

GENERAL CONDITIONS FOR SUBCONTRACT P.O. AGREEMENT

ARTICLE 1. *P.O. DOCUMENTS INCLUDING DOCUMENTS INCORPORATED BY REFERENCE.*

1.1 All the terms and information set forth on the purchase order agreement are contractual and are agreed to be material terms of this Agreement. The P.O. Documents are incorporated into this Agreement as if stated herein and consist of: (i) this Agreement and any exhibits and schedules referenced in purchase order hereto; (ii) all documents forming the contract between Resolute and the party Resolute is contracting with on the Project (whether that is the Owner, General Contractor or a Subcontractor, hereafter "Contracting Party"); (iii) all additional documents listed on the purchase order page and (iv) Resolute's Drawing Room Standards as indicated in "Exhibit A" if attached. Subcontractor shall assume towards Resolute all responsibilities that Resolute assumes toward the Contracting Party.

1.2 If there is a conflict with a provision contained in this Agreement and any other Contract Document, this Agreement shall govern. In relation to time limits, however, where other Contract Documents and this Agreement conflict, the shorter time period shall govern. Further, in relation to time limits, when a time limit in the Contract Documents is applicable to Resolute, then Subcontractor's time limit is the lesser of the time specified in this Agreement or three (3) days less than the time provided in the Contract Documents.

1.3 The Contract Documents are to be construed together so that all the Work is to be completed by Subcontractor.

ARTICLE 2. *SUBCONTRACTOR EXECUTION.*

2.1 Prior to executing this Agreement, Subcontractor shall provide to Resolute a mutually acceptable schedule of values for the Work, setting out in detail the dollar value of the various phases of the Work utilized in each phase of the Project. In addition, at Resolute's request, Subcontractor shall provide Resolute with a detailed schedule of performance of the Work, which schedule shall be consistent with all milestone and final completion dates set forth herein and any other scheduling requirements set forth in the Contract Documents.

2.2 In the event of a partial failure of Subcontractor's sources of supply of any materials to be furnished hereunder, Subcontractor shall first meet all of Resolute's requirements prior to any allocations among other customers of Subcontractor.

2.3 Time is of the essence of this Agreement.

ARTICLE 3. *PERFORMANCE OF THE WORK.*

3.1 Subcontractor shall pay for all materials and provide all labor needed to complete all Work and shall furnish all supervision, labor, materials, layout, hoisting, tools, equipment, supplies, shop drawings, samples, insurance and all other things necessary for the construction and completion of the Work and all work incidental thereto in strict compliance with the Contract Documents and schedule, any modifications to the Contract Documents, and to the satisfaction of Resolute, unless specifically excluded in writing. Subcontractor's Work is not limited by any titles on the drawings or headings in the specifications, it being the intention of the parties that all work customarily performed with Subcontractor's Work shall be performed by Subcontractor, including any and all items and services consistent with, contemplated by and reasonably inferable from the Contract Documents, whether or not such items and services are specifically mentioned therein.

3.2 Subcontractor shall perform or deliver the Work required under the terms of this Agreement by the Milestone Dates set forth on the first page of this Agreement or the attached schedule and in the absence of the foregoing, Subcontractor shall perform or deliver the Work in accordance with the Contract Documents ("schedule"). In any event, the Work shall be completed or delivered by the Final Completion Date.

3.3 Resolute has the right, without claim for additional compensation by Subcontractor, to, modify the schedule to extend performance or delivery dates in Resolute's sole discretion, and or Resolute may modify the sequence in which the Work is scheduled to be performed. Subcontractor acknowledges that the delivery schedule for the Work may change during the Project and that such changes were taken into account by Subcontractor when it agreed to the Contract Sum under this Agreement and, as a result, Subcontractor shall not be entitled to any additional moneys for schedule changes, except as provided for in this Article. In the event IPPI requires an acceleration of the performance of the Work, Subcontractor shall be entitled to payment for necessary overtime only in accordance with the terms of section 10.1 hereof.

3.4 Resolute shall have no duty to provide storage space at the Project for material or components of the Work which is delivered in advance of the scheduled delivery date. Subcontractor shall arrange deliveries such that the

shall govern. In relation to time limits, however, where other Contract Documents and this Agreement conflict, the shorter time period shall govern. Further, in relation to time limits, when a time limit in the Contract Documents is applicable to Resolute, then Subcontractor's time limit is the lesser of the time specified in this Agreement or three (3) days less than the time provided in the Contract Documents.

