

INSTRUCTIONS *for* GETTING PAID

These instructions must be followed in their entirety in order to process your payment request. **Invoices must be submitted correctly. If not, they will be rejected and you will be required to submit a revised invoice package in total.**

The following items **MUST** appear on your Invoice:

- Subcontract Agreement Number, Phase Code for Scope of Work and Phase Description
- Project Name and COLUMBIA Contract Number (See Sample Subcontract Agreement attached)
- Base amount of Subcontract Agreement
- List of **Approved** Change Orders Only
- Amount paid to date
- Amount requested for the current Payment Application

Each Invoice / Payment Application **MUST** be accompanied by the following items:

- A notarized Sworn Statement, showing all supplier(s), the estimated contract amount(s) and the amount paid to date.
- A notarized Partial and/or Full **Unconditional** Waiver for all Supplier(s) with estimated contracts over \$1,500.00.
- A notarized Partial and/or Full **Unconditional** Waiver from your firm.
- Completed W-9 Form
- Approved **Insurance must be on file** naming Columbia Construction Services as a named Additional Insured for General Liability, Automobile, and Workmen Compensation.
- Certified Payrolls (where applicable)

Once an Invoice is correctly submitted, the Construction Supervisor will verify that your work is complete, in place, of good quality and there are no project related problems. Finally, the Project Administrator will approve and sent to the Accounting Department. The Pay Out on your Invoice will take ten (10) to fourteen (14) working days to process.

If Invoice / Payment Application is your **FIRST** it **MUST** be accompanied by the following items:

- Copy of Permit to work.
- All Submittals/Shop Drawings shall be up to date.
- All Rough Inspection(s) shall have occurred and been approved.

If Invoice / Payment Application is **FINAL** it **MUST** be accompanied by the following items:

- A copy of the Punch List completed and signed off by the Construction Supervisor
- All Close-out Documents including General Warranty, Full Settlement & Release, As-Builts, Manufacturer Warranties, Operating Manuals, Test, Check and Start Sheets, all Valve Legends, Panel Legends, and Damper Legends must be submitted, and All Units, Equipment and Facilities shall be marked.
- A notarized Sworn Statement, showing all supplier(s), the estimated contract amount(s) and the amount paid (**All Supplier(s) must be paid in full prior to final submittal**).
- **Full Unconditional Waivers for all Supplier(s)** paid over \$1,500.00
- Full Unconditional Waiver from your firm.

Please review your Subcontract Agreement, “Payment” paragraph.

INVOICE EXAMPLE

Invoice A3721

Date: 01/01/01

Joe Blo Construction
123 Work Street
Anywhere, State Zip Code
111/222-3333
11/222-3334

Subcontract Agreement: 5708
Project Name: Big Buck Brewery Demolition/Nashville, TN
COLUMBIA Contract: 01-1225

Phase and Description: 01991, Selective Demolition

Base Subcontract Agreement Amount	\$37,000.00
Approved Change Orders	
01-1225 B	\$ 234.00
01-1225 G	<u>\$ 1,666.00</u>
Total	\$38,900.00
Amount Previously Paid	<u>\$ 0.00</u>
Balance Unpaid	<u>\$38,900.00</u>
Amount Requested this Pay Period	\$10,000.00
Less: 10% Retention:	(\$ 1,000.00)
Less: Amount Requested Net of Retention	<u>\$ 9,000.00</u>
Balance Due to Complete	<u>\$29,900.00</u>



24000 Harper Avenue
 St. Clair Shores, MI 48080-1452

TEL: 586.888.0808
 FAX: 586.888.2400

SUBCONTRACT AGREEMENT

Subcontractor

Project:

Name:
 Street Address:
 City/State/ZIP:

Project Name:
 Street Address:
 City/State/ZIP

TEL:
 FAX:
 Contact Name:
 Mobile:

Job Phone:
 Job FAX:

SUBCONTRACT NO.	DATE
COLUMBIA CONTRACT NO.	SUBCONTRACTOR CODE

PHASE CODE	PHASE DESCRIPTION		TOTAL PRICE
			\$
PROJECT ADMIN.	CONSTRUCTION SUPERVISOR	CLIENT/OWNER	DESIGN PROFESSIONAL
PLAN DATE	PLAN PAGES		

SCOPE OF WORK *Not meant to be totally inclusive, please refer to Plans and Specifications*

