

**Clearwater Construction & Management, LLC**  
**SUBCONTRACT AGREEMENT**  
**2008 Edition**

**This agreement (hereinafter "subcontract") is between**

Clearwater Construction & Management, LLC  
P.O. Box 19205  
Spokane, WA 99219

Contact: Paul M Clary  
Phone: (509) 363-0414  
Fax: (509) 363-0415

**(hereinafter "Contractor"), and**

Tri States Rebar Inc  
7208 E Indiana Ave  
Spokane, WA 99212

Contact: Jeff Ilenstine  
Phone: (509) 922-5901  
Cell: (509)922-5924

**(hereafter "subcontractor").**

**Contractor has entered into a contract with**

City of Spokane  
808 W Spokane Falls Blvd  
Spokane, WA 99201-3343

**(hereafter "Owner")**

**to perform certain labor and furnish materials for the construction and completion of**

CSO 6 Control Facility - Phase I  
Engineering Project No. 2010044  
3701 N I st. Spokane WA 99205

**The documents include:**

- 1) Contract between Owner and Contractor, dated March 3, 2015
- 2) General, Supplementary and Special Conditions
- 3) Project Specifications
- 4) Project Drawings
- 5) Addendum #'s: 1 through 3

**as prepared by**

LSB Consulting  
523 E Third Ave  
Spokane WA 99202

**all of which documents are hereinafter referred to as the "Main Contract."**

In consideration therefore, Subcontractor agrees as follows:

1. Subcontractor shall provide all supervision, materials, labor, supplies, services, equipment and all other items necessary to complete the work set forth below in its entirety and related specification sections, as well as described in Appendix 1 (hereafter "Subcontract Work"):

Provide mobilization, materials, labor, supplies, services and equipment to furnish and install reinforcing complete including form savers, in a manner consistent with the "Main Contract" as defined above

Subcontractor shall provide the Subcontract Work in strict accordance with the Main Contract, which has been made, and remains, available to Subcontractor for review, the provisions of which are expressly incorporated herein by this reference.

2. Subcontractor is to provide a bond for its Subcontract Work at this time (Yes ; No X )

Contractor has the option to require this Subcontractor to obtain a 100% Performance and Payment Bond at any time during the life of this Subcontract; Subcontractor to be reimbursed for actual bond costs.

3. Subcontractor agrees to be bound by all of the terms of this Subcontract, including the General Conditions of this Subcontract Agreement, all Appendices and any other attachments to this Subcontract.

Appendix Description: 1- Scope of Work  
2- Insurance  
3- Indemnification

For the full, complete and faithful performance of this Subcontract, Contractor agrees to pay Subcontractor (hereafter "Subcontract Price"):

(a) a lump sum in the amount of \_\_\_\_\_

OR

(b) according to unit prices as set forth in Appendix 1 here following on the basis of the Owner's or Contractor's estimated quantities, which yields a gross Subcontract Price of approximately, \$469,569.00 Four thousand sixty nine thousand five hundred sixty nine dollars and zero cents

Unless otherwise stated, the Subcontract Price includes all applicable sales and use taxes.

This Subcontract must be executed below by an officer or duly authorized representative of Subcontractor without modification, and returned to Contractor within fifteen (15) days of its receipt. If not, and if Subcontractor elects to perform any of the Subcontract Work without first securing a fully executed Subcontract, then Subcontractor shall be deemed to have accepted this Subcontract unmodified, as issued. The effective date of this Subcontract shall be the earlier of fifteen (15) days following its receipt by Subcontractor, or the date of Subcontractor's signature without modification. Subcontractor's delivery to Contractor of the executed Subcontract without modification, along with suitable bonds, if required herein, and proof of insurance as required herein, are all express conditions precedent to any payment to Subcontractor.

IN WITNESS WHEREOF, Contractor and Subcontractor have executed this Agreement effective this \_\_\_\_\_ Day of March-15

Clearwater Construction & Management, LLC  
By: Paul King  
CONTRACTOR (Authorized Signature)

Tri States Rebar Inc  
Its: [Signature] President  
SUBCONTRACTOR (Authorized Signature)

Registration Number

Registration Number

Unified Business Identifier Number

Unified Business Identifier Number

Date

State Excise Tax Number

03/23/15

91-1255722

Federal Tax ID Number

Workers Compensation Account I.D. Number

Unemployment Insurance Reference Number

Date

600 536 137

600 536 137

455925 06

558264 00 7

3/18/15

## APPENDIX 1

**Project:** CSO 6 Control Facility - Phase I

**Subcontractor:** Tri States Rebar Inc

This Appendix 1 is hereby made a part of the Subcontract between Contractor and Subcontractor. In addition to the work described in other parts of this Subcontract Agreement, the following further describes Subcontractor's scope of work:

**A. SCOPE OF WORK:** All work necessary or incidental to complete the scope of work described in  
Furnish and install reinforcing per 6-02.3 complete per Specification and plans

Provide mobilization, materials, labor, supplies, services and equipment to furnish and install reinforcing complete including form savers, in a manner consistent with the "Main Contract" as defined above

Work for the Project is to be performed in strict accordance with and reasonably inferable from the Main Contract and as more particularly though not exclusively, as specified in:

City Of Spokane Specifications Dated January 29, 2015 and all applicable General Requirements, and addendum for the Project

With the following clarifications:

B. Unit Pricing Breakdown:

The Following unit prices are hereby made a part of the Subcontract between Contractor and Subcontractor.