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3.5 To the extent required by the Contract Documents, Subcontractor shall submit to Resolute a complete list of equipment and material to be incorporated into the Work, together with a report as to the current status of equipment and material, containing such information and in such form as Resolute shall require. This status report form shall be updated and submitted on a monthly basis with each request for payment submitted, and more often if required by Resolute. At the request of Resolute, Subcontractor shall furnish Resolute with copies of purchase orders for materials and/or equipment. Subcontractor shall also provide a detailed schedule of Subcontractor's proposed shipping sequence to Resolute within thirty (30) days of Subcontractor's acceptance of this Agreement, setting forth the dates of delivery of material to Subcontractor and delivery of the materials to the Project. Subcontractor shall provide certified weekly reports to Resolute throughout the Project, stating the status of the raw material, fabrication and delivery of the Goods.

3.6 Subcontractor shall keep a competent superintendent on the Project site during the progress of its Work, who shall be the authorized representative of Subcontractor as to all matters necessary or incidental to its performance at the Project site. Directions and communications to that superintendent from Resolute shall be treated as directions and communications to Subcontractor.

3.7 If required by Resolute, Subcontractor shall submit to Resolute daily reports of Work performed, on forms to be furnished by Resolute, which shall indicate labor performed by classification, hours worked and description of Work accomplished. Such report shall be submitted on the working day following the day in which the Work was performed.

3.8 Subcontractor shall cooperate with Resolute and other subcontractors and suppliers in the scheduling and performing of related work at the Project site to avoid conflict or interference with the work of others. Subcontractor agrees to assist Resolute and Owner in

the expediting and tracking of Owner-furnished items that Subcontractor is to install to insure that their delivery coincides with the project schedule.

ARTICLE 4. *CHECKING DRAWINGS, DIMENSIONS AND EXISTING CONDITIONS.*

4.1 Subcontractor shall check all drawings and specifications furnished to it immediately upon their receipt and shall promptly notify Resolute of any discrepancies. Subcontractor shall compare all drawings and verify all figures and dimensions regarding Subcontractor's work and shall be responsible for all costs resulting from errors which Subcontractor, could have determined but failed to bring to the attention of Resolute in writing.

4.2 Prior to commencing field operations, Subcontractor shall inspect all existing conditions, take field measurements where necessary, and advise Resolute of any deficiencies or discrepancies, in writing, so that corrective action may be taken. Subcontractor shall take measurements notwithstanding the giving of scale or figure dimensions in the drawings. Should Subcontractor not advise Resolute of any discrepancies prior to commencing the Work, Subcontractor shall be responsible for any corrective action.

ARTICLE 5. *TEMPORARY FACILITIES AND SERVICES.*

5.1 All temporary facilities and services required by Subcontractor shall be furnished by Subcontractor at its own expense, except and to the extent that the Contract Documents expressly provide that such facilities and services be provided by another party. Since Resolute performs some of its work by the use of subcontractors, any statement in the Contract Documents that temporary facilities and services shall be provided by Resolute shall be construed to mean by the appropriate subcontractor. Subcontractor shall not use or permit any of its employees to use any equipment or materials belonging to Resolute or any other subcontractor without prior written agreement. If Resolute allows Subcontractor to use Resolute's equipment, Subcontractor assumes the risks of operating such equipment and confirms its duty to indemnify and hold Resolute harmless as provided in Article 18.

ARTICLE 6. *PAYMENT.*

6.1 Resolute shall pay the Contract Sum in accordance with the terms herein, and the Contract Sum shall not be modified unless such modification is specifically agreed to in a written change order as provided for herein. Subcontractor shall deliver to Resolute its application for payment less retainer of ten (10%) percent along with all other required documents required by this Agreement, including waivers of lien, sworn statements, affidavits, waiver of payment bond rights of Subcontractor and its lower tier subcontractors and suppliers, as a condition precedent to payment such that Resolute receives it on or

before the 5th day of each month for all Work delivered in accordance with the terms hereof during the preceding calendar month. Such application shall request payment of that percentage of the Contract Sum which corresponds to the percentage of the Work completed and accepted by Resolute, since the preceding application. All applications for payment shall be made on the most current AIA Application For Payment form.

