



7515 Wayzata Boulevard
Minneapolis, MN 55426
(763) 546-1400
(763) 546-2226 Fax
www.knutsonconstruction.com

{FLPM2030_V.FL2030_VEN_CONTACT_NAME}
{FLPM2030_V.FL2030_VEN_BP_NAME}
{FLPM2030_V.FL2030_VEN_CONTACT_ADD_LINE1},
{FLPM2030_V.FL2030_VEN_CONTACT_ADD_LINE2}
{FLPM2030_V.FL2030_VEN_CONTACT_ADD_LINE3},
{FLPM2030_V.FL2030_VEN_CONTACT_REGION_CODE}
{FLPM2030_V.FL2030_VEN_CONTACT_POSTAL_CODE}
{FLPM2030_V.FL2030_VEN_CONTACT_PHONE}
{PMPROJCONTACT_TN.PMPC_EMAIL}

Knutson Agreement Number: {FLPM2030_V.FL2030_CONT_CODE}
{FLPM2030_V.FL2030_PMP_PROJ_NAME} - {FLPM2030_V.FL2030_PMP_PROJ_CODE}
Project Location: {FLPM2030_V.FL2030_OWNER_REGION_CODE}
Knutson Vendor Number {FLPM2030_V.FL2030_VEN_CODE} - {FLJSPUDF_V14.UDF_FIELD_VALUE} - 50
Contract Execution Due Date: {FLPM2030_V.FL2030_START_DATE}

Dear {FLPM2030_V.FL2030_VEN_CONTACT_NAME},

Welcome aboard, it is a pleasure to have you as a part of our project team!

Our policy states no one is allowed on the jobsite without an executed contract. Once all requirements are met, you will receive a fully executed contract.

☐ Your insurance is currently not compliant. Please email copies of this letter, contract, and attached sample insurance certificate to your broker and have them email a copy of your insurance certificate direct to Knutson@ebix.com. If any questions or concerns with meeting these requirements arise, please have your broker contact Ebix at (951) 652-6252.

☐ Your insurance is currently compliant; no further action is required at this time.

☐ Since you are a material only supplier delivering exclusively through a third party carrier to our jobsite, compliance for your insurance requirements is not required for this contract.

Knutson Construction Services, Inc. (KC) offers to enter into the attached agreement for the referenced project.

Please note that this offer is contingent on accepting the terms of the attached agreement without modification. You may accept this offer (a) by electronically signing this agreement or (b) by commencing performance of the work described therein, in either case at which point Knutson will consider both parties to be bound.

Should you have any questions, please call me (763) 546-1400. We look forward to a successful project with you.

Thank you,

{FLPM2030_V.FL2030_MNGR_CONT_NAME}
{FLPM2030_V.FL2030_MNGR_ROLE_NAME}

Minneapolis, MN | Rochester, MN | Cedar Rapids, IA | Iowa City, IA | Altoona, WI

AN EQUAL OPPORTUNITY EMPLOYER/CONTRACTOR

KNUTSON CONSTRUCTION SERVICES, INC.
MINNESOTA SUBCONTRACT AGREEMENT

THIS SUBCONTRACT AGREEMENT ("Agreement") is entered into effective this {FLPM2030_V.FL2030_ISSUED_DATE} by and between KNUTSON CONSTRUCTION SERVICES, INC. ("KNUTSON") and {FLPM2030_V.FL2030_VEN_BP_NAME},{FLPM2030_V.FL2030_VEN_CONTACT_ADD_LINE1},{FLPM2030_V.FL2030_VEN_CONTACT_ADD_LINE2}{FLPM2030_V.FL2030_VEN_CONTACT_ADD_LINE3},{FLPM2030_V.FL2030_VEN_CONTACT_REGION_CODE}{FLPM2030_V.FL2030_VEN_CONTACT_POSTAL_CODE} ("**Subcontractor**"). This Agreement includes the Subcontract Standard Terms and Conditions ("**Subcontract Standard Terms and Conditions**") and the following Exhibits ("**Exhibits**"):

Exhibit A - Scope of Work

Exhibit B - Subcontract Price

Exhibit C - EEO Policy

{FLPM2030_V2.PM520302_FIELD1}

In consideration of their mutual promises herein, Subcontractor and KNUTSON agree as follows:

1. **PROJECT.** KNUTSON has entered into a contract (the "Contract") with {FLPM2030_V.FL2030_CUS_BP_NAME} ("**Owner**") to perform labor and furnish material for the construction of the {FLPM2030_V.FL2030_PMP_PROJ_NAME}, located in {FLPM2030_V.FL2030_PMP_ADD_LINE1},{FLPM2030_V.FL2030_PMP_ADD_LINE2}{FLPM2030_V.FL2030_PMP_ADD_LINE3},{FLPM2030_V.FL2030_PMP_REGION_CODE}{FLPM2030_V.FL2030_PMP_POSTAL_CODE} ("**Project**"), pursuant to Drawings, Specifications, General Conditions, Supplementary General Conditions, Special Conditions, and Addenda prepared by {FLPM2030_V.FL2030_ARCH_PARTN_NAME} ("**Architect**") dated {FLJSPUDF_V20.UDF_FIELD_VALUE}. The Contract Documents ("**Contract Documents**") include this Agreement, the Contract, Drawings, Specifications, Standard Terms and Conditions, and Addenda {FLJSPUDF_V1.UDF_FIELD_VALUE} and Alternates {FLJSPUDF_V2.UDF_FIELD_VALUE}.

2. **SCOPE OF WORK.** Subcontractor shall furnish and pay for all supervision, labor, materials, tools, equipment, services, scaffolds, appliances and all other items necessary to fully perform the Agreement, consistent with the provisions of the Contract Documents, including completion of all of the following (the "Work"):

See EXHIBIT A - SCOPE OF WORK

3. **SUBCONTRACT PRICE.** The **Subcontract Price** is set forth in EXHIBIT B.

4. **TIME OF COMPLETION.** Subcontractor shall prosecute and complete the Work in accordance with the schedule and time limits established by Knutson and the Construction Documents, in addition to the requirements of the Standard Terms and Conditions applicable hereto.

5. **RETAINAGE.** KNUTSON shall retain an amount from each application for payment such that {FLPM2030_V.FL2030_HLDBK_PC}% of the total value of Work performed is withheld. Retainage shall be held by KNUTSON until released as provided in the Contract Documents.

6. **SITE-SPECIFIC SAFETY PROGRAMS.** Subcontractor agrees to provide all documents and conduct or participate in all site-specific safety programs related to elimination of accidents and injuries at the site, including but not limited to the following:

The standards and requirements of Subcontractor's safety program shall be at least as stringent as the standards and requirements of Contractor's safety program and any applicable local, state and federal safety laws and regulations.

7. **PAYROLL MARKUPS.** For Work performed on the basis of actual field cost pursuant to Paragraph 12.4.1.(a) of the Standard Terms and Conditions, the maximum allowable payroll mark-ups shall be as negotiated by Subcontractor and Contractor and according to the Standard Terms and Conditions applicable hereto.

8. **INSURANCE.**

- a. Commercial General Liability insurance limits as described in the Terms and Conditions.
- b. Professional Liability/Errors & Omissions coverage {FLJSPUDF_V17.UDF_FIELD_VALUE} required
- c. Pollution Liability coverage {FLJSPUDF_V15.UDF_FIELD_VALUE} required

9. **PAYMENT AND PERFORMANCE BONDS.**

Performance and Payment Bonds {FLJSPUDF_V16.UDF_FIELD_VALUE} required, in full conformance with the requirements of Article 18 of the Terms and Conditions.

10. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto and is effective on the date set forth above. No oral representations or other agreements have been made by KNUTSON except as stated in this Agreement. This Agreement may not be changed in any way except as herein provided, and no provision hereof may be waived by KNUTSON except in writing signed by a duly authorized officer or agent.

IN WITNESS WHEREOF, Subcontractor and KNUTSON execute this Agreement as set forth above.

{FLPM2030_V.FL2030_VEN_BP_NAME} KNUTSON CONSTRUCTION SERVICES, INC.

By _____ By _____

Its _____ Its {FLPM2030_V.FL2030_MNGR_CONT_NAME}
{FLPM2030_V.FL2030_MNGR_ROLE_NAME}

Date Signed: _____ Date Signed: _____

Subcontractor License Number _____

Subcontractor Federal ID Number _____

Subcontractor State Tax ID Number _____ for Minnesota
(State of Project)

Exhibit A - Scope of Work

Attached to and forming a part of the Agreement between {FLPM2030_V.FL2030_VEN_BP_NAME} (“**Subcontractor**”) and Knutson Construction Services, Inc. (“**KNUTSON**”), effective as of {FLPM2030_V.FL2030_ISSUED_DATE}.

The Work shall include the following, without limitation:

1. All Work required by the Contract Documents within the following specification sections:

Division 00 - Procurement and Contract Requirements
Division 01 - General Requirements
{FLPM2030_V.FL2030_SCOPE_DESC}

2. Without limitation, the following items are included in the Work of the Agreement:

{FLP {FLPM2030_V5.FL20305_DESC}
M203
0_V5
.FL20
305_
LINE
_NU
M} -

3. Subcontractor shall commit to utilize diverse subcontractors to include not less than the following percentages:

{FLJSPUDF_V8.UDF_FIELD_VALUE}%
MBE;
{FLJSPUDF_V3.UDF_FIELD_VALUE}%
WBE;
{FLJSPUDF_V9.UDF_FIELD_VALUE}%
DVBE;
{FLJSPUDF_V4.UDF_FIELD_VALUE}%
TGB;
{FLJSPUDF_V10.UDF_FIELD_VALUE}%
VOSB;
{FLJSPUDF_V5.UDF_FIELD_VALUE}% SBE

4. Subcontractor shall commit to utilize a workforce to include not less than the following percentages of hours:

{FLJSPUDF_V11.UDF_FIELD_VALUE}% minority
participation;
{FLJSPUDF_V6.UDF_FIELD_VALUE}% women
participation;
{FLJSPUDF_V12.UDF_FIELD_VALUE}% resident
participation;
{FLJSPUDF_V7.UDF_FIELD_VALUE}% apprentice
participation;
{FLJSPUDF_V13.UDF_FIELD_VALUE}% WEP
(Workforce Entry Program) participation;

The participation percentages identified above shall take precedence over any other percentages identified in the Contract Documents. In the event none of the percentages are filled in above, Subcontractor shall commit to the participation percentages set forth in the Contract Documents.

