



**Preston Pipelines, Inc.
General Engineering Contractor**

**Subcontractor
Work Authorization Form**

Date: _____

Project Name and Address: _____

Project Owner and Address: _____

Project Lender and Address: _____
(if any - use address of branch)

**Direct Contractor Name and
Address:** *(if direct contractor is not a party)* _____

This Work Authorization Form supplements and amends the Master Subcontract Agreement ("Agreement") between _____ ("Contractor") and _____ ("Subcontractor"), dated _____, 20____ with respect to the Project identified above.

This Work Authorization Form between Contractor and Subcontractor modifies and supplements the provisions contained in the Agreement and all other Contract Documents incorporated therein by reference with respect to the Project identified above. Terms that are defined in the Agreement shall have the same meaning in this Work Authorization Form. In the event of any conflict, inconsistency, or ambiguity between the terms and provisions of this Work Authorization Form and any other Contract Documents, this Work Authorization Form shall control.

Subcontractor shall perform the following Work in connection with the Project:

Subcontractor shall furnish all labor, equipment, material, and services incidental to, related to, or

necessary to complete the above Work, for the above Work to be functional, or where typically provided under industry custom and practice, even if the Work described in the above scope is discussed in other provisions of the Contract Documents or is not specifically called out in any Plans or Specifications referred to herein. All Work shall strictly comply with the Contract Documents for the Project, and with all applicable, codes, regulations, laws, and ordinances.

The Contract Documents include the following Plans and Specifications prepared by

_____	_____	_____
Title	Date	Revision

Before commencing work on the Project, Subcontractor shall furnish Contractor with certificates of insurance for the Project in accordance with the terms of the Agreement.

Subcontractor's Work is to be completed no later than the date specified in the Instructions to Bidders and/or the Project Schedule.

If an Owner Controlled Insurance Program will be utilized on the Project to which this Work Authorization Form relates, then the provisions of Attachment A shall apply. If the Project is a residential project, then provisions of Attachment B shall also apply.

Total Price for the Work described in this Work Authorization Form: \$ _____, which shall be paid in accordance with the provisions of the Agreement.

Contractor: PRESTON PIPELINES, INC.

