

AGREEMENT

THIS AGREEMENT made and entered into at Spanish Fork, UT this ____ day of _____, _____, by and between Desert Land Company Business Trust dba Majestic Builders, hereinafter called CONTRACTOR, with principal offices at 252 West 600 North Spanish Fork, UT 84660, and, _____ hereinafter called SUBCONTRACTOR, with principal offices at _____, with phone number _____.

RECITALS

SECTION 1 - ENTIRE CONTRACT

SUBCONTRACTOR certifies and agrees that this AGREEMENT ("AGREEMENT") is the entire agreement between CONTRACTOR and SUBCONTRACTOR and that all antecedent agreements are merged herein. This AGREEMENT shall cover the general working arrangement, terms and conditions which will exist between CONTRACTOR and SUBCONTRACTOR. All work undertaken pursuant to this AGREEMENT shall be authorized by Subcontract Work Orders / Charge Orders issued to SUBCONTRACTOR from CONTRACTOR. Each Subcontract Work Order / Change Order shall incorporate all terms of this AGREEMENT by reference.

SECTION 2 - COMPENSATION

SUBCONTRACTOR has submitted to CONTRACTOR bids listed on the SUBCONTRACTOR BID which list either unit costs or fixed price bids for specified plans supplied by CONTRACTOR. If both unit cost and fixed price bid amounts per plan are listed, SUBCONTRACTOR agrees to bill the fixed price amount and use unit costs only for additional work beyond the contemplated scope specified in the Subcontract Work Order / Change Order authorized by CONTRACTOR which may be necessary due to job site conditions.

CONTRACTOR agrees to pay SUBCONTRACTOR according to the terms and conditions specified on the Subcontract Work Order / Change Order issued pursuant to this AGREEMENT. SUBCONTRACTOR shall submit to CONTRACTOR an invoice which must match amounts specified in Subcontract Work Order / Change Orders. No extras will be paid unless approved and authorized by a written Subcontract Work Order / Change Order. In the event an unauthorized amount is billed, CONTRACTOR reserves the right to withhold payment of the total bill until such time as a correct invoice is submitted by SUBCONTRACTOR.

CONTRACTOR agrees to pay SUBCONTRACTOR according to pay schedules currently in use by CONTRACTOR. The current pay schedule is as follows: SUBCONTRACTOR invoices must be received in the CONTRACTOR's office by the 15th of each month so pay requests can be processed on the 20th of each month; checks will be mailed when all required paperwork is in place and the CONTRACTOR receives payment from the owner. Any invoices received after the specified deadline will not be paid until the next corresponding monthly pay period. In the event a dispute arises, SUBCONTRACTOR will notify CONTRACTOR of such in writing within five working days after the dispute arises. Disputed amounts will not be subject to interest charges by SUBCONTRACTOR. Upon cashing a check issued by CONTRACTOR to SUBCONTRACTOR for work performed, SUBCONTRACTOR agrees to release all rights of lien for materials and labor provided according to Utah Code Annotated § 38-1a-802(4)(b) for progress payments and Utah Code Annotated § 38-1a-802(4)(c) for final payments; or, if these forms are deemed unenforceable in a jurisdiction other than Utah, according to the laws of the state in which the work is performed. CONTRACTOR, at its option, may issue joint checks payable to SUBCONTRACTOR and/or any of its lower tier subcontractors or suppliers with respect to work performed under this AGREEMENT until all such subcontractors and/or suppliers are paid for work performed, materials furnished or services provided for the respective projects to which this AGREEMENT applies.

SECTION 3 - SCOPE

SUBCONTRACTOR agrees to furnish all labor, materials, services, hoisting, supplies, scaffolding, installation, cartage, insurance, equipment, tools and other facilities of every kind and description required for the prompt and efficient execution of work described on each Subcontract Work Order/Change Order issued hereunder and to perform the work necessary or incidental to complete said work in a timely fashion. By signing this AGREEMENT, CONTRACTOR is under no obligation to authorize work at any given job site.

SECTION 4 - INSURANCE

SUBCONTRACTOR shall at all times carry the following insurance in the amounts specified:

Workers Compensation	\$1,000,000 Bodily Injury by Accident or Statutory Limits, whichever is greater
	\$1,000,000 Bodily Injury by Disease or Statutory Limits, whichever is greater
Comprehensive General Liability (CGL must not include xcu exclusion)	\$1,000,000 Each Occurrence
	\$2,000,000 General Aggregate (subject to a per project general aggregate provision applicable to the project)
	\$2,000,000 Products/Completed Operations Aggregate
	\$1,000,000 Personal and Advertising Injury limits
Umbrella	\$ _____
Business Automobile Liability	\$1,000,000 Each Accident

SECTION 5 - WAIVER OF SUBROGATION

SUBCONTRACTOR hereby waives subrogation against OWNER, CONTRACTOR, and other contractors and subcontractors and their respective members, managers, officers, directors, agents, servants, employees, divisions, subsidiaries, partners, shareholders, and affiliated companies for the insurance coverage's specified herein.