### CSO 6 Control Facility - Phase I

Description	Item	Approx QTY	UOM	Unit Price	Total Price
Mobilizations		1	LS	\$ 5,000.00	\$ 5,000.00
Furnish and install reinforcing		1	LS	\$433,886.96	\$ 433,886.96
Sales Tax		1	LS	\$ 20,000.00	\$ 20,000.00
#6 female 2-2		42	ea	\$ 9.60	\$ 403.20
#6 male x 3-0		546	ea	\$ 7.14	\$ 3,898.44
#6 female x 1-10		504	ea	\$ 8.60	\$ 4,334.40
#6 female x 1-10 epoxy		100	ea	\$ 11.19	\$ 1,119.00
#6 male x 3-0 epoxy		100	ea	\$ 9.27	\$ 927.00
					\$ -
					\$ 469,569.00

C. Subcontractor's Schedule Requirements

Tri States Rebar Inc To begin its scope of work on or about Monday, April 13, 2015  
and proceed with the various operations in a manner to complete its scope of work as directed by Clearwater Constructions  
Superintendent.

## APPENDIX 2

**Project:** CSO 6 Control Facility - Phase I

**Subcontractor:** Tri States Rebar Inc

### Insurance

*This Appendix 2 is hereby made a part of the Subcontract by and between Contractor and Subcontractor.*

**A. Coverage and Limits:** Subcontractor shall, at its sole expense, maintain such insurance as will protect against claims for bodily injury or for damage to property which may arise out of Subcontractor's work or by the work of any lower tier subcontractor or by anyone employed by any of them or by anyone for whose acts any of them may be liable. Minimum coverages and limits of liability for all insurance shall be as specified in this Appendix 2, or if greater, any coverages or limits of liability specified in the Main Contract or required by law. If Subcontractor's existing policy(s) provides higher limits than those specified above, the higher limits shall be applicable and the certificates of insurance provided by Subcontractor shall reflect those higher limits. The coverages required herein shall extend one year after final acceptance of the project by the Owner or such longer period as the Main Contract requires. All coverage shall be placed with an insurance company duly licensed in the State where the project is located with an A.M. Best Rating of A- or better. Such insurance shall include, but not be limited to:

1. **Commercial General Liability** \$ 1,000,000.00 each occurrence; Aggregate: general aggregate limits of liability do not apply on a per project basis, aggregate limits shall be at least twice the occurrence limit; Deductible: not greater than \$25,000.
2. **Asbestos Abatement/Removal or Pollution Liability** \$1,000,000.00 each occurrence; \$2,000,000.00 aggregate; required if Subcontractor is providing any service involving asbestos, lead paint or pollution.
3. **Umbrella/Excess Liability** \$ 1,000,000.00 each occurrence
4. **Comprehensive Auto Liability** \$ 1,000,000.00 each occurrence. Coverage shall include all owned, hired and non-owned vehicles.
5. **Employer's Liability** \$ 1,000,000.00 each accident and each employee, limit by disease. Where applicable, this shall include United States Longshoreman's and Harbor Workers Act Insurance, including Coverage B -- Employer's Liability (Maritime), with limits not less than the Bodily Injury limits required by the Main Contract but in no event less than \$1,000,000.00.
6. **Worker's Compensation** Statutory Limits pursuant to the Laws of the State where the work is performed.
7. **Professional Services Liability** \$1,000,000.00 each occurrence; \$2,000,000.00 aggregate; Required if Professional Services provided -- limits must be specific to this Project and must not be encumbered or reduced in value during the duration of Subcontract, except by claims or insurable events that may take place on this Project. There shall be a 30-day written notice to Contractor of any reduction of coverage limits of liability for this policy. This policy shall have an extended reporting period of at least 24 months from the Substantial Completion of the Project. Subcontractor shall provide a certificate of insurance naming Contractor as a certificate holder.

