


UNITED STATES BANKRUPTCY COURT      Northern District of Texas		PROOF OF CLAIM
Name of Debtor: Erickson Construction LLC		Case Number: 09-37016
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Allan A. Myers, LP		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where notices should be sent:  Wendy Byerley, Allan A. Myers, LP, PO Box 98, Worcester PA 19490 Liam Y. Braber, Jacoby Donner PC, 1700 Market St., Ste 3100, Philadelphia, PA 19103		
Telephone number: (215) 563-2400		
Name and address where payment should be sent (if different from above):  Wendy Byerley, Allan A. Myers, LP, PO Box 98, Worcester PA 19490		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number: (610) 584-3430		
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>511,477.00</u>  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a).</b> If any portion of your claim falls in one of the following categories, check the box and state the amount.  Specify the priority of the claim.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)( ).  <b>Amount entitled to priority:</b> \$ _____  <small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
<b>2. Basis for Claim:</b> <u>Constr. Contract attached.</u> (See instruction #2 on reverse side.)		
<b>3. Last four digits of any number by which creditor identifies debtor:</b> <u>4729</u>  <b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)		
<b>4. Secured Claim</b> (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  <b>Nature of property or right of setoff:</b> <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other <b>Describe:</b>  <b>Value of Property:</b> \$ _____ <b>Annual Interest Rate</b> _____ %  <b>Amount of arrearage and other charges as of time case filed included in secured claim,</b> <b>if any:</b> \$ _____ <b>Basis for perfection:</b> _____  <b>Amount of Secured Claim:</b> \$ _____ <b>Amount Unsecured:</b> \$ _____		
<b>6. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  <b>7. Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)  DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain:		
<b>RECEIVED</b> <b>FEB 27 2010</b> <b>BMC GROUP</b>		<b>FOR COURT USE ONLY</b>  Erickson Ret. Comm. LLC  01552
<b>Date:</b> <u>2/26/10</u>  <b>Signature:</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.  <u>Liam Y. Braber, ATTORNEY FOR ALLAN A. MYERS, LP</u>		

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.*

**Items to be completed in Proof of Claim form****Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**4. Secured Claim:**

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien

documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).**

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

**Date and Signature:**

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

**DEFINITIONS****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

**Claim**

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. §506(a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. §507(a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

**INFORMATION****Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

**ALLAN A. MYERS, LP., Creditor**

**TABLE OF CONTENTS TO PROOF OF CLAIM**

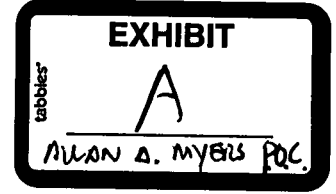
<b>Exhibit</b>	<b>Description</b>
<b>A.</b>	<b>Claim Itemization and Statement</b>
<b>B.</b>	<b>Contract Documents (Submitted without exhibits for volume considerations. Exhibits are available upon request.</b>
<b>C.</b>	<b>Payment Applications (submitted without schedules of values for volume considerations).</b>

EXHIBIT A  
SUMMARY OF CLAIM

American Infrastructure  
Customer Account Statement  
Customer: Erickson Construction  
Acct #: 24729