Subcontractor shall be responsible for a complete _____ System for the Project pursuant to the Plan(s), Specification(s) and Invitation to Bid, NO EXCEPTIONS! Including but not limited to,

This Project has an exceptionally aggressive project schedule. Subcontractor acknowledges that, while COLUMBIA may be issuing a Project Schedule, this Project will be undertaken and Subcontractor shall coordinate with the Construction Supervisor and provide reasonable services on a flexible basis including nights, weekends, and holidays. COLUMBIA will attempt to give advance notice of any changes in the schedule, but delays cannot be tolerated. Subcontractor understands that any delay or failure to proceed shall constitute a Project delay(s) and due to the time constraints, COLUMBIA may elect to provide no written verification of said delay(s) except to note same in Project Log on the Site. Subcontractor waives all rights to notice.

CONDITIONS OF SUBCONTRACT

SCOPE OF WORK. The Subcontractor shall perform the Scope of Work in a safe, efficient and expedient manner, with first quality materials and professionally trained labor. All work shall comply with the Project Plans, Specifications, Invitation to Bid, Project Schedule, and the General Contract (the "General Contract Documents"). By acceptance of this Subcontract, and the commencement of work, the Subcontractor acknowledges a complete understanding of the work of its trade, and understands that the Scope of Work includes, without limitation: preparation, demolition, trenching, coring, sealants and sealing of same (including restoration), daily clean-up (which must occur before each day's end) including removal of all debris associated with this Subcontract, disposed of, off site in a proper and legal manner, any and all other type of weather protection and environmental needs (i.e. temporary heat, cooling, water, or otherwise, sometimes commonly referred to as winter conditions). Subcontractor is responsible for furnishing all temporary services, maintaining temporary services and disconnecting temporary services upon permanent services being in place. The Subcontractor shall be responsible for any design/build components of its work, including, but not limited to, all engineering, or any applicable provisional endorsement or seals, and under the design/build concept the intent of the Plans and Specifications shall be completed and adhered to as the minimum requirement.

WORK COMMENCEMENT. The Subcontractor shall not employ anyone whose employment may be objectionable to COLUMBIA. The Subcontractor shall maintain a supervising Foreman, who will stay with the Project until its completion. This Foreman shall be responsible for executing the sequence and coordination of the Subcontractor's Scope of Work with the work of other Subcontractors, including sequencing and coordinating its work to protect the work of other Subcontractors and its own work. **Time is of the essence.** Subcontractor shall diligently pursue the completion of its work and coordinate that work being done with other trades so it does not materially delay or impair the progress of the overall project. COLUMBIA shall have the right to decide the sequence, time or order in which the various portions of work shall be undertaken or completed or the priority of work of other Subcontractors and upon said direction Subcontractor shall diligently complete its work with no additional compensation, including accelerated schedules, nights, holidays, or weekends. Any Project (or CPM) schedules or other schedules generated by COLUMBIA shall become part of this Subcontract. Subcontractor agrees to be liable for any liquidated damages, and/or expenses incurred by COLUMBIA including, but not limited to, loss of profit, overhead, supervision, accounting, legal, home office expenses, and bonding, as a result of Subcontractor's delay.

SHOP DRAWINGS, SAMPLES. Within 72 hours after receipt of this Subcontract, the Subcontractor shall submit Shop Drawings and Samples pursuant to the Plans and Specifications, as directed by COLUMBIA in a method acceptable to COLUMBIA. Subcontractor shall be responsible to highlight all differences in dimensions, product, or design intent inherent in their Shop Drawings and/or Submittals. The acceptance of Shop Drawings or Samples at a later date shall not relieve the Subcontractor nor form a Waiver against COLUMBIA to charge Subcontractor for losses incurred by such delays, or mistakes in the drawings. If a Jurisdictional Body, or Plans and Specifications indicate sealed drawings, the Subcontractor shall comply and receive no additional compensation whatsoever. No substitutions may be made through the Shop Drawings Process. All requests for Substitutions must be separate and receive prior written approval based on the Plans, Specifications and Invitation to Bid.

