

**ATTACHMENT F**  
**CALIFORNIA RIDER TO BNBUILDERS AIA A401 – 2017**  
**STANDARD FORM OF AGREEMENT BETWEEN**  
**CONTRACTOR AND SUBCONTRACTOR**

This California Rider (“**Rider**”) is attached to and made part of the Standard Form of Agreement Between Contractor and Subcontractor by and between BNBuilders, Inc. (“**Contractor**”), and \_\_\_\_\_ (“**Subcontractor**”) dated \_\_\_\_\_ (“**Effective Date**”) for the \_\_\_\_\_ Project (herein after the “**Agreement**”). In the event of any conflict between the provisions of this Rider and the provisions of the Agreement, including all Contract Documents thereto, the provisions of this Rider shall control. Unless otherwise specified, all capitalized terms herein shall have the meaning set forth in the Agreement.

1. Section 4.8 is hereby deleted and replaced in its entirety with the following:

**§ 4.8 Indemnification**

**§ 4.8.1** To the fullest extent permitted by law and in accordance with Section 2782.05 of the California Civil Code (the “Civil Code”), the Subcontractor agrees to be responsible for and shall release, defend, indemnify, and hold harmless the Contractor, the Project Owner, any entities Contractor is required to indemnify in the Prime Contract, and agents, representatives, employees, volunteers, officers, managers, affiliates, parent companies, principals, board members, and directors of any of them (collectively, “Indemnified Parties”) for, from, and against costs, claims, actions, causes of action, damages, liabilities, losses, liquidated damages, fines, penalties, and expenses, including but not limited to attorneys’ and expert fees in the defense of such claims or in the enforcement of Subcontractor’s indemnity obligations hereunder (collectively, “Loss”) arising out of, related to, or resulting from, or allegedly related to or arising from:

- (i) any negligent act or omission (whether passive or active), or any intentional act or omission in the performance of the Work, or any breach of any provisions of the Subcontract Documents, by the Subcontractor, a Sub-subcontractor, 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 caused in part by an Indemnified Party indemnified hereunder;
- (ii) any determination by a court or agency that Subcontractor is not an independent contractor or that Owner or Contractor is the employer or a joint employer of any of Subcontractor’s or any Sub-subcontractor’s employees or personnel;
- (iii) any matters for which Subcontractor provides indemnification under the terms of the Subcontract Documents;
- (iv) any claim, action, suit or proceeding by Subcontractor’s or Sub-subcontractors employees, including but not limited to workers’ compensation, unemployment and wage-and-hour claims;
- (v) Infringement of any patent rights, which may be brought against the Contractor or Owner arising out of Subcontractor’s Work; and
- (vi) Any violation or infraction by Subcontractor of any law, order, citation, rule, regulation, standard, ordinance or statute in any way relating to the occupational health or safety of employees, including, but not limited to, the use of Contractor’s or others’ equipment, hoists, elevators, or scaffolds.

Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to an Indemnified Party described in this Section 4.8.

**§ 4.8.2** With regard to the indemnity and defense obligations arising under Section 4.8, such obligations shall arise regardless of whether such claim, damage, loss, or expense is caused in part by the concurrent or partial negligence of an Indemnified Party; however, Subcontractor's obligations hereunder shall not apply to the extent (i) the Loss arises out of, pertains to, or relates to active or sole negligence or willful misconduct of an Indemnified Party or defects in design furnished by any Indemnified Party, or (ii) the Loss does not arise out of, relate to, or is not connected with the scope of the Subcontractor's Work under the Subcontract Documents. Any indemnity shall not extend to design errors or omissions of Architect or other design professionals, unless such design services are performed by or for Subcontractor under design-build criteria or performance specifications.

**§ 4.8.3** In claims against any person or entity indemnified under this Section 4.8 by an employee of the Subcontractor, a Sub-subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 4.8.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Subcontractor or Sub-subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. For the purposes of the foregoing indemnification provision only and to the fullest extent allowed by applicable law, Subcontractor specifically waives immunity it may be granted under any such worker's compensation, disability benefit acts or other employee benefit acts.

