) an additional amount equal to 25% of the value of the lien or claim for lien up to a maximum of \$100,000 for security for costs, and the Subcontractor hereby agrees and consents to the posting of such security in such amount upon application by the Contractor to a Court of competent jurisdiction, which application may be made without notice to the Subcontractor or other lien claimant(s).

ARTICLE 13. Subcontractor agrees not to sublet or subcontract this Subcontract or any portion of the Subcontract Work without the consent in writing of Contractor. Subcontractor shall remain responsible for any and all acts and omissions of its sub-subcontractors and suppliers.

ARTICLE 14. Subcontractor shall employ labour under conditions satisfactory to Contractor and in compliance with the Prime Contract requirements, Contractor's collective bargaining obligations, and all applicable labour and employment laws, and further agrees that, in the event of labour action, disputes and/or difficulties relating to the employment of or by the workers of Subcontractor, or by the presence of Subcontractor on the Project, it will make such arrangements as may be necessary, in the opinion of Contractor, to prevent delay to the Project and expense to Contractor. Subcontractor shall be solely liable for, and shall indemnify and hold Contractor harmless from, all labour-related grievances and claims resulting from or relating to the performance of the Subcontract Work. Subcontractor shall provide competent supervision at the Project for the Subcontract Work. Subcontractor agrees to discontinue the employment of any of its employees on the Project who may, in Contractor's sole discretion, be unsatisfactory to Contractor and to replace any such employees at Contractor's request and at Subcontractor's expense.

ARTICLE 15. Subcontractor shall, if requested by Contractor at any time, provide any or all of the following in addition to the performance security requirements, if any, stipulated in Appendix A: (a) such performance and labour and material payment bonds in a form, with sureties and on terms and conditions as are acceptable to Contractor, with the performance bond including coverage for, but not limited to, any and all duties, obligations, liabilities and damages arising from the Subcontract Work, including without limitation delay and acceleration damages; (b) a letter of credit in an amount and a form acceptable to Contractor as security for all obligations and liabilities hereunder; (c) all requested information and requirements necessary for Subcontractor to enroll in Contractor's subcontract default insurance program; and/or (d) other securities acceptable to Contractor.

ARTICLE 16. (a) In the event of a dispute, claim or controversy of any kind between the parties under this Subcontract ("**Dispute**"), including without limitation in relation to matters of payment, quantum or other matters referred to in this Subcontract, then, subject to any terms and conditions of this Subcontract or the Prime Contract requiring or permitting the Dispute to be resolved in accordance with the dispute resolution process set out in the Prime Contract (a "**Prime Contract Dispute**"), and subject further to the Contractor, in its sole and absolute discretion, requiring by written notice given at any time that a Dispute be resolved in accordance with the dispute resolution process set out in the Prime Contract, the Dispute shall be settled in accordance with the procedure set out in this Article and, if applicable, Appendix "E" to this Subcontract, as follows:

- (i) Within 10 business days of the circumstances giving rise to the Dispute, either party may deliver a notice of dispute ("**Notice of Dispute**"), which shall include all such documentation required to be provided under this Subcontract, including but not limited to the documents required in Article 4, Article 11 and Appendix B. Upon delivery of the Notice of Dispute, the parties shall make all reasonable efforts to resolve the Dispute by amicable negotiations within 10 business days of service of the

Notice of Dispute, and Subcontractor agrees to provide such timely disclosure of relevant facts, information and documents as may reasonably be required by Contractor to facilitate these negotiations;