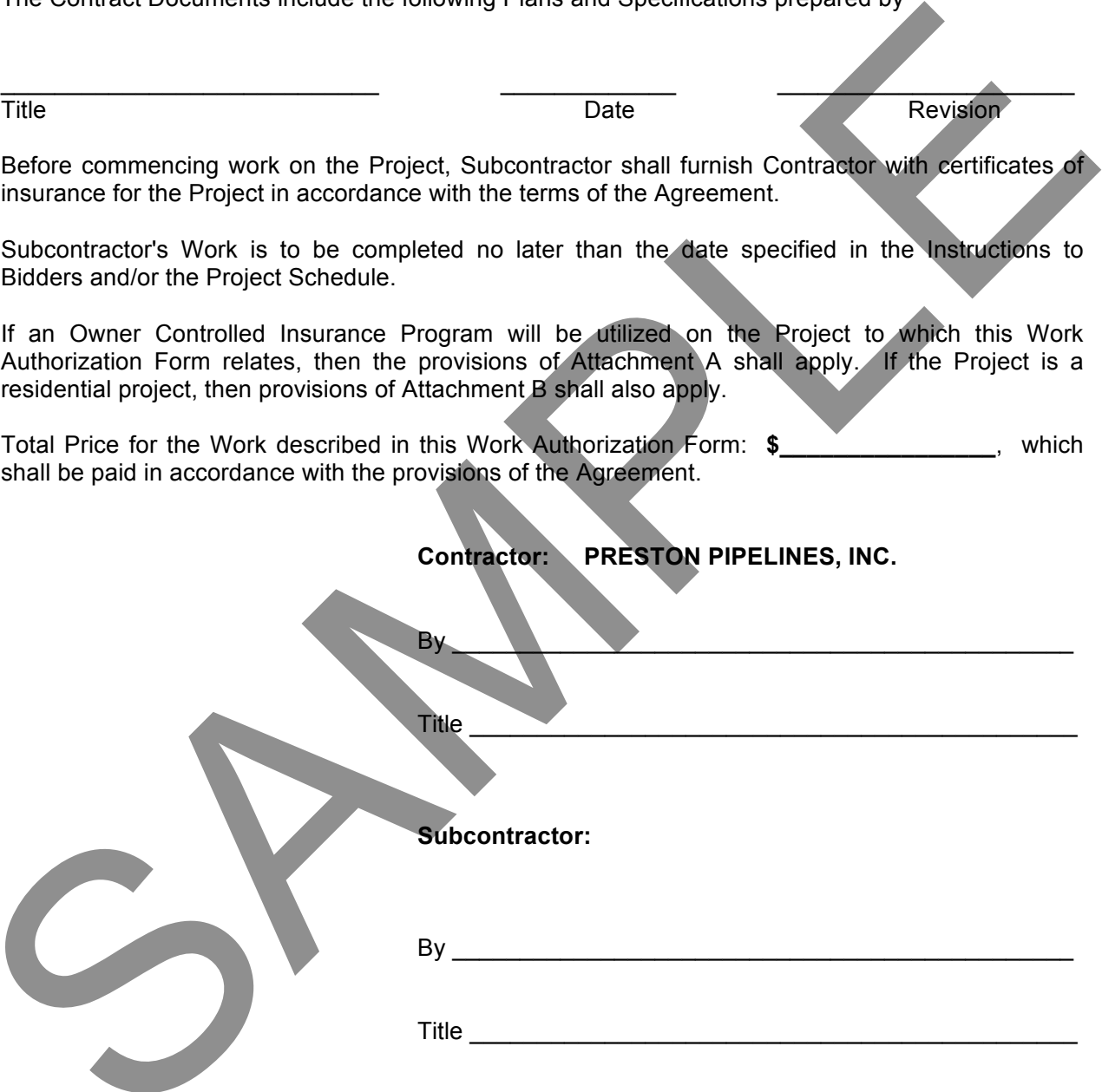
By _____

Title _____

Subcontractor:

By _____

Title _____



OCIP or Wrap Policy Disclosures and Provisions

PUBLIC WORKS PROJECT - OCIP

[**Check Box if applicable:**]

In accordance with Civil Code Section 2782.96, Contractor provides the following disclosures concerning a Wrap-Up insurance policy or other consolidated insurance program for a public works project or any other project other than a residential construction project as defined by Civil Code Section 895 et seq.:

- Total amount or method of calculation of any credit or compensation for premium required from Subcontractor or another participant (fill in one):

\$ _____ or

Per Exhibit _____, attached hereto.

- Policy limits: \$ _____.
- Known exclusions: See Exhibit _____, attached hereto.
- Period/length of time policy is to remain in effect: _____.

Upon written request, once Contractor itself obtains a copy of the Wrap-Up policy, a copy of the Wrap-Up policy may be inspected and copied by any person or company covered by the policy. If a policy is not yet available, upon written request, a person or company covered by the Wrap-Up policy shall be provided a copy of the insurance binder or declaration of coverage. Any person or company receiving a copy of the Wrap-Up policy, binder, or declaration ("participant") agrees not to disclose it to third parties other than the participant's insurance broker or attorney, unless required to provide or disclose it by law. Any participant who provides a copy of the Wrap-Up policy, binder, or declaration to his, her, or its insurance broker or attorney shall require the insurance broker or attorney not to disclose it unless required to do so by law.

RESIDENTIAL PROJECT - OCIP

[**Check Box if applicable:**]

In accordance with Civil Code Sections 2782.9 & 2782.95, Contractor provides the following disclosures concerning a Wrap-Up insurance policy or other consolidated insurance program for a residential construction project as defined by Civil Code Section 895 et seq.:

- Policy limits: \$ _____.
- Scope of policy coverage: See Exhibit _____, attached hereto.
- Period/length of time policy is to remain in effect (policy term): _____
- Basis upon which the deductible or occurrence is triggered: See Exhibit _____, attached hereto.
- If the policy covers more than one work of improvement, the number of units, if any, indicated on the application for the insurance policy: _____ units.
- Good faith estimate of the amount of available limits remaining under the policy, per the insurer as of the date indicated: \$ _____ as of _____, 20____.
- Amount and method of collection of Subcontractor's contribution under an OCIP program shall be in accordance with the following (check one):
 - Attached terms and conditions
 - OCIP manual and rules, which Subcontractor acknowledges have previously been made available to it for inspection and copying (if no box is checked, this method applies.)