**§ 4.8.4** Upon Subcontractor's receipt of written tender of the claim consistent with Civil Code Section 2782.05(e) (the "Defense Notice"), Subcontractor shall timely provide written notice to the requesting Indemnified Party and to Contractor of its election as to the method by which it will satisfy its defense obligations. If Subcontractor elects to defend the claim with counsel of its choice pursuant to Civil Code Section 2782.05(e)(1), Subcontractor shall provide written notice of its election to the Indemnified Party and Contractor within thirty (30) days following its receipt of the Defense Notice. If Subcontractor elects to pay pursuant to Civil Code Section 2882.05(e)(2), no more than a reasonable allocated share of the Contractor's or Indemnified Parties' defense fees and costs, on an ongoing basis during the pendency of the claim, suit, or action, either by settlement or judgement. Subcontractor shall do so within thirty (30) days of receipt of an invoice from Contractor or the Indemnified Party. Subcontractor's election and defense obligations hereunder shall not limit the defense, indemnity, and/or additional insured obligations of the Subcontractor's insurance carriers to Contractor, Owner, or anyone who is to be named as an additional insured under the terms of the Subcontract Documents.

**§ 4.8.5** If Contractor's indemnity and/or defense obligation to Owner is broader in any respect than the provisions of this Section 4.8, the Subcontractor agrees to afford Owner and Contractor any such broader relief in addition to the relief afforded in this Section 4.8.

**§ 4.8.6** The defense and indemnification obligations in this Section 4.8 shall survive the expiration or earlier termination of the Contract.

2. The following section is hereby added to the Standard Form of Agreement:

**§ 6.1.6** To the greatest extent permitted by law, Subcontractor's sole remedy for delay, disruption or suspension of the Work, including without limitation any delay, disruption or suspension caused by the fault or negligence of Owner, Contractor (or any agent or representative thereof), or from any other cause whatsoever, shall be an extension of the time for performance.

3. Section 6.5 is hereby deleted and replaced in its entirety with the following:

**§ 6.5** This Standard Form of Agreement and any Specific Project Agreement shall be governed by the laws of the State of California, without reference to its laws regarding choice of law. To the extent Contractor does not elect to submit any Claim to arbitration, the Parties agree the Claim shall be resolved by judicial reference pursuant to the provisions of California Code of Civil Procedure Section 638 at a location within California to be selected by the Contractor, and Subcontractor waives any ability to object to an appointment of a referee. The referee shall be a retired California state court judge with experience in construction disputes. The parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure sections 641 or 641.2. If the parties are unable to agree upon a referee within ten (10) calendar days after the Contractor serves a written notice of intent for judicial reference upon Subcontractor, then the referee will be selected by the court in accordance with California Code of Civil Procedures Section 640(b).

4. The following sections are added to the Standard Form of Agreement:

**§ 11.1.1.1** If Owner or another responsible party delays in making any payment to Contractor from which payment to Subcontractor is to be made, Contractor and its sureties shall have a reasonable time to make payment to Subcontractor. "Reasonable time" shall be determined according to relevant circumstances, but in no event shall be less than the time Contractor, Contractor's sureties, and Subcontractor require to pursue to conclusion their legal remedies against Owner or other responsible party to obtain payment, including (but not limited to) mechanics' lien remedies.

5. The following sections are added to the Standard Form of Agreement:

**§ 11.1.11 Wages, Fringe Benefits, Contributions and Payroll Reporting Requirements.** California Labor Code Section 218.7 affects contracts entered into after January 1, 2018 and may be applicable to a Project. To the extent such code is applicable to a specific Project, this statute requires that a direct contractor shall assume and become liable for any debt owed to a wage claimant or third party on the wage claimant's behalf, incurred by a subcontractor at any tier acting under, by, or for Contractor for the wage claimant's performance of labor on the project. The liability under this law extends to any unpaid wage, fringe or other benefit payment or contribution including interest owed. Subcontractor (as used in this Section 11.1.11 shall include any lower tier subcontractor and any other entity or person contracted to provide services for the benefit of Subcontractor in performing this Standard Form of Agreement or any Project Agreement, including but not limited to any parties contracting with Subcontractor's lower tier subcontractors) shall pay not less than the minimum wage and premium when applicable pursuant

to Industrial Welfare Commission Wage Order No. 1—2001 and Labor Code Sections 510, 511, 514, and 1197. Subcontractor and any lower tiered subcontractors may also be obligated to pay a higher wage and/or fringe or other benefit payments or contributions pursuant to a contractual agreement between an employee and the subcontractor, or pursuant to a collective bargaining agreement. In addition, Subcontractor keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked for each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Subcontractor.