5. The following items of work are not the responsibility of Subcontractor and are excluded from the Work of the Agreement:

```
{FLP      {FLPM2030_V6.FL20306_DESC}
M2030
_V6.F
L2030
6_LIN
E_NU
M} -
```

IN WITNESS WHEREOF, Subcontractor and KNUTSON acknowledge this Exhibit A as set forth above.

{FLPM2030_V.FL2030_VEN_BP_NAME} KNUTSON CONSTRUCTION SERVICES, INC.

| | |
|-----------|---|
| By _____ | By _____ {FLPM2030_V.FL2030_MNGR_CONT_NAME} |
| Its _____ | Its _____ {FLPM2030_V.FL2030_MNGR_ROLE_NAME} |

Exhibit B – Subcontract Price

Attached to and forming a part of the Agreement between {FLPM2030_V.FL2030_VEN_BP_NAME} (“**Subcontractor**”) and Knutson Construction Services, Inc. (“**Knutson**”), effective as of {FLPM2030_V.FL2030_ISSUED_DATE}.

The Subcontract Price is {FLPM2030_V.FL2030_CONT_AMT_WOR} Dollars (\$ {FLPM2030_V.FL2030_CONT_AMT_NUM}), subject to adjustment only as provided in the Agreement. Subcontractor acknowledges that entitlement to adjustments in the Subcontract Price is limited under the Contract Documents, and Subcontractor guarantees that the amount charged for the Work will not exceed the Subcontract Price (also sometimes referred to as the "Guaranteed Maximum Price"), except as the Subcontract Price may be adjusted under the Contract Documents.

Calculation of Subcontract Price

| Description | Cost |
|---------------------------------|---|
| {FLPM2030_V1.FL20301_TASK_NAME} | \${FLPM2030_V1.FL20301_AMT_NUM} |
| TOTAL | \${FLPM2030_V.FL2030_CONT_AMT_NUM} |

Bonds

The Subcontract Price includes the cost for all Bonds required in the Agreement. Such costs shall be identified as line items on the schedule of values provided by Subcontractor and shall be paid by KNUTSON in accordance with Article 7 of the Terms and Conditions of the Agreement.

Unit Price Provisions

Unit prices stated herein shall be applicable and available at KNUTSON’s sole discretion until the date of final payment or until such later date as provided in the Contract Documents. Except as otherwise described in the Contract Documents, unit prices shall include all miscellaneous and incidental material, labor, equipment, compensation, delivery, general conditions, benefits, overhead, profit, bonds, permits, shop drawings, small tools and taxes.

| Unit Price Description | Unit Price | Unit of Measurement |
|--------------------------------|--|---------------------------------------|
| {FLPM2030_V7.FL20307_D ESC} | {FLPM2030_V 7.FL20307_AM OUNT}{Curren cy} | {FLPM2030_V 7.FL20307_W M_CODE} |

Alternates

The following alternates are included in the Agreement, and if selected by KNUTSON in writing, shall be incorporated into the Work and shall increase or decrease the Subcontract Price at the amounts stated below:

{FLPM2030_V9.FL20309_DESC} - {FLPM2030_V9.FL20309_AMOUNT} {Currency}

IN WITNESS WHEREOF, Subcontractor and KNUTSON acknowledge this Exhibit B as set forth above.

{FLPM2030_V.FL2030_VEN_BP_NAME} KNUTSON CONSTRUCTION SERVICES, INC.

| | |
|-----------|--|
| By _____ | By _____ |
| Its _____ | Its {FLPM2030_V.FL2030_MNGR_ROLE_NAME} |

KNUTSON CONSTRUCTION SERVICES, INC. ("KNUTSON")
SUBCONTRACT AGREEMENT STANDARD TERMS AND CONDITIONS (MINNESOTA)

1. CONTRACT DOCUMENTS.

1.1 The Contract Documents have been made available to Subcontractor for examination.

1.2 In the event of conflict between the Agreement and the other Contract Documents, the provisions of the Agreement shall govern.

1.3 Subcontractor binds itself to KNUTSON under the Agreement with respect to its Work in the same manner as KNUTSON is bound to Owner under the Contract Documents.

1.4 Subcontractor has carefully examined and understands the Contract Documents, has investigated the site of the Work and the conditions under which it is to be performed, and enters into the Agreement on the basis of its own examination, investigation and evaluation of such matters and not in reliance upon any opinions or representations of KNUTSON, Owner, or any of their respective officers, agents or employees.

1.5 The Contract Documents are complementary in nature. The Subcontractor is required to review the Contract Documents as a whole and not as individual sections or disciplines to determine the Work that is required. Subcontractor acknowledges that the Contract Documents do not reflect every detail necessary to provide a complete working system compatible with adjacent construction, but has included work reasonably inferable from the Contract Documents necessary to provide a complete and compatible scope of Work and that the Contract Price reflects this condition. Reference to additional sections and disciplines may be necessary to determine the total Work that is required and/or to complete the Work that is required in any individual section or discipline. Subcontractor includes all incidental materials including, but not limited to, carriers, fasteners, shims, sealants, adhesives, and appurtenances necessary to complete its Work in accordance with the Contract Documents and the manufacturer's requirements.

2. SCOPE OF WORK. Subcontractor shall furnish and perform all of the Work required in the Agreement and the Contract Documents.

3. SUBCONTRACT PRICE. For the full and satisfactory performance of the Agreement, in compliance with the provisions of the Agreement, KNUTSON shall pay Subcontractor the fixed Subcontract Price. This sum may be changed only in accordance with the provisions of the Agreement.

4. TAXES AND CONTRIBUTIONS. The Subcontract Price includes, and Subcontractor hereby accepts exclusive liability for payment of, all federal, state, county, municipal and other taxes imposed by law or contract, and based upon labor, services, materials, equipment or other items acquired, performed, furnished or used in connection with the Work, including but not limited to (a) contributions, taxes or premiums (including interest and penalties) measured upon payroll or required to be withheld from employees; (b) sales, use, personal property and other taxes (including interest and penalties), whether stated separately, imposed by reason of performance of the Work, or any materials, equipment, labor, services or other items in connection with the Work; or (c) pension, welfare, vacation, annuity and other benefit contributions payable in connection with labor agreements or applicable law.

5. LAWS AND PERMITS. Unless otherwise required in the Agreement, Subcontractor shall not be required to obtain or pay for the primary building permit for the Project. The Subcontract Price includes, and Subcontractor shall obtain and pay for, all other permits, licenses, and fees necessary to complete the Work in accordance with the Contract Documents. Subcontractor shall perform the Work in compliance with all applicable federal, state, municipal and local laws, codes, ordinances, rules, regulations, requirements, and the Safety provisions of Section 11 herein, including without limitation those relating to O.S.H.A., discrimination in

employment, fair employment practices and equal employment opportunity, without additional expense to KNUTSON, and shall correct, at its own cost and expense, any violations thereof. Subcontractor shall furnish such proof as KNUTSON may request showing compliance and correction of violations.

6. TIME OF COMPLETION.

6.1 Time being of the essence of the Agreement, Subcontractor shall begin the Work as soon as the Project is ready for the Work or, within three (3) calendar days after being notified in writing by KNUTSON, and shall prosecute and complete the Work in accordance with the construction schedule, as such may be from time to time revised, and within the time limits stated in the Agreement. Subcontractor shall perform work as required by KNUTSON to permit the coordination of the Work of other trades. Subcontractor includes the cost of reasonable scheduling changes in their Contract Price as required by job progress at the direction of KNUTSON.

6.2 Subcontractor shall promptly furnish all data requested by KNUTSON (and preparation and revision of construction schedules).

6.3 Should Subcontractor be delayed in the commencement, prosecution or completion of the Work by any cause beyond Subcontractor's control and not due to any fault, neglect, act or omission on its part, then Subcontractor may be entitled to an extension of time. Such extension shall be for a period equivalent to that granted to KNUTSON by Owner under the Contract Documents for the same cause of delay, and Subcontractor shall release and discharge KNUTSON from any and all claims by Subcontractor on account of the delay. Subcontractor shall not be entitled to any extension of time unless a claim therefore is presented in writing to KNUTSON within five (5) calendar days of the commencement of such claimed delay, or within such shorter time as may be required for KNUTSON to comply with the Contract Documents. Notwithstanding the foregoing, Subcontractor may be entitled to compensation for delay if, but only to the extent that, KNUTSON secures compensation from Owner for delay on behalf of Subcontractor.

7. PAYMENTS.

7.1 No payment shall be due or made to Subcontractor until receipt by KNUTSON of (a) a fully executed Agreement; (b) evidence of insurance in conformance with Article 16 hereof; and (c) any Bonds required under Article 18 hereof. Moreover, despite any other term to the contrary in this Agreement, it is an absolute condition precedent to KNUTSON's obligation to make any progress or final payment to Subcontractor that KNUTSON first receive payment from the Owner of the amount representing Subcontractor's request for payment from KNUTSON.

7.2 Prior to submitting its first application for payment, Subcontractor shall submit a schedule of values allocating the Subcontract Price to the full Scope of Work, prepared in such form and supported by such data to substantiate its accuracy as KNUTSON may require, which schedule shall be used as a basis for reviewing Subcontractor's applications for payment. The schedule of values will be used for payment purposes only and shall not relieve Subcontractor from its obligation to perform all of the Work and provide all labor and material required by the Agreement. When approved by KNUTSON, the schedule of values may be modified by Subcontractor to incorporate executed change orders.

7.3 Not later than the 25th day of each month, Subcontractor shall submit its application for payment on forms approved by KNUTSON. For each progress payment (and for final payment, except that lien waivers shall be full and final for final payment), unless otherwise directed or authorized, in writing, by KNUTSON, all Applications for Payment and all supporting documents for Subcontractor and its sub-subcontractors and suppliers/vendors, shall be in electronic format and shall be submitted to KNUTSON using the Textura Payment Management System prescribed by KNUTSON. Subcontractor shall be responsible for the fees and costs owed associated with Subcontractor's use of the Textura payment management system. Subcontractors shall include a similar provision in its sub-subcontracts and purchase orders. Subcontractor shall also provide a Mechanic's Lien Waiver for Lower-Tier Party for each creditor. Payment for subsequently submitted applications for payment will

not be made until all Lower-Tier Party Lien Waivers are received. At KNUTSON's option, Subcontractor may not be required to submit Lower-Tier Lien Waivers for some or all of Subcontractor's creditors.