#### **B. Commercial General Liability Insurance:**

1.) Commercial General Liability Insurance coverage shall be based on Insurance Services Office Form CG 00 01 10 01 or its equivalent and shall confer a status or contain an endorsement (Form CG 2503 or equivalent) requiring that the general aggregate limit of liability shall apply to this Project. The coverage shall also be based on an occurrence form and shall include, but not be limited to, coverage for liability arising from premises, operations, independent contractors, products and completed operations, personal and advertising injury, broad form property damage, explosion, collapse, underground hazards, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). There shall be no endorsement or modification of the Commercial General Liability form arising from explosion, collapse, underground property damage or work performed by subcontractors.

2.) Commercial General Liability Insurance shall not contain an endorsement or exclusion excluding injury or damage arising from a prior occurrence causing continuous or progressively deteriorating injury or damage. For work which involves assisted living or residential construction, Commercial General Liability Insurance shall not contain an endorsement or exclusion excluding assisted living/residential construction. For work which involves an exterior insulation and finish system, Commercial General Liability Insurance shall not contain an endorsement or exclusion excluding damage or injury caused directly, indirectly, in whole or in part by the exterior insulation and finish system or by the design, installation, construction or manufacture thereof. If Subcontractor is to provide any service involving asbestos, lead abatement, or other pollutant, Subcontractor shall also provide insurance coverage for asbestos/lead paint abatement/removal or pollution.

### **C. Certificates/Endorsements:**

1.) Subcontractor shall obtain both an Additional Insured Status or Endorsements to (i) its Commercial General Liability policy (Form CG 20 10 11 85 or a combination of ISO Forms 20 10 10 01 and CG 20 37 10 01 or equivalent) which includes completed operations coverage and (ii) its Commercial Automobile Liability policy (Form CA 2048, or equivalent) all of which name Contractor, Owner, and any other entity required by the Main Contract, as "additional insureds". The foregoing "additional insured" status or endorsements shall include coverage for liability arising out of (a) completed operations, (b) operations performed for Contractor or Owner by Subcontractor, (c) acts or omissions of Contractor or Owner in connection with general supervision of Subcontractor's operations, and (d) claims for bodily injury, death or property damage brought against Contractor or Owner by Subcontractor's employees, or the employees of Subcontractor's subcontractors of any tier, however caused, related to the performance of the work under the Main Contract. Coverage shall be afforded to Additional Insureds whether or not a claim is in litigation. The insurance afforded to the additional insureds under Subcontractor's policies shall be primary insurance and not excess over, or contributing with, any insurance purchased or maintained by additional insureds, and shall confer a status or contain an endorsement which provides the same. In the event Subcontractor and Contractor are covered by Contractor's insurance, Contractor's policy shall only apply excess of Subcontractor's policy. Subcontractor's insurance shall also include an Insurer's waiver of subrogation in favor of Additional Insureds. Completed operations coverage shall extend a minimum of one year after final acceptance of the project by the Owner or such longer period as the Main Contract requires.

2.) Any Form, including Form CG 2294 (10-01) or its equivalent which purports to remove the Subcontractor exception to Damage to Your Work is not acceptable.

3.) Subcontractor shall present current certificates of insurance and endorsements to Contractor prior to doing any work at the site and before any payment falls due. Those certificates of insurance shall be based on 25S Acord Form or equivalent and shall, together with appropriate endorsements, include the coverages described above and shall contain limits in the minimum amounts specified herein. All insurance certificates shall also contain a provision that coverage afforded thereunder shall not be canceled or non-renewed, or restrictive modifications added, without thirty (30) days prior written notice to Contractor. The Certificates shall also delete any language which modifies or disclaims the Insurer's obligations to actually notify Contractor of any such cancellation, non-renewal, or modification. Such Certificates of Insurance and applicable endorsements required herein shall be in a form acceptable to Contractor and shall provide satisfactory evidence that Subcontractor has complied with all insurance requirements.

**D. Property Insurance:** If Builder's Risk or other property or equipment insurance is not provided by others under the Main Contract, the Subcontractor shall procure and maintain, at the Subcontractor's own expense, property and equipment insurance for portions of the Subcontractor Work stored off the site or in transit. If Builder's Risk or other property insurance is provided by others, Contractor and Subcontractor waive all rights against each other and Owner, and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage to the extent covered by Builder's Risk or any other property or equipment insurance, except such rights as they may have to the proceeds of such insurance. Subcontractor shall be responsible for that portion of the Builder's Risk deductible which is proportionate to the loss or damage resulting from acts or omissions attributable to the Subcontractor

**E. Workers Compensation Insurance:** Subcontractor shall procure, maintain and pay for Workers Compensation Insurance coverage under the laws of the state where the work is performed. Owner-operators are required to furnish Worker's Compensation certificates, notwithstanding any statutory exemptions. For states that do not require Worker's Compensation coverage, Owner/Operators shall elect into coverage under the Workers Compensation laws of the governing state. Owner/Operators shall file with the Industrial Insurance Commission a written declaration stating that the provisions of the Worker's Compensation laws shall apply to it and its surety. The effective date of such coverage shall be the date of commencement of work under this Subcontract. Owner/Operators shall make all payments as they become due and shall furnish evidence satisfactory to Contractor of the same. Should Owner/Operator choose to revoke its election of coverage, fail to furnish satisfactory evidence of payment, or fail to elect into Worker's Compensation coverage, payments for the same shall be deducted from the Subcontract amount or from monthly progress payments, due the Subcontractor at Contractor's sole election.