PROTECTION OF WORK. The Subcontractor specifically agrees that it is responsible for the protection of its work until final completion and acceptance by the Client/Owner. Subcontractor will make good or replace at no expense to COLUMBIA any damage to its work, which occurs prior to final acceptance. Subcontractor shall be responsible for any loss, damage or theft of its material and/or equipment prior to final acceptance of said work. In the event of loss, damage or theft, the Subcontractor shall not be relieved of its contractual responsibility to perform all work in a timely basis. The Subcontractor shall be responsible to protect its work from any foreseeable damage, including weather, wind, frost, or water damage. If water causes damage to the work product, the Subcontractor shall be responsible for the cost to remedy all damages caused thereby, including, but not limited to, testing and remediation of mold and toxic substances.

WARRANTY. The Subcontractor shall warranty its labor and material against all claims for a minimum period of one (1) year from acceptance by the Client/Owner. The Subcontractor shall extend all manufacturers warranties that are less than one (1) year. The Subcontractor shall prosecute the warranty work no later than 48 hours after being alerted by COLUMBIA.

FEES, METERS, TAXES, BONDS, LICENSES, PERMITS AND FREIGHT. The Subcontractor shall possess all necessary licenses to perform the work of its trade. The Subcontractor shall immediately apply for all necessary permits. The Subcontractor shall have included all fees, meters, bonds, permits, taxes, sales taxes, delivery, uncrating and freight necessary.

FAILURE TO PERFORM. If Subcontractor at any time (a) fails to supply and pay a sufficient number of skilled laborers or supply a sufficient quantity of materials of proper quality; (b) fails in any respect to prosecute the work covered by this Subcontract Agreement and Project Schedule, with promptness and diligence; (c) fails to perform work of the quality required by the General Contract Documents; (d) fails in performance of any of the agreements herein contained; (e) should any workmen performing work covered by this Subcontract engage in a strike or other stoppage or cease to work due to picketing or other such activity; or (f) files for bankruptcy or be adjudged bankrupt, or make an assignment for the benefit of its creditors, COLUMBIA may, at its option, after 24 hours written notice to Subcontractor, provide any such labor and materials and deduct the cost thereof from any money then due, or thereafter to become due Subcontractor, and terminate the Subcontract of the Subcontractor. Columbia shall have the right to enter upon the project premises and take possession, of all materials, tools, and equipment, and to finish the work either with its own employees or other Subcontractors. In case of such discontinuance of the Subcontract by COLUMBIA, Subcontractor shall not be entitled to receive any further payments under this Subcontract or otherwise, but shall nevertheless remain liable for any damages which COLUMBIA incurs.

COLUMBIA shall be entitled to a 22.0% mark up for overhead on any expenses or damages incurred by COLUMBIA as a result of Subcontractor's default. If the expenses incurred by COLUMBIA in completing the work shall exceed the unpaid balance, Subcontractor shall pay the difference to COLUMBIA, along with any other damages incurred by COLUMBIA as a result of Subcontractor's default. COLUMBIA shall have a lien upon all materials, tools, and appliances of which possession is taken in order to secure the payment thereof. Subcontractor shall be liable to COLUMBIA for all costs and damages incurred by COLUMBIA due to the failure of performance by Subcontractor.

FAILURE TO REMEDY. Payments otherwise due may be withheld by COLUMBIA on account of defective work not remedied, claims filed, evidence indicating probability of filing of claims, failure of Subcontractor to make payments properly to its suppliers, subcontractors, materialmen, or laborers, or a reasonable doubt that the Subcontract can be completed for the monetary balance then unpaid. If the causes are not remedied, within 72 hours of written notice, COLUMBIA may rectify same at Subcontractor's expense. If at any time, COLUMBIA determines that the Subcontractor's financial condition may cause the Subcontractor to be unable to complete the Scope of Work COLUMBIA shall have the right and the Subcontractor shall furnish satisfactory security to COLUMBIA within 72 hours after written notice to the Subcontractor. In the event the Subcontractor defaults in furnishing said security COLUMBIA shall have the option to terminate this Subcontract, in which case the rights of COLUMBIA shall be the same as if the Subcontractor had failed to perform this Subcontract in whole, or in part. COLUMBIA shall have the right to withhold and deduct from any amounts due Subcontractor under this Subcontract, or any other Agreement, the amount of any claim owed by the Subcontractor to COLUMBIA, whether or not such claim arises out of this Subcontract.