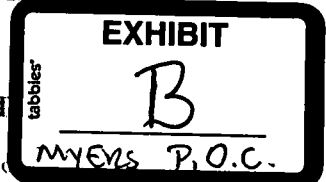
Date: 2/26/2010

Job no.	Job Name	Erickson Reference	Inv No	Inv Date	Due Date	Ovr90	Net Due	Days Past Due	Accrued Interest @ 6%	Status	Comments per Kent Madigan @ Erickson 10/6/09
18905	ANN'S CHOICE NEIGHBORHOOD 3	ACHSW30	7833RET3	10/22/2008	11/21/2008	93,623.77	93,623.77	462	7,110.28	"	Per Erickson - Total owed \$121,761.53
28103	ANN'S CHOICE PHASE II	ACHSW20	7832RET4	10/22/2008	11/21/2008	17,500.00	17,500.00	462	1,329.04	"	Included in above
				Subtotal Ann's		111,123.77	111,123.77		8,439.32	Total Approved Ann's Choice	Cos 45,49,50,60,62,75,93 Survey Dispute
10007	MARIS GROVE SW PHASE 2	MGCSW20	8148E27	5/21/09	6/20/2009	157,208.57	157,208.57	251	6,486.47	Approved in system per Mike	Per Erickson - Approved no pay date
10007	MARIS GROVE SW PHASE 2	MGCSW20	8147RET4	5/21/09	6/20/2009	127,497.24	127,497.24	251	5,260.57	Approved by Erickson "Mike" 7/21/09	Per Erickson - Total owed \$121,761.53
10007	MARIS GROVE SW PHASE 2	MGCSW20	8227E28	8/31/2009	9/30/2009	(15,984.51)	(15,984.51)	149	(391.51)	Change Order Credit Final Contr	Included in above
10007	MARIS GROVE SW PHASE 2	MGCSW20	8249RET5	7/31/2009	8/30/2009	26,396.40	26,396.40	180	781.04		Included in above
10007	MARIS GROVE SW PHASE 2	MGCSW20	8071E25	3/25/09	4/24/2009	68,389.46	68,389.46	308	3,462.57		Cos 45,49,50,60,62,75,93 Survey Dispute
				Subtotal Maris2		363,507.16	363,507.16		15,599.14	Total Approved by Erickson "Mike" 7/21/09	
15605	MARIS GROVE NEIGHBORHOOD 1		8148E33	5/21/09	6/20/2009	6,256.00	6,256.00	251	258.12	Approved by Erickson "Mike" 7/21/09	
				Subtotal Maris 1		6,256.00	6,256.00		258.12		
16405	CONCORDVILLE TOWN CENTER		8072E11	3/25/2009	4/24/2009	8,492.00	8,492.00	308	429.95	Approved by Erickson "Mike" 7/21/09	
				Subtotal Concordville		8,492.00	8,492.00		429.95		
n/a	Unapplied Payment			2/23/2007		(1,201.20)	(1,201.20)				
n/a	Unapplied Payment			8/29/2007		(960.00)	(960.00)				
n/a	Unapplied Payment			9/30/2008		(467.26)	(467.26)				
				Subtotal Unapplied		(2,628.46)	(2,628.46)				
	Total Mech Lien Claim					378,255.16	378,255.16		16,287.22		
	Grand Total Due and Owing				511,477.00	486,750.47	486,750.47		24,726.53		



## SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Michael James; and Allan A. Myers, L.P. (the "Subcontractor"), having an address of 1805 Berks Road, Worcester, PA, 19490.



### RECITALS

A. The Contractor has made a contract for construction dated as of 3/12/2007 (the "Prime Contract") with Concord Campus, LP (the "Owner"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228. A copy of the Prime Contract containing all provisions applicable to Subcontractor shall be made available to the Subcontractor, upon request, in Contractor's general offices.

B. The Prime Contract is for the provision of labor, materials and services in connection with the construction of Maris Grove SW 2.0, 115 Brinton Lake Road, being part of a project known as Maris Grove, located in Glen Mills, PA (the "Project").

C. The Architect for the Work (as such term is defined in Section 2.1 below) is Bohler Engineering, Inc. (the "Architect"), having an address of 1600 Manor Drive, Chalfont, PA, 18914.

D. The Developer of the Project is Erickson Retirement Communities, LLC (the "Developer"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

E. The Operator of the Project is Maris Grove Inc. (the "Operator"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

NOW THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, the Contractor hereby agrees to hire the Subcontractor to perform the Work, and the Subcontractor hereby agrees to perform the Work, on the terms and conditions hereinafter set forth in this Subcontract.

#### 1. THE SUBCONTRACT DOCUMENTS.

1.1. The Subcontract Documents consist of (1) this Subcontract; (2) provisions of the Prime Contract applicable to the Work, (including all General Conditions to the Prime Contract, and all Drawings and Specifications, as such terms are defined in the Prime Contract); (3) other documents listed in Section 1.2 below; and (4) modifications to this Subcontract issued after execution of this Subcontract. To the extent any terms of this Subcontract are in conflict with the terms of the Prime Contract, the terms of this Subcontract shall control. The Subcontract Documents form the Subcontract, and are as fully a part of this Subcontract as if attached to this Subcontract or repeated herein. The Subcontract represents the entire and integrated Subcontract between the parties hereto and supersedes all prior negotiations, representations or Subcontracts, either written or oral. All initially capitalized terms used herein, unless otherwise defined in this Subcontract, shall have the meanings given such terms in the Prime Contract.

1.2. To the extent not listed directly above, the Subcontract Documents, except for Modifications issued after execution of this Subcontract, are enumerated as follows: (on Exhibit A attached hereto)

#### 2. THE WORK OF THIS SUBCONTRACT.

2.1. The term "Work" shall mean and refer to all labor, supervision, materials and services scaffolding, tools, equipment, supplies, hoisting, vertical transportation and all other things necessary for the construction and completion of the work described in Exhibit B and work incidental thereto, in strict accordance and full compliance with the terms of the Subcontract Documents (which are hereby incorporated by reference) and this Subcontract and to the satisfaction of Contractor and the Owner.