- (ii) In the event the parties fail to resolve the Dispute within the time period set out in subparagraph (i) above, then either party may by further written notice request a meeting between the parties' designated senior representatives to attempt to negotiate and resolve the Dispute within 20 business days of the giving of such further notice. Prior to such senior meeting, Contractor may deliver to Subcontractor any requests for clarification or additional documentation as may be reasonably required by Contractor to evaluate Subcontractor's claim, if applicable, and Contractor shall have no obligation to consider Subcontractor's claim or attend the aforementioned meeting between the parties' senior representatives unless and until such clarification and documentation is provided by the Subcontractor;
- (iii) In the event the parties fail to resolve the Dispute within the time periods set out in subparagraphs (i) and (ii) above, then either party may, by further written notice, request that the Dispute be resolved by non-binding mediation within 60 days of such notice or within such time period as determined to be reasonable by the mediator, to be appointed by mutual agreement by the parties; and,
- (vi) The parties hereto agree that the dispute resolution procedure set out in subparagraphs (i) to (iii) above, inclusive, are:
 - (A) Preconditions, and a condition precedent, to the Subcontractor's right to commence any litigation, arbitration or adjudication in accordance with any applicable legislation, and Subcontractor expressly waives and releases any claim it may have under this Subcontract or otherwise at law for compensation or additional time where such Notice of Dispute is not provided within the time period required by the Prime Contract, if applicable, or otherwise where such Notice of Dispute is not provided within 10 days of the occurrence of the event or circumstances giving rise to the Dispute; and
 - (B) Without prejudice to Contractor's right to set-off or withhold amounts.

(b) If the Dispute is not resolved in accordance with the procedure outlined in Article 16(a), without prejudice to Subcontractor's right to commence an adjudication in accordance with any applicable legislation in the jurisdiction in which the Project is situate, and subject to any dispute resolution provisions applicable to a Prime Contract Dispute, the final resolution of such Dispute shall be subject to the exclusive jurisdiction of the Courts in the jurisdiction in which the Project is situate.

(c) In the event of a Prime Contract Dispute, or in the event the Contractor, in its sole and absolute discretion, requires by written notice given at any time that a Dispute be resolved in accordance with the dispute resolution process set out in the Prime Contract, such Dispute shall be resolved in accordance with the Prime Contract, and Subcontractor agrees to participate in and allow itself to be made or joined as a party to proceedings brought under the Prime Contract involving such Disputes, to have its liability determined in such proceedings and to be bound by the outcome of any Dispute or Prime Contract Dispute resolved pursuant to the Prime Contract, whether or not Subcontractor is a party to such proceedings.

(d) In the event that any Dispute under this Subcontract gives rise to entitlement by Contractor to claim against an insurer or third party for the relief claimed by Subcontractor, Subcontractor hereby agrees, notwithstanding any other provision of this Subcontract, to join in such claim, negotiation, litigation, arbitration, mediation or adjudication against an insurer or third party, as Contractor may direct, and further agrees to be finally bound by the determination, judgment, decision rendered or settlement made in the dispute with the insurer or third party, and no compensation under this Subcontract shall be provided until and unless the same is received from the insurer or third party.

(e) If a Dispute is subject to an adjudication in accordance with any applicable legislation in the jurisdiction in which the Project is situate, both parties agree that the Adjudication Procedure outlined in Appendix "E" to this Subcontract will apply.

(f) The parties agree that, in the event of any Dispute and during and after its resolution, Subcontractor shall continue the performance of the Subcontract Work and its obligations hereunder without delay. The Contractor may, but is not required, to give such further instructions as are reasonably required by Contractor and necessary for the proper performance of the Subcontract Work, including instructions to proceed with any extra, change, deletion or other alteration in the Subcontract Work, to prevent delays to the Project pending settlement of the Dispute, and the Subcontractor shall act immediately according to such instruction, it being understood that by so doing neither party will jeopardize any claim or defense it may have in the Dispute. No claim, disagreement, Dispute, Prime Contract Dispute, arbitration, litigation, adjudication or other proceeding between Contractor and Subcontractor relating directly or indirectly to the Subcontract Work shall be grounds for Subcontractor to slow down, cease, or interrupt the performance of the Subcontract Work, and any failure by Subcontractor to proceed either with the Subcontract Work or with the further instructions to proceed rendered by the Contractor pursuant to this provision shall constitute a default under this Subcontract.