6.2 Subcontractor shall indemnify, defend and hold Resolute, Owner and Resolute's payment bond surety harmless from and against any claim for lien, lien, encumbrance, payment bond claim (collectively "Lien") and any suit to enforce or recover or foreclose upon a Lien, including any costs, expenses, attorney's fees, consultants' fees and litigation costs incurred by Resolute which arises in connection with Subcontractor's Work or is asserted by any of Subcontractor's lower tier subcontractors, suppliers, employees, sureties, creditors, labor unions, or laborers.

6.3 If Subcontractor is in compliance with and not in breach of this Subcontract and if, and only if Owner or Contracting Party pays Resolute, which is an express condition precedent to Resolute's duty to pay Subcontractor, Resolute shall pay Subcontractor within ten (10) days of receipt of payment by Resolute for the specific Work identified by the application for payment unless a different schedule of payment is attached hereto. Resolute shall have no obligation to make such payment until Resolute has received payment covering the specific application. Subcontractor acknowledges and agrees that in making its determination to enter into this contract, it has expressly relied upon the credit of the Contracting Party and not Resolute, and that any expectation of payment under the terms of this contract arises as a consequence of such reliance upon the creditworthiness of the Contracting Party and not Resolute.

6.4 No payment to Subcontractor shall operate as an approval or acceptance of the Work.

6.5 Resolute reserves the right to withhold payments to Subcontractor on account of the failure of Subcontractor to: (i) correct defective workmanship or materials; (ii) cure any breach of Subcontractor under any terms of this Agreement; (iii) satisfy or discharge any claim of Resolute, Owner, or any person against Subcontractor arising out of or in any way connected with the Work hereunder, or arising out of any other agreement between Resolute and Subcontractor; (iv) make payment to Subcontractor's subcontractors or material suppliers; or (v) discharge any lien or claim against the payment of bond.. If any of the foregoing deficiencies are not promptly corrected or removed after written notice, Resolute may rectify the same at Subcontractor's expense, and deduct all costs and expenses incurred thereby, including its actual attorney fees, from the withheld payments. If the withheld payments are insufficient to satisfy the costs and expenses incurred by Resolute, or if any claim against Subcontractor shall be discharged by Resolute after final

payment is made, Subcontractor and its surety or sureties, if any, shall promptly reimburse Resolute for all such costs and expenses incurred, including all of Resolute's actual attorney fees, including those incurred in the enforcement of this Agreement, regardless of when any such claim arose or whether such claim imposed a lien upon the Work or the real property upon which the Work is situated. It is agreed that if Resolute shall incur any cost or expense of any nature in preparing for or prosecuting any claim against the Contracting Party, whether by means of negotiations, arbitration or legal action, arising out of the Contracting Party's failure or refusal to pay Resolute for the Work, Subcontractor shall be liable for and shall promptly reimburse Resolute for all such costs and expenses, or Resolute may withhold those amounts, including all actual attorney fees. Subcontractor shall also provide assistance to Resolute regarding the prosecution of any such arbitration or legal proceeding, including but not limited to providing access to Subcontractor's employees and documents. Any failure or refusal of Subcontractor to comply with the terms hereof shall be deemed a waiver of any claim or right of Subcontractor to any portion of the recovery obtained by Resolute from the Contracting Party, or any other party, relating to the Work.

6.6 Resolute may, in its sole discretion, make direct payments to claimants listed as unpaid on any Sworn Statement submitted by Subcontractor and to entities which provided a Notice of Furnishing relating to labor or material provided to Subcontractor and for which Subcontractor has not provided an unconditional waiver of lien. All payments made pursuant to this paragraph shall be considered the same as if paid directly to Subcontractor and shall constitute partial payment of the Contract Sum. In the event Subcontractor disagrees with the proposed amount to be paid by Resolute to a claimant, Subcontractor shall provide a bond in the amount Subcontractor believes to be an overpayment by Resolute, within ten (10) days of receipt of notice, or be barred from making any claim against Resolute that the amount of the direct payment by Resolute was incorrect.

6.7 If Subcontractor shall file a Claim of Lien earlier than thirty (30) days before the expiration of Subcontractor's right to file a construction lien under applicable law, Subcontractor shall reimburse Resolute for the cost of a bond discharging such lien. If any lower tier subcontractor or supplier of Subcontractor files a Claim of Lien at any time, Subcontractor shall file a bond to discharge that lien within fifteen (15) days and in the event of its failure to do so Resolute may file the bond and Subcontractor shall reimburse Resolute for the cost of the bond.