**§ 11.1.11.1 Withholding.** In addition to Contractor's ability to withhold payment under the Subcontract Documents, Contractor may also withhold as "disputed" all sums owed if Subcontractor or a sub-tier subcontractor does not timely provide, after written request by Contractor, payroll information and documentation set forth in Sections 11.1.11, 11.1.11.2, 11.1.11.5, and/or 11.1.11.6 below.

**§ 11.1.11.2 Certifications.**

- .1 As required by the Subcontract Documents and the California Labor Code, Subcontractor and Subcontractor's sub-tier subcontractors are responsible for maintaining and providing upon request from the Contractor, any documentation regarding Award Information. "Award Information" includes, but is not limited to, documentation relating to the following for Subcontractor and each of Subcontractor's sub-tier subcontractors: (1) the project name; (2) name and address of the Subcontractor; (3) contractor with whom the Subcontractor is under contract; (4) anticipated start date; (5) project duration; (6) estimated journeymen and apprentice hours; (7) contact information for its sub-tier subcontractors on the project; and (8) number of employees performing on the awarded project. Subcontractor shall provide Award Information for Subcontractor or any of Subcontractor's sub-tier subcontractors to Contractor within the time requested by Contractor. For the purposes of this Section, "relating to" means documents that constitute, evidence, record, reflect, analyze, summarize, support, refute, or comment upon Award Information. Subcontractor shall maintain, and shall require Subcontractor's sub-tier subcontractors to maintain, Award Information relating to this Standard Form of Agreement or any Project Agreement for a minimum of four years after completion of the work that is required by the agreement.
- .2 Contractor may withhold payment from Subcontractor if: (1) Award Information from Subcontractor or from Subcontractor's sub-tier subcontractors is not provided within the time requested by Contractor; or (2) Award Information provided is insufficient to determine if Subcontractor or Subcontractor's sub-tier subcontractors properly and fully disclosed all estimated labor force employees and corresponding workhours, including but not limited to journeymen and apprentices.
- .3 In addition, before starting work on a Project under any Project Agreement, Subcontractor must (a) notify Contractor in writing whether it is a signatory to any union or labor agreement and/or has fringe or other benefit or payment contribution obligations, and (b) provide written confirmation that Subcontractor has neither failed to pay wages to any employee nor failed to make any fringe or other benefit payments or contributions on any Project in the last three years (with written verification by any union to which Subcontractor is signatory), otherwise Subcontractor must satisfactorily explain in writing the reason(s) for its failure to

pay wages or make fringe or other benefit payments or contributions. At any time during the course of this Standard Form of Agreement or any Project Agreement, Subcontractor shall provide Contractor with written notice of any claim made against it for failing to pay wages or make fringe or other benefit payments or contributions. The information required to be provided by this paragraph must be certified under penalty of perjury by either the owner or an officer or director of the Subcontractor.

- .4 At Subcontractor's option, it can instead provide a payment and performance bond for a Project in place of providing the certified documentation required under this Paragraph subject to the requirements of such bonds under Section 11.1.11.3 below. Subcontractor's inability to cure its failure to satisfy these certification requirements or failure to provide a payment and performance bond upon 48 hours' notice shall constitute sufficient grounds for termination of this Subcontract.

