

#### XXXXXXXXXXXXXXXXXX

Attention:

RE: Subcontract No.

XXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXX

#### Gentlemen:

We are including within this e-mail one (1) electronic copy of your Alberici Constructors, Ltd. Subcontract Agreement for the above referenced project. Use the following procedure for execution of the Subcontract:

Please have an Subcontract on

of your company with express authority from your board of directors to execute the

. Sign and return

Unless a current, approved Blanket Insurance Certificate is now in Alberici Constructors, Ltd.'s possession, the Subcontractor agrees to forward their Insurance Certificate indicating <u>complete</u> coverage as required in Exhibit B of the Subcontract <u>to our office at Fax # (905) 315-3001.</u>

Upon receipt, we will execute and return by e-mail one (1) electronic copy of the Subcontract for your files.

No payments will be made until we receive your properly executed electronic e-mail copy of the Subcontract in its entirety and your Insurance Certificate that indicates 100% compliance with the coverage required on this project.

Sincerely,

Alberici Constructors, Ltd.

This Agreement is entered into this 8th day of December in the year 2010 by and between , 1005 Skyview Drive, Burlington, ON, referred to in this Agreement as the

Contractor, and the

SUBCONTRACTOR XXXXXXXXXXXXXXXXXXXXX

ATTENTION:

referred to in this Agreement as the Subcontractor for services in connection with this

LOCATION XX XXXXXXXXXXXXXXXXXX

XXXXXXXXXX, XX XXXXX

whose

OWNER is XXXXXXXXXXXXXXXXX

XX XXXXXXXXX

XXXXXXXXX, XX XXXXX

and whose

CONSULTANT is XXXXXXXXXXXXXXXXXXX

XX XXXXXXXXXX

XXXXXXXXX, XX XXXXX

The Subcontractor is required to perform the Subcontract Work in a safe and reasonable manner. The Subcontractor shall seek to avoid

Subcontractor fails to perform the obligations of this paragraph, the Subcontractor shall pay such costs and damages to the Contractor as would have been avoided if the Subcontractor had performed such obligations. Nothing in this paragraph shall relieve the Subcontractor of

permitted by the law of the place where the Project is located. The Designer's signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by the Designer. Shop Drawings and other submittals related to the Subcontract Work designed or certified by the Designer, if prepared by others, shall bear the Subcontractor's and the Designer's written approvals when submitted to the Contractor. The Contractor shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by the Designer.

If the Designer is an independent professional, the design services shall be procured pursuant to a separate agreement between the Subcontractor and the Designer. The Subcontractor-Designer agreement shall not provide for any limitation of liability or exclusion from participation in the multiparty proceedings requirement of Paragraph 11.3. If applicable, the Designer(s) is (are)

The Subcontractor shall notify the Contractor in writing if it intends to change the Designer. The Subcontractor warrants the design furnished by the Designer will be in conformance with the information given and the design concept expressed in the Subcontract Documents. The Subcontractor shall not be responsible for the adequacy of the performance or design criteria required by the Subcontract Documents furnished by the Owner, Architect/Engineer or Contractor.

The Subcontractor shall not be required to provide design services in violation of any applicable law.

The Subcontractor shall: cooperate with the Contractor and other subcontractors whose work may affect the Subcontract Work; participate in the preparation of coordinated drawings and Subcontract Work schedules in areas of congestion; and specifically note and promptly advise the Contractor in writing of any such interference by other contractors or subcontractors.

The Subcontractor shall schedule all required tests, approvals and inspections of the Subcontract Work at appropriate times so as not to delay the progress of the Work. The Subcontractor shall give proper written notice to all required parties of such tests, approvals and inspections. The Subcontractor shall bear all expenses associated with tests, inspections and approvals required of the Subcontractor by the Subcontract Documents which, unless otherwise agreed to, shall be conducted by an independent testing laboratory or entity approved by the Contractor and the Owner. Certificates of testing, approval or inspection required by the Subcontract Documents or the law shall be secured by the Subcontractor and promptly delivered to the Contractor.