7.3.1 If directed or authorized, in writing, by KNUTSON, Subcontractor shall completed KNUTSON's "Application for Payment, Schedule of Creditors & Lien Waiver." This document may be submitted electronically, in which case it shall be effective and binding without Subcontractor's signature, or in printed form, in which case it shall be signed by Subcontractor. Subcontractor shall also provide a Mechanic's Lien Waiver for Lower-Tier Party for each. Payment for subsequently submitted applications for payment will not be made until all Lower-Tier Party Lien Waivers are received. At KNUTSON's option, Subcontractor may not be required to submit Lower-Tier Lien Waivers for some or all of Subcontractor's creditors.

7.3.2 Each application for payment shall be calculated as the sum of (a) the value of Subcontractor's labor and materials incorporated into the Project as computed on the basis of the schedule of values, prices and allowable quantities of the Work performed, all as determined by KNUTSON and either Owner or Architect; and (b) to the extent allowable by the Contract Documents, the value of materials not incorporated into the Project but delivered and stored at the Project site, minus (c) retainage, calculated from the sum of the amounts determined in preceding (a) and (b) as multiplied by the retainage percentage stated in the Agreement, and also minus (d) amounts previously paid. The application for payment shall not request payment for any portion of the Work which Subcontractor does not intend to pay to any subcontractor or material supplier that performed such Work. Subcontractor shall certify each application for payment, stating in writing that it accurately represents the value of the Work performed. Subcontractor agrees that, upon request by KNUTSON, it shall furnish such information, supporting documents and consents of surety as KNUTSON may require to verify the value of the Work performed and confirm Subcontractor's entitlement to payment. When payment is based upon quantities at applicable unit prices, Subcontractor shall substantiate the quantities, and KNUTSON and Owner shall have the right to examine, copy and audit relevant books and records of Subcontractor or any of its subcontractors in order to verify accuracy and completeness of the quantities. As a prerequisite to payment, Subcontractor shall provide, in a form satisfactory to KNUTSON, partial lien and claim waivers and affidavits from Subcontractor and its subcontractors and material suppliers for the Work performed and the labor and material provided. Such waivers may be made conditional upon payment.

7.4 Monthly progress payments (less retainage) shall be made to Subcontractor within seven (7) days after KNUTSON's receipt of payment from Owner, so long as Subcontractor is not in default or breach of the Agreement and is not subject to other reasons for withholding. KNUTSON and Subcontractor expressly agree that payment to KNUTSON on Subcontractor's account by Owner is an absolute condition precedent to KNUTSON's obligations to pay Subcontractor under the Agreement. Subcontractor expressly agrees that it relies on the credit of Owner, not KNUTSON, for payment for the Work. Subcontractor shall not be entitled to payment to the extent there is: (a) any indebtedness owed by Subcontractor to KNUTSON; (b) defective Work not remedied or defective materials not removed and replaced; (c) third party claims; (d) claimed failure of Subcontractor to make payments to its subcontractors, material suppliers or laborers; (e) reasonable doubt that the Work can be completed for the unpaid balance of the Subcontract Price; (f) damage to KNUTSON or another contractor or subcontractor; (g) unsatisfactory or untimely prosecution of the Work by Subcontractor, or (h) failure of Subcontractor to comply with the Contract Documents.

7.5 Subcontractor warrants and guarantees that title to all Work, materials and equipment included in an application for payment, whether incorporated into the Project or not, will pass to Owner upon receipt of such payment by Subcontractor, free and clear of all liens, claims, security interests or encumbrances. Subcontractor shall pay promptly for all materials, skills, labor and equipment used in performance of the Agreement, as bills or claims become due. Subcontractor shall protect the Project and defend, indemnify and hold harmless Owner and KNUTSON and KNUTSON's surety, if any, from and against all claims, bond claims, stop notices, equitable liens, mechanics' liens, construction liens, damages, losses and expenses on account thereof, including without limitation legal fees and disbursements paid or incurred by Owner or KNUTSON in connection therewith. KNUTSON shall have the right at all times to contact Subcontractor's subcontractors and material suppliers to ensure that the same are being paid by Subcontractor for labor or materials furnished for use in performing the Work. Should

Subcontractor: (a) fail to make timely payment to its material suppliers, subcontractors, laborers and fringe benefit funds; (b) fail to compensate KNUTSON or another contractor or subcontractor for damage caused by Subcontractor; or (c) fail to perform its clean up obligations pursuant to Paragraph 8.5 hereof, KNUTSON, in its sole discretion, may make direct payment to such individuals or entities and reduce the Subcontract Price accordingly.

7.6 Final payment to Subcontractor shall be due after completion and acceptance of the Work by KNUTSON and either Owner or Architect and within seven (7) days of KNUTSON's receipt from Owner of final payment for the Work, provided that: (a) Subcontractor shall have furnished evidence satisfactory to KNUTSON that there are no claims, obligations, or liens for labor, services, materials, equipment, taxes or other items performed, furnished or incurred in connection with the Work; (b) Subcontractor shall have executed and delivered in a form satisfactory to KNUTSON a general release in favor of KNUTSON, KNUTSON's surety, if any, and Owner; and (c) Subcontractor shall have delivered to KNUTSON written consent of its surety, if any, to final payment. Final payment to Subcontractor shall constitute a release and waiver of any past, present and future claims by Subcontractor against KNUTSON, its surety, if any, and Owner arising out of the Agreement and the Project or arising out of payment for the Work under the Agreement. Subcontractor acknowledges by its receipt of final payment that any and all of such claims are thereby released, waived and discharged.

7.7 Progress or final payments shall not be acceptance of improper, faulty, defective or non-conforming Work or material, shall not release Subcontractor of any of its obligations under the Agreement and shall not constitute a waiver of any rights or provisions hereof by KNUTSON. Beneficial use or occupancy is not acceptance of the Work.

7.8 Back charges by Subcontractor to KNUTSON, if any, shall be paid at cost; no mark-up for overhead or profit will be allowed. Subcontractor shall pay reasonable back charges based on actual cost for any special service, equipment, safety measures, cleanup, snow removal, punchlist work, or any cutting, patching, repairs or other work required due to any omission, mistake, accident, negligence, or default of Subcontractor. The obligations of Subcontractor under this Paragraph 7.8 shall survive the completion or termination of this Subcontract and shall apply regardless of whether any such damage, injury, claim, loss or expense occurs before or after Subcontractor has completed performing the Work.

8. PROSECUTION OF WORK.

8.1 Subcontractor shall perform the Work in a diligent, efficient and skillful manner as the Work or any portion thereof becomes available, to allow KNUTSON to promote the general progress of the entire construction and so that the Work shall not interfere with, hinder or delay other work. Subcontractor is responsible for all subcontractors to whom it has subcontracted portions of the Work. Subcontractor is responsible for an on-site presence at all times when any activities associated with its Work are being undertaken.

8.2 Should Subcontractor delay the progress of the Work or of the Project, Subcontractor shall take necessary action as required to meet and maintain job progress, without additional compensation, and shall be liable to and reimburse KNUTSON for damages resulting from such delay.

8.3 Subcontractor shall promptly secure delivery commitments, place orders for materials, equipment and services required in connection with the Work to avoid delays, and shall furnish copies of procurement documents and purchase orders upon request. Subcontractor shall furnish goods, materials, equipment and services in compliance with all applicable safety, certification and testing codes and laws. All delivery personnel shall abide by KNUTSON's safety requirements. Subcontractor shall ship all goods, materials and equipment to the Project site, and all transportation, freight or delivery charges shall be prepaid by Subcontractor. Subcontractor shall be solely responsible for receiving and unloading shipments.

8.4 KNUTSON shall have sole authority with respect to access and usage of the Project site. Subcontractor shall notify KNUTSON prior to each delivery of goods, materials and equipment, and KNUTSON,

in its sole discretion, shall determine times and location for all such deliveries. If caused by Subcontractor, all costs associated with off-peak delivery, including overtime, shall be at Subcontractor's cost. Subcontractor shall establish temporary offices, storage facilities or other temporary facilities at the Project site only upon approval by and in locations designated by KNUTSON. Subcontractor shall not post or display signs, banners or other announcements or advertising at the Project site without the express prior approval of KNUTSON.

8.5 Subcontractor shall clean up and remove from the site all debris caused by its operations no less than once each workday. Should Subcontractor fail to provide such cleanup and debris removal, KNUTSON, upon written notice to Subcontractor, may arrange to have such work performed for the account of Subcontractor at Subcontractor's cost.

8.6 Subcontractor shall be solely responsible for protection of the Work and for loss or damage to materials, tools, equipment, or other personal property, owned or rented or used by Subcontractor in performance of the Work.

8.7 When as-built drawings are required by the Contract Documents, Subcontractor shall record as-built conditions on the Drawings and Detail Drawings in a form acceptable to KNUTSON, on a weekly basis, during performance of the Work.

8.8 Subcontractor shall coordinate with other contract divisions regarding layout, installation, and compatibility of materials. Subcontractor shall be responsible for all layout, surveying and dimensional control required to perform the Work, and shall preserve or restore any initial layout disturbed or removed by Subcontractor. Notwithstanding dimensions given in the Drawings, Specifications and other Contract Documents, Subcontractor shall take all measurements and establish all dimensional controls necessary to insure proper matching and fitting of the Work. Any Work that has not been coordinated or located satisfactorily per review by the Architect/Engineer, Owner, and/or KNUTSON will be removed and corrected at the cost of Subcontractor.

8.9 Subcontractor shall promptly prepare and submit to KNUTSON such shop drawings, details, design calculations, product data, submittals, samples and mockups as required by the Contract Documents and as necessary to describe completely the details of the Work and to ensure timely fabrication, delivery and installation of the Work. Shop drawings, details, design calculations, product data and other submittals shall be provided in the form, format and quantity requested by KNUTSON. Approval of such items by KNUTSON shall mean only that the submission conforms to the general concept of the Project, and shall not relieve Subcontractor of its obligation to perform the Work in compliance with the Contract Documents.