SECTION 6 - IDENTIFICATION OF SUBCONTRACTORS AND SUPPLIERS

If requested by CONTRACTOR, SUBCONTRACTOR shall provide supplier or lower tier subcontractor and supplier information relating to the specific projects performed hereunder. This information is required to assist CONTRACTOR in understanding and monitoring the scope of involvement of potential liens, etc. Change or use of subcontractors or suppliers other than provided to CONTRACTOR by request, without prior written notice to CONTRACTOR is a violation of this AGREEMENT and shall be a reason for termination of this AGREEMENT according to its terms. SUBCONTRACTOR understands that joint checks may be issued to SUBCONTRACTOR and SUBCONTRACTOR's subcontractors or suppliers at the sole discretion of CONTRACTOR.

SECTION 7 - GENERAL SUBCONTRACT PROVISIONS

THE SUBCONTRACT GENERAL PROVISIONS BELOW ARE AN INTEGRAL PART OF THIS AGREEMENT.

GENERAL PROVISIONS

A. INSURANCE - Prior to SUBCONTRACTOR commencing any work or services, SUBCONTRACTOR shall show evidence to CONTRACTOR that SUBCONTRACTOR carries general liability insurance on ISO form CG 00 01 10 01 (or a substitute form providing equivalent coverage). SUBCONTRACTOR shall provide CONTRACTOR with a Certificate of Insurance and an additional insured endorsement, including CONTRACTOR as an additional insured on ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) or on the combination of ISO forms CG 2010 1001 and CG 20 371001 (or substitute forms providing equivalent coverage) listing the CONTRACTOR and the OWNER as Additional Insured's hereunder for each project. Additional insured coverage shall apply as primary, noncontributory, insurance with respect to any other insurance afforded to OWNER and CONTRACTOR. SUBCONTRACTOR will further provide Certificates of Insurance and additional insured endorsements on an annual basis, which lists the CONTRACTOR as an additional insured, through the applicable statute of limitations period that a construction defect suit can properly be filed. The coverage available to CONTRACTOR as an additional insured shall not be less than \$1,000,000 combined single limit per occurrence and \$2,000,000 in the general aggregate, providing for coverage for completed operations, products liability, and contractual liability. Each Certificate of Insurance provided hereunder shall require that the insurer must give the CONTRACTOR and OWNER at least 30 days prior written notice of cancellation and termination of the CONTRACTOR and OWNER's coverage thereunder. Not less than two weeks prior to the expiration, cancellation or termination of any such policy, the SUBCONTRACTOR shall supply the CONTRACTOR with a new and replacement Certificate of Insurance and Additional Insured endorsement as proof of renewal of said original policy. Said new and replacement endorsements shall be similarly endorsed in favor of CONTRACTOR and OWNER as set forth above.

Additionally and prior to commencement of the Work, the SUBCONTRACTOR shall provide the CONTRACTOR with a Certificate of Insurance showing liability insurance coverage for the SUBCONTRACTOR and any employees, agents, or sub-subcontractors of the SUBCONTRACTOR for any Workers Compensation, Employer's Liability and Automobile Liability. In the event any of these policies are terminated, Certificates of Insurance showing replacement coverage shall be provided to CONTRACTOR.

SUBCONTRACTOR shall obtain from each of its insurers a waiver of subrogation on Commercial General Liability in favor of CONTRACTOR and OWNER with respect to Losses arising out of or in connection with the Work.

All of SUBCONTRACTOR's insurance carriers must be "A-" rated or better.

B. GENERAL INDEMNITY - The work performed by SUBCONTRACTOR shall be at the risk of SUBCONTRACTOR and its employees, exclusively. To the fullest extent permitted by law, SUBCONTRACTOR shall indemnify, defend (at SUBCONTRACTOR's sole expense) and hold harmless CONTRACTOR, and OWNER (if different from CONTRACTOR), from and against any and all claims for bodily injury or death, damage to property, demands, damages, actions, causes of action, suits, losses judgments, obligations and any liabilities, costs and expenses (including, but not limited to investigative and repair costs, attorney fees and costs, and consultant's fees and costs), which arise or are in any way connected with the work performed, materials furnished, or services provided under this AGREEMENT, by SUBCONTRACTOR or its agents. Said indemnity and defense obligations shall further apply, whether or not said claims arise out of the concurrent act, omission, or negligence of the indemnified parties, whether active or passive. SUBCONTRACTOR shall not be obligated to indemnify or defend CONTRACTOR or OWNER for claims found to be due to the sole and active negligence or willful misconduct of indemnified parties.