The Subcontractor shall follow the Contractor's cleanup directions, and:

at all times keep the building and premises free from debris and unsafe conditions resulting from the Subcontract Work; and

broom clean each work area prior to discontinuing Subcontract Work in the area.

The Contractor shall furnish waste/rubbish container service and designate containers for the Subcontractor's use. The Subcontractor shall deposit only waste/rubbish from this Project that is non-toxic, non-hazardous and legally permissible for such waste/rubbish containers. The Subcontractor will dispose of all of the Subcontractor's toxic and hazardous waste, including all containers, by removing the same from the Project site immediately in the manner required by law and regulations.

Upon completion of the Subcontract Work, the Subcontractor shall remove from the Project and legally dispose of all temporary structures, debris and waste and clean all surfaces, fixtures, equipment and materials pertaining to or affected by the Subcontract Work. If the Subcontractor fails to commence compliance with cleanup duties within twenty-four (24) hours after written notification from the Contractor of non-compliance, the Contractor may implement such cleanup measures as it deems necessary without further notice and deduct the cost from any amounts due or to become due the Subcontractor.

To the extent the Contractor has rights or obligations under the Contractor's Contract with the Owner or by law regarding hazardous materials as defined by the Subcontract Documents within the scope of the Subcontract Work, the Subcontractor shall have the same rights or obligations.

The Subcontractor shall take necessary precautions to properly protect the Subcontract Work and the work of others from damage caused by the Subcontractor's operations. Should the Subcontractor, its agents, servants or employees cause damage to the Work or property of the Owner, the Contractor or others, the Subcontractor shall promptly remedy such damage to the satisfaction of the Contractor. After giving the Subcontractor three (3) calendar days notice in writing and Subcontractor's subsequent failure to commence and continue satisfactory correction of the damage the Contractor may remedy the damage and deduct its cost from any amounts due or to become due the Subcontractor, unless such costs are promptly paid by insurance applicable to damages to property.

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The Subcontractor warrants all materials and equipment furnished under this Agreement shall be new, unless otherwise specified, of good quality, in conformance with the Subcontract Documents, and free from defective workmanship and materials. Warranties shall commence on the date of Substantial Completion of the Work or a portion of the Work as designated in writing by the Contractor.

The Contractor may direct the Subcontractor to uncover portions of the Subcontract Work for inspection by the Owner or the Contractor at any time. The Subcontractor is required to uncover such work whether or not the Contractor or the Owner had requested to inspect the Subcontract Work prior to it being covered. If the Subcontractor has covered any portion of the Subcontract Work in violation of the Subcontract Documents or contrary to a directive issued to the Subcontractor by the Contractor, the Subcontractor shall uncover such work for the Contractor's or the

and conditions for such use. If the Subcontractor or any of its agents, employees, subcontractors or suppliers utilize any of the Contractor's equipment, including machinery, tools, scaffolding, hoists, lifts or similar items owned, leased or under the control of the Contractor, including equipment which is operated by an employee of the Contractor under the direction of the Subcontractor, the Subcontractor shall defend, indemnify and be liable to the Contractor as provided in Article 9 for any loss or damage (including bodily injury or death) which may arise from such use, except to the extent that such loss or damage is caused by the negligence of the Contractor's employees operating the Contractor's equipment.

Until final completion of the Subcontract Work, the Subcontractor agrees not to communicate directly with the Owner's representatives in connection with the Project, unless otherwise approved in writing by the Contractor.

The Subcontractor agrees to be bound by, and at its own costs comply with, all federal, provincial and municipal laws, ordinances and regulations (the "Laws") applicable to the Subcontract Work.

The Subcontractor shall be liable to the Contractor and the Owner for all loss, cost and expense attributable to any acts of commission or omission by the Subcontractor, its Sub-Subcontractors at any tier, and its and their respective employees and agents resulting from the failure to comply with Laws, including, but not limited to, any fines, penalties or corrective measures, except as provided in Subparagraph 2.9.