2.2. The Subcontractor shall execute the Work described below (or if noted below, on Exhibit B attached hereto), including but not limited to, all labor, materials, equipment, services and other items required to complete such portion of the Work, except to the extent specifically indicated in the Subcontract to be the responsibility, of others:

- Exhibit B, Description of work, attached.
- The Work consists of Sitework.

2.3. Subcontractor shall carefully examine the Subcontract Documents and shall promptly notify Contractor in writing of any deficiencies, discrepancies, ambiguities or errors before proceeding with the Work.

Sub: Sub:

Contract Number: 002

2.4 Subcontractor represents that it is fully qualified to perform this Subcontract, and acknowledges that, prior to the execution of this Subcontract, it has (a) by its own independent investigation ascertained (i) the Work required by this Subcontract, (ii) the conditions involved in performing the Work, and (iii) the obligations of this Subcontract and the Contract Documents; and (b) verified all information furnished by Contractor or others satisfying itself as to the correctness and accuracy of that information. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder.

### 3. CONSTRUCTION SCHEDULE.

3.1. DATE OF COMMENCEMENT. The date of commencement shall be the date of this Subcontract, as first written above, unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Contractor:

Date of Commencement: 3/19/2007

3.1.1. From time to time throughout the term of this Subcontract, the Contractor shall provide the Subcontractor with copies of the Contractor's construction schedule and schedule of submittals, together with such additional scheduling details as will enable the Subcontractor to plan and perform the Work properly. The Subcontractor shall be notified promptly of subsequent changes in the construction and submittal schedules and additional scheduling details.

3.1.2. If requested by Contractor, Subcontractor shall submit detailed schedules for performance of the Subcontract, in a form acceptable to Contractor, which shall comply with all scheduling requirements of the Subcontract Documents. Contractor may from time to time, at its sole discretion, direct Subcontractor to make reasonable modifications and revisions in such schedules.

3.1.3. Subcontractor will proceed with the Work in a prompt and diligent manner, in accordance with Contractor's schedules as reasonably amended from time to time. Subcontractor shall be liable to Contractor for failure to adhere to Contractor's construction schedules including amendments even if such schedules differ from schedules set forth in the Subcontract Documents or the time of completion called for by the Subcontract Documents.

3.1.4. Subcontractor shall be entitled to additional compensation for compliance with schedule amendments or damages for delay only to the extent the Subcontract Documents entitle Contractor to damages or to a contract adjustment increasing the price of the Prime Contract.

3.2. SUBMITTALS. Subcontractor shall make all submittals required by this Subcontract, including shop drawings, test reports, and certificates, within seven (7) days following the Date of Commencement. Subcontractor must revise and resubmit any submittals within seven (7) days after such items are returned to Subcontractor for correction.

### 3.3. SUBSTANTIAL COMPLETION.

3.3.1. The Project shall be substantially completed not later than 5/1/2008, ("Substantial Completion") subject to adjustments as provided in the Subcontract Documents (see Exhibit B attached hereto for details). Subcontractor must complete its Work on the Project in the necessary time sequence to assure that the Project, including the Work and the work of Contractor and all other subcontractor's on the Project, is substantially completed by the date listed above in this Section 3.3.1.

3.4. TIME IS OF THE ESSENCE. Time is of the essence of this Subcontract, subject to any applicable notice and cure periods provided in the Subcontract.

### 4. SUBCONTRACT SUM.

4.1. SUBCONTRACT SUM. The Contractor shall pay the Subcontractor in current funds for performance of the Subcontract the Subcontract Sum of Five million one hundred fifty-two thousand eight hundred twenty-six dollars and eighty cents (\$5,152,826.80) subject to additions and deductions as provided in the Subcontract.

### 4.2. ALTERNATES.

4.2.1. The Subcontract Sum includes the following alternates, (or if noted below, as set forth on Exhibit C attached hereto), if any, which are described in the Subcontract and have been accepted by the Owner and the Contractor:

  X   See Exhibit C attached.

           Alternates are included in Exhibit C attached:

4.2.2. Contractor reserves the right to have Subcontractor provide the following alternates (or, if noted, as set forth on Exhibit C attached hereto, which alternates are not included in the Subcontract Sum.

Contract Number: 002

  X   See Exhibit C attached.

           Reserved Alternates are defined in Exhibit C attached:

4.3. UNIT PRICES. Unit prices, if any (inclusive of overhead and prices), are as follows (or, if noted, as set forth on Exhibit C attached hereto):

  X   See Exhibit C attached.