C. TIME - Time is of the essence of this AGREEMENT. It shall be SUBCONTRACTOR's obligation to conform to CONTRACTOR's progress schedules, subject to CONTRACTOR's modification, which schedules are incorporated herein by this reference and made a part hereof. SUBCONTRACTOR shall coordinate the work covered by this AGREEMENT with that of all other contractors, subcontractors, and of the CONTRACTOR in a manner that will facilitate the efficient completion of the entire work. CONTRACTOR shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and in general, all matters representing the timely and orderly conduct of the work of the SUBCONTRACTOR on the premises. Should SUBCONTRACTOR be delayed in the prosecution or completion of the work by the act, neglect, or default of CONTRACTOR or should SUBCONTRACTOR be delayed waiting for materials to be furnished by CONTRACTOR (if required by any Subcontract Work Order/Change Order) or by damage caused by fire or other casualty for which SUBCONTRACTOR is not responsible or by the combined action of the workmen, in no wise caused by or resulting from default or collusion on the part of SUBCONTRACTOR, or in the event of a

lockout by CONTRACTOR, the time specified on the Subcontract Work Order/Change Order for the completion of the work shall be extended the number of days that SUBCONTRACTOR has thus been delayed, but no allowance of extension shall be made unless a claim therefore is presented in writing to the CONTRACTOR within ten (10) days from the commencement of any such delay. However, in no event shall the time of completion be extended to a date which will prevent CONTRACTOR from completing the entire project within the time that CONTRACTOR is allowed by contractual obligation. No claims for additional compensation or damages for delays, whether in the furnishing of material by CONTRACTOR, or delays by other subcontractor(s) will be allowed by the CONTRACTOR, and said extension of time for completion shall be the sole remedy of SUBCONTRACTOR for any delay enumerated herein.

D. CHANGES IN THE WORK - SUBCONTRACTOR hereby agrees to make any and all changes, furnish the materials and perform the work that CONTRACTOR may require, without nullifying this AGREEMENT at a reasonable addition to, or reduction from, the Contract Price as specified in the Subcontract Work Order/Change Order. SUBCONTRACTOR shall adhere strictly to the plans and specifications unless a change is authorized in writing. Under no conditions shall SUBCONTRACTOR make any changes, either as additions or deletions, without the written order of the CONTRACTOR and CONTRACTOR shall not pay any extra charges made by the SUBCONTRACTOR without such written order. SUBCONTRACTOR shall submit immediately to the CONTRACTOR written copies of SUBCONTRACTOR's costs for the requested change of Subcontract Work Order/Change Order. Disputed work shall be performed as ordered in writing by the CONTRACTOR without delay to the project. Any dispute arising from or as a result of additional Subcontract Work Orders/Change Orders will be settled after the work is completed. SUBCONTRACTOR shall give notice of claim relating to any work for which extra compensation is asserted within thirty (30) days after such work is performed or SUBCONTRACTOR shall be deemed to have abandoned any claim therefore. If SUBCONTRACTOR initiates a substitution, deviation or change in the work which affects the scope of the work or the expense of other trades, SUBCONTRACTOR shall be liable for the expense thereof. CONTRACTOR, without invalidating this AGREEMENT or any bonds or security furnished hereunder, and without notice to the sureties, if any, may, at any time after the execution of the AGREEMENT, reduce or omit the SUBCONTRACTOR's scope of work. CONTRACTOR shall order such reductions or omissions by giving written notice to SUBCONTRACTOR no later than five (5) days prior to when the work that has been reduced or omitted was scheduled to begin. When work is omitted or reduced, in whole or in part, CONTRACTOR shall pay, subject to the provisions of this AGREEMENT, for all work actually performed, but for which SUBCONTRACTOR has not been previously paid. SUBCONTRACTOR is not entitled to compensation or damages for any losses, including loss of profit or overhead relating to the reduced or omitted work.

E. DAMAGES ARISING FROM DELAYS BY SUBCONTRACTOR - Should SUBCONTRACTOR default in any proper performance of its work thereby causing delay to the project work, it shall be liable for any and all losses and damages, including liquidated damages, sustained by CONTRACTOR as a result thereof. This clause takes precedence over any clauses or documents incorporated by reference herein.

F. CLAIMS, SUITS OR ARBITRATIONS - SUBCONTRACTOR shall at all times indemnify and hold CONTRACTOR harmless against all liability for claims, suits, arbitrations, and liens for labor performed or materials and equipment used or furnished to be used on the job, including any cost and expenses for attorney's fees and all incidental or consequential damages resulting from such claims, suits or arbitrations. Further, in case suit or arbitration on any such claim is brought, SUBCONTRACTOR shall defend said suit or arbitration at SUBCONTRACTOR's own cost and expense and shall satisfy any judgment as may be established by the decision of the court or arbitrators in any such suit or arbitration.