CHANGES, ADDENDUMS, EXCEPTIONS, DELETIONS, SUBSTITUTIONS. The Subcontractor shall not substitute, delete, add, or in any other way change any work on this project without written approval by COLUMBIA, signed by an authorized Officer and/or the representative who signed this Agreement, **NO EXCEPTIONS! The Construction Supervisor specifically cannot approve Change Order(s), or incur any costs on behalf of COLUMBIA or the Client/Owner.** The Construction Supervisor shall coordinate the work, but may not modify its scope or change it in any way. All claims by the Subcontractor for additional time, and/or additional costs incurred by Subcontractor, including, without limitation, changed site conditions, administration of the Subcontract, delays, and interference shall be made in writing, indicating with specificity the time, manpower, material, and equipment used. The claim must be sent to COLUMBIA'S home office within five (5) days from the date on which the event giving rise to a delay or costs occurs. If the Subcontractor fails to make such claim within the time, as specified, and does not provide daily updates of any claim, the claim shall be null and void and the Subcontractor waives all rights to additional compensation or extension of time. No verbal representations will be acknowledged or accepted.

COMPLIANCE WITH LAW, HEALTH AND SAFETY, LABOR AND EQUAL OPPORTUNITY. The Subcontractor shall fully comply with all federal, state and local laws, ordinances and regulations, including OSHA, as they affect or involve the Subcontractors performance of the Subcontract, also as to fully relieve COLUMBIA from and protect it against any and all responsibility or liability. As a condition of accepting this Subcontract, Subcontractor agrees not to discriminate against any individual with respect to hire, discharge, compensation, terms, conditions or privileges of employment, because of such individual's race, color, religion, sex, age, or national origin.

Subcontractor and all employees, and agents thereof, shall comply with the applicable requirements issued pursuant to the Occupational Safety and Health Act of 1970, as amended, and any other federal, state, health, and local laws, codes, ordinances and regulations applicable to this Subcontract and the performance of the Scope of Work hereunder whether by reason of general law or by reason of provisions in the Plans, Specifications, Invitation to Bid, or the General Contract Documents. **Subcontractor shall maintain all safety records and shall not transport hazardous materials to or from the Site without the written approval of COLUMBIA. All materials brought to the Site, where applicable, shall have MSDS (Material Safety Data Sheets) in triplicate. One set being sent to the home office of COLUMBIA prior to the material arriving. Subcontractor shall be responsible for all Safety Meetings. To the fullest extent allowed by law, the Subcontractor shall hold harmless, defend and indemnify COLUMBIA, its employees, agents, officers and representatives, the Architect, and the Client/Owner from any costs, penalties, fines incurred because of safety and environmental violations, whether those violations are addressed to the Subcontractor or to others.**

Subcontractor shall comply and provide certified payrolls as a condition precedent to payment for all required federal, state, and local labor programs, including, but not limited to, compliance with the Davis-Bacon Act.

LIENS AND BOND CLAIMS. In the event that liens and/or bond claims are filed by anyone in relation to the labor and/or material being furnished by the Subcontractor, the Subcontractor agrees to have the same discharged, by posting an appropriate substitute bond, with the appropriate authorities, within fourteen (14) calendar days of notice from COLUMBIA. In the event such lien and/or bond claim is not so discharged, COLUMBIA shall have the right to terminate the Subcontractor for default pursuant to the Paragraph **Failure to Perform** herein or to bond-off said lien(s) and/or bond claim(s) and recover from Subcontractor all costs incurred as a result thereof, including, but not limited to, bond premiums and attorneys' fees, etc. If required by COLUMBIA, prior to receipt of partial or final payment, as appropriate, the Subcontractor shall provide COLUMBIA a partial or final release of its liens and bond claim rights and partial or final release of all liens and bond claim rights of all persons furnishing labor and/or materials to Subcontractors for the performance of this Subcontract, and satisfactory evidence that there are no other liens or bond claim rights whatsoever outstanding against the work. Subcontractor agrees to waive all lien rights in states where the applicable statute provides or allows for a waiver.

INSURANCE. No payment shall be made on this Subcontract until COLUMBIA has in its possession documentation that the Subcontractor is insured to the exact limits as directed by COLUMBIA.