8.10 In addition to the requirements of the Contract Documents, Subcontractor's shop drawings, samples and other submittals shall comply with the following: (a) shop drawings shall contain correct dimensions, quantities, field dimensions, coordination and layout of work; (b) Subcontractor shall obtain all shop drawings and information necessary where work of others abuts or is performed in conjunction with Subcontractor's installation; (c) failure to submit shop drawings, material lists, or samples in order to allow adequate time for review, or failure to submit shop drawings or samples in detail conforming to Project specifications shall be cause for assessment of actual damages; (d) all submittals must be stamped by this Subcontractor confirming compliance with this Subcontract's requirements; (e) all submittals must be identified by division, section and subsection of the Project specifications; and (f) Subcontractor shall supply all necessary distribution copies of approved shop drawings to KNUTSON, at no cost to KNUTSON.

8.11 KNUTSON shall furnish a bench mark and selected major grid lines at each floor level for use by Subcontractor. All other layout required for the execution of the Work of this Subcontract shall be provided by Subcontractor.

8.12 Subcontractor shall furnish all hoisting, including the furnishing of a crane, required for execution of this Subcontract unless otherwise noted.

8.13 Should performance of the Work hereunder depend upon performance of other work, Subcontractor shall carefully examine all contiguous or dependent work, determine whether it is suitable for performance of the Work hereunder, report immediately any unsuitable conditions to KNUTSON in writing, and allow KNUTSON reasonable time to have such unsuitable conditions remedied. Unless Subcontractor reports such unsuitable conditions, Subcontractor shall be deemed to have accepted contiguous or dependent work as adequate for completion of the Work.

8.14 Subcontractor is responsible for intermeshing various parts of the Work so that no part shall be left unfinished or incomplete owing to any disagreement between Subcontractor and its subcontractors or other subcontractors. Subcontractor shall be solely responsible to furnish and install sleeves, block-outs, piping, conduit, hangers, inserts, anchors, grounds and supports in concrete, masonry, structural steel or other preceding work in order to provide for installation of the Work. Subcontractor shall provide all cutting, drilling and patching required to complete the Work and shall repair all damage by Subcontractor to existing conditions or to the work of others, including without limitation restoration of all fire-rated construction and fire-resistant coatings.

8.15 No substitutions of similar supplies, materials or equipment for items called for by the Contract Documents shall be made unless approved in writing by KNUTSON and Owner or Architect, which approval shall not relieve Subcontractor from satisfactory and timely completion of the Work or from conformance of the Work to the Contract Documents.

8.16 Subcontractor shall appoint a competent, technically qualified superintendent who shall be responsible for the Work and shall have full authority to represent Subcontractor at the site. Subcontractor must have a competent superintendent on the jobsite at all times when performing its Work. Subcontractor shall appoint a competent, technically qualified project manager who shall have full authority to represent Subcontractor in all matters related to the Project and the Agreement. Subcontractor's Project Manager and Superintendent shall attend all meetings held by KNUTSON relating to the Work, including weekly coordination meetings, unless excused by KNUTSON. KNUTSON reserves the right to approve Subcontractor's superintendent and project manager, and to require that either be replaced if either appears, in KNUTSON's sole judgment, unqualified or otherwise unable to effectively perform his duties.

8.17 Subcontractor shall maintain accurate and timely records relating to performance of the Work and, if requested by KNUTSON, shall provide daily reports and other records to KNUTSON as required by the Contract Documents and as provided herein. If requested, not later than 24 hours after the end of each work shift at the Project site, Subcontractor shall deliver to KNUTSON a signed daily report. The report shall fully describe and record Work performed, including a) number of workers in each craft or category, b) weather conditions, c) visitors at the site, d) Work performed, including quantities and locations where applicable, e) summary of events, circumstances or conditions that could delay the Work or give cause for additional cost or time, and f) other information required to fully describe Work accomplished or as requested by KNUTSON. Submission of the daily report shall not relieve Subcontractor of, or act in substitution for notice requirements contained in the Agreement or in the Contract Documents.

8.18 On-site parking, if allowed, must be approved by KNUTSON.

8.19 Subcontractor shall give KNUTSON forty-eight (48) hours notice prior to making deliveries to the Project.

8.20 ***If required by Owner***, Subcontractor shall, at its own expense, develop, adopt, give notice of, and implement a drug and alcohol testing policy in compliance with the Drug and Alcohol Testing in the Workplace Act (Minnesota Statutes Sec. 181.950 et seq.) or its equivalent as applicable. The policy shall provide for testing of Subcontractor's employees for "reasonable suspicion" (as defined by Minnesota Statute Sec. 181.951 or the applicable equivalent), which includes but is not limited to a reasonable suspicion that an employee is under the influence of drugs or alcohol, has sustained a personal injury or has caused a work-related accident. Subcontractor must submit its drug and alcohol testing policy to KNUTSON prior to starting work. Any employee who tests positive on a confirmatory test will be prohibited from further work on any site of KNUTSON unless and until

Subcontractor and the employee have complied with the provisions of the Drug and Alcohol Testing in the Workplace Act or the applicable equivalent. Any employee who undergoes drug or alcohol testing under this policy must agree to release results to KNUTSON within 48 hours of receiving the test result. KNUTSON agrees to keep all results confidential.

8.21 Subcontractor shall comply with KNUTSON's current Equal Employment and Affirmative Action Policy. A copy of KNUTSON's Equal Employment and Affirmative Action Policy is available for review at KNUTSON's office located at 7515 Wayzata Boulevard, Minneapolis, MN 55426. Subcontractor will not discriminate against any employee or applicant for employment based on race, creed, color, natural origin, religion, sex, sexual orientation, disability, age, marital status or status with regard to public assistance. Subcontractor shall submit, on a timely basis, all EEO/AA statistical reports requested by KNUTSON.

9. LABOR.

9.1 Subcontractor shall not employ personnel, means, materials or equipment which may cause strikes, work stoppages or labor interferences. Subcontractor agrees to be bound by any applicable Project Labor Agreement. Subcontractor agrees to comply with, and assist KNUTSON in its compliance with any subcontracting clause requirements of collective bargaining agreements to which KNUTSON is signatory and which are applicable to the Project.

9.2 Subcontractor represents and warrants that it is thoroughly familiar with any and all diverse business enterprise objectives (*e.g.*, DBE, MBE, WBE, DVBE, TGB, VOSB and SBE) ("Diverse Business Enterprise") and any and all minority, women, residency or apprenticeship workforce objectives ("Diverse Workforce") that are made applicable to the Project by the Contract Documents ("Diverse Business Enterprise Requirements" and "Diverse Workforce Requirements," respectively, and collectively "Diversity Requirements"). If and as required by the Contract Documents and this Agreement, Subcontractor shall comply with any Diverse Business Enterprise Requirements and any Diverse Workforce Requirements. Subcontractor agrees to work with KNUTSON in good faith to provide reasonable assistance in achieving the Project's Diversity Requirements, if any, identified in the Contract Documents. Subcontractor will be responsible for meeting and exceeding the stated Diverse Business Enterprise Requirements and Diverse Workforce Requirements and for participating in this process throughout the duration of the Project.

9.3 If Subcontractor claims status as a Diverse Business Enterprise, Subcontractor shall fully comply with all requirements relating thereto, including, but not limited to, maintaining necessary certifications so as to ensure that all work, materials, equipment and services provided by Subcontractor are counted toward any applicable Diverse Business Enterprise Requirements. If any of Subcontractor's suppliers or subcontractors, of any tier, claims status as, has been designated as or is required to be a Diverse Business Enterprise, Subcontractor shall ensure that each such supplier and subcontractor meets all applicable requirements relating thereto. If Subcontractor has represented or indicated to KNUTSON, in this Agreement, the bid proposal Subcontractor submitted to KNUTSON, or otherwise, that Subcontractor (or any of its subcontractors or suppliers of any tier) will or can provide any amount of Diverse Business Enterprise participation, Subcontractor shall ensure that amount of Diverse Business Enterprise participation is actually provided in full compliance with all applicable requirements.

9.4 If requested, within seven days of the effective date of this Agreement, Subcontractor shall submit to KNUTSON a Diversity Participation Plan outlining its Diverse Business Enterprise and Diverse Workforce objectives for the Project and its detailed plans to achieve those goals. Failure to provide the Diversity Participation Plan is a material breach of this Agreement.

9.5 Subcontractor shall submit accurate and complete subcontracting reporting forms, which may include: a monthly utilization form, certified payrolls, payroll worksheet and/or recruitment and good faith efforts documentation as required by the contract documents.

9.6 Subcontractor shall comply with all of the requirements of the Prevailing Wage Requirements contained in the Contract Documents. This includes, but is not limited to, completing reporting requirements. KNUTSON may exercise its right to withhold payment to Subcontractor for Subcontractor's failure to timely submit such documentation until Subcontractor complies with such reporting requirements.

10. **TOOLS AND EQUIPMENT.** Subcontractor shall provide all tools and equipment necessary to perform the Work, including but not limited to scaffolds, ladders, hoisting and specialty items. KNUTSON's tools and equipment shall be available to Subcontractor only at KNUTSON's discretion and on terms satisfactory to KNUTSON. Subcontractor agrees to assume sole responsibility for all claims for loss or damage to all property, including its property, and KNUTSON's property, arising out of Subcontractor's use of KNUTSON's equipment, including without limitation hoisting of material. Subcontractor agrees that operators of KNUTSON's equipment during the period of Subcontractor's use, either singly or with others, shall be deemed loaned servants of Subcontractor even though actually employed by KNUTSON or others.

11. SAFETY.

11.1 Subcontractor shall perform the Work in a safe manner, shall comply with all safety measures required by KNUTSON or the Contract Documents, and shall comply with all applicable laws, codes, ordinances, rules, regulations and orders of any public authority for the safety of persons or property, including such provisions as are more strict or more expensive than the safety measures initiated by KNUTSON or required by the Contract Documents. Subcontractor shall be solely responsible for protection and safety of its employees, including employees of its subcontractors and suppliers of every tier, for final selection of safety methods and means, for required safety reports and records, for daily inspection of the Work area and its employees' safety equipment, and for instruction of its employees on health and safety, including weekly safety meetings. Subcontractor agrees to establish a goal of zero accidents and injuries for the Project, and to implement, maintain and enforce a safety program consistent with such goal. Subcontractor agrees to prepare a written site-specific safety plan for the Project prior to commencing the Work. If requested, Subcontractor shall comply with all KNUTSON safety program requirements.