To the extent the Contractor's Contract with the Owner provides for the confidentiality of any of the Owner's proprietary or otherwise confidential information disclosed in connection with the performance of this Agreement, the Subcontractor is equally bound by the Owner's confidentiality requirements.

The Subcontractor shall pay all royalties and license fees which may be due on the inclusion of any patented or copyrighted materials, methods or systems incorporated in the Subcontract Work. The Subcontractor shall defend, indemnify and hold the Contractor and the Owner harmless from all suits or claims for infringement of any patent rights or copyrights arising out of Subcontractor's voluntary selection of any patented or copyrighted materials, methods, or systems for the Subcontract Work, including those shown on approved submittals. The Subcontractor shall be liable for all loss, including all costs, expenses, and legal fees, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Subcontract Documents. However, if the Subcontractor has reason to believe that a particular design, process or product required by the Subcontract Documents is an infringement of a patent or copyright, the Subcontractor shall promptly furnish such information to the Contractor or be responsible to the Contractor and the Owner for any loss sustained as a result.

The Subcontractor shall be responsible for any and all losses and/or damages as a result of delay or extra work resulting from any labour difficulties caused by the Subcontractor's workforce, including but not limited to strikes, picketing or other union or labour-related activity impacting upon Subcontract Work or the work of others. This provision shall not apply (1) to a strike or labour action caused as a result of the Subcontractor being a member of a collective bargaining group, and (2) to a work stoppage caused by a jurisdictional dispute where prior notice was given by the Subcontractor to the Contractor but the Contractor did not resolve the dispute.

If there are any conditions, obligations or requirements relative to labour relations and their effect on the project they are attached as Exhibit E.

The Subcontractor shall give timely notices to authorities pertaining to the Subcontract Work, and shall be responsible for all permits, fees, licenses, assessments, inspections, testing and taxes necessary to complete the Subcontract Work in accordance with the Subcontract Documents. To the extent reimbursement is obtained by the Contractor before or with final payment from the Owner under the Contractor's Contract with the Owner, the Subcontractor shall be compensated for additional costs resulting from taxes enacted after the date of this Agreement.

The Subcontractor shall not assign the whole nor any part of the Subcontract Work without prior

written approval of the Contractor.

Nothing contained in this Article 4 shall be construed to establish a period of limitation with respect to other obligations which the Subcontractor has under the Laws or under the Subcontract Documents. Establishment of the time period of one year as described in Paragraph 4.18.2 relates only to the specific obligation of the Subcontractor to correct the Subcontract Work, and has no relationship to time within which the obligation to comply with the Subcontract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Subcontractor's liability with respect to the Subcontractor's obligations.

To the extent the Contractor's Contract with the Owner provides for a mutual waiver of consequential damages by the Owner and the Contractor, the Contractor and the Subcontractor waive claims against each other for consequential damages arising out of or relating to this Agreement, including to the extent provided in the Contractor's Contract with the Owner, damages for principal office expenses and the compensation of personnel stationed there; for loss of financing, business and reputation; and for loss of profit. To the extent applicable, this mutual waiver applies to consequential damages due to termination by the Contractor or the Owner in accordance with this Agreement or the Contractor's Contract with the Owner. To the extent the Contractor's Contract with the Owner does not preclude the award of liquidated damages, nothing contained in this Paragraph shall preclude the imposition of such damages, if applicable in accordance with the requirements of the Subcontract Documents.

Damages for which the Contractor is liable to the Owner, including those related to Subparagraph 9.1, are not consequential damages for the purpose of this waiver.

The Contractor agrees to pay to the Subcontractor for the satisfactory completion of Subcontract Work the sum of:

In Canadian funds, which sum excludes Canadian Harmonized Sales Tax but includes all other applicable taxes, customs, duties or the like, and is subject to additions or deductions as provided in Article 8.