INDEPENDENT CONTRACTOR. The Subcontractor agrees that it is at all times, an Independent Contractor, and an employing unit subject as an employer to all applicable unemployment compensation statutes so as to relieve COLUMBIA for the purpose of keeping records, making reports and payment of unemployment compensation taxes or contributions. The Subcontractor agrees to indemnify, defend and hold COLUMBIA, its officers, employees, agents and representatives harmless and reimburse it for any expense of liability incurred under said statutes in connection with employees of the Subcontractor, including a sum equal to benefits paid to those who were Subcontractors' employees, where such benefit payments are charged to COLUMBIA under any merit plan or to his individual reserve account pursuant to any state unemployment compensation state.

ASSIGNMENT. The Subcontractor shall not, in whole or in part, assign or subcontract this Subcontract, without the prior written consent of Columbia.

COMMUNICATIONS WITH CLIENT/OWNER. All communications between the Subcontractor and the Client/Owner, its representatives or the Architect shall be made through COLUMBIA. Any violation of this provision is cause for immediate termination of Subcontractor upon the election of COLUMBIA. Upon such termination, Subcontractor will not be entitled to any compensation or profit for services not performed or materials not provided before notice of the termination is received. Because of the difficulty or impossibility of determining COLUMBIA's damages upon Subcontractor's breach of this provision, COLUMBIA shall have the right, in addition to any and all other rights or remedies COLUMBIA may have under this Subcontract or at law or in equity, at COLUMBIA's option, to collect or use as an offset against any amount owing to Subcontractor, \$1,000.00 in liquidated damages for each violation of this provision. Subcontractor also agrees that Subcontractor's violation of this provision will cause Columbia irreparable harm and shall entitle COLUMBIA, in addition to all other available remedies, to seek injunctive relief from an appropriate court.

CLAIMS AND DISPUTES. Any and all claims and disputes which arise out of or relate to this Subcontract shall be subject to the following dispute resolution procedure:

(A) CLAIMS AND DISPUTES AGAINST COLUMBIA/COLUMBIA'S CLAIMS AND DISPUTES AGAINST SUBCONTRACTOR. All claims which Subcontractor has or wishes to assert against COLUMBIA must be presented in writing to COLUMBIA not later than 5 days after Subcontractor is aware or should be aware that a claim will or does exist, even though the exact nature of the claim and the amount of the claim may not be determinable at that time. Columbia and Subcontractor agree that after Subcontractor gives timely notice of a claim, the parties shall make a good faith attempt to settle such dispute including, but not limited to the exchange of at least one written proposal by each side for settlement within 21 days following the notice of the claim. **Subcontractor waives all claims not presented as provided herein.** If the dispute is not thereafter settled or COLUMBIA has or wishes to assert a claim against Subcontractor, then (1) the parties shall submit to nonbonding mediation with the parties agreeing on a neutral mediator. In the event the parties are unable to agree upon a mediator, then each party shall submit the names of three individuals to act as mediator and a single mediator will be randomly selected from the parties' choices by blind draw. The parties shall share equally the costs of the mediator; (2) any dispute or controversy not resolved or settled by the parties under the previous provisions shall be then submitted to binding arbitration. The arbitration shall take place before a single arbitrator to be chosen by agreement of the parties. Although the arbitration **shall not be administered by the American Arbitration Association**, the hearing shall be conducted in accordance with the American Arbitration Association's Construction Industry Arbitration Rules. In the event the parties are unable to agree upon an arbitrator, each party shall submit the names of three individuals to act as arbitrator and a single arbitrator will be randomly selected from the parties' choices by blind draw. **The party requesting binding arbitration agrees to pay the full cost of the arbitrator and** the Arbitrator has no discretion to reallocate the cost. Any mediation or arbitration conducted under this Subcontract Agreement, shall take place in Macomb County, Michigan. The hearing shall be conducted at a time mutually convenient for the parties and the arbitrator. Judgment upon any award rendered may be entered in any court having jurisdiction; (3) If the dispute between COLUMBIA and Subcontractor involves claims or potential disputes by, with or against other Subcontractors of COLUMBIA, the Subcontractor agrees to the consolidation of all such related claims or disputes into one consolidated arbitration proceeding with COLUMBIA and the other Subcontractors as further provided for herein; (4) Except as may be required by law, neither a party nor an arbitrator or mediator may disclose the existence, content, or results of any settlement, mediation and/or arbitration hereunder without prior written consent of both parties except as necessary to enforce the terms of such settlement or award;