           Unit Prices are detailed in Exhibit C attached:

4.4. ESTIMATED COST OF THE WORK. The schedule of values breakdown of the amount of the Subcontract Sum is attached hereto as Exhibit C, unless noted otherwise below in this Section 4.4. The schedule of values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract. If the Schedule of Values is not attached hereto, Subcontractor shall submit to Contractor the Schedule of Values in form similar to AIA G703 format within ten (10.) days of request of Contractor for Contractor's approval. When approved, the Schedule of Values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract.

  X   Estimated Cost of Work is not attached hereto.

## 5. CONTRACTOR.

### 5.1. SERVICES PROVIDED BY THE CONTRACTOR.

5.1.1. The Contractor shall provide suitable areas for storage of the Subcontractor's materials and equipment during the course of the Work, to the extent such areas are readily available, from time to time.

5.1.2. If Contractor has available and Subcontractor elects to use Contractor's equipment or facilities, an agreed price in writing must be made before such use. Subcontractor shall make its own determination before commencing to use such equipment or facilities that such equipment or facilities are adequate and safe for the Work to be performed. Such equipment and facilities shall be accepted by Subcontractor in "AS-IS" condition without warranty or representation by Contractor as to their condition or adequacy to perform the respective function. Subcontractor agrees that all personnel operating or using such equipment or facilities shall be qualified and properly trained in the operation and use of such equipment or facilities. Subcontractor agrees to return the equipment and facilities to Contractor at the conclusion of the use in as good a condition as received. In the event that any such equipment is damaged while in the possession of Subcontractor, Contractor shall be entitled to exercise Contractor's remedies under Section 8.3 of this Agreement.

## 6. SUBCONTRACTOR.

6.1. LICENSE. The Subcontractor represents to Contractor that Subcontractor is duly licensed to perform the Work in the jurisdiction where the Project is located. Subcontractor represents that Subcontractor's License Number is N/A, Registration Number                     , and Sales or Tax Registration Number is 23-3083827, and that all such licenses and registrations shall be maintained in full force and effect throughout the term of Subcontractor's obligations under the Subcontract, including any warranty obligations.

### 6.2. EXECUTION AND PROGRESS OF THE WORK.

6.2.1. The Subcontractor shall cooperate with the Contractor in scheduling and performing the Subcontractor's Work to avoid conflict, delay in or interference with the work of the Contractor, other subcontractors or Owner's own forces. Subcontractor is obligated to assure that all workmen of Subcontractor work in harmony with all other workmen on the Project.

6.2.2. The Subcontractor shall promptly submit Shop Drawings, Product Data, Samples and similar submittals required by the Subcontract with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Contractor or other subcontractors.

6.2.3. The Subcontractor shall furnish to the Contractor periodic progress reports on the Work of this Subcontract upon request of Contractor, including information on the status of materials and equipment which may be in the course of preparation or manufacture.

6.2.4. The Subcontractor shall complete all of its work in a good and workmanlike manner. The Subcontractor agrees that the Owner will have the authority to reject Work which does not conform to the Prime Contract or to the Subcontract. The Subcontractor shall, at Subcontractor's cost, replace or, if approved by the Owner, repair any defective work and repeat tests as necessary, at Subcontractor's cost, until all Work is proven satisfactory.

Contract Number: 002

6.2.5. The Subcontractor shall, at Subcontractor's sole cost and expense, supply adequate tools and equipment, and shall also at all times supply and promptly pay for a sufficient number of properly skilled workmen and for a sufficient amount of materials and supplies of proper quality to prosecute efficiently and promptly the Work in accordance with the requirements of the Subcontract and in accordance with a mutually agreed upon schedule. Subcontractor hereby acknowledges that the Project will be built on an accelerated basis and Subcontractor acknowledges that it has taken such accelerated schedule into account for meeting the requirements of this Subcontract. If, in Contractor's reasonable opinion, Subcontractor fails to maintain the progress of its Work in accordance with the agreed upon schedule, Contractor may require Subcontractor to accelerate Subcontractor's performance by use of overtime work, work on Saturdays, Sundays, and Holidays, all without additional compensation, if, in the reasonable opinion of Contractor, such additional work is necessary to maintain proper progress of Subcontractor's Work. Upon request of Contractor, Subcontractor shall submit evidence satisfactory to Contractor evidencing the Subcontractor's ability to comply with the agreed upon schedule. No overtime or charges for an accelerated Construction Schedule shall be paid by Contractor unless specifically agreed to in writing by an executive officer of Contractor before the overtime is performed.