ARTICLE 17. Notwithstanding anything herein contained to the contrary, the amount remaining to be paid to Subcontractor and which Contractor shall be entitled to withhold, exclusive of statutory holdback or its equivalent on non-lienable projects, shall at all times be at least sufficient, in the opinion of Consultant, Contractor's Consultant and Contractor, to ensure completion of the Subcontract Work.

ARTICLE 18. When additional temporary lighting, heating, water, power, disposal boxes, layout, hoisting, shelter, hoarding or other items of expense are provided by Contractor for the carrying out of the Subcontract Work, including expenses incurred during any period of delay for which Subcontractor is responsible, Subcontractor shall reimburse Contractor the cost of same or, if applicable, its share of such costs on a shared basis with other subcontractors.

ARTICLE 19. Subcontractor shall, through a deduction against amounts due hereunder or immediate payment upon demand, and whether resulting from breach of contract, breach of duty, breach of statute, negligence or other acts or omissions by Subcontractor or its servants, agents or others for whom Subcontractor is responsible, indemnify and save Contractor harmless from and against any and all Claims and any and all losses arising out of or relating to such Claims (including legal fees and costs on a dollar for dollar basis) and other liabilities arising out of, attributable to or resulting from:

- (a) any breach, non-observance or non-performance of this Subcontract, and any resulting termination of this Subcontract;
- (b) any act or omission of Subcontractor or others for whom it is in law responsible;
- (c) third party claims, including, but not limited to: liquidated and other damages claimed by Owner; claims by any person for which Subcontractor is responsible at law in respect of personal injury or death arising out of or in the course of his/her employment; claims for lien or payment by Subcontractor's sub-subcontractors or suppliers; claims for infringement of intellectual property rights;
- (d) fines, penalties or other charges by any governmental authority or public body; and
- (e) any use, including any wrongful or improper use, by Subcontractor of any property belonging to or provided by Contractor, whether or not Contractor authorized such use.

ARTICLE 20. Subcontractor shall obtain all permits, licenses, approvals, and certificates and pay all related fees required for the performance of the Subcontract Work.

ARTICLE 21. Subcontractor shall give all required notices and comply with all laws, ordinances, rules, regulations, codes and orders of Owner or Contractor and of all authorities having jurisdiction, relating to the preservation of public health and safety, the environment and/or construction health and safety, which are or become in force during the performance of the Subcontract Work and as may be amended from time to time.

ARTICLE 22. This Subcontract shall be governed by and construed in accordance with the laws of the place of the Subcontract Work and shall be treated in all respects as a contract in that place without regard to conflict of laws principles, provided that the laws applicable to any Prime Contract Dispute to be resolved as set out in the Prime Contract shall be those laws governing the Prime Contract.

ARTICLE 23. (a) Contractor and Owner have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed in the performance of the Subcontract Work including any extras.

(b) Records shall be kept for five (5) years following final payment or such longer period required by the Prime Contract.

(c) If an examination or audit by Owner or Contractor discloses any inaccuracy, non-compliance or incompleteness: (i) where the inaccuracy, non-compliance or incompleteness relates to a quotation, timesheet, invoice, report, record, data, or other information or documentation, Subcontractor shall remedy such inaccuracy, non-compliance or incompleteness and issue a revision to the applicable information or documentation; (ii) where the inaccuracy, non-compliance or incompleteness has resulted in an overpayment, whether or not material, Subcontractor shall, through a deduction against amounts due hereunder or immediate payment upon demand, reimburse Contractor for such overpayment plus interest at an annual rate of interest equal to the prime rate plus five percent (5%) from the date of such overpayment to the date of reimbursement; (iii) where the inaccuracy, non-compliance or incompleteness has resulted in an underpayment, Subcontractor may invoice the outstanding amount without interest in accordance with the payment terms set out in Appendix D, provided that where such entitlement from payment is based on a corresponding entitlement under the Prime Contract, such payment is subject to Contractor's receipt of a corresponding payment from the Owner under the Prime Contract; and (iv) the costs of such audit or examination shall be borne by Subcontractor.