(B) CLAIMS AND DISPUTES AGAINST CLIENT/OWNER. If the claim results from any action by Client/Owner, including without limitation, Change Order(s), interpretation of the General Contract Documents by Client/Owner or its authorized representative, or any dispute arising out of inaccuracies, deficiencies, discrepancies or ambiguities in the General Contract Documents, then Subcontractor shall make all claims promptly to COLUMBIA for additional costs, extensions of time, and damages for delays or other causes in accordance with the General Contract Documents. Any claims which will affect or become part of a claim which COLUMBIA is required to make under the General Contract Documents within a specified time period or in a specified manner shall be made in sufficient time to permit COLUMBIA to satisfy the requirements of the General Contract Documents. Failure of the Subcontractor to make such a timely claim shall bind Subcontractor to the same consequences as those to which COLUMBIA is bound. Subcontractor shall bear the expenses and the burden of prosecuting and proving any such claims against Client/Owner and shall give COLUMBIA adequate and timely notification in writing of any such claim or dispute action it desires COLUMBIA to make on its behalf against Client/Owner. The terms of the dispute resolution and claims procedure contained in the General Contract Documents shall be binding

upon Subcontractor, whether or not Subcontractor records or files a mechanic's lien, stop notice or prosecutes suit thereon or against any bond posted by COLUMBIA; and Subcontractor hereby acknowledges that this Subcontract waives, affects and impairs rights it would otherwise have in connection with such liens, stop notices and suits on said bonds;

(C) **In the event that a surety bond is outstanding on the project, or a lien has been asserted by the Subcontractor against the property that makes up the Project, the Subcontractor agrees not to sue, file claim, or otherwise take action against the surety, the property owner (or Client), or attempt to foreclose on lien, until thirty (30) days after all efforts at Alternate Dispute Resolutions required have concluded and the Subcontractor has received a net award in the matter of the dispute, Subcontractor shall have no right to assert or file any claim against any bond or surety obtained by Columbia if payment has not been received by Columbia from Client/Owner with respect to any application for payment received from Subcontractor; and**

(D) **During the pendency of any dispute under this Subcontract, whether it involves Client/Owner or only COLUMBIA, Subcontractor shall continue working and will proceed on any disputed items of work without waiving its claims, and waives all rights to stop work.**

SUBCONTRACTOR'S EXCLUSIVE REMEDIES. Subcontractor agrees that its sole and exclusive remedies against Columbia for *all* matters relating to this Subcontract are contained in the previous paragraph entitled **Claims and Disputes**. **Subcontractor specifically waives any and all rights to file claim(s) and/or lawsuit(s) against Columbia, any individual employee, agent, representative, officer, and/or shareholder of COLUMBIA, surety bond or lien bonds posted by COLUMBIA or the Client, for any and all matters relating to the project including, but not limited to, claims and/or allegations of fraud, unjust enrichment, or under the trust fund statute or prompt pay statutes.**

HOLD HARMLESS AND INDEMNIFICATION. To the fullest extent permitted by law, the Subcontractor shall indemnify, defend and hold harmless COLUMBIA and the Client/Owner and their respective officers, directors, principals, shareholders, partners, members, sureties, employees, successors, assigns, agents and/or representatives from any liens, suits, claims, liabilities, costs and damages, including, without limitation, costs of delay or interference with the Project or its progress, attorneys' fees or penalties, arising from safety and environmental actions; loss of or damage to property arising out of or in any way relating to Subcontractor's operations or performance (whether on the Project or otherwise); any failure or alleged failure of Subcontractor or its sub-contractors, suppliers or laborers, to pay in full for all labor and material supplied to the Project with respect to Subcontractor's work or performance on the Project; any failure or alleged failure of Subcontractor or its sub-subcontractors, suppliers or laborers, to adhere to the law regarding harassment and /or discrimination and/or equal opportunity; and any other breach or alleged breach of Subcontractor's obligations under this Subcontract.

TERMINATION FOR CONVENIENCE. Columbia may at any time and for any reason, with or without cause, terminate the Subcontractor's services and work at COLUMBIA'S convenience by delivery of written notice of termination. Upon receipt of such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue the work and cease placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.

Upon notice of such termination, the Subcontractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by Subcontractor as are permitted by the prime contract and approved by COLUMBIA; (3) plus ten percent (10%) of the cost of the work referred to in the subparagraph above for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Subcontractor prior to the date of the termination of this Agreement. Subcontractor shall not be entitled to any claim or claim of lien against COLUMBIA for any additional compensation or damages in the event of such termination and payment.