Harmonized Sales Tax payable by the Contractor to the Subcontractor is:

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Total amount payable by the Contractor to the Subcontractor, inclusive of all taxes, customs, duties or the like, including Harmonized Sales Tax, is:

Any applicable alternates or unit prices are set forth in Exhibit A to this Agreement.

As a condition to payment, the Subcontractor shall provide a schedule of values satisfactory to the Contractor with the Subcontractor's first invoice. In the event the Contractor elects to terminate for convenience any portion of the Work which falls within the scope of this Agreement, the credit to the Subcontractor shall be determined by first referring to the schedule of values provided by the Subcontractor pursuant to this sub-paragraph. Failure to provide the schedule of values shall be grounds for the Contractor to withhold payment from the Subcontractor.

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other location agreed upon in writing. Approval of payment applications for such stored items on or off the site shall be conditioned upon submission by the Subcontractor of bills of sale and applicable insurance or such other procedures satisfactory to the Owner and the Contractor to establish the Owner's title to such materials and equipment, or otherwise to protect the Owner's and the Contractor's interest, including transportation to the site.

Progress payments to the Subcontractor for satisfactory performance of the Subcontract Work shall be made no later than ten (10) calendar days after receipt by the Contractor of payment from the Owner for the Subcontract Work. If payment from the Owner for such Subcontract Work is not received by the Contractor, through no fault of the Subcontractor, the Contractor will make payment to the Subcontractor within a reasonable time for the Subcontract Work satisfactorily performed. This reasonable period of time shall be defined to be that period of time which will allow the Contractor to diligently pursue dispute resolution procedures for non-payment available under the Contractor's Contract with the Owner or by Law to collect such sums as are justly payable to the Contractor and all Subcontractors.

If the Contractor has received payment from the Owner and if for any reason not the fault of the Subcontractor, the Subcontractor does not receive a progress payment from the Contractor within seven (7) calendar days after the date such payment is due, as defined in Subparagraph 7.3.5, the Subcontractor, upon giving an additional seven (7) calendar days written notice to the Contractor, and without prejudice to and in addition to any other legal remedies, may stop work until payment of the full amount owing to the Subcontractor has been received. The Subcontract Amount and Time shall be adjusted by the amount of the Subcontractor's reasonable and verified cost of shutdown, delay, and startup, which shall be effected by an appropriate Subcontractor Change Order.

The Contractor may deduct from any amounts due or to become due to the Subcontractor any sum or sums owed by the Subcontractor to the Contractor. In the event of any breach by the Subcontractor of any provision or obligation of this Agreement, or in the event of or the assertion by other parties of any claim or lien against the Owner, the Contractor, the Contractor's Surety or the premises upon which the Subcontract Work was performed, which claim or lien arises out of the Subcontractor's performance of this Agreement, the Contractor shall have the right, but is not required, to retain out of any payments due or to become due to the Subcontractor an amount sufficient to completely protect the Contractor from any and all loss, damage or expense therefrom, until the claim or lien has been resolved or removed, discharged or vacated by the Subcontractor to the satisfaction of the Contractor. The Contractor shall give the Subcontractor five (5) calendar days notice in writing following Contractor's discovery of reason to withhold any payments from Subcontractor. The Subcontractor shall remove, discharge or vacate such liens or, in accordance with Contractor's direction, secure Owner and Contractor against loss on account thereof with an adequate surety bond in the amount required by any applicable statute, or if no statute is applicable, then in an amount equal to 150% of the lien claimed, within ten (10) calendar days after any liens have been filed against the premises by any party or parties performing labour or services or supplying materials in connection with the Subcontract Work. If the Subcontractor fails to so remove, discharge or vacate such liens or provide such surety bond, the Contractor may remove, discharge or vacate such liens at the Subcontractor's expense, including bond costs and

the Subcontractor to its subcontractors, suppliers, labourers or materialmen furnishing labour or materials for use in performing the Subcontract Work on this Project before it is used in any other manner. As a prerequisite for payment, the Subcontractor shall provide, in a form satisfactory to the Owner and the Contractor, claim waivers, statutory declarations and/or affidavits from the Subcontractor and its sub-subcontractors and suppliers for the completed Subcontract Work. Such waivers, statutory declarations and affidavits may be made conditional upon payment.