SUBCONTRACTOR agrees to cause the effect of any suits, arbitrations, claims or liens to be removed from the premises within ten (10) days after written demand from CONTRACTOR, and in the event SUBCONTRACTOR shall fail to do so, CONTRACTOR is authorized to use whatever means in its discretion it may deem appropriate to cause said claim, suit, arbitration or lien to be removed or dismissed and the cost thereof, together with reasonable attorney's fees, shall be immediately due and payable to CONTRACTOR by SUBCONTRACTOR. SUBCONTRACTOR may litigate any such claim, suit or arbitration provided SUBCONTRACTOR causes the effect thereof to be removed, promptly and in advance, from the premises. It is understood and agreed that full and faithful performance of this AGREEMENT on the part of SUBCONTRACTOR (including payment of any obligations due from SUBCONTRACTOR to CONTRACTOR, and any amount due by SUBCONTRACTOR for labor, material or equipment furnished for said work) is a condition precedent to SUBCONTRACTOR's right to receive payment for the work performed, and any monies paid by CONTRACTOR to SUBCONTRACTOR under the terms of this AGREEMENT shall be impressed with a trust in favor of laborers, subcontractors, suppliers furnishing labor and materials to SUBCONTRACTOR on the work herein subcontracted or subsequently authorized and agreed upon.

G. RESIDENTIAL PROJECTS FOR WHICH A HOME BUYER'S WARRANTY (HBW) IS PROVIDED - This Paragraph G. shall apply only to residential projects performed under this AGREEMENT where an HBW Warranty is provided for the work.

Arbitration - By executing this agreement SUBCONTRACTOR agrees that it is bound to participate in any binding arbitration proceeding that SUBCONTRACTOR is requested to participate in, as between CONTRACTOR and OWNER and arising out of the SUBCONTRACTOR's work described herein. This includes SUBCONTRACTOR's agreement to so participate as a party to such arbitration if requested, or as a witness.

Further, pursuant to the terms of the HBW Limited Warranty Booklet, the arbitration forum may be selected from among the several choices. The rules governing the arbitration shall be the rules of such forum that are in effect at the time of the request for arbitration. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration agreement and the parties to the arbitration shall equally split the fees charged by the arbitrator. The decision of the arbitrator(s) shall be binding and final with respect to the parties, and may be entered as a judgment in any State or Federal court of competent jurisdiction.

This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning the interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or void ability for any cause, the scope of arbitral issues, and

defense based upon waiver, estoppels or laches, shall be decided by the arbitrator.

The parties expressly agree that this arbitration provision involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 U.S.C. §§ 1-16) now in effect and as the same may from time to time be amended, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provisions of the rules of the arbitral association under which the arbitration proceeding shall be conducted, the latter rules shall govern the conduct of the proceeding. Notwithstanding anything contained in this Agreement, if a judicial proceeding in law or equity shall be commenced against the CONTRACTOR, the CONTRACTOR shall nevertheless be entitled to implead or otherwise bring a claim over and against the SUBCONTRACTOR, and shall in any event be entitled to collect a settlement or judgment against the SUBCONTRACTOR.

H. WORKMANSHIP - Every part of the work herein described shall be executed in strict accordance with the plans and specifications in the most sound, workmanlike and substantial manner. All workmanship shall be of the best of its several kinds, and all materials used in the work herein described shall be furnished in ample quantities to facilitate the proper and expeditious execution of the work, and shall be new and the best of their respective kinds. All workmanship is subject to inspection by appropriate local civil authority, FHA, VA, and personnel of CONTRACTOR. It is SUBCONTRACTOR's responsibility to be familiar with local codes, changed codes, changes in codes and standards expected by CONTRACTOR, and the plans and specifications, and to perform all work in accordance with the minimum requirements of each inspecting entity, or the plans and specifications, whichever standard is higher. In the event the contemplated work to be undertaken by SUBCONTRACTOR would result in a violation of local codes, SUBCONTRACTOR is to notify CONTRACTOR in writing of such violation immediately. The CONTRACTOR reserves the right to require repairs to be made by SUBCONTRACTOR to comply with the foregoing. In the event SUBCONTRACTOR does not comply immediately, CONTRACTOR reserves the right to make necessary changes and deduct the expense of so doing from funds due SUBCONTRACTOR. In the event SUBCONTRACTOR has been paid in full, SUBCONTRACTOR agrees to pay to CONTRACTOR within thirty (30) days of project completion all expenses incurred by CONTRACTOR for such action.