6.8 If Resolute has provided a payment or performance bond for the Project, Subcontractor shall make no claim on this bond for payment due to the Subcontractor for which Owner or

Contracting Party has not paid Resolute, and Resolute's surety is an express third party beneficiary of this promise.

6.9 All payments made by Resolute to Subcontractor are made to, and accepted by Subcontractor as trustee for the benefit of Subcontractor's employees, material suppliers and lower tier subcontractors. All payments received by Subcontractor shall first be used to satisfy or secure any indebtedness owed by Subcontractor to a person furnishing labor or materials for use in performing or incorporation into Subcontractor's Work. Resolute shall have the right at all times to contact Subcontractor's subcontractors and suppliers to ensure that they are being paid by Subcontractor for labor or materials furnished for use in performing Subcontractor's Work. Subcontractor shall insure that all of its employees, employee benefits, withholding taxes, and other applicable taxes are timely paid.

ARTICLE 7. RESOLUTE'S REMEDIES.

7.1 If Subcontractor breaches this Agreement, and fails to cure the breach within three (3) days after the date of written notice of the breach from Resolute, or in the event of the liquidation of Subcontractor, corporate reorganization of Subcontractor, insolvency of Subcontractor, or a composition arrangement by Subcontractor with creditors, Resolute shall be entitled to: (i) terminate this Agreement; (ii) seek an alternative source to complete the Work or otherwise cure Subcontractor's breach; and/or (iii) perform Subcontractor's obligations itself. Additionally, and without notice to Subcontractor, Resolute may elect to take no action and thereby rely on Subcontractor to cure any breaches. Resolute shall have the right to deduct from the Contract Sum all damages, (including incidental and consequential damages, costs and actual attorney fees,) which are associated with Subcontractor's breach of this Agreement. If Resolute's damages exceed the amount owed by Resolute to Subcontractor on the Project, Resolute may collect those damages from Subcontractor or set-off those damages against money owed by Resolute to Subcontractor on other projects. This section shall not limit Resolute's other remedies.

7.2 Alternatively, and at Resolute's sole option, Subcontractor shall be assessed liquidated damages in the amount set forth on the first page of this Agreement for each day Subcontractor is late in completing its Work as required by this Agreement.

7.3 In the event of termination, Resolute may take possession of all Subcontractor's machinery, equipment and materials and contract with any other entity to complete the Work or Resolute may itself provide labor or materials and complete the Work. Further, Resolute, at its sole option, may require Subcontractor to assign to Resolute any agreements between Subcontractor and parties Subcontractor has contracted with regarding the Work. Subcontractor shall not be entitled to receive any further payment

under this Agreement until the Work, including any warranty work, shall be wholly finished and the warranty period has expired, at which time the unpaid balance as of termination, but after all set-offs shall be paid to Subcontractor by Resolute. In the event the expense, compensation, costs and damages incurred in finishing the Work, including all actual attorney fees and costs, exceed the unpaid balance owed, Subcontractor and its sureties, if any, shall be liable for and shall pay the excess to Resolute. The failure of Resolute to exercise any of the rights given it hereunder shall not excuse Subcontractor from compliance with the provisions of this Agreement.

7.4 If Resolute wrongfully exercises Resolute's remedy options, that action shall be treated as a deductive change. If Resolute wrongfully exercises Resolute's termination options that termination for default shall be considered a termination for Resolute's convenience and Subcontractor shall be entitled to the applicable compensation provided in this Agreement. Subcontractor's remedies under this paragraph are exclusive.

ARTICLE 8. *CHANGES REGARDING THE WORK.*

8.1 Resolute may, at any time by written order, make changes in, additions to and omissions from the Work to be provided under this Agreement, and/or the Final Completion Date. Changes shall be ordered and the Contract Sum and/or Final Completion Date adjusted in accordance with the provisions of the Contract Documents. If Resolute and Subcontractor cannot agree on the adjustment to the Contract Sum and/or the Final Completion Date, Resolute may direct Subcontractor to perform the changes or deliver the additional Work and any disputes regarding the amount charged by Subcontractor for such Work shall be arbitrated. In no event shall Subcontractor charge more for changes in the Work than the lesser of the following: (a) the Unit Cost for such Work set forth in this Agreement; (b) hourly rates for labor and costs for material which were utilized in determining the Contract Sum; or, (c) the previously approved labor rates applicable to changes in the Work, as indicated in the Contract Documents. Further as a condition precedent to the assertion of any claim for additional time or additional compensation against Resolute, Subcontractor shall make all such claims in writing and within fourteen (14) days, or such lesser time stipulated in the Contract Documents, after occurrence of the event giving rise to the claim. Notwithstanding the foregoing, in the event the Contract Documents require Resolute to submit claims or give notice within a period of less than twelve (12) days, Subcontractor shall make its claim or give its notice at least three (3) days before Resolute is required to take action.