In the event it appears to the Contractor that the labour, material and other bills incurred in the performance of Subcontract Work are not being currently paid, the Contractor may take such steps as it deems necessary to ensure the money paid with any progress payment will be utilized to pay such bills, with such steps including, but not limited to, payment by checks made jointly payable to the Subcontractor and the Subcontractor's subcontractors and/or materialmen, or if Subcontractor fails to cooperate in effecting such joint payments, by direct payment to such parties and withholding from progress payments an amount to protect the Contractor from any and all potential or actual claims, losses, or damages, including reasonable legal fees arising out of the same.

The Contractor shall have the right at all times to directly contact the Subcontractor's sub-subcontractors and suppliers to ensure the same are being paid promptly by the Subcontractor for the labour or materials furnished for use in performing the Subcontract Work.

Upon acceptance of the Subcontract Work by the Owner and the Contractor and receipt from the Subcontractor of evidence of fulfillment of the Subcontractor's obligations in accordance with the Subcontract Documents and Subparagraph 7.4.2, the Contractor shall forward the Subcontractor's application for final payment without delay.

Before the Contractor shall be required to forward the Subcontractor's application for final payment to the Owner, the Subcontractor shall submit to the Contractor:

a statutory declarations and/or affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the Subcontract Work for which the Owner, the Owner's property or the Contractor or the Contractor's surety might in any way be liable, have been paid or otherwise satisfied;

satisfaction of required closeout procedures;

at Contractor's option, to provide a certification that insurance required by the Subcontract Documents to remain in effect beyond final payment is in effect and will not be canceled or allowed to expire without at least thirty (30) calendar days written notice to the Contractor;

other data, if required by the Contractor or the Owner, such as receipts, releases, and waivers to the extent and in such form as may be designated by the Contractor or the Owner;

written warranties and equipment manuals; and

as-built drawings if required by the Subcontract Documents.

Final payment of the balance due of the Subcontract Price shall be made to the Subcontractor:

upon receipt of the Owner's waiver of all claims related to the Subcontract Work except for unsettled liens, unknown defective Subcontract Work, and non-compliance with the Subcontract Documents or warranties; and

within thirty (30) calendar days after receipt by the Contractor of final payment from the Owner for such Subcontract Work.

If the Owner or its designated agent does not issue a certificate for final payment or the Contractor does not receive such payment for any cause which is not the fault of the Subcontractor, the Contractor shall promptly inform the Subcontractor in writing. The Contractor shall also diligently pursue, with the assistance of the Subcontractor, the prompt release by the Owner of the final payment due for the Subcontract Work. If final payment from the Owner for such Subcontract Work is not received by the Contractor, through no fault of the Subcontractor, the Contractor will make payment to the Subcontractor within a reasonable time for the Subcontract Work satisfactorily performed. If the non-payment by Owner is not attributable to the Contractor's default, a reasonable period of time will be allowed Contractor to diligently pursue dispute resolution procedures for non-payment available under the Contractor's Contract with the Owner or by Law to collect such sums as are justly payable to the Contractor and all Subcontractors.

Final payment shall constitute a waiver of all claims by the Subcontractor relating to the Subcontract Work, except those claims specifically reserved by Subcontractor in writing before final payment is made. Contractor shall make payment of such amounts not otherwise in dispute. Contractor's making of such final payment shall in no way relieve the Subcontractor of liability for the obligations assumed under Paragraphs 4.18.1 and 4.18.2, or for faulty or defective Subcontract Work discovered after final payment. Payment to the Subcontractor does not constitute or imply acceptance of any portion of the Subcontract Work.

The Subcontractor shall not assign any money due or to become due under this Agreement,

The Subcontractor shall/shall not (strike one) furnish to the Contractor, as named Obligee with others as Obligees at

shall provide whatever assistance Contractor requests in pursuit of such claim.