**§ 11.1.11.3 Payment and Performance Bonds.** Contractor shall have the right, prior to the execution of a Project Agreement or at any time during the course of a specific Project, to require the Subcontractor to furnish bonds executed by one or more financially responsible sureties, and in such form as the Contractor may reasonably prescribe, covering the faithful performance of the work set forth in the Project Agreement and payment of all obligations thereunder. At Contractor's sole discretion, the amount of the performance and payment bonds may be modified to an amount equal to at least 125 percent of the estimated amount of wage, fringe or other benefit payments or contributions for performance of labor on the Project.

**§ 11.1.11.4 1-800 No. Telephone Hotline and Sign-In Sheet.** Contractor shall have the right to establish and publish for any particular Project a 1-800 number for the purpose of Subcontractor's employees or third party owed fringe or other benefit payment or contribution claimants to report any failure on Subcontractor's part to pay wage, fringe or other benefit payments or contributions. Subcontractor is obligated to publish the 1-800 number to its employees and to any union to which Subcontractor is signatory and to advertise its purpose as a reporting function for Subcontractor's failure to pay wage, fringe or other benefit payments or contributions. Contractor shall also have the right to establish and provide a sign-in sheet at the jobsite. In the event Contractor elects to use a sign-in sheet, Subcontractor must require its employees who perform work on the Project to sign in and to provide the information requested on the sign-in sheet each day the respective employee performs labor on the Project.

**§ 11.1.11.5 Payroll Records.** In order to protect Contractor from the liability established by Labor Code Section 218.7 for the performance of labor on the Project, the following measures have been established and are required of Subcontractor to verify that each worker on the Project has been properly paid:

- .1 Subcontractor shall submit to Contractor on a monthly basis complete and accurate certified payroll records in a form acceptable to Contractor for each week when labor is performed on the Project. Upon written request of Contractor, the payroll records must be certified under penalty of perjury by an owner, officer or director approved by the Contractor. A "Statement of Non-Performance" shall be submitted to Contractor for any work week when labor is not performed. Within five (5) business days of Contractor's written request, Subcontractor shall submit all payroll records from the start of Subcontractor's work on the Project through the

final calendar month when Subcontractor's work is 100% complete, whether or not Subcontractor works in a specific month.

- .2 In addition and within five (5) business days of Contractor's written request, daily reports that include the identity of each sub-tier subcontractor, the project name, date, name of worker(s), beginning and ending time for each work period, and total hours worked by each employee shall be provided to the appropriate project representative of the Contractor. Subcontractor shall submit to Contractor a "Statement of Employer Payment" with the first submittal of certified payroll records. Thereafter, an amended copy of this statement shall be submitted for any work period when wages, fringe benefits and/or payments have been changed or modified.
- .3 Subcontractor shall submit to Contractor, upon written request, a copy of a project-specific report of contributions paid to any applicable third party trust fund, plan or program on the employee's behalf. The report shall include the identity of each employee, the last four digits of the employee's Social Security Number, hours worked, applicable total fringe benefit contribution rates per hour, total contributions owed per employee, and the total amount of fringe benefits or contributions paid during the specified work period for all employees. A copy of the check paid to the applicable third party trust fund plan or program in the amount of total contributions that are due and owing or other satisfactory proof of payment shall be included with the report. Contractor reserves the right to demand releases from Subcontractor and the employees who performed work covered by the payment application.
- .4 Contractor may coordinate with Subcontractor and/or any lower tiered subcontractor and the applicable trust fund(s) or third parties pursuant to a fund, plan or program which may include the verification of amounts due and the issuance of a joint check that will satisfy the Subcontractor's or lower tiered subcontractor's fringe benefits payment obligation.
- .5 Should Contractor receive notice from the Division of Labor Standards Enforcement, a trust fund, joint labor management cooperation committee established pursuant to the federal Labor Management Cooperation Act of 1978, or other interested party about Subcontractor's failure to pay wages and/or fringe benefits in accordance with the above referenced statutes, Wage Order 16-2001, an employment contract or agreement, or a collective bargaining agreement, Contractor may retain sufficient sums from progress payments or retention to cover the alleged liability. Amounts retained may be held pending a final order, judgment, court order or dismissal of the case.
- .6 Failure of Subcontractor to comply with the aforementioned requirements shall result in the withholding of Subcontractor's progress payment(s) and may be deemed a material breach of the Agreement. Failure of Subcontractor, to pay a wage claimant or a third party on a wage claimant's behalf in accordance with their agreement, shall result in the withholding of Subcontractor's progress payment(s) and/or retention and may be deemed a material breach of the Agreement.