8.2 An express condition precedent to payment to Subcontractor on account of changes made or directed by Owner or Contracting Party shall be that Resolute shall have received such payment from Owner or Contracting Party for Subcontractor's changed Work. Each

payment to Subcontractor on account of such change orders shall be equal to Subcontractor's allocable share of Resolute's payment from Owner or Contracting Party for the change as determined by Resolute. In no event shall the profit percentage charged by Subcontractor on a change order exceed the profit awarded to Resolute by the Owner or Contracting Party on the change order.

ARTICLE 9. NO SUBCONTRACTING BY SUBCONTRACTOR.

9.1 Subcontractor shall not subcontract any part of the Work to another party without the prior written consent of Resolute. Subcontractor agrees that if any part of the Work is further subcontracted, this Agreement shall be incorporated into that subcontract. There is no contractual relationship between Resolute and any subcontractor or supplier of Subcontractor unless Resolute gives written notice, in its sole discretion, of its assumption of that subcontract and either: (a) Subcontractor is in material breach of this Agreement, or (b) Subcontractor failed to obtain Resolute's prior written consent to Subcontractor's subcontract.

ARTICLE 10. OVERTIME AND DELAY.

10.1 Subcontractor shall, accelerate the schedule and utilize additional labor work overtime, and/or work a second or third shift upon written request by Resolute. In the event Subcontractor has properly performed all Work required by the schedule at the time Resolute directs acceleration of work, Resolute shall pay only the actual additional cost for the overtime rate or shift premium. Time slips covering that time must be signed for by Resolute daily.

10.2 Subcontractor agrees to pay Resolute for any and all damages incurred by Resolute which are attributable to or caused by Subcontractor's delay including, by example, the actual attorney fees of Resolute, liquidated damages charged against Resolute, backcharges to Resolute, incidental and consequential damages suffered by Resolute, and extra charges to Resolute by other subcontractors/suppliers of Resolute. The amount for which Subcontractor shall be liable under the terms hereof shall be equitably adjusted in proportion to the Subcontractor's share of the responsibility for the delay in the event Subcontractor is a contributing cause of the damages and/or delay suffered by Resolute. The proportionate assessment of liquidated or other damages shall not limit Resolute's right to collect from Subcontractor the Additional actual damages incurred by Resolute as a result of Subcontractor's delay or default.

10.3 Resolute, in its sole discretion, may delay the schedule and the Final Completion Date, and Subcontractor shall not be entitled to any compensation or damages as a consequence of such delay, except to the extent Resolute has received additional

compensation from the Contracting Party which is specifically attributable to Subcontractor.

ARTICLE 11. *PROTECTION OF THE WORK.*

11.1 If Subcontractor's Work or operations disturb or cause any damage to the Project, including the Project site, Owner's improvements thereon, water, sewer or public utilities in, on or above the Project site, the Work or the work of any other entity, then, Subcontractor shall be responsible for the cost to repair the damage and restore the damaged area to its original condition and reimburse Resolute for all other damages, including attorney fees, which Resolute incurs as a result.

11.2 If any of Subcontractor's operations present higher than usual risk of injury or damage to person or property, Subcontractor shall notify Resolute in writing prior to performing such operations.

ARTICLE 12. *CLEANUP.*

12.1 Subcontractor shall cleanup its own identifiable rubbish and either remove same from the Project site or deposit the rubbish in a dumpster, as directed by Resolute, and Resolute will be responsible for its own identifiable rubbish.

ARTICLE 13. *SAFETY.*

13.1 Subcontractor shall take all reasonable safety precautions with respect to its Work, shall comply with all safety measures required by Resolute, Owner and or Contracting Party and shall comply with all applicable laws, ordinances, rules, regulations and orders of any public authority and all other requirements of the Contract Documents for the safety of persons or property. Subcontractor shall be responsible for the safety of all Subcontractor's employees, and the safety of all Subcontractor's lower tier sub-subcontractors, suppliers, and their employees.