11.2 Subcontractor shall reimburse KNUTSON for all costs, including reasonable attorney fees, incurred by KNUTSON arising out of or connected with a failure or alleged failure of Subcontractor to comply with this Article, including costs of investigation and fines and penalties imposed upon KNUTSON for alleged safety violations by or unsafe Work of Subcontractor, regardless of whether KNUTSON has or has not assisted or advised Subcontractor in fulfilling such responsibilities as Subcontractor agrees and acknowledges that site safety affecting the Subcontractor's employees is solely the contractual responsibility of Subcontractor.

11.3 Subcontractor shall stop any part of the Work which either KNUTSON or Subcontractor determines to be unsafe until corrective measures have been taken. Failure on the part of KNUTSON to stop any part of the Work shall in no way relieve Subcontractor of its responsibility hereunder.

12. CHANGES.

12.1 KNUTSON shall have the right by written directive to order Changes, including additions and deletions to the Work and other revisions to the scope of the Work or the required time for completion of the Work, without notice to Subcontractors surety, if any. Subcontractor shall promptly comply with all such written directives and shall diligently perform the changed Work in accordance with the Contract Documents. Should Subcontractor claim that the changes are of such a nature as to increase or decrease the cost of any part of the Work, then, unless such written directive includes an agreed upon adjustment in the Subcontract Price and/or time for completion of the Work, Subcontractor shall submit to KNUTSON, in writing, within five (5) calendar days of receipt of the written directive, or within such shorter period as may be required for KNUTSON to comply with the Contract Documents, all claims, if any, for adjustment of the Subcontract Price or of the time for the completion of the Work. Subcontractor shall not be entitled to a change in the Subcontract Price or in the time for completion of the Work unless such notice is provided and unless so authorized by written change order by KNUTSON.

12.2 Should KNUTSON issue a request for a proposal for a proposed change in the Work or in the time for completion of the Work, Subcontractor shall deliver to KNUTSON a detailed and itemized proposal within ten (10) calendar days of receipt of such request, or within such shorter period as may be required for KNUTSON to comply with the Contract Documents, and prior to commencement of such change in the Work. The proposal shall contain quantities, rates, prices and other information as required or as requested by KNUTSON, to fully describe the scope and price of the proposed change and scheduling detail and data to substantiate entitlement to any requested extension of time for completion of the Work. Subcontractor shall cooperate with KNUTSON, and Owner and Architect, at KNUTSON's election, to review, modify the proposal if necessary, and negotiate in good faith to reach an agreement upon the terms of any change order. Subcontractor shall not be entitled to compensation for any costs and expenses relating to preparation of proposals for changes in the Work. Should the parties be unable to agree as to the value of the Work to be changed, Subcontractor shall promptly proceed with the changed Work upon written order of KNUTSON and the value of the changed Work shall be determined and paid at actual field costs or other applicable method as determined by KNUTSON.

12.3 Should Subcontractor claim that the issuance of any instruction, drawing or direction by KNUTSON, Owner or Architect results in additional costs, Subcontractor shall immediately submit written notice of such claim to KNUTSON and not later than five (5) calendar days after receipt thereof and in all events prior to commencing such Work. Subcontractor shall not be entitled to a change in the Subcontract Price resulting from such instructions, drawings or directions unless such notice is provided.

12.4 The total cost for any changes to the Work shall be determined by one or more of the following methods or combinations thereof as KNUTSON may elect: (1) acceptance at a lump sum proposal with properly itemized costs; (2) unit prices stated in the Contract Documents, or in the Agreement, or subsequently agreed upon (unit prices shall be deemed to include an allowance for all of Subcontractor's direct and indirect costs, including, without limitation, office or shop expense, overhead, profit and bonds); or (3) actual field costs incurred in performance of the changed, added or deleted Work, plus mark-up for overhead, supervision and profit, as provided in subparagraphs 12.4.1 and 12.4.2. No other costs arising out of or connected with the change to the Work or extra Work of any nature may be recovered by Subcontractor.

12.4.1 Actual field costs shall mean costs necessarily incurred in the proper performance of the changes to the Work or of the extra Work, and paid by Subcontractor at rates not higher than the standard paid in the locality of the Project, except with the prior written consent of KNUTSON for:

- (a) Wages paid for labor in the direct employ of Subcontractor or any of its subcontractors, plus a negotiated payroll mark-up on field labor and fabrication shop labor in amounts agreed to by KNUTSON, to cover all overhead items applicable to payroll, such as insurance, taxes, F.I.C.A., workers' compensation, unemployment taxes, and fringe benefits.
- (b) Net cost of all materials, supplies and equipment used in or incorporated in the changed or extra Work.
- (c) Third party rental charges for necessary machinery and equipment, exclusive of hand tools, for the period of time used in performing the changed or extra Work, including installation, minor repairs and replacements, dismantling, removal, transportation and delivery costs thereof. Total third-party rental charges on machinery or equipment rented under an agreement containing a purchase option clause shall not exceed 50% of the option purchase price. Rental rates for machinery and equipment owned by Subcontractor shall be not more than 50% of published rental rates for like equipment in the locality of the Project, and the aggregate amount of rent for any single item of machinery or equipment shall not exceed 50% of the current fair market value. Notwithstanding the foregoing, the rental rates applicable to changed or extra Work shall not exceed the allowable rental rates provided in the Contract Documents.

- (d) The actual net increase in the cost to Subcontractor for performance and payment bonds resulting from the changed or extra Work.

12.4.2 The maximum percentage mark-up added to itemized costs under a lump sum proposal or to actual field costs shall be negotiated between Subcontractor and KNUTSON for changed or extra Work performed by Subcontractor's own forces and for changed or extra Work performed by its subcontractors. Such negotiated mark-up will be paid as full compensation to Subcontractor for profit, general superintendence, hand tools, capital and interest expense, insurance expense, field office expense, overhead, and all other elements of cost not defined herein as actual field costs. Notwithstanding the foregoing, the maximum aggregate mark-up payable to Subcontractor and its subcontractors shall not exceed the lesser of (a) the negotiated percentage agreed to by Subcontractor and KNUTSON or (b) the mark-up permitted in the Contract Documents for changed or extra Work.

12.4.3 KNUTSON shall have the right to inspect, copy and audit the books and records of Subcontractor and any of its subcontractors making claim for reimbursement for actual field costs and payment pursuant to allowances in order to verify the accuracy and permissibility of all costs and allowances claimed. Subcontractor shall retain such books and records for a period not less than three years after final payment, or for such longer period as may be required by the Contract Documents.

12.5 Subcontractor shall not be entitled to a change in the Subcontract Price or the time for completion of the Work unless authorized in writing by KNUTSON. Subcontractor shall not have the right to maintain an action in court or, in the event arbitration is invoked by KNUTSON, in arbitration to recover for changed or extra Work, unless Subcontractor has strictly complied with the requirements set forth herein.

12.6 All changes to the Work or extra Work ordered in writing by KNUTSON shall be deemed to be a part of the Work hereunder and shall be performed in compliance with all provisions of the Contract Documents.

12.7 Minnesota False Claims Act and/or the federal equivalent ("FCA"). If this Project is funded in any part through the State of Minnesota and/or the federal government, then (a) Minnesota Statutes Ch. 15C *et seq.*, and/or the federal equivalent, are applicable to this Project and to Subcontractor, and claims under the FCA may include payment applications, claims for additional time and increases to the Subcontract Price, and certifications regarding Disadvantaged Business Enterprise participation for the Project; (b) the Owner and KNUTSON consider that the application of and obligation to comply with the FCA not only flows down from the KNUTSON to all its Subcontractors and suppliers, but is also directly applicable to Subcontractors and suppliers; and (c) Subcontractor shall provide in its subcontracts and purchase orders that its subcontractors and suppliers shall comply with the FCA in regards to claims made against Subcontractor to the same extent that Subcontractor must comply with the FCA in regards to its claims made to KNUTSON, and that its subcontractors and suppliers shall defend and indemnify KNUTSON and Subcontractor from any such claims.

13. INSPECTION.

13.1 KNUTSON, Architect, Owner and their authorized representatives shall have the right to inspect and test the Work and the components thereof at all times and places to verify compliance with the Contract Documents and standards of good workmanship.

13.2 Subcontractor shall provide safe facilities for inspection of the Work by KNUTSON, Architect, Owner and their authorized representatives in the field, at shops, or at any other place where materials or equipment for the Work are in preparation, testing, manufacture, treatment or storage.

13.3 All inspections and tests are for the benefit of KNUTSON and Owner and shall not relieve Subcontractor of responsibility for providing its own quality control measures to assure that the Work complies with the Contract Documents. Inspection or testing by KNUTSON, Architect or Owner, or any of their authorized representatives, shall not be construed as constituting acceptance and shall not relieve Subcontractor of

responsibility for any non-compliance, damage to or loss of the Work, or in any way affect the continuing rights of KNUTSON or Owner regarding the completed Work.

13.4 Within twenty-four (24) hours after receiving written notice from KNUTSON that any portion of the Work has been rejected by KNUTSON as defective or in any way failing to conform to the Contract Documents, Subcontractor, at its own expense shall remove all such portions of the Work from the Project and shall replace the same with conforming Work and make good all work of others damaged or destroyed by or as a result of such defective, or non-conforming Work or by removal or replacement thereof.