#### **§ 11.1.11.6 Right to Audit.**

- .1 Subcontractor acknowledges Contractor's right to audit all records related to the work under this Standard Form of Agreement or any Project Agreement. Subcontractor expressly agrees as part of its audit obligation to maintain, and require all of Subcontractor's sub-tier subcontractors to maintain, records about the number of hours worked, salaries and wages, bonuses, commissions, health and pension plans, sick pay, pension pay, and deductions for payroll for all employees, including, but not limited to, time cards, cancelled checks, cash receipts, pay stubs, wage statements, trust fund forms, books, documents, schedules, forms, reports, daily reports, receipts, or other evidences that reflect job assignments, work schedules by days and hours, and the disbursement by way of cash, check, or in whatever form or manner, of funds to a person(s) by job classification and/or skill, and any completed state and federal payroll forms, and any other specified records or documents referenced in Labor Code Sections 226 (a), 1174 (b), (c) and (d), and/or California Code of Regulations Section 16000, ("Payroll Records") (collectively, "Payroll Records"). Subcontractor shall provide Payroll Records from Subcontractor or any of Subcontractor's subcontractors to Contractor within the time requested by the Contractor. Subcontractor shall maintain, and shall require Subcontractor's subcontractors to maintain, Payroll Records relating to this Subcontract for a minimum of four years after completion of the work that is required by this Standard Form of Agreement or any Project Agreement.
- .2 Contractor may withhold payment from Subcontractor if: (1) Payroll Records from Subcontractor or from Subcontractor's sub-tier subcontractors are not provided within the time requested by Contractor; (2) Payroll Records provided are insufficient to determine if Subcontractor or Subcontractor's subcontractors properly and fully paid any person(s); or (3) Payroll Records provided show the potential or possibility that any person(s) employed by Subcontractor or Subcontractor's subcontractors have not been properly paid in accordance with the California Labor Code or the requirements of the Subcontract Documents.

**§ 11.1.11.7 Final Payment and Final Certification.** As a condition precedent to final payment, upon completion of its scope of work, Subcontractor shall furnish to Contractor job site payroll records/reports to the extent not already provided with each payment application as described above, and permit Contractor or its representative to audit Subcontractor's books and records and provide documentation as may be required to assure accuracy of those payroll reports/ records. The purpose of the final audit, among other things, is to verify Subcontractor fulfilled its obligations to pay wage, fringe or other benefit payments or contributions. Subcontractor shall also provide final written confirmation from contract trust funds or a third party owed fringe or other benefit payment or contribution on a wage claimant's behalf that Subcontractor made timely and correct contributions and payments. In addition, an owner, officer or director of Subcontractor must certify under penalty of perjury that Subcontractor has paid all wages on the Project. Subcontractor agrees that its failure to submit the documents required by this section or permit an audit of its payroll records will constitute grounds for withholding retention and any remaining contract balance and will qualify as a dispute under Sections 8800 and 8818 of the Civil Code and Section 7108.5 of the Business and Professions Code.

**§ 11.1.11.8 Indemnity.** Subcontractor agrees to indemnify, hold harmless and defend Contractor from any claims, complaints, withholdings, or any other legal matters related to any debt owed to a wage claimant employed by Subcontractor or any lower tiered subcontractor operating under its direction or any debt owed to a third party on a wage claimant's behalf and for any violation of

Industrial Welfare Commission Wage Order No. 16-2001 and/or any provision of the California Labor Code by Subcontractor or any lower tiered subcontractor operating under its direction. Subcontractor agrees to include similar defense and indemnification clauses in its contracts with lower tier subcontractors that specifically require lower tier subcontractors to defend and indemnify the Contractor.