(d) In the event Subcontractor disputes the findings of an examination or audit, Subcontractor shall provide a Notice of Dispute within 10 days of Subcontractor's receipt of the examination or audit report in accordance with Article 16 and, notwithstanding the Dispute, unless otherwise instructed by Contractor, Subcontractor shall comply with its obligations under paragraph (c) in accordance with the findings of the examination or audit pending the resolution of the Dispute.

(e) No examination or audit conducted by the Contractor or the Owner or any of their nominees will at any time constitute approval or acceptance of any Subcontract Work under the Subcontract, nor be considered a waiver by the Contractor of any of the terms of the Subcontract, nor relieve the Subcontractor of any of its duties, obligations or responsibilities under the Subcontract to perform the Subcontract Work in accordance with the requirements of the Subcontract.

ARTICLE 24. No review, audit, inspection, comment, acceptance, approval, payment, or failure to review, audit, inspect, comment, accept or approve any of the Subcontract Work shall or shall be deemed to relieve Subcontractor of its obligations to perform the Subcontract Work in accordance with the Subcontract. Notwithstanding any review or approval by Consultant, Contractor's Consultant or Contractor, Subcontractor shall be responsible for any additional costs, damages or expenses, including any claims, resulting from substitution of materials or methods requested by and incorporated by Subcontractor.

ARTICLE 25. Contractor shall determine the number of copies of submittals, including shop drawings, that are required together with the procedure and schedule for their transmittal and Subcontractor shall supply such submittals in a timely manner, at its cost and in accordance with the Schedule and Subcontract. Subcontractor shall also supply all as-built drawings, maintenance manuals, instructions, brochures, guarantees, warranties, certificates and other similar documents as required by the Subcontract and Prime Contract in a manner and at the time stipulated by Contractor, and no later than Subcontractor's final application for payment.

ARTICLE 26. (a) Subcontractor warrants and represents that it has complied, and shall at all times comply, with all applicable laws, including codes, ordinances, by-laws and regulations relating to (i) competition; and (ii) corruption or fraudulent acts, including those relating to bribery and corruption.

(b) Contractor's "Business Conduct and Ethical Expectations for Suppliers and Subcontractors" ("**Contractor's Expectations**") is attached as Appendix F and Subcontractor confirms that it has reviewed both Contractor's Expectations and the Prime Contract and related documents and acknowledges and agrees that it and its shareholders, officers, directors, employees, sub-subcontractors, suppliers and subsidiaries and affiliates of each shall at all times comply with applicable law and Contractor's Expectations, and where more stringent, the Prime Contract and / or Subcontractor's own business conduct guidelines and policies. Specifically and in addition to Company's Expectations, Subcontractor warrants and represents that it and its shareholders, officers, directors, employees, sub-subcontractors, suppliers and subsidiaries and affiliates have not bribed, induced, rewarded or defrauded or attempted to bribe, induce, reward or defraud any public body or official in connection with the Project, and Subcontractor shall not, and shall ensure its shareholders, officers, directors, employees, sub-subcontractors, suppliers and subsidiaries and affiliates do not make or attempt any such bribe, inducement, reward or fraud. If Subcontractor becomes aware at any time of any violation of applicable laws, conflict of interest or any actual or attempted bribe, inducement, reward or fraud, Subcontractor shall immediately notify Contractor in writing.

ARTICLE 27. All representations and warranties of the Subcontractor, Article 2, Article 3, Article 10, Article 12, Article 16, Article 19, Article 23, Article 26, each other provision of the Subcontract or the Prime Contract, as incorporated herein, providing for indemnification and each other provision of the Subcontract which, in accordance with its terms or by its nature, survives the termination of the Subcontract or the expiry of the warranty period, including each other provision necessary for the interpretation and enforcement of such provisions, will continue as valid and enforceable obligations of the parties notwithstanding the termination of the Subcontract or the expiry of the warranty period. Each provision of this Subcontract shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Subcontract is declared invalid, unenforceable or illegal by the courts of a competent jurisdiction, such provision may be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Subcontract.