I. RECOURSE BY CONTRACTOR - In the event SUBCONTRACTOR at any time refuses or neglects to supply a sufficient number of properly skilled workmen or a sufficient quantity of materials of proper quality, or be adjudicated a bankrupt, or files an arrangement proceeding, or commits any act of insolvency, or makes an assignment for the benefit of creditors without CONTRACTOR's consent, or fails to make prompt payment to SUBCONTRACTOR's material men and laborers, or fails in any respect to properly and diligently prosecute the work covered by this AGREEMENT, or becomes delinquent with respect to contributions or payments required to be made to any Health and Welfare, Pension, Vacation, Apprenticeship or other employee benefit program or trust, or fails to fulfill any of the provisions of Paragraph H of these General Subcontract provisions by SUBCONTRACTOR to be performed, or otherwise fails to perform fully any and all of the provisions contained in this AGREEMENT, CONTRACTOR may, at its option, and after giving forty-eight (48) hours written notice to SUBCONTRACTOR, either provide any such labor and materials as may be necessary and deduct the cost thereof from any money then due or thereafter to become due to the SUBCONTRACTOR under this AGREEMENT or CONTRACTOR may, at its option, terminate SUBCONTRACTOR's right to proceed with the work and, in that event, CONTRACTOR shall have the right to enter upon the premises of the project and take possession, for the purpose of completing the work included under this AGREEMENT or authorized Subcontract Work Orders/Change Orders, of all materials, tools and appliances of SUBCONTRACTOR, and may employ any other person or persons to finish the work and provide the materials therefore. In case of such termination of SUBCONTRACTOR's right to proceed with the work, said SUBCONTRACTOR shall not be entitled to receive any further payment under this AGREEMENT or any Subcontract Work Order/Change Order; provided, however, that if the cost to complete SUBCONTRACTOR's work does not exceed the unpaid amount remaining under this AGREEMENT and all approved Work Orders/Change Orders, such excess shall be paid by CONTRACTOR to SUBCONTRACTOR. If, however, such expenses shall exceed such unpaid balance, then SUBCONTRACTOR shall promptly pay to CONTRACTOR the amount by which such expense exceeds such unpaid balance. The expense referred to in this Paragraph shall include expenses incurred by CONTRACTOR for furnishing materials, for finishing the work, for attorney's fees and any damages sustained by CONTRACTOR by reason of SUBCONTRACTOR's default, plus markup of fifteen percent General Overhead and ten percent Profit on any and all of such expenses; and CONTRACTOR shall have a lien upon all materials, tools and appliances that it has taken possession of, as aforesaid, to secure the payment thereof. The notice referred to in this Paragraph will be sufficient and complete when mailed to SUBCONTRACTOR at its address shown in this AGREEMENT. CONTRACTOR may withhold, or on account of subsequent discovered evidence, nullify the whole or part of any payment to SUBCONTRACTOR, from loss, including costs and attorney's fees on account of (1) defective work not remedied; (2) claims filed or reasonable evidence indicating probable filing of any claims; (3) failure of SUBCONTRACTOR to make any payment for material, labor or for fringe benefits; (4) reasonable doubt on the part of CONTRACTOR or any project OWNER that this AGREEMENT can be completed for the balance then unpaid; and (5) damage to another subcontractor. When the above grounds are removed, such amounts as are then due and owing shall be paid or credited to SUBCONTRACTOR.

J. TERMINATION OF AGREEMENT - CONTRACTOR, without waiving any other right or remedy, reserves the absolute right to terminate this AGREEMENT at any time and without cause. In the event of termination without cause, SUBCONTRACTOR shall be entitled to payment only as follows:

1. Cost of the work actually completed in conformity with this AGREEMENT or Subcontract Work Order/Change Order issued hereunder.
2. The costs actually incurred by SUBCONTRACTOR due specifically to termination. These amounts shall be limited to return cost of materials purchased, and removal of equipment, tools and / or machinery from job site. Cost incurred must be evidenced by actual invoices, time cards, etc. No implied cost, anticipated cost, lost wages due to termination, or other cost not actually incurred by SUBCONTRACTOR in the performance of the work to the date of the termination will be paid.

There shall be deducted from such sums due to SUBCONTRACTOR as provided in this Paragraph the amount of any payments made to any laborer,