13.2 All of Subcontractor's employees may be required to attend safety meetings.

13.3 Any safety violation caused by Subcontractor shall be corrected to the satisfaction of Resolute immediately.

13.4 To the fullest extent permitted by law, Subcontractor shall indemnify Resolute and save Resolute harmless against all loss by fines, penalties or corrective measures resulting from acts of Subcontractor or omissions by Subcontractor, its sub-subcontractors, agents, employees or assigns, with respect to the violation of safety requirements of this Agreement, including reasonable attorneys fees.

13.5 Subcontractor shall not permit any hazardous substance to be delivered to the Project site or to be used by its employees or sub-subcontractors at any time prior to delivering to Resolute material safety data sheets required by laws, ordinances, rules, regulations and orders of any public authority. A hazardous substance is any substance deemed hazardous to health by federal or state law, including by way of example and not by way of limitation, O.S.H.A. and the Michigan Right to Know Law.

13.6 Subcontractor shall give written notice to Resolute's Project Superintendent twenty-four (24) hours prior to use of a hazardous substance at the Project site.

13.7 In the event that Subcontractor encounters material on the Project site, which is reasonably believed to be asbestos or polychlorinated biphenyl (PCB) or any other hazardous substance which may not have been rendered harmless, Subcontractor shall immediately stop work in the area affected and report the condition to Resolute in writing.

13.8 Subcontractor shall report in writing to Resolute any injury to any of Subcontractor's or its lower tier subcontractors' employees at the site within one (1) day after the occurrence of such injury.

ARTICLE 14. COMPLIANCE WITH LAWS; PERMITS AND FEES.

14.1 Subcontractor shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority including all applicable Federal, State and local non-discrimination and equal employment opportunity laws, executive orders, and regulations with respect to employment or as otherwise required by law in connection with the manufacture and completion of the Work. Subcontractor shall obtain and pay for any applicable fees, permits, licenses and inspections necessary to complete the Work.

ARTICLE 15. LABOR AGREEMENT.

15.1 Subcontractor shall comply with and be bound by any labor agreements that Resolute is bound by to the extent that the provisions of such agreements apply to Subcontractor. Subcontractor's labor shall work in harmony with all labor at the Project. Failure to comply will, at Resolute's option, be deemed a material breach and be cause for immediate termination of this Agreement.

ARTICLE 16. WARRANTY.

16.1 In addition to warranties provided or implied by law or the Contract Documents, Subcontractor warrants that all material shall be new unless otherwise specified, and that the Work shall be of good quality, free from faults and defects, in conformance with the Contract Documents, and suitable and fit for the purpose intended.

16.2 Subcontractor shall repair or replace at no cost to Resolute any defective Work that is discovered within two (2) years of the date of final payment by Resolute to Subcontractor.

16.3 Paint Warranty - When the Contract Documents call for painting of the Work by Subcontractor, Subcontractor also warrants to Resolute that: (i) minimum coverage at any place will meet the specification minimum dry film thickness requirements; (ii) Subcontractor will use paint specified in the project specifications; (iii) Subcontractor will prepare the surface in accordance with the specification and the type of primer applied; (iv) Subcontractor will apply the paint according to the manufacturer's recommendations and allow the paint to properly cure prior to handling, and; (v) painted material will be free from runs, streaks and without mud, smoke or other debris.

ARTICLE 17. REJECTION OF MATERIALS AND WORKMANSHIP.

17.1 The Work shall at all times be subject to observation and inspection by Resolute, Contracting Party, Architect and/or Owner, including during the fabrication process at any fabrication facility utilized by Subcontractor. Subcontractor shall, at its own expense, provide safe and proper facilities and all samples, documents and drawings necessary for any tests or inspections.

17.2 If the Work is determined by Resolute, during the performance of this Agreement or any warranty period, to be defective or nonconforming, Resolute shall notify Subcontractor in writing that the Work is rejected. Subcontractor shall immediately correct any defects, at Subcontractor's cost. Subcontractor shall also pay to Resolute the cost of any additional services provided by the Architect or Resolute as a result of the rejected Work. This paragraph shall not limit Resolute's other damages or remedies.

ARTICLE 18. INDEMNIFICATION.