6.2.6. The Subcontractor shall take necessary precautions to protect the work of other subcontractors from damage caused by operations by the Subcontractor. Subcontractor shall be responsible for and protect the Work in place from the elements and all other causes of damage until completion and final acceptance by Contractor and shall adequately store and protect its own materials and materials furnished it by Owner, Contractor and other suppliers. Subcontractor will use without unreasonable waste any materials or equipment furnished by the Owner, Contractor or other suppliers and will pay for any damage to such material or equipment sustained during Subcontractor's use or possession.

6.2.7. Subcontractor shall install all necessary equipment and materials in the necessary time sequence, (except at scheduled temporary omissions and leapfrog areas), and prior to close-in of any area so as to maintain the progress of the Work and the Project and eliminate any rework to install materials or equipment out of sequence. The Subcontractor shall bear any cost related to installation of materials or equipment that is installed out of sequence, unless such out of sequence work is directed or authorized in writing by Contractor. The Subcontractor shall participate in the preparation of coordinated drawings in areas of congestion, specifically noting and advising the Contractor of potential conflicts between the Work of the Subcontractor, the Contractor, and other subcontractors or the Owner's own forces. Subcontractor shall be represented on the Project while the Work is in progress by a competent full-time supervisor satisfactory to Contractor.

6.2.8. Should Subcontractor's performance of the Work be delayed by any acts of Contractor, Contractor's other contractors or Contractor's suppliers, Subcontractor shall receive an equitable extension of time for the performance of the Work, but shall not be entitled to any increase in the Subcontract Sum or to damages or additional compensation as a consequence of such delays, and Subcontractor hereby waives any claim for any such increase, damages or additional compensation.

6.2.9. Subcontractor shall complete all Work in accordance with the mutually agreed upon schedule. No extensions of time or provision for additional costs will be allowed for weather related delays unless Subcontractor submits in writing within seven (7) days from the date incurred, a claim for delay resulting from inclement weather. Contractor may, in its sole discretion, approve or disapprove a claim for delay.

### 6.3. LAWS, PERMITS, FEES AND NOTICES.

6.3.1. The Subcontractor shall provide all notices and comply with all Federal, state or local laws, ordinances, building codes, rules, regulations and orders of public authorities bearing on performance of the Work of this Subcontract. The Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's Work, the furnishing of which is required of the Contractor by the Prime Contract.

6.3.2. Subcontractor shall be liable to Contractor, Developer, Operator and the Owner for all loss, cost and expense attributable to any acts of commission or omission by Subcontractor, its employees and agents, and lower-tier subcontractors resulting from failure to comply with any Federal, state or local laws, building codes, ordinances or regulations including, but not limited to, any fines, penalties or corrective measures.

6.3.3. Except as otherwise provided by the Subcontract Documents, Subcontractor agrees to pay, comply with, and hold Contractor, Developer and Operator harmless from all social security, state unemployment, welfare fees, and all other Federal, State and local taxes (including sales and use taxes) and fees of every nature applicable to the Work including penalties or any interest.

### 6.4. SAFETY PRECAUTIONS AND PROCEDURES.

6.4.1. The Subcontractor shall take all appropriate precautions with respect to performance of this Subcontract, shall comply with safety measures initiated by the Owner or the Contractor, and shall comply with all applicable laws, ordinances, rules, regulations and orders of public authorities for the safety of persons or property. The Subcontractor shall report to the Contractor within twenty-four (24) hours an injury to any employee or agent of the Subcontractor which occurred at the site. Subcontractor shall be solely responsible for providing a safe place to work for its agents, employees and sub-subcontractors. Subcontractor shall implement and enforce a health and safety program for its employees and sub-subcontractors on the site, which program shall be at least as effective as the Health



**Contract Number: 002**

and Safety Program of Contractor. Subcontractor's employees and sub-subcontractors on the site shall obey the directives of Contractor's Project Manager, Superintendent and Safety Director. All of Subcontractor's employees, agents and contractors must attend the safety

meetings held by Contractor's Safety Director, or, in lieu of such attendance, Subcontractor must provide to Contractor the minutes and attendance of all safety meetings conducted by Subcontractor, within two (2) days following the completion of such safety meetings.

6.4.2. If hazardous substances of a type of which an employer is required by law to notify its employees are being used on the site by the Subcontractor, the Subcontractor's sub-subcontractors, or anyone directly or indirectly employed by them, the Subcontractor shall, at least three (3) days before bringing such substances onto the Site, provide Contractor with a materials data sheet for such substances, and give written notice of the chemical composition of such substances to Contractor. Subcontractor will comply with all laws regarding Subcontractor's use and handling of such hazardous substances by Subcontractor or Subcontractor's sub-subcontractors, agents and employees.