14. TAKING OVER PERFORMANCE-TERMINATION FOR DEFAULT.

14.1 Should Subcontractor at any time: (a) fail to maintain the insurance coverages specified in Article 16 hereof; (b) fail to provide the Bonds required in Article 18 hereof; (c) fail to supply sufficient skilled workers, equipment or materials of proper quality and quantity; (d) fail to make timely payments for labor or materials; (e) fail to proceed with the Work in the sequence directed by KNUTSON; (f) fail to prosecute the Work with promptness and diligence; (g) cause stoppage, delay or interference to work of KNUTSON or any other contractor or subcontractor; (h) fail to perform the Work in compliance with the Contract Documents; (i) have filed by or against Subcontractor a petition in bankruptcy or for an arrangement or reorganization (KNUTSON being unwilling to accept and hereby declines performance by any trustee in bankruptcy); or (j) become insolvent or go into liquidation or dissolution or make a general assignment for the benefit of creditors or otherwise acknowledge insolvency; then in any of such events, each of which shall constitute a default of Subcontractor, KNUTSON shall have the right, to the extent permitted by law, and in addition to any other rights and remedies provided by the Contract Documents or by law, after seventy-two (72) hours written notice to Subcontractor mailed or delivered to its last known address and/or e-mailed to the Subcontractor's project manager, (i) to perform (through itself or through others) any or all of the uncompleted part of the Work and to deduct the cost thereof from any monies due or to become due to Subcontractor under the Agreement or (ii) to terminate the Agreement in whole or in part, for all or any portion of the Work, enter upon the premises and take possession of all materials, equipment, scaffolds, tools, and other items thereon, all of which Subcontractor hereby transfers, assigns and sets over to KNUTSON for the purpose of completing the Work, and to employ persons as necessary to complete the Work and to provide all labor, services, materials, equipment and other items required therefore.

14.2 In the case of such performance by KNUTSON, whether by itself or through others, or in the event of such termination, Subcontractor shall not be entitled to receive any further payment under the Agreement until the Work shall be wholly completed to the satisfaction of KNUTSON, at which time, if the unpaid balance of the Subcontract Price shall exceed the costs incurred by KNUTSON in performing or completing the Work, such excess shall be paid by KNUTSON to Subcontractor, but if such costs shall exceed such unpaid balance, then Subcontractor shall pay the difference to KNUTSON. Such costs shall include the cost of performing, correcting and completing the Work in conformance with the Contract Documents and of furnishing all labor, services, materials, equipment, and other items required therefore, and shall also include all losses, damages, costs and expense, including legal fees and disbursements, incurred by reason of or resulting from Subcontractor's default.

15. CONVENIENCE TERMINATION OR SUSPENSION.

15.1 KNUTSON may terminate the Agreement, in whole or in part, at any time by written notice to Subcontractor, whether or not Subcontractor is in default, and regardless of whether the Owner has exercised its right, if any, to a convenience termination of the Contract between KNUTSON and Owner. Such termination shall be effective at the time and in the manner specified in said notice and shall be without prejudice to any claims which KNUTSON or Owner may have against Subcontractor. Upon receipt of any such notice, Subcontractor shall, unless the notice directs otherwise: (a) immediately discontinue the Work on the date and to the extent specified in the notice; (b) place no further orders for materials, equipment or services, except as may be necessary for completion of such portion of the Work that is not terminated; (c) promptly make every reasonable effort to procure cancellations, upon terms satisfactory to KNUTSON, of all material orders and subcontracts to the extent they relate to the performance of the Work terminated; and (d) thereafter execute only such portion of the Work that is not

terminated or in the event that all of the Work is terminated, execute only that portion of the Work as may be necessary to preserve and protect the Work already in progress and to protect materials and equipment at the Project site or in transit thereto.

15.2 Subcontractor waives any claims for damages, including loss of anticipated profits for uncompleted Work, on account of termination by KNUTSON pursuant to Paragraph 15.1 and shall accept as its sole remedy payment of the amount recovered by KNUTSON from Owner allocated as compensation for termination of the Work.

15.3 KNUTSON may suspend the Agreement in whole or in part, at any time by written notice to Subcontractor whether or not Subcontractor is in default, in the event and to the extent that Owner has exercised its right, if any, to suspend the work required by the Contract between KNUTSON and Owner. Such suspension shall be effective at the time and in the manner specified in said notice and shall be without prejudice to any claims which KNUTSON or Owner may have against Subcontractor. Upon receipt of any such notice, Subcontractor shall, unless the notice directs otherwise: (a) immediately suspend the Work on the date and to the extent specified in the notice; (b) place no further orders for materials, equipment or services, except as may be necessary for completion of such portion of the Work that is not suspended; and (c) thereafter execute only such portion of the Work that is not suspended, or in the event that all of the Work is suspended, execute only that portion of the Work as may be necessary to preserve and protect the Work already in progress and to protect materials and equipment at the Project site or in transit thereto.

15.4 Subcontractor waives any claims for damages on account of suspension by KNUTSON pursuant to Paragraph 15.3 and shall accept as its sole remedy payment of the amount recovered by KNUTSON from Owner allocated as compensation for suspension of the Work.

16. INSURANCE.

16.1 Prior to starting the Work, Subcontractor shall procure, maintain and pay for such insurance and in the form and amounts described below from insurer(s) authorized to transact business in the state where Work or operations will be performed by Subcontractor. Such insurance and required coverage in forms acceptable to KNUTSON shall be placed with admitted insurers that maintain an A.M. Best's rating of not less than A- VII, unless otherwise approved by the KNUTSON. The insurance requirements described below shall be maintained uninterrupted for the duration of the Project, including any warranty periods, and shall protect Subcontractor, and others for whom and/or to whom Subcontractor may be liable, for liabilities in connection with work performed by or on behalf of Subcontractor, its agents, representatives, employees or subcontractors.

16.2 Subcontractor shall procure and maintain the following minimum insurance coverages and limits of liability:

| Workers' Compensation | Statutory Limits |
|------------------------------|---|
| Employer's Liability | \$500,000 bodily injury by accident -each accident, \$500,000 bodily injury by disease - policy limit, \$500,000 bodily injury by disease – each employee |
| Commercial General Liability | \$1,000,000 per occurrence, bodily injury or property damage liability; \$1,000,000 per offense, personal and advertising injury liability; \$1,000,000 products-completed aggregate; and \$1,000,000 general aggregate applicable to claims other than products-completed operations. To the extent that Subcontractor's CGL and any |

commercial umbrella insurance are subject to aggregate limits, the policy shall be endorsed so as to apply such aggregate limits separately to the Project.

Automobile Liability \$1,000,000 each accident

Professional Errors and Omissions \$1,000,000 per claim
(if required by Paragraph 16.2.e) \$1,000,000 annual aggregate

Contractors Pollution Liability \$1,000,000 each claim
(if required by Paragraph 16.2.f) \$1,000,000 annual aggregate

Excess Liability \$4,000,000 – Each Occurrence/Aggregate

- a. Commercial General Liability insurance required under this Article 16 shall be written on an occurrence form (ISO Form CG 00 01 or equivalent) and shall include coverage for Products/Completed Operations extending as long as commercially available after final acceptance of the Project by Owner or such longer period as the Contract Documents may require, Broad Form Property Damage including Completed Operations, Personal Injury, Blanket XCU and Blanket Contractual Liability insurance applicable to Subcontractor's defense and indemnity obligations under Article 17 below. Commercial General Liability Insurance or Workers' Compensation insurance shall include "stop gap" coverage for Work in those states where Workers' Compensation insurance is provided through a state fund if Employer's Liability coverage is not available. Commercial General Liability shall not have any residential or habitational exclusions.
- b. Automobile Liability insurance required under this Paragraph shall include coverage for bodily injury and property damage arising from the use or operation of any auto, including those owned, hired or otherwise operated or used by or on behalf of Subcontractor. The coverage shall be subject to the terms of IOS Business Auto Coverage Form CA 0001 (1990 edition or later) or substitute form providing equivalent coverage.
- c. Subcontractor shall maintain workers' compensation coverage providing statutory benefits. Subcontractor shall additionally maintain employers liability insurance, and if necessary, commercial umbrella insurance, with a limit of not less than: \$1,000,000, bodily injury by accident – each accident; \$1,000,000 bodily injury by disease-policy limit; and \$1,000,000 bodily injury by disease each employee. Workers Compensation coverage must extend to every employee, including owners/officers of a closely held corporation and/or individuals operating as a sole proprietorship or partnership. Workers Compensation must provide coverage in the state where the Project is located.

Where applicable, evidence of coverage shall be required for U.S. Longshore and Harborworkers Compensation, Maritime coverage, Federal Employer's Liability Act and other unique exposures requiring endorsement of coverage.

- d. Workers' Compensation, Automobile Liability, and Commercial General Liability coverage shall include a waiver of subrogation in favor of KNUTSON and Owner.
- e. Professional Liability Insurance. If the Work includes architecture, engineering or other professional services, including surveying, Subcontractor shall procure, maintain, and pay for Professional Errors and Omissions insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 annual aggregate. Coverage shall include liability arising from the errors, omissions or

acts of the Subcontractor or any entity for which the Subcontractor is legally responsible in the providing of professional services under the Contract. If such insurance is written on a claims-made basis, the retroactive date shall be prior to the start of any professional services. Subcontractor agrees to maintain such coverage for two years after final acceptance of the Project by Owner or such longer period as the Contract Documents may require. Renewal policies during this period shall maintain the same retroactive date. If Subcontractor's scope of work includes environmental engineering or consulting, the terms of coverage shall not exclude environmental professional services.

- f. Subcontractor's Pollution Liability Insurance. If the Work includes any portion of (i) building enclosure systems (including, without limitation, vapor or moisture barriers, waterproofing, roofing or flashing, exterior windows, curtainwall components or systems, plaster or stucco or exterior stone or masonry); (ii) plumbing, fire protection, heating, ventilating or air conditioning systems, building controls; (iii) drywall or insulation; (iv) building foundations and/or (v) remediation, treatment, storage or disposal of waste or hazardous materials on or about the project site, Subcontractor shall maintain Contractors Pollution Liability coverage with a limit of not less than \$1,000,000 per claim, \$1,000,000 annual aggregate. Coverage shall apply to the scope of work described under the Subcontract, including transportation, and shall include coverage for bodily injury, property damage, including loss of use of damaged property or property that has not been physically injured, clean-up costs, mold, and defense and investigative costs. Subcontractor shall maintain Completed Operations coverage extending as long as commercially available following final acceptance of the project or termination of the Contract.

If the scope of services in the Subcontract require the Subcontractor to provide professional services associated with arranging for or brokering of, hazardous material or construction and demolition (C&D) wastes off the job site, Subcontractor must amend the Contractors Pollution Liability policy to include coverage to address this scope of work. If any of the aforementioned insurance policies are written on claims made basis, the Subcontractor warrants that continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two years beginning from the time the work under this contract is completed. Retroactive date to be prior to work and continuously maintained on all renewals.

16.3 Employer's Liability, Commercial General Liability and Automobile Liability insurance may be arranged under single policies for full minimum limits required, or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability policy. The general aggregate on the Commercial General Liability policy shall apply on a project-specific basis.