subcontractor or supplier of SUBCONTRACTOR who is or may be entitled to any claim, or claim of lien, against CONTRACTOR or the project for any additional compensation or damages resulting from such termination or otherwise. In the event this AGREEMENT is terminated for cause, SUBCONTRACTOR shall not be entitled to receive any further payment until the work undertaken by CONTRACTOR to fully complete the project is accomplished. At that time, if the amounts remaining unpaid under this AGREEMENT and all approved Work Orders/Change Orders, including amounts actually earned by SUBCONTRACTOR, but not paid SUBCONTRACTOR before said termination, exceed the expenses incurred by CONTRACTOR in finishing SUBCONTRACTOR's work, any excess shall be paid by CONTRACTOR to SUBCONTRACTOR. But, if such expense shall exceed the amounts remaining unpaid under this AGREEMENT and all approved Work Orders/Change Orders, including amounts actually earned by SUBCONTRACTOR, but not paid SUBCONTRACTOR before said termination, SUBCONTRACTOR shall promptly pay to CONTRACTOR the amounts by which the expense exceeds said sum. The expense incurred by CONTRACTOR as just referred to, shall include CONTRACTOR'S expense for furnishing materials, for finishing the work, for attorney's fees, and any damages incurred by CONTRACTOR by reason of SUBCONTRACTOR's default, and shall be calculated as spelled out in Paragraph H. CONTRACTOR may terminate this AGREEMENT in the event that SUBCONTRACTOR, or any of his subcontractors, is listed by the Administrative Office of the various Employee Fringe Benefit Trusts, including, but not limited to Health or Welfare, Pension, Vacation or Apprentice Trusts, as being delinquent in payment or payments to any such Trusts regardless of the project in connection with which the delinquency or delinquencies occurred. With respect to any and all payments to be made by CONTRACTOR to SUBCONTRACTOR under this AGREEMENT, CONTRACTOR at its option may issue joint checks payable to SUBCONTRACTOR and any of the Employee Fringe Benefit Trusts referenced to herein to the extent necessary to assure that payments required from the SUBCONTRACTOR or any of SUBCONTRACTOR's subcontractors with respect to work performed under this AGREEMENT are paid.

K. SATISFACTORY EMPLOYEES - Employment of labor by SUBCONTRACTOR shall be effected under conditions which are satisfactory to CONTRACTOR. SUBCONTRACTOR shall remove or cause to have removed from the project any employee or employees who are considered unsatisfactory by CONTRACTOR. SUBCONTRACTOR shall be held responsible in all cases for actions of SUBCONTRACTOR's employees while on the project. SUBCONTRACTOR acknowledges receipt of SITE RULES AND REGULATIONS and agrees to abide by such. Violations of these or subsequent rules will result in fines to SUBCONTRACTOR. Continued violation will result in termination. SUBCONTRACTOR understands and acknowledges that CONTRACTOR is a non-union CONTRACTOR. Without regard to whether SUBCONTRACTOR is a union or non-union SUBCONTRACTOR, it is agreed that any labor difficulties encountered by SUBCONTRACTOR, whether such difficulties result from CONTRACTOR's status, or SUBCONTRACTOR's status, shall be grounds for immediate termination of this AGREEMENT for cause by CONTRACTOR at CONTRACTOR's option and invocation of CONTRACTOR's rights and remedies against SUBCONTRACTOR under the terms of this AGREEMENT. "Labor difficulties" shall include, but are not limited to, strikes, boycotts, slowdowns, refusal to work because of alleged trade or craft jurisdictional conflicts, any employee's withholding of his labor services in any context whatsoever, unusual incidence of illness, absences, or threat of any of the forgoing. SUBCONTRACTOR shall keep a representative at the job site during all times when SUBCONTRACTOR's work is in progress, and such representative shall be authorized to represent SUBCONTRACTOR as to all phases of the work. Prior to commencement of the work, SUBCONTRACTOR shall notify CONTRACTOR of who SUBCONTRACTOR's representative is to be. In the event of any change of representative, SUBCONTRACTOR shall notify CONTRACTOR who the new representative is to be prior to such change becoming effective.

L. MATERIALS FURNISHED BY OTHERS - In the event the scope of work includes installation of materials or equipment furnished by others, it shall be the responsibility of SUBCONTRACTOR to examine the items so provided and thereupon handle, store and install the items with such skill and care as to insure a satisfactory installation. Loss or damage due to acts of SUBCONTRACTOR shall be charged to the account of SUBCONTRACTOR and deducted from monies due under the terms of this AGREEMENT.

M. USE OF CONTRACTOR'S EQUIPMENT - In the event SUBCONTRACTOR shall use CONTRACTOR's equipment or facilities, SUBCONTRACTOR shall reimburse CONTRACTOR at a predetermined rate or at a standard rate for use of such equipment or facilities, unless otherwise stated herein. Further, in so doing, SUBCONTRACTOR assumes all responsibility for and shall hold CONTRACTOR harmless from any claims, actions, demands, damages liabilities or expenses, including attorney's fees, resulting from the use of such equipment or facilities by SUBCONTRACTOR or SUBCONTRACTOR's agents, employees or permittee.