6. The following sections are added to the Standard Form of Agreement:

**§ 14.11** Subcontractor shall comply with and agrees to be bound by all applicable federal, state and local laws and regulations, including, but not limited to, all provisions of the Fair Labor Standards Act, the Americans with Disabilities Act, the federal Family and Medical Leave Act, the California Labor Code, the California Fair Employment and Housing Act, and the California Family Rights Act. Upon request, Subcontractor shall submit certified payroll records to contractor no later than three (3) working days after labor has been paid. Subcontractor acknowledges that it has conducted its own independent investigation of the wage rates to be paid and whether its Work will be subject to prevailing wage requirements or the requirements of the Davis-Bacon Act and that it has not relied upon any statements or representations by Contractor with respect to such matters. On all projects subject to state or local prevailing wage requirements, Subcontractor shall comply with any applicable California prevailing wage laws. With respect to such projects, the provisions of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 are attached hereto and incorporated herein by this reference. On all such projects, as a condition precedent to final payment, Subcontractor agrees to provide an affidavit that complies with the terms of Labor Code Section 1775(b)(4). Subcontractor acknowledges and agrees that it has performed its own investigation as to the applicability of California prevailing wage laws, the federal Davis-Bacon Act, or any similar laws, regulations, or contract requirements; Subcontractor shall comply with all applicable laws, regulations, or other requirements concerning payment of wages and conditions of employment, and record keeping in accordance therewith. Subcontractor agrees to furnish certified payrolls promptly upon demand and further agrees to cooperate fully in any effort by Contractor to verify compliance with labor laws and regulations, including requirements under the Davis-Bacon Act or the California Labor Code. Such cooperation shall include, without limitation, furnishing copies and originals of records and providing access to employees or witnesses for interviews and statements. In addition to and without derogation to any other rights that Contractor may enjoy, Contractor may withhold sufficient funds to protect Contractor against any claims related to labor requirements, including without limitation, requirements under the Davis-Bacon Act or the California Labor Code. Subcontractor agrees that the amounts set forth as the Contract Price shall be deemed to be full compensation for compliance with such laws, regulations, or requirements, including payment of all applicable wage rates, and that no additional compensation will be owed to Subcontractor in the event that Subcontractor is required thereunder to pay higher wages or incur additional costs that Subcontractor contends that it did not anticipate

**§ 14.12** To the extent applicable to any Project, Subcontractor agrees to comply with all applicable skilled and trained workforce requirements, including under Public Contract Code sections 2600 through 2603. This includes monthly reporting by Subcontractor and all of Subcontractor's subcontractors. Subcontractor further agrees that Contractor shall be entitled to withhold subcontract amounts consistent with Public Contract Code sections 2600 through 2603 in the event that Subcontractor or any of its sub-tier subcontractors fail to comply, in whole or in part, with applicable skilled and trained workforce requirements. Subcontractor agrees to provide Contractor with a sworn affidavit of compliance with all skilled and trained workforce requirements prior to Contractor's final payment to Subcontractor becoming due. LIQUIDATED



DAMAGES: SUBCONTRACTOR ACKNOWLEDGES THAT THE ACTUAL DAMAGES LIKELY TO RESULT TO CONTRACTOR FROM SUBCONTRACTOR'S NON-COMPLIANCE WITH THE SKILLED AND TRAINED WORKFORCE PROVISIONS ARE DIFFICULT TO ASCERTAIN ON THE DATE THIS STANDARD FORM OF AGREEMENT AND/OR ANY PROJECT AGREEMENT IS ENTERED INTO AND MAY BE DIFFICULT OR COSTLY FOR CONTRACTOR TO PROVE IN THE EVENT OF A BREACH. THEREFORE, THE PARTIES INTEND THAT THE PAYMENT OF LIQUIDATED DAMAGES IN THE AMOUNT OF FIVE THOUSAND DOLLARS (\$5,000) PER MONTH, UNLESS A DIFFERENT AMOUNT IS SPECIFICALLY SET FORTH IN A PROJECT AGREEMENT, WOULD SERVE TO REASONABLY COMPENSATE CONTRACTOR FOR CONTRACTOR'S ACTUAL DAMAGES SUSTAINED, AND NOT AS A PENALTY, DUE TO A BREACH BY SUBCONTRACTOR OF ITS OBLIGATIONS UNDER THE SKILLED AND TRAINED WORKFORCE PROVISIONS, AND SUBCONTRACTOR AGREES TO PAY THIS AMOUNT TO CONTRACTOR FOR EACH MONTH AND FOR EACH PROJECT THE SUBCONTRACTOR IS IN BREACH OF THE SKILLED AND TRAINED WORKFORCE PROVISIONS. THE PARTIES AGREE THIS AMOUNT OF LIQUIDATED DAMAGES BEARS A CLOSE AND REASONABLE RELATIONSHIP TO THE AMOUNT OF HARM THAT CONTRACTOR COULD REASONABLY ANTICIPATE AT THE TIME OF ENTERING THIS STANDARD FORM OF AGREEMENT AND/OR ANY PROJECT AGREEMENT.