16.4 Subcontractor shall obtain a blanket endorsement to its Commercial General Liability (including Products/Completed Operations coverage and utilizing ISO endorsements CG 20 10 1001 and CG 20 37 1001 or equivalent), Automobile Liability, Umbrella/Excess Liability, and Contractors Pollution Liability (if required herein, and including Completed Operations coverage) policies to add KNUTSON, Owner, Architect/Engineer and such other parties as KNUTSON is required under the Contract Documents to name as additional insureds on KNUTSON's Insurance, as "additional insureds" with respect to liability arising out of (a) operations performed for KNUTSON or Owner by or for Subcontractor, (b) Subcontractor's completed Work, (c) acts or omissions of KNUTSON or Owner in connection with their general supervision of operations by or for Subcontractor, (d) Subcontractor's use of KNUTSON's tools and equipment, and (e) claims for bodily injury or death brought against any of the additional insureds by Subcontractor's employees, or the employees of its subcontractors of any tier, however caused, related to the performance of operations under the Contract Documents. Such insurance afforded to KNUTSON, Owner and others as additional insureds under Subcontractor's policies shall be under a blanket endorsement and be primary insurance and not excess over, or contributing with, any insurance purchased or maintained by KNUTSON or Owner or others required to be included as additional insureds. If the Contract Documents specifies project specific additional insured coverage, such coverage shall be as broad as permitted by law. The limits of the Additional Insured coverage provided by Subcontractor under this Agreement shall be the

greater of either the limits specified in this Agreement or the limits that Subcontractor has obtained. In addition, to the greatest extent permitted by law, such insurance shall also comply with the requirements of Paragraph 17.2 and shall specifically include, without limitation, coverage for vicarious liability or liability imposed by warranty arising out of Subcontractor's acts or omissions. Subcontractor agrees and acknowledges that all such insurance is commercially available.

16.5 In the event Subcontractor fails to procure or maintain any insurance required by this Article, KNUTSON may, at its option, purchase such coverage and deduct the cost thereof from any monies due to Subcontractor, withhold funds from Subcontractor in an amount sufficient to protect KNUTSON and other insured parties, or terminate the Agreement pursuant to its terms.

16.6 Certificates of Insurance shall be filed with KNUTSON prior to commencing any Work hereunder. Renewal certificates shall be provided to KNUTSON not less than ten (10) days prior to the expiration date of any of the required policies. All Certificates of Insurance shall be in a form acceptable to KNUTSON and shall provide satisfactory evidence that Subcontractor has complied with all insurance requirements. KNUTSON shall not be obligated to review certificates or other evidence of insurance, or to advise Subcontractor of any deficiencies in such documents, and receipt thereof shall not relieve Subcontractor from, nor be deemed a waiver of KNUTSON's right to enforce the terms of Subcontractor's obligations hereunder. All insurance policies shall contain a provision that coverages and limits afforded thereunder shall not be canceled, materially changed, non-renewed, or restrictive modifications added, without thirty (30) days prior written notice to KNUTSON. KNUTSON shall have the right to examine any policy required under the Agreement.

16.7 To the extent of coverage afforded by Builder's Risk or any other property or equipment floater insurance applicable to the Work or the Project or equipment used in performance of the Work or the Project, regardless of whether such insurance is owned by or for the benefit of Subcontractor, KNUTSON, Owner, or their respective agents and subcontractors, KNUTSON and Subcontractor waive all rights against each other and Owner, and subcontractors, agents and employees each of the other, for loss or damage to the extent that the interests of KNUTSON and Subcontractor are covered by such insurance, except such rights as they may have to the proceeds of such insurance. If policies of insurance provided by KNUTSON or Subcontractor that are referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

16.8 KNUTSON and Owner neither represent nor assume responsibility for the adequacy of the Builder's Risk insurance to protect the interests of Subcontractor. It shall be the obligation of Subcontractor to purchase and maintain any supplementary property insurance that it deems necessary to protect its interest in the Work.

16.9 Subcontractor agrees to waive all rights of subrogation against KNUTSON, the Owner, and the Architect, and shall cause each of its subcontractors to waive all rights of subrogation against KNUTSON, the Owner, and the Architect, their agents and employees, respecting loss, damage, claims, suits or demands, howsoever caused:

- a. To real or personal property, vehicles, equipment, tools, etc. owned, leased or used by Subcontractor or Subcontractor's employees, agents or sub-subcontractors; and
- b. To the extent such loss, damage, claims, suits or demands are, or should be, afforded coverage by the Subcontractor's required insurance or any other insurance (except professional liability to which this requirement does not apply) maintained by the Subcontractor. This waiver shall apply to all first party property, equipment, vehicle and workers compensation claims (unless prohibited under applicable state statutes), and all third party claims. This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required insurance policies or any other insurance maintained by the Subcontractor. If necessary, Subcontractor agrees to endorse the required insurance policies to permit waivers of subrogation in favor of KNUTSON, the Owner, and the Architect as required hereunder.

Subcontractor further agrees to hold harmless and indemnify KNUTSON, the Owner, and the Architect for any loss or expense incurred as a result of Subcontractor's failure to obtain such waivers of subrogation from the insurers.

17. INDEMNITY.

17.1 To the fullest extent permitted by law, Subcontractor shall defend and indemnify KNUTSON and all others whom KNUTSON is obligated to defend and indemnify by the Contract Documents, (collectively "the indemnified parties") from and against any and all suits or claims alleging damages, losses and expenses, including attorneys' fees attributable to injuries to persons or damage to property (including loss of use) arising out of or resulting from Subcontractor's Work, including all suits and claims that arise during and after construction of the Project. Subcontractor understands and agrees that this Paragraph obligates Subcontractor to pay all costs of defense of the indemnified parties, including attorneys' fees and ancillary costs and expenses incurred by the indemnified parties; provided, however, that Subcontractor's obligation to defend and indemnify the indemnified parties under this Paragraph shall exclude liability for such injuries or damage to the extent caused by or resulting from the negligent act or omission of the indemnified parties or of the indemnified parties' employees, consultants, agents, or others for whom the indemnified parties are responsible. Subcontractor understands and agrees that this Paragraph also obligates Subcontractor to pay any and all attorneys' fees and expenses incurred by any of the indemnified parties in connection with enforcing the obligations of this Article 17.

17.1.1 Subcontractor's obligation to defend is a separate contractual obligation from Subcontractor's duty to indemnify the indemnified parties. The Subcontractor's obligation to defend arises and is owed at the time the allegation or assertion is made regarding (1) any claims arising out of or resulting from Subcontractor's performance of the Work; (2) any claims expressly alleging or by reasonable inference implicating a breach of the Agreement by Subcontractor; (3) any claims expressly alleging or by reasonable inference implicating negligence on the part of the Subcontractor or its subcontractors, suppliers, independent contractors, agents, employees or delegates, or, other wrongful conduct on the part of KNUTSON; and (4) any claims for damage, loss or expense attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including loss of use resulting therefrom, where expressly alleged or by reasonable inference implicated to have been caused in whole or in part by negligent acts or omissions of the Subcontractor, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is also alleged to have been caused in part by an indemnified party.

17.2 Subcontractor further agrees as a separate obligation to obtain, maintain and pay for commercial general liability insurance which conforms to the insurance requirements specified in Article 16, including without limitation completed operations coverages and contractual liability coverage and such other insurance types and limits as are specifically required by Article 16 to secure and insure the provisions of this Article 17.

17.3 Subcontractor understands and agrees to undertake these obligations regardless of whether the injured person asserting a suit or claim is an employee of Subcontractor, its subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Subcontractor's indemnity obligation under this Article 17 shall not be limited in any way by the operation of a workers' or workmen's compensation act, any disability act, or any other employee benefit act.

17.4 Subcontractor and KNUTSON agree that this Article 17 complies with the requirements of Minnesota Stat. Ch. 337.

17.5 It is the intent of the parties that each provision of this Agreement shall be interpreted in a manner as to be effective and valid under applicable law. If there is a discrepancy in the scope and requirements of the defense, indemnity, or insurance provisions of this Agreement, the Subcontractor agrees that it will provide the broadest possible defense and indemnity to the maximum extent permitted by law, it being the intent that Subcontractor shall provide the maximum defense and indemnity obligations permitted by law. If any defense, indemnity, or insurance provision in this Agreement is found not to be allowed by law, or if the Subcontractor's

promise to insure a defense or indemnity obligation is found not to be allowed by law, then the parties agree that such defense or indemnity provision, or such insurance provision, may be redrafted so that it provides the maximum defense, indemnity and insurance protection to the indemnified parties that is allowed by law.

IN WITNESS WHEREOF, Subcontractor and KNUTSON acknowledge this Indemnity Clause as set forth above.

{FLPM2030_V.FL2030_VEN_BP_NAME} KNUTSON CONSTRUCTION SERVICES, INC.

| | |
|-----------|------------------------------------|
| By _____ | By _____ |
| Its _____ | {FLPM2030_V.FL2030_MNGR_CONT_NAME} |
| | {FLPM2030_V.FL2030_MNGR_ROLE_NAME} |

18. BONDS.

18.1 If required in the Agreement, Subcontractor shall obtain and furnish to KNUTSON performance and payment bonds (the "Bonds") covering the faithful performance of the Agreement and payment of all obligations arising thereunder. The Bonds shall be written on KNUTSON's Subcontractor Performance Bond and Subcontractor Labor and Material Payment Bond forms, each in the full amount of the Subcontract Price. Subject to the terms and provisions set forth in the Bonds, the penal sum of each of the Bonds shall be increased in the same amount as any increase in the Subcontract Price. The surety or sureties executing the Bonds shall be authorized to conduct surety business in the state in which the Project is located and shall be listed in the current United States Department of the Treasury Circular No. 570, with an underwriting limitation equal to or greater than the penal sum of the Bonds to be furnished. The premium for such Bonds, including any additional premiums resulting from increases in the Subcontract Price, shall be included in the Subcontract Price and shall be paid by Subcontractor.

18.2 Subcontractor shall furnish all performance and payment Bonds required by the Agreement within ten (10) days of receipt of the Agreement, but in all events prior to commencement of the Work. Should Subcontractor fail to furnish the required Bonds within the specified time, KNUTSON shall have the right to terminate the Agreement pursuant to Article 14.