6.4.3. Contractor reserves the right to require Subcontractor to perform from time to time, at Subcontractor's cost, drug testing of all or any of Subcontractor's agents, employees and sub-subcontractors. Such testing must be done with testing companies selected or approved by Contractor. Subcontractor must prohibit from the Work Site any persons that test positively for drug use. Contractor shall be entitled to prohibit from the site any persons that Contractor deems to be disruptive to the smooth construction of the Project.

6.5. **CLEANING UP.** The Subcontractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract. Subcontractor shall at all times keep the Subcontractor's work area; keep the premises free from rubbish, debris and waste and surplus materials resulting from its operations; and shall turn over the work area in such condition as to permit the next succeeding work to be commenced without further cleaning. If Subcontractor fails to comply with the provisions of this Section, Contractor shall have the right itself or through others to perform such cleaning and to charge the cost thereof to Subcontractor, plus overhead charges of twenty-five percent (25%), provided the Subcontractor is given a twenty-four (24) hour written notice of such delinquency and fails to remedy same. Subcontractor shall not damage the work of others by its performance of its obligations under the Subcontract and shall indemnify Contractor for damage caused by Subcontractor or its agents to the work of Contractor, and other contractors, including court costs and attorney's fees.

6.6. **WARRANTY.** In addition to any product warranties required by the Subcontract, the Subcontractor warrants to Contractor that all material and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defect and in conformance with the Prime Contract and the Subcontract. All Work not conforming to these requirements may be considered defective. Subcontractor shall, promptly upon request of Contractor, furnish all labor, materials and supervision necessary to correct or replace any defective or nonconforming Work and any damage caused by such defect or fault, at no cost to Contractor or Owner, for a period of one (1) year from the date of Final Payment, except for latent defects, which shall be for a period of six (6) months following the discovery of such latent defect. This warranty shall run to and be enforceable by Owner, Contractor, and their successors and assigns. This warranty shall be in addition to and not in limitation of any other warranty or remedy provided by law or by the Subcontract.

6.7. **INDEMNIFICATION.** To the fullest extent permitted by law, the Subcontractor shall indemnify, defend and hold harmless the Owner, Contractor, Operator, Developer, their respective parent and subsidiaries, and their respective agents, officers, employees, members and directors of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from performance of the Subcontractor's Work under this Subcontract, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent or intentional acts or omissions of the Subcontractor, the Subcontractor's sub-subcontractors, materialmen or suppliers, anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 6.7.

**7. CHANGES IN THE WORK.**

7.1. **CONTRACTOR CHANGES.** Contractor may at any time make changes in the Work either:

- (a) By written change order signed by Contractor and Subcontractor prior to commencement specifying the changes to be made and the increase or decrease in the Subcontract Sum and extension of time, if any; or
- (b) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that an equitable adjustment in the Subcontract Sum will be made, based on the time and materials to perform such changes; or
- (c) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that the Subcontract Sum shall be adjusted based on actual costs of performing such changes based on time and materials, plus a fixed fee, to be set in such change order.

Contract Number: 002

7.2. OBLIGATION TO PROCEED. Subcontractor shall proceed with the changes ordered so as not to delay the Work. In the event Contractor changes the Work pursuant to 7.1(b) above, Subcontractor shall file with Contractor within seven (7) days from the

date of such order Subcontractor's written itemized estimate for the cost of performing the changes to be made. If mutual agreement on the cost is reached, Subcontractor and Contractor will execute a written change order executed by the authorized officers or designees of

Contractor and Subcontractor. If mutual agreement cannot be reached and the changes are required by Contractor, the Work shall proceed and Subcontractor shall be entitled to a reasonable adjustment in the Subcontract sum and in the time for performance of the work to the extent such adjustments are focused by the Contractor's written change order. If the extra Work or changes are required by Contractor, Subcontractor does not waive its right by proceeding under protest provided it so notifies Contractor in writing within five (5) days from submittal of the itemized estimate referred to above.

7.3. COST AND TIME. Subcontractor shall respond to a proposed change within seven (7) days of request by Contractor. In the event that a Subcontractor change order response is not delivered to the Contractor by the date required, it shall be conclusively presumed that such proposed change does not result in a change in Subcontractor's cost or construction time, and all work and materials called for by the proposed change order shall be provided by Subcontractor at no additional cost or delay to Contractor. For changes in the work for which contractual unit prices, if any, do not apply, the Subcontractor shall submit an itemized breakdown of his estimated cost for such changes with the following percentages for overhead and profit combined: Fifteen percent (15%) on work performed by Subcontractor's own forces or by sub-subcontractors and five percent (5%) on work performed on behalf of Subcontractor by a sub-subcontractor.