**§ 14.13** At its sole expense, Subcontractor will comply with all provisions of "Proposition 65" (California State Drinking Water Act of 1986, California statutes) which shall include, but not be limited to, posting with the prior written submission to, at the time submittals are made and with the written permission of Contractor, any required notices. Subcontractor shall not use or bring on to the Project any of the chemicals or compounds listed by the California State Attorney General from time to time under the provisions of Proposition 65 (the "List") without delivering a clear written notice, at the time submittals are written, to Contractor and OWNER informing them of the dates and locations where such items shall be delivered, used, or stored. Notwithstanding anything to the contrary contained or indicated herein or in any of the Contract Documents or purchase orders or anywhere else, Subcontractor shall not incorporate into the Work, or allow to be incorporated into the Work, any of the items on such List without specific advanced written notice having first been delivered to Contractor prior to Subcontractor becoming actually contractually obligated to purchase or take delivery thereof from its suppliers, and then only to the extent the Contractor gives clear written approval of the uses proposed in the notice. The notice shall contain clear descriptions of the type, amount, uses, locations and content of such items incorporated into or used in said work. Subcontractor expressly acknowledges and agrees that it shall indemnify and hold harmless Contractor and the Owner from any and all claims, demands, suits, or liability of whatsoever nature by reason of the use or possession of the items set forth on the List on the subject project.

**§ 14.14** The Contractor may be signatory to various labor agreements. The Subcontractor agrees to be bound by all Master Labor Agreements and/or Project Labor Agreements to which the Contractor is bound with regard to Work performed under any Work Authorization or this Standard Form of Agreement, including all extensions thereof, and shall submit all grievances to arbitration, pursuant to the provisions of such Master Labor Agreements or Project Labor Agreements and any and all extensions thereof. Subcontractor specifically recognizes that Master Labor Agreements and Project Labor Agreement may be renewed and modified (with consequent price increases) during the course of this Contract and hereby assents thereto. Subcontractor may

request from Contractor any applicable Master Labor Agreements or Project Labor Agreements applying to a specific Project.

§ 14.15 On public works projects with the State of California or any subdivision thereof, the time period for payment of amounts (if any) which Contractor is obligated by any Work Authorization or this Standard Form of Agreement to pay retention shall be within seven (7) days after receipt of retention by Contractor, subject to Contractor’s right to withhold for the grounds set forth in any Work Authorization or this Standard Form of Agreement or otherwise provided by law; additionally, on such state or local projects, the percentage of retention withheld (when there are no additional reasons for withholding) shall not exceed the percentage required to be withheld under Contractor's contract with the Owner.

§ 14.16 CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS STATE LICENSE BOARD, WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR YEARS OF THE DATE OF THE ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSION PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN 10 YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS STATE LICENSE BOARD, P.O. BOX 26000, SACRAMENTO, CA 95826.

IN WITNESS WHEREOF, the undersigned have executed this Rider as of the Effective Date of the Agreement.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Contractor: **BNBuilders, Inc.** \_\_\_\_\_

Subcontractor: **<Insert Sub Legal Name>** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Contractor’s License No.: \_\_\_\_\_

Contractor’s Tax ID No.: \_\_\_\_\_