N. CLEAN-UP - During the course of construction, SUBCONTRACTOR shall remove waste material from the site recurrently as is necessary to maintain the premise in a clean and orderly condition. Upon completion of the work on each project covered under this AGREEMENT, SUBCONTRACTOR shall remove from the site all temporary structures, debris and waste incident to SUBCONTRACTOR's operation and broom clean all surfaces, fixtures, equipment, etc., relative to the performance of this AGREEMENT. If materials are provided by CONTRACTOR, SUBCONTRACTOR shall remove all usable materials identified by CONTRACTOR to a location designated by CONTRACTOR. All cleanup refuse shall be hauled off or placed into receptacles or locations provided or designated by CONTRACTOR. If SUBCONTRACTOR fails to perform such cleanup within twenty-four (24) hours of completion of SUBCONTRACTOR's work, CONTRACTOR may proceed with that function as it determines necessary and in the manner it may deem expedient and the cost thereof shall be charged to SUBCONTRACTOR and be deducted from monies due under this AGREEMENT. A minimum charge of 50.00 per project shall be charged SUBCONTRACTOR for such cleanup service.

O. GUARANTEE - SUBCONTRACTOR warrants and guarantees all materials and workmanship and agrees to replace at SUBCONTRACTOR's sole cost and expense, and to the satisfaction of CONTRACTOR and/or OWNER any and all materials adjudged defective or improperly installed. This warranty and guaranty shall be for the same time period, and to the same extent, as CONTRACTOR is obligated to each OWNER; provided, however, that in no event shall any warranty and guaranty period hereunder be less than one year from final completion of each project for the respective OWNERS, which ever is later. In addition, SUBCONTRACTOR will indemnify the CONTRACTOR against liability, loss or damage arising from said installation during periods of time as defined in Home Buyer's Warranty Program, if such a warranty is provided to the OWNER. In some cases this will extend SUBCONTRACTOR's warranty or guaranty for a period of two years. SUBCONTRACTOR acknowledges that SUBCONTRACTOR is familiar with the terms and conditions of this warranty. SUBCONTRACTOR agrees to repair and correct defects under this warranty within eight (8) hours of notice of such defects, in an emergency, and within forty-eight (48) hours of notice of such defects for a non-

emergency. CONTRACTOR shall, in its sole discretion, determine whether an emergency exists.

P. INDEMNIFICATION FROM PATENT RIGHT - SUBCONTRACTOR shall indemnify and hold CONTRACTOR harmless against any claim, suit or action, or any alleged violation or infringement of patent rights which may be made against CONTRACTOR by reason of the use in connection with or as a party of the performance of the work or the furnishing of materials hereunder, of anything which is now or hereafter may be covered by patent, copyright or trademark, and also against all expense including attorney's fees, which CONTRACTOR may incur in defending or adjusting any such claim, suit or action.

Q. ASSIGNMENT OF CONTRACT - SUBCONTRACTOR shall not, without written consent of CONTRACTOR, assign, transfer, nor sublet any portion or part of the work required by this AGREEMENT, nor SUBCONTRACTOR's rights hereunder, to any corporation, individual or partner.

R. INDEPENDENT CONTRACTOR - SUBCONTRACTOR is an independent contractor and shall, at SUBCONTRACTOR's sole cost and expense, and without increase in the Contract Price, perform the following: comply with all laws, rules, ordinances and regulation of all governing bodies having jurisdiction over the work; obtain and pay for all necessary permits and licenses for the work; pay all manufacturer's taxes, sales taxes, use taxes, processing taxes and all federal and state taxes, insurance and contributions for Social Security and Unemployment which are measured by wages, salaries or other remuneration paid to SUBCONTRACTOR's employees, whether levied under existing or subsequently enacted laws, rules, regulations, or agreements. SUBCONTRACTOR, upon request, shall furnish evidence satisfactory to CONTRACTOR that any or all of the foregoing obligations have been fulfilled.

S. OMISSIONS - Any act or omission of CONTRACTOR which SUBCONTRACTOR might claim as an excuse for SUBCONTRACTOR's own failure to perform shall be deemed waived by SUBCONTRACTOR unless SUBCONTRACTOR shall notify CONTRACTOR in writing of SUBCONTRACTOR's intention to assert such excuse within ten (10) days after the occurrence of any such act or omission.

T. ATTORNEY'S FEES - In the event either CONTRACTOR or SUBCONTRACTOR institutes suit in court against the other party in connection with any dispute or matter arising under this AGREEMENT, the party which prevails in that suit shall be entitled to recover from the other party its attorney's fees in reasonable amount which shall be determined by the court and included in the judgment in said suit.