#### 8. TERMINATION, REMEDIES FOR DEFAULT AND ASSIGNMENT OF THE SUBCONTRACT.

8.1. TERMINATION BY THE SUBCONTRACTOR. The Subcontractor may terminate the Subcontract if Contractor fails to pay to Subcontractors any sums due to Subcontractor within forty-five (45) days following the date such sums were due and payable to Subcontractor. Such termination shall only be effective if Subcontractor makes written demand for such payment to Contractor following the expiration of such forty-five (45) day period and Contractor fails to pay all sums then due and payable within ten (10) days following receipt of Subcontractor's demand. In the event of such termination by the Subcontractor, the Subcontractor shall be entitled to recover from the Contractor payment for Work executed to date of termination and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery (but not for anticipated profits).

#### 8.2. TERMINATION BY THE CONTRACTOR.

8.2.1. If the Subcontractor (i) fails or neglects to carry out the Work in accordance with the Subcontract or otherwise to perform in accordance with this Subcontract; and (ii) fails within thirty-six (36) hours after receipt of notice to correct such default or neglect, the Contractor, in addition to Contractor's remedies under Section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract.

8.2.2. For its convenience, the Contractor shall have the right to terminate this Subcontract for any reason by giving the Subcontractor written notice of termination. Such termination for the Contractor's convenience shall be effective upon Subcontractor's receipt of written notice of such termination. Termination for default, if wrongfully made, shall be treated as a termination for convenience. In the event that the Subcontractor is terminated for the convenience of the Contractor, the Subcontractor shall be paid a pro rata percentage of the Subcontract Sum equal to the percentage of Work in place, less payments theretofore received by the Subcontractor. In no event shall the Subcontractor be entitled to receive payment for anticipated profits for unperformed Work.

8.3. CONTRACTOR'S REMEDIES. Should Subcontractor (a) fail to correct, replace and/or re-execute faulty or defective Work and/or materials furnished under the Subcontract; (b) fail to complete or diligently proceed with the Work in accordance with the agreed upon schedule; (c) fail to correct or repair any damage to the Project caused by the acts or omissions of Subcontractor; or (d) otherwise be in default of any provision of the Subcontract, if such failure or default is not corrected, then Contractor shall have the right to correct, replace or otherwise remedy and such defect, deficiencies or delayed performance by any reasonable and expedient means, including taking over or supplementing Subcontractor's Work and materials and employing such additional labor, equipment and materials as may be necessary to cure the default and achieve compliance with the Subcontract. In such event, Contractor may deduct from any sums due to Subcontractor the cost of performing such work and correcting such deficiencies, plus overhead of fifteen percent (15%) of such cost. If payments then or thereafter due Subcontractor are not sufficient to cover such amount, Subcontractor shall promptly pay the difference to Contractor. The remedies of Contractor under this subparagraph are in addition to any other remedies available to Contractor under the Subcontract or available at law or in equity.

8.4. CONTRACTOR'S ADDITIONAL REMEDIES. Subcontractor shall reimburse Contractor for any loss, damage or extra expense paid or incurred by Contractor which is due to Subcontractor's failure to supply materials, labor, or to properly perform the Work in accordance with the Subcontract Documents. Subcontractor's failure to perform shall include the failure of its lower-tier subcontractors to perform. Subcontractor's liability shall include but not be limited to (1) damages and other delay costs payable by Contractor to the Owner; (2) Contractor's increased costs of performance, such as extended overhead and increased performance costs resulting from Subcontractor-caused delays or improper Subcontractor Work; (3) warranty and rework costs; (4) liability to third parties;

Contract Number: 002

(5) excess reprocurement costs; (6) consultants' fees; and (7) attorneys' fees and court costs. Contractor may take over any of Subcontractor's outstanding sub-subcontracts and purchase orders and take possession of all tools, equipment, scaffolds, material and supplies of Subcontractor which are on the Project site, in transit to, or especially manufactured for, the Work for use in completion of the Project. Contractor is hereby granted a lien on all such property to secure Subcontractor's performance under this Subcontract.

Subcontractor shall, upon request of Contractor, execute and deliver to Contractor all documents and take all such steps to effect the legal assignment of Subcontractor's contractual rights under such sub-subcontracts and purchase orders, but Contractor shall not be required to assume any of Subcontractor's outstanding obligations thereunder.