ATTACHMENT B
(Residential Building Projects)

Notwithstanding the foregoing or any other provision of this Agreement, if the "Claim" for which indemnity or defense is sought is in connection with a residential building project subject to the provisions of Section 2782(d) of the Civil Code and constitutes a "claim of construction defect" as defined by Section 2782(d) of the Civil Code, then the following shall apply:

- (a) Subcontractor shall not be required to indemnify Contractor or "Builder" to the extent that the Claim of a "construction defect" arises out of, pertains to, or relates to the negligence of "Builder", Contractor, Builder's or Contractor's respective agents or servants, or independent contractors who are directly responsible to "Builder".
- (b) Subcontractor shall not be required to indemnify Contractor or "Builder" to the extent the Claim of a "construction defect" is for a defect in design furnished by Contractor, Builder's or Contractor's respective agents or servants, or independent contractors who are directly responsible to "Builder".
- (c) Subcontractor shall not be required to indemnify Contractor or "Builder" to the extent that the Claim of a "construction defect" does not arise out of, pertain to, or relate to the scope of work in the written agreement between Subcontractor and Contractor, as it may be modified by the parties, such as through change orders.
- (d) Subcontractor shall be required to provide a defense of Contractor and/or "Builder" with respect to a Claim of a "construction defect" subject to the following:
 - (i) Subcontractor shall owe a duty of defense when Contractor or Builder provides a written tender to Subcontractor of the Claim, or portion thereof, which includes all of the information provided to Contractor or Builder by the claimant or claimants, including but not limited to, information provided pursuant to subdivision (a) of Section 910 of the Civil Code, relating to Claims caused by Subcontractor's scope of work. This written tender shall have the same force and effect as a notice of commencement of a legal proceeding.
 - (ii) Upon such a written tender, Subcontractor shall elect either of the following to satisfy its defense obligation to the Contractor or Builder:
 - Defend the Claim with counsel of Subcontractor's own choice, with Subcontractor to maintain control of the defense for any Claim or portion of the Claim to which the defense obligation shall apply. If Subcontractor elects to defend with counsel of its own choice, it shall provide written notice of the election to Contractor or Builder within a reasonable time period following receipt of the written tender, and in no event later than 90 days following receipt. Consistent with subparagraphs (a) through (c) above, Subcontractor shall provide a complete defense of the Contractor and Builder of all Claims or portions thereof to the extent alleged to be caused by Subcontractor, including any vicarious liability

Claims against Contractor and/or the Builder, but not including Claims to the extent resulting from the scope of work, actions or omissions of Contractor, Builder, or any other party. Any vicarious liability imposed upon Contractor or Builder for Claims caused by Subcontractor electing to defend under this subparagraph (d)(ii) shall be directly enforceable against Subcontractor by Contractor, "Builder" or any claimant.

- Pay, within 30 days of receipt of an invoice from Contractor or "Builder", no more than a reasonable allocated share of the Contractor's or Builder's (as the case may be) defense fees and costs, on an ongoing basis during the pendency of the Claim, subject to reallocation in accordance with subparagraphs (a) through (c) above, and including any amounts reallocated upon final resolution of the Claim, either by settlement or judgment. Contractor or "Builder" shall allocate a share to itself to the extent a Claim or Claims are alleged to be caused by its work, actions, or omissions, and a share to each subcontractor to the extent a claim or claims are alleged to be caused by that subcontractor's work, actions or omissions regardless of whether Contractor or "Builder" actually tenders the Claim to any particular subcontractor, and regardless of whether that subcontractor is participating in the defense. Any amounts not collected from a particular subcontractor other than Subcontractor shall not be collected from Subcontractor.
- Notwithstanding any provision of this Agreement or applicable law, if Subcontractor fails timely and adequately to perform its obligations under this subparagraph (d), Contractor and Builder, in addition to any other rights that they may have, shall have the right to pursue a claim against Subcontractor in accordance with Section 2782(f) of the Civil Code, including the right to recover compensatory damages, consequential damages, interest on defense and indemnity costs, and reasonable attorney's fees as provided by that statute.

(iv)

For purposes of this attachment, "Builder", "construction defect", and "defects in design" shall have the meanings assigned to those terms in Section 2782 of the Civil Code; in particular, the term "construction defect" means a violation of the standards set forth in Sections 896 and 897 of the Civil Code. Nothing herein shall affect either the obligations of an insurance carrier under the holding of Presley Homes, Inc. v. American States Insurance Company (2001) 90 Cal.App.4th 571 or the obligations of a "Builder" or "Subcontractor" pursuant to Title 7 (commencing with Section 895) of Part 2 of Division 2 of the Civil Code. Contractor, "Builder", and Subcontractor shall be entitled to seek equitable indemnity to the extent authorized by Section 2782(g) and (h) of the Civil Code, including the right to seek equitable indemnity against any supplier, design professional or product manufacturer.

If Subcontractor is an enrolled and participating subcontractor in an OCIP program for a residential project as defined above, then any contractual provisions requiring subcontractor to

indemnify, hold harmless or defend another for any claim or action covered by the OCIP policy, arising out of that residential project, shall not apply to the extent and to the degree that the OCIP program/policy applies and the claim is actually covered.

SAMPLE