18.3 The Bonds to be obtained and furnished by Subcontractor shall be provided by a surety, or sureties, with a current A.M. Best rating of A minus (A-) or higher. If the A.M. Best rating of the surety, or sureties, which execute(s) the Bonds subsequently falls below A minus (A-), then Subcontractor shall, within ten (10) days of such change in the published rating or upon receipt of written notice from KNUTSON, and at Subcontractor's sole expense, obtain and furnish to KNUTSON replacement Bonds executed by a surety, or sureties, in full compliance with the Agreement. The failure of Subcontractor to provide acceptable replacement Bonds within the referenced timeframe shall be a material breach and default of the Agreement.

19. PATENT INFRINGEMENT. Subcontractor shall pay all royalties and license fees and shall defend all suits or claims for infringement of any patent rights arising out of the Work.

20. WARRANTY. Subcontractor warrants and guarantees that it shall perform all of the Work in a skillful manner, and shall furnish new materials and equipment of good quality, fit for the purpose intended and free from defects and in compliance with all requirements of the Contract Documents; that without cost to KNUTSON or Owner it shall promptly correct improper or defective Work, materials or equipment and other work affected by such correction which may be discovered within one year from the date of final acceptance of the Project by Owner. Notwithstanding the foregoing, Subcontractor shall provide any broader guarantee or longer warranty period required by the Contract Documents. Required equipment and system warranty documents and as-built drawings shall be delivered to KNUTSON within thirty (30) days of completion of the Work, or such earlier time

as required by the Contract Documents. Nothing contained in this Article shall be construed to establish a period of limitation with respect to other obligations which Subcontractor has under the Contract Documents. Establishment of the one year time period herein (and any other period elsewhere in the Contract Documents) relates only to Subcontractor's specific obligations to correct the Work and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced.

21. DISPUTES.

21.1 If arbitration of disputes is provided for in the Contract Documents, and if KNUTSON, in its sole discretion, elects to demand arbitration with Subcontractor individually, or as part of joint proceedings with Owner or others, any dispute arising between KNUTSON and Subcontractor under the Agreement, including breach or formation thereof, shall be decided by arbitration in the manner provided for in the Contract Documents. If KNUTSON elects to demand arbitration with Subcontractor individually, and subject to applicable law, arbitration proceedings shall be held in Minneapolis, Minnesota, or such other place as KNUTSON may designate.

21.2 If the Contract Documents do not provide for arbitration and if KNUTSON, in its sole discretion, elects to demand arbitration with Subcontractor individually, or as part of joint proceedings with Owner or others, any dispute arising between KNUTSON and Subcontractor under the Agreement, including breach thereof, shall be decided by arbitration in accordance with the then current Construction Industry Arbitration Rules of the American Arbitration Association. Subject to applicable law, arbitration proceedings shall be held in Minneapolis, Minnesota, or such other place as KNUTSON may designate. The award rendered by the arbitrator pursuant to Paragraphs 21.1 or 21.2 shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

21.3 If the Contract Documents provide administrative procedures for resolution of disputes, Subcontractor agrees to comply with such procedures and submit any claims or disputes to KNUTSON in such manner and time as will permit KNUTSON to comply with such administrative procedures. Subcontractor agrees not to institute (and to stay) legal or other proceedings against KNUTSON until such administrative procedures and remedies have been exhausted, and agrees to fully reimburse KNUTSON for costs and expenses, including reasonable attorney's fees, incurred by KNUTSON in the enforcement of this Paragraph.

21.4 Any claim by Subcontractor involving, in whole or in part, acts, errors or omissions of Owner or Architect, or other agents or representatives of Owner, as determined by KNUTSON in its sole discretion, shall be subject to and governed by this Paragraph. Such claim shall be submitted in writing to KNUTSON in such time and manner as will permit KNUTSON to comply with the Contract Documents. Such claim shall contain a written entitlement narrative and an itemization of pricing for review and approval by KNUTSON. Subcontractor's right of recovery, arising from acts, errors or omissions of Owner or Architect, or other agents or representatives of Owner, shall be limited solely to that dollar amount and other relief, which is recovered from Owner, and KNUTSON shall not be liable to Subcontractor for any monies or other relief except those paid to KNUTSON by Owner for the benefit of Subcontractor. Subcontractor hereby agrees to make no claim to further payment beyond the Subcontract Price arising out of the acts, errors, or omissions of Owner or Architect, or other agents or representatives of Owner, other than to the extent that KNUTSON may receive funds from Owner on behalf of Subcontractor, which funds shall be paid by KNUTSON to Subcontractor less costs and expenses incurred by KNUTSON in prosecuting such claims.

21.5 In the absence of joinder in any dispute resolution procedure with respect to any claim by Subcontractor for additional compensation, extension of time, or damages, caused in whole or in part by any party other than KNUTSON, Subcontractor acknowledges and agrees as follows: (a) Subcontractor shall give written notice to KNUTSON concerning the basis and amount of such claim at least three (3) working days before KNUTSON is required to give notice of such claim to any other party, and KNUTSON's only obligation with regard to such claim shall be to forward it to the other party, if necessary, within three (3) working days of its receipt from Subcontractor and to make KNUTSON's records and employees reasonably available to Subcontractor to the extent reasonably necessary for Subcontractor's prosecution of such claim; however, KNUTSON reserves the right

to exercise primary decision-making authority with respect to such claim, including controlling the prosecution of such claim and strategic decisions related thereto, if such claim is related to other claims of either KNUTSON or other Subcontractors; (b) Subcontractor shall, at its own cost and expense, prepare, assemble, present, and prosecute such claim (in KNUTSON's name, if necessary) and shall be solely responsible for any costs and expenses it incurs in that regard, including expenses for legal representation. Subcontractor consents to joinder with any other parties in any dispute resolution process utilized for resolution of such claim; (c) Subcontractor's sole and exclusive remedy for such claim shall be limited to the amount of additional compensation, extension of time, and/or damages actually provided by the other party (whether voluntarily or due to an arbitration award, court order, or otherwise) and Subcontractor shall have no independent rights or separate claims against KNUTSON for further compensation, time extension, or damages for such claim; (d) any additional compensation or damages provided on account of such claim shall first be offset by KNUTSON's standard markup, if any, as well as any costs incurred by KNUTSON in connection with such claim; (e) Subcontractor shall hold harmless and indemnify KNUTSON for all costs and expenses incurred by KNUTSON in connection with such claim, including without limitation, claims by other parties for contribution or indemnity and fines or penalties pertaining to claim certification.

21.6 No dispute whatsoever shall interfere with the progress of construction and, despite disputes it may have against KNUTSON, Owner or other parties, Subcontractor shall proceed with its Work without suspension or slowdown.

22. ASSIGNMENT AND SUBLETTING.

22.1 Neither the Agreement nor any monies due or to become due hereunder shall be assigned without prior written consent of KNUTSON. Any assignment without prior written consent shall be void and of no effect and shall vest no right in the assignee against KNUTSON. KNUTSON's consent to any assignment shall not relieve Subcontractor of any of its obligations under the Agreement and the Contract Documents, and Subcontractor shall remain as fully responsible for the defaults, acts and omissions of its assignee and all persons directly or indirectly employed by its assignee as it is for its own defaults, acts and omissions and those of its own officers, agents, and employees.

22.2 Subcontractor shall submit to KNUTSON a listing of its subcontractors who will perform Work on the Project. Subcontractor shall bind each of its subcontractors to all of the provisions of the Agreement and the Contract Documents with respect to the Work. KNUTSON's consent to any subcontracting shall not create any contractual relationship between KNUTSON and any subcontractor of Subcontractor to whom the Work or any portion thereof is subcontracted and shall not relieve Subcontractor of its sole responsibility for the work of any such subcontractor.

23. EQUAL OPPORTUNITY. Subcontractor, during performance of the Agreement, shall take affirmative action to ensure that all employees and applicants are treated without discrimination with regard to race, color, creed, age, sex, disability, or national origin; shall comply with all applicable federal, state and local laws, ordinances, orders, regulations, and KNUTSON's applicable employment policies with respect to employment practices; and shall certify that it does not maintain or provide for its employees any segregated facilities at any of its establishments as required by the law, ordinance, order or regulation.

24. CONTINGENT ASSIGNMENT OF AGREEMENT. Subcontractor hereby consents to assignment of the Agreement by KNUTSON to Owner (or Owner's Lender) provided that such assignment is effective only after Owner's termination of the Contract between Owner and KNUTSON pursuant to the terms thereof. In such event, Subcontractor agrees to complete the Work for the benefit of Owner (or Owner's Lender), conditioned upon Owner's (or Owner's lender's) written agreement (1) to pay for all labor, material, and services furnished at Owner's request and (2) to pay for all labor, material, and services previously rendered to the extent such amounts are due and payable to Subcontractor under the terms of the Agreement.

25. MISCELLANEOUS.

25.1 KNUTSON's waiver of a breach of the provisions of the Agreement must be specifically set forth in writing and shall not extend to any other or future breaches. KNUTSON's remedies herein are cumulative and in addition to other remedies in law or equity.

25.2 Subcontractor shall perform the provisions of the Agreement as an independent contractor and is not, and Subcontractor shall not be deemed, an agent or employee of KNUTSON.

25.3 In the event any term or provision of the Agreement is deemed void or unenforceable, it shall not thereby invalidate or be construed to invalidate any other term or provision of the Agreement, which shall remain in full force and effect.

25.4 This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Minnesota, excluding any choice of law rule thereof that would direct the application of the laws of any other jurisdiction.

25.5 If Subcontractor is a union contractor, prior to the release of any retainage, the Subcontractor shall provide KNUTSON with a confirmation letter from their respective union(s) that all benefit payments are current. No retention shall be paid to Subcontractor prior to the receipt of this document.

IN WITNESS WHEREOF, Subcontractor and KNUTSON acknowledge these Standard Terms and Conditions of the Agreement as set forth above.

{FLPM2030_V.FL2030_VEN_BP_NAME} KNUTSON CONSTRUCTION SERVICES, INC.

| | |
|-----------|--|
| By _____ | By _____ |
| | {FLPM2030_V.FL2030_MNGR_CONT_NAME} |
| Its _____ | Its {FLPM2030_V.FL2030_MNGR_ROLE_NAME} |