Should the Owner suspend its agreement with the Contractor or any part which includes the Subcontract Work,

perform, may avail itself of such remedies as are reasonably necessary to maintain the Schedule of Work. The Contractor may offset against any sums due or to become due the Subcontractor all costs incurred in pursuing any of the remedies provided including, but not limited to, reasonable overhead, profit and legal fees. The Subcontractor shall be liable for the payment of the amount by which all such costs incurred exceed the unpaid balance of Subcontract earnings.

The Contractor's contingent assignment of the Subcontract to the Owner, as provided in the Contractor's Contract with the Owner, is effective when the Owner has terminated the Contract for cause and has accepted the assignment by notifying the Subcontractor in writing. This contingent assignment is subject to the prior rights of a surety that may be obligated under the Contractor's bond, if any. The Subcontractor consents to such assignment and agrees to be bound to the assignee by the terms of this Subcontract.

If a dispute arises out of or relates to this Agreement or its breach, the parties shall endeavor to settle the dispute first through direct discussions between corporate officers of the Contractor and the Subcontractor. If the dispute cannot be resolved through direct discussions, the parties shall participate in mediation under the then-current edition of the Rules for Mediation of Construction Disputes as provided in CCDC 40 before recourse to any other form of binding dispute resolution. The location of the mediation shall be the location of the Project. Once a party files a request for mediation with the other party, the parties agree to commence such mediation within thirty (30) calendar days of filing of the request. Either party may terminate the mediation at any time after the first session, but the decision to terminate must be delivered in person to the other party and the mediator. Engaging in mediation is a condition precedent to any other form of binding dispute resolution.

Unless otherwise agreed in writing, the Subcontractor shall continue the Subcontract Work and maintain the Schedule of Work during any dispute resolution proceedings. As the Subcontractor continues to perform, the Contractor shall continue to make payments in accordance with this Agreement.

The following	g Exhibits are attached to and are a	part of this Agreeme	ent.				
	The Subcontractor's Scope of Work	, including alternativ	ve or unit prices				
	Required Documents						
	Contractor's Project Rules and Regulations						
	List of Drawings, Specifications and	d Addenda					
	The Subcontract Documents are id	entified in Article 3.	4				
	Quality Assurance Standards						
	Schedule of Work						
	Not Used						
	Not Used						
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### ALBERICI CONSTRUCTORS, LTD. SCOPE OF WORK

The subcontractor shall furnish the Products and perform the Subcontract Work in a proper and workman like manner pertaining to:

# ALBERICI CONSTRUCTORS, LTD. REQUIRED DOCUMENTS

We must have a copy of the following documents, which must be in our possession before you can commence work at the jobsite and before any payments can be made on this subcontract:

(a) Certificate of Insurance for Public Liability and Property Damage:

Naming as additional insured Alberici Constructors, Ltd., XXXXXXXXXXXXXXXX, it's Boards, Agencies, Commissions or Subsidiary Operations, as applicable.

Comprehensive General Liability Insurance with a minimum limit of \$5,000,000.00.

Automotive Liability Insurance with a minimum of \$2,000,000.00.

- (b) A <u>current</u> Certificate of Clearance from the Workplace Safety & Insurance Board.
- (c) Unexpired Material Safety Data Sheets for all control products on site including proper identification and labeling.
- (d) Two (2) copies of your Health and Safety Policy.
- (e) Registration of Constructors & Employers Engaged in Construction (Form 1000).
- (f) A <u>current CAD 7 Rating</u> from this Contractor and each and all of the Subcontractors to <u>this agreement.</u>

# ALBERICI CONSTRUCTORS, LTD. DRAWINGS, SPECIFICATIONS & ADDENDA

Specifications:		
Addenda:		
Drawings:		

## ALBERICI CONSTRUCTORS, LTD. QUALITY ASSURANCE STANDARDS

The CONTRACTOR/VENDOR shall provide and operate throughout the Contract a quality system which meets the requirements of ISO 9001 'Quality Systems - Model for Quality Assurance in Design/Development, Production, Installation and Servicing' or a comparable nationally or internationally recognized Standard, in accordance with detailed guidelines to be agreed upon prior to contract finalization or adhere to ALBERICI quality system (check sheets, procedures) to completed the contract as per the applicable codes.