**F. Failure to Pay or Maintain:** If Subcontractor fails to secure and/or pay the premiums for any of the policies of insurance required herein, or fails to maintain such insurance, Contractor may, in addition to any other rights it may have under this Agreement or at law or in equity, terminate this subcontract or secure such policies or policies of insurance for the account of Subcontractor and charge Subcontractor for the premiums paid therefore, or withhold the amount thereof from sums otherwise due from Contractor to Subcontractor. Neither the Contractor's rights to secure such policy or policies nor the securing thereof by Contractor shall constitute an undertaking by Contractor on behalf of or for the benefit of Subcontractor or others to determine or warrant that such policies are in effect.

**G. Indemnification:** Subcontractor shall indemnify, hold harmless and defend Contractor and Owner as provided in Appendix 3.

APPENDIX 3

Project: CSO 6 Control Facility - Phase I

Subcontractor: Tri States Rebar Inc

Indemnification

This Appendix 3 is hereby made a part of the Subcontract by and between Contractor and Subcontractor.

1. Subcontractor assumes responsibility for and agrees at the sole discretion of Contractor to defend, indemnify and hold Contractor, Contractor's surety and Owner (hereinafter "Indemnitees") harmless from any and all claims, demands, damages, expenses, losses, fines, penalties or liabilities, including loss of use, arising from, resulting in any manner directly or indirectly from or connected with or in the course of the performance of the Subcontract Work or the Subcontract obligations, including without limitation claims of subcontractors and suppliers contracting with Subcontractor. Subcontractor's duty to defend Indemnitees shall not be apportioned or reduced in any way by the negligence or other fault of Indemnitees, or their employees or agents, or the fault or negligence of Subcontractor or its employees or agents, or any other third-party. Subcontractor's obligation to defend, indemnify and hold Indemnitees harmless shall include, but will not be limited to, the reasonable hourly rate and expenses of Indemnitees' employees and officers spent in connection with the claim, demand fare, penalty or liability, attorney and expert fees, court costs, and all other claim-related expenses, to the fullest extent permitted by law, even though such claims may prove to be false, groundless, or fraudulent, subject only to the limitations provided below.

(a) Subcontractor's duty to indemnify shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of Indemnitees, or their agents or employees.

(b) If under the laws determined to be applicable to this paragraph, indemnification of concurrent negligence is valid only to the extent of the negligence of Subcontractor, its agents or employees, then Subcontractor's duty to indemnify for liability for damage arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (i) Indemnitees, or their agents or employees, and (ii) Subcontractor or Subcontractor's agents or employees, shall apply only to the extent of negligence of Subcontractor or Subcontractor's agents or employees; except when negligence is not a requirement of liability.

2. For the purposes of these indemnification provisions only, Subcontractor specifically and expressly waives any immunity that may be granted it under the worker's compensation laws of any state, including but not limited to, Montana State Industrial Insurance Act, Title 51 RCW; Washington State Industrial Insurance Act, Title 51 RCW; Idaho Worker's Compensation Act, Sec. 72-209; Alaska Worker's Compensation Act, Sec. 23.30.055; Montana Worker's Compensation Act, Sec. 39-71-411; California Labor Code, Sec. 3864; and Oregon Worker's Compensation Act, Sec. 656.018; provided that such waiver shall be expressly limited to Subcontractor's indemnity obligations herein and shall not be intended as a benefit to any third party. Further, the indemnification obligation under this Subcontract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under worker's compensation acts, disability benefits acts, or other employee benefits acts.

3. Subcontractor's indemnification obligations as stated herein shall extend to claims occurring after this subcontract agreement is terminated as well as while it is in force. Nothing in this Appendix 3 shall grant any third-party beneficiary rights to the Owner.

4. The partial or complete invalidity of any one or more provisions of this Appendix shall not affect the validity or continuing force and effect of any other provision. If any provision is invalid, in whole or in part, the balance of the provisions shall be considered reformed to reflect the intent of the parties to the greatest extent possible consistent with the law.

THE UNDERSIGNED HEREBY CERTIFY THAT THIS APPENDIX WAS MUTUALLY NEGOTIATED.

Clearwater Construction & Management, LLC:

Subcontractor: Tri States Rebar Inc

By: Paul Chang

By: [Signature]

Its: President

Its: President

Date: 03/23/15

Date: 3/18/15