U. INDEMNITY FOR SAFETY VIOLATIONS - SUBCONTRACTOR shall, at its own expense, conform to the basic safety policy of the CONTRACTOR and shall comply with all specific safety requirements promulgated by any governmental authority including without limitation, the requirements of the Occupational Safety Health Act of 1970, the Contraction Safety Act of 1969, and all standards and regulations which have been or shall be promulgated by the parties or agencies which administer said Acts. SUBCONTRACTOR shall have and exercise full responsibility for compliance hereunder by itself, its agents, employees, suppliers, and subcontractors with respect to its portion of the work on this project, and shall directly receive, respond to, defend and be responsible for any citations, assessment, fine or penalty by reason of SUBCONTRACTOR's failure, or failure of SUBCONTRACTOR's agents, employees, suppliers and subcontractors to so comply. SUBCONTRACTOR shall indemnify and hold harmless CONTRACTOR from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses, including litigation expenses, incurred pursuant to or attendant to any hearing or meeting, and any other applicable cost which may be incurred by CONTRACTOR resulting from SUBCONTRACTOR's failure to fulfill the covenants set forth in this Paragraph. In the event SUBCONTRACTOR fails to comply with any citation issued by the Secretary of Labor, any order issued by the Occupational Safety and Health Review Commission or any order issued by any other body responsible for the administration and/or enforcement of any status, regulation or ordinance relating to occupational health and safety within the period specified in any such citation or order, CONTRACTOR may, at his discretion, exercise the rights and remedies provided CONTRACTOR under the terms of this AGREEMENT, including, but not limited to, the right and remedies provided in Paragraph I, RECOURSE BY CONTRACTOR.

V. INDEMNITY FOR EQUAL EMPLOYMENT OPPORTUNITIES VIOLATIONS - SUBCONTRACTOR shall, at its own expense, conform to the equal employment opportunity policies of the CONTRACTOR, and in addition shall comply with all equal employment opportunity requirements of the Civil Rights Act of 1964, 42 United States Code, Section 1981, Executive Orders 11246, 113, 11478, any other applicable statute or ordinances, inclusive, and all successful amendments thereto, and all plans, programs, standards and regulations which have been or shall be promulgated or approved by the parties or agencies which administer said Acts or Orders (hereinafter collectively referred to as EEO laws). SUBCONTRACTOR shall have and exercise full responsibility for compliance hereunder by itself, its agents, employees, suppliers, and subcontractors with respect to its portion of the work on the project. SUBCONTRACTOR shall directly receive and respond to, defend and be responsible for any citation, order, claim, charge, or criminal or civil actions, arising by reason of the failure of SUBCONTRACTOR or its agents, employees, supplies, and subcontractors to so comply, regardless of whether such non-compliance result from active or passive acts or matters against which SUBCONTRACTOR is obligated hereunder to indemnify and hold harmless CONTRACTOR. SUBCONTRACTOR shall indemnify and hold harmless CONTRACTOR from and against any liability, loss (including any loss of profits or prospective advantage occasioned by the suspension, cancellation or termination of any contract, or CONTRACTOR's eligibility therefore), damage, costs, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorney's fees, claims or liability for harm to persons or property, expenses incurred pursuant to or attendant to any hearing or meeting or any other applicable cost which may be incurred by CONTRACTOR resulting from SUBCONTRACTOR's failure to fulfill the covenants set forth in this Paragraph. In the event SUBCONTRACTOR fails to comply with any of the aforementioned EEO laws, or any judgment, order or award issued by the Office of Federal Contract compliance, United States Department of Labor, or administration and/or enforcement of any EEO laws, within the period specified in any such laws, judgment, order or awards, CONTRACTOR may, in its discretion, exercise the rights and remedies provided CONTRACTOR under the terms of this AGREEMENT, including but not limited to the rights and remedies provided in Paragraph I . RECOURSE BY CONTRACTOR.

W. IMMIGRATION AND NATURALIZATION REFORM ACT - SUBCONTRACTOR shall comply with the provisions of the Immigration

and Naturalization Reform Act of November 1986 and any successful amendments thereto.

X. CHOICE OF LAW AND FORUM SELECTION - In the event that any dispute arises under this AGREEMENT, the parties agree that Utah law shall be applied in the resolution of such dispute insofar as state law would be applied in the resolution of the dispute. In the event that any dispute under this Agreement results in any arbitration, suit or action, the arbitration, suit or action shall be brought in Salt Lake County, State of Utah, unless another provision of this Agreement provides otherwise. If any provision of this AGREEMENT is found illegal or unenforceable, it shall not affect the enforceability of any other provisions of the AGREEMENT.

IN WITNESS HEREOF, the parties hereto have executed this AGREEMENT of themselves, their heirs, executors, successors, administrators and assignees on the day and year first above written. By the signature below, SUBCONTRACTOR acknowledges receipt of a copy of this AGREEMENT.

CONTRACTOR

SUBCONTRACTOR

By: Chris B Dales, manager _____
Name Title Name Title

SUBCONTRACTOR's Business Entity Type (Mark One)

Corporation Partnership Proprietorship Limited Liability Company Other Specify: _____

Federal Employer Identification Number (EIN): _____

Or, if Sole Proprietor, please provide Social Security Number (SSN): _____

Subcontractor's State Contractor License Number(s) and Issuing State(s):