The CONTRACTOR/VENDOR quality assurance activities shall include, but not be limited to, those functions defined in this Section and, additionally, include any activities that ALBERICI may direct, to prove conformity to the Specification. They shall provide for the detection and removal of all non-conforming materials or faulty or inadequate workmanship, either prior to or at the latest state of process or manufacture, where the required characteristics can be measured and observed.

CONTRACTOR/VENDOR

A detailed audit at any phase of the CONTRACTOR/VENDOR Quality Program or their manufacturing process on a periodic basis or as deemed necessary by ALBERICI.

The witnessing of weld preparation & control of consumables.

The witnessing of NDE testing.

The witnessing of assembly and performance tests of main or critical equipment.

The witnessing of pressure testing.

The review of applicable documentation (procedures, qualifications, survey's etc...).

Where required by the applicable policies, standards, codes & client requirements Certificates of Conformity/Test Reports must be supplied to ALBERICI when request without delay (mill test reports, welding procedures, welders qualifications, pressure test reports, dimensional checks, painting reports, survey's, alignment records, TSSA reports, ESA reports etc...).

Inspection and testing shall include all items in the appropriate National or International Policies, Standards or Codes of Practice.

CONTRACTOR/VENDOR shall perform all inspections, non-destructive tests and equipment performance tests required to ensure good quality and compliance with this Specification.

Inspections and tests shall be carried out in accordance with specified or approved Procedures and the results shall be judged in accordance with the specified Standards or other agreed criteria. All work is subject to inspection by ALBERICI or their representative and approval at all times, but such approval does not relieve CONTRACTOR/VENDOR of responsibility for proper functioning or material and work.

The CONTRACTOR/VENDOR shall submit his procedures to ALBERICI when it is a condition of this Specification that a manufacturing, inspection or testing process be subject to the approval of ALBERICI or when any matters requires acceptance criteria to be so agreed. Whenever practicable, the CONTRACTOR/VENDOR procedures shall be submitted early enough to allow ample time for agreement to be reached.

The CONTRACTOR/VENDOR shall advise ALBERICI in writing of the scheduled dates of inspections and tests subject to 'hold' and 'witness', as identified on the Quality Plan with at least two (2) weeks notice being given.

When ALBERICI elects to provide its own inspector(s), the VENDOR must,

Provide sufficient, safe and proper facilities at all times for inspection of work

Furnish full information concerning all material entering into work and grant the inspector(s) free access at all reasonable times in all parts of CONTRACTOR/ VENDOR shop where equipment is being manufactured, stored or assembled.

All sub-assemblies shall be tested, preferably at the place of manufacture, using the associated electrical, lubrication, hydraulic and fluid services where practicable.

Testing of materials and sub-assemblies shall be successfully completed prior to painting or other necessary coating, except that polished parts shall be adequately protected at all times.

All records of tests, including charts, diagrams, films and the like, when appropriate, shall be suitably identified and made available for inspection by ALBERICI.

Test and analysis certificates shall be provided in accordance with applied standards and statutory specification requirements and additionally as may reasonably be required by ALBERICI.

Qualified personnel in accordance with the Specification, and to the approved procedures shall carry out all welding and all testing of welds.

The CONTRACTOR/VENDOR must be aware of and in full compliance with the Canadian welding policies, standards and codes established by the TSSA and CWB.

## ALBERICI CONSTRUCTORS, LTD. SCHEDULE OF WORK

Subcontractor agrees that time is of the essence and shall prosecute the work to its fullest extent. The construction schedule will be maintained at the project site. Subcontractor will give input to the schedule at the regular scheduled progress meetings. The subcontractor shall follow that schedule and as modified.