18.1 Subcontractor shall indemnify and hold harmless Resolute from and against all claims, damages, losses and expenses, including actual attorney fees, arising out of or resulting from: Subcontractor's breach of this Agreement; or, from the Work and caused in whole or in part by any acts or omissions of Subcontractor, Subcontractor's employees or any suppliers or sub-subcontractors to Subcontractor, including such actions which result in the infringement of any patent, trademark, copyright or service mark. Subcontractor shall further indemnify Resolute and its agents and employees from all amounts such parties may be required to pay in attorney fees in order to pursue enforcement of Subcontractor's indemnification obligations.

ARTICLE 19. FINAL PAYMENT.

19.1 Acceptance of final payment by Subcontractor shall constitute a waiver of all claims of Subcontractor except those made in writing by Subcontractor, in accordance with this Agreement and made at or prior to application for final payment and identified as being unsettled and specifically referenced.

19.2 Final payment, constituting the entire unpaid Contract Sum shall be paid when: (i) all the Work has been completed in accordance with the requirements of this Agreement; (ii) Resolute has received final payment from the Contracting Party; (iii) Subcontractor has submitted to Resolute all applicable sworn statements, full unconditional Waivers of Lien, Waivers of Bond Claims, and evidence that all materials and labor have been paid for, including sworn statements; (iv) consent of surety to final payment, if required, (v) satisfaction of all close out procedures, if required, (vi) all other documents required to be submitted by Subcontractor under this Agreement have been delivered to Resolute; and (v) all obligations of Subcontractor under this Agreement have been satisfied.

ARTICLE 20. *PERFORMANCE OF SUBCONTRACTOR'S WORK.*

20.1 If Resolute performs work that is the obligation of Subcontractor, Resolute shall charge Subcontractor for labor, material and equipment plus 20% for profit, administrative costs and overhead.

ARTICLE 21. *DISPUTE RESOLUTION.*

21.1 Subcontractor shall provide Resolute the opportunity, for a period of not less than thirty (30) days, to audit Subcontractor's files and documents which are related to Subcontractor's Work and/or any claim of Subcontractor against Resolute, which shall be a condition precedent to file a claim of arbitration or lawsuit against Resolute. Subcontractor agrees that any arbitration claim or lawsuit must be filed within one hundred eighty (180) days of the Final Completion Date or Subcontractor's last performance of Work, whichever is earlier, and any longer statutes of limitations provided under state or federal law are hereby waived. Subcontractor waives any claim that is not made as provided in this Article.

21.2 All claims, disputes and other disagreements arising out of this Agreement shall, at the sole option of Resolute, be decided by arbitration. If the foregoing sentence is deemed unenforceable and either an arbitration or litigation proceeding is pending between Resolute and Contracting Party, Subcontractor agrees to participate in such proceeding as a party and assert any claims it may have as Subcontractor's sole remedy and further Subcontractor consents to jurisdiction in such forum. In the event Subcontractor cannot be made a party to the proceeding between Resolute and the Contracting Party for any reason, Subcontractor agrees that any claims it may have against Resolute which are not

resolved in accordance with the terms of this Subcontract Agreement shall be submitted to arbitration.

21.3 For a period of ninety (90) days following the filing and serving of a demand for arbitration, Resolute and Subcontractor shall permit the other party to inspect and copy all documents and records not privileged which are relevant to the claims, disputes or other matters in question. Examinations shall be conducted at the office of the party holding the records. Copies shall be made as agreed and in the absence of agreement, by an independent copy service, at the expense of the party desiring the copies. The award of the arbitrators shall be enforceable by entry of a judgment in any court of competent jurisdiction. Subcontractor shall continue with the Work during any dispute.

21.4 This Article shall not be a limitation on any rights or remedies that Subcontractor may have under any construction lien law or under any applicable payment bonds, unless such rights or remedies are expressly waived by it.

21.5. If requested by Resolute, Subcontractor shall assist Resolute in any arbitration or litigation proceeding. Further, Subcontractor shall be responsible for its pro-rata share of costs and attorney fees if a claim is also being advanced for moneys claimed by Subcontractor.

21.6 Any arbitration claim brought pursuant to the terms hereof shall be filed with the AAA located in the Detroit Metropolitan area (currently Southfield, Michigan) unless another location is required consistent with this article, any and all hearings shall be conducted at that location. Any arbitration shall be conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA") then in effect and shall be deemed a statutory arbitration and any decision shall be enforceable in a court of competent jurisdiction.

21.7 Michigan statutory and common law shall apply in any disputes between the parties.

ARTICLE 22. TERMINATION FOR CONVENIENCE.