NO DAMAGE FOR DELAY. If the Subcontractor is delayed in performing its work as a result of any action by the Client/Owner, the Project Architect, or COLUMBIA, then the Subcontractor's sole remedy shall be an extension of time to complete its work. The Subcontractor cannot recover any damages, additional costs, overhead, loss of profits or increased costs from COLUMBIA as a result of any delays, regardless of the cause. Subcontractor must give Columbia notice of such delay as soon as Contractor is aware of the delay.

PAYMENTS. Columbia shall endeavor to pay Subcontractors for each portion of the work within thirty (30) days after Columbia receives payment from the Client/Owner. COLUMBIA'S receipt of payment from the Owner for the work performed by the Subcontractor (including all base and extras) shall be a condition precedent of Columbia's obligation to pay Subcontractor. In the event that COLUMBIA does not receive all or any part of the payment from the Client/Owner for Subcontractor's work/materials, whether because of a claimed defect or deficiency in the Subcontractor's work/materials or for any other reason, COLUMBIA shall not be liable to Subcontractor for any sums withheld by the Client/Owner. In the event COLUMBIA incurs any costs or expense of any nature in preparing for the prosecution of, and prosecuting any claim against the Client/Owner, whether by means of negotiations, arbitration or legal action, arising out of the Client/Owner's refusal to pay COLUMBIA for the work/materials provided by Subcontractor, COLUMBIA shall be entitled to deduct any such costs and expenses, including attorney's' fees, from the amount due Subcontractor. **In addition, the following are conditions precedent to payment and ALL must be met:**

1. Receipt of full payment by Columbia from the Client/Owner for the work performed by Subcontractor.
2. Subcontractor shall provide a copy of the permit for their work.
3. Subcontractor shall be current in the progress of their work, as determined by Columbia, in its sole discretion.
4. Subcontractor shall have submitted an original Certificate of Insurance acceptable to COLUMBIA.
5. Subcontractor shall provide an approved invoice, Sworn Statement (listing all suppliers and Subcontractors) attesting that all Subcontractors and Suppliers are paid for the work the Subcontractor is applying for payment under, a Partial Unconditional or Full Unconditional Waiver of Lien from the Subcontractor (whichever is applicable) PRIOR TO PAYMENT, and similar original waivers of lien from each of the Subcontractor's Suppliers and/or Sub-Subcontractors on original stationery from each sub-subcontractor or supplier, in the form as attached hereto as Exhibit A, with submittal of invoice.
6. Subcontractor shall have submitted and received approval for all Shop Drawings/Samples.
7. With the first application for payment, the Subcontractor shall have evidence of approval for all necessary rough inspections and with the final request for payment the Subcontractor shall provide evidence of approval for final inspection and acceptance of work.
8. The final application for payment will be disbursed after all of the condition precedent items noted above are complete and satisfactory to COLUMBIA, and this disbursement will occur at least 60 days after satisfactory completion of the "punchlist", submittal of all close-out documents, and the settlement of all claims.
9. Notwithstanding anything herein to the contrary, Columbia will not owe any amounts to Subcontractor as to any change order until such change order has been agreed to in writing by Client/Owner.

Invoices submitted with unapproved Change Order(s) or notation of any claim(s) shall be deemed rejected in their entirety without written notice and not necessarily returned to the Subcontractor.

APPLICABLE LAW. This Agreement shall be governed by and construed under the laws of the State of Michigan.

SEVERABILITY. If any term, condition, covenant or provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect and shall in no way be impaired, effected or invalidated.

ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding between the parties and supersedes any prior understandings, agreements or negotiations between the parties relative thereto. Except as specifically provided for in this Agreement, this Agreement may not be modified or amended unless in writing signed by COLUMBIA and Subcontractor.

By affixing our signature we agree that we have read all of this Agreement (Subcontract) and understand it. We agree to be bound by the terms and conditions of this Subcontract, and the above referenced General Contract Documents as indicated on this page and the prior five (5) pages, and in the General Contract.

Subcontractor:

Subcontractor - *Signature*

Date

Print Name/Title

General Contractor/Construction Manager:
Columbia Construction Services™

Mark S. Provenzano, *CIT, CDT, CSI*, its President/CEO

Date