22.1 If Resolute's Contract with Contracting Party is terminated for convenience, Resolute shall be entitled to terminate this Agreement for convenience. In such event, the final payment under this Agreement shall be limited to the amount due and unpaid for Work actually utilized in the Project and those materials which were purchased by Subcontractor specifically for this Agreement which cannot be returned, along with other direct out of pocket costs related to the Work as of the date of termination. Subcontractor shall not be entitled to incidental or consequential damages, damages for overhead or lost profit or any other costs or damages. At Resolute's sole option, Resolute may direct Subcontractor to

deliver any unutilized materials related to the Project to another jobsite, so long as Resolute pays for such materials.

ARTICLE 23. BONDS.

23.1 If Performance and/or Payment Bonds are required, bonds must be issued by a surety authorized by the State in which the Project is located. The surety must be listed in the current Federal Register or have an A.M. Best rating of B+ or higher. The amount of the bond must not exceed the limit listed in the Federal Register nor be more than ten (10%) percent of the surety's capital. All bond forms must be properly executed and include a valid power of attorney. Persons signing bonds must type their name and title. Failure to do so will result in rejection of the bond.

ARTICLE 24 INSURANCE.

24.1 Before commencing work in connection with the Project or the Work, Subcontractor shall be required to have in place and to provide certificates for the following insurance coverages with coverage amounts as required by the Contract Documents, but in no event less than those stated below:

General Liability Coverage: \$1,000,000 each occurrence

\$2,000,000 general aggregate (per project)

\$1,000,000 products completed operations aggregate

Business Automobile Coverage: \$1,000,00 bodily injury and property damage limit covering all owned, hired

and non-owned automobile liability

Workers Compensation: \$500,000 each employee

\$500,000 per accident

Umbrella Liability: \$5,000,000 minimum limit

24.2 All deductibles payable under any insurance policies obtained by Subcontractor which are applicable to the Work and the Project are the responsibility of Subcontractor. All insurance policies must name Resolute as an additional named insured and shall also name as additional named insured any parties required by the Contract Documents. All policies obtained by Subcontractor must be endorsed to show Subcontractor's insurance is primary and non-contributory with any other insurance. Subcontractor's insurance policies shall provide that additional named insured must be given thirty (30) days written

notice of cancellation before such cancellation is effective against any additional named insured.

24.3 Resolute and Subcontractor waive all rights against: (i) each other and any of their subcontractors, subcontractors, agents and employees, each of the other; and, (ii) the Owner, the Architect, the Architect's consultants, separate contractors, and any of their suppliers, sub-subcontractors, agents and employees, for damages caused by fire or other casualty to the extent covered by property insurance provided under the Contract Documents or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by the Owner as a fiduciary. Subcontractor shall require any of Subcontractor's contractors or suppliers to have similar waivers of subrogation.

ARTICLE 25. TAXES.

25.1 Subcontractor shall pay all sales, consumer, use, value added and other similar taxes required by law with respect to the Work provided or to be provided by Subcontractor and all such taxes are included in the Contract Sum.

ARTICLE 26. MINORITY PARTICIPATION

26.1 Subcontractor shall utilize minority owned suppliers or sub-subcontractors for this Project at the percentage level indicated on the first page of this Agreement or in the event no percentage is set forth on the first page, at the percentage level required by the Contract Documents.

ARTICLE 27. MISCELLANEOUS.

27.1 This Agreement may not be modified verbally, but may be modified only in a writing signed by both Resolute and Subcontractor.

27.2 There are no other Agreements, oral or written, between Resolute and Subcontractor regarding the subject matter of this Agreement and any prior or contemporaneous oral or written agreements are merged herein and extinguished. All requests for quotation, invoices or other documents from Subcontractor purporting to contain terms additional to or conflicting with the terms hereof are void and unenforceable.

27.3 In the event any clause, sentence, paragraph, section or article hereof is deemed to be in violation of state law or is otherwise held to be unenforceable, such unenforceable provision is severable and the remainder of this Agreement shall be enforceable in the same manner as if such unenforceable provision had not been included.

27.4 The laws of the State of Michigan shall govern this Agreement. Any legal action arising out of or related to this Agreement, which is not arbitrable, shall be brought in the Wayne County Circuit Court or the United States District Court for the Eastern District of Michigan in Detroit, Michigan.

27.5 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of each of the parties hereto.

27.6 Subcontractor is an independent contractor and shall not in any manner or under any circumstances be construed as Resolute's agent.