#### 8.5. ASSIGNMENT OF THE SUBCONTRACT.

8.5.1. In the event of termination of the Prime Contract by the Owner, the Contractor may assign this Subcontract to the Owner, with the Owner's agreement, subject to the provisions of the Prime Contract and to the prior rights of the surety, if any, obligated under bonds relating to the Prime Contract.

8.5.2. The Subcontractor shall not assign this Subcontract without the written consent of the Contractor, nor subcontract the whole or any portion of this Subcontract without the written consent of the Contractor.

#### 9. MUTUAL RIGHTS AND RESPONSIBILITIES.

The Contractor and Subcontractor shall be mutually bound by the terms of this Subcontract and, to the extent that provisions of the Prime Contract apply to the Work of the Subcontractor, the Contractor shall assume toward the Subcontractor all obligations and responsibilities that the Owner, under the Prime Contract, assumes toward the Contractor, and the Subcontractor shall assume toward the Contractor all obligations and responsibilities which the Contractor, under the Prime Contract, assumes toward the Owner and the Architect. The Contractor shall have the benefit of all rights, remedies and redress against the Subcontractor which the Owner, under the Prime Contract, has against the Contractor, and the Subcontractor shall have the benefit of all rights, remedies and redress against the Contractor which the Contractor, under the Prime Contract, has against the Owner, insofar as applicable to this Subcontract. Where a provision of the Prime Contract is inconsistent with a provision of this Subcontract, this Subcontract shall govern.

#### 10. PROGRESS PAYMENTS.

##### 10.1. APPLICATIONS FOR PAYMENT.


**SUBCONTRACTOR SHALL SUBMIT ALL REQUISITIONS AND APPLICATIONS FOR PAYMENT FOR PAYMENT PROCESSING TO: ERICKSON CONSTRUCTION, LLC; Michael James 115 Brinton Lake Road, Glen Mills, PA, 19342 OR TO SUCH OTHER ADDRESS AS CONTRACTOR MAY DIRECT.**

10.1.1. Based upon applications for payment submitted to the Contractor by the Subcontractor, corresponding to Applications for Payment submitted by the Contractor to the Owner, and Certificates for Payment issued by the Owner, the Contractor shall make progress payments on account of the Subcontract Sum to the Subcontractor as provided below and elsewhere in the Subcontract. Each application for payment shall be in the form attached hereto as Exhibit D, or such other form as may otherwise be requested by Owner, and must include a Partial Release of Liens in either the form attached hereto as Exhibit E, or such other form as may otherwise be requested by Owner, and with such detail substantiating Subcontractors right to payment.

10.1.2. The period covered by each application for payment submitted by Subcontractor shall be one (1) calendar month ending on the last day of the calendar month. Each application for payment must be based on actual work performed by or under Subcontractor through the 19th day of the month, and the reasonably estimated work to be performed by or under Subcontractor during the balance of the month.

10.1.3. Provided an application for payment is received by the Contractor not later than the 20th day of a month, the Contractor shall include the Subcontractor's Work covered by that application in the next Application for Payment which the Contractor is entitled to submit to the Owner. Subcontractor's progress payments shall be due and payable within ten (10) working days after the Contractor receives payment for the Subcontractor's Work from the Owner. If the Owner or Architect fails to issue a Certificate for Payment or the Owner fails to pay Contractor for Subcontractor's Work within forty-five (45) days following the applicable Application for Payment, and such failure is not the fault of the Subcontractor or Subcontractor's sub-subcontractors, the Contractor shall pay the Subcontractor, within ten (10) days following demand, a progress payment computed as provided in Section 10.2 of this Subcontract. Notwithstanding the foregoing, payments to Subcontractor may be withheld on account of (i) defective Work not remedied, (ii) claims filed, (iii) damage to Contractor or another subcontractor or (iv) failure to carry out the Work in accordance with the Subcontract.

10.1.4. If an application for payment is received by the Contractor on or after the 21st day of any calendar month, the Subcontractor's Work covered by such application shall be included by the Contractor in the next Application for Payment submitted to the Owner.

 Sub:

Contract Number: 002

10.1.5. Each application for payment shall be based upon the most recent schedule of values approved by the Contractor in accordance with Section 4.4 of this Subcontract. Applications for payment submitted by the Subcontractor shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Subcontractor's application for payment.

10.1.6. Subcontractor shall pay all claimants for all costs and expenses resulting from the performance of the Work and for all labor and materials used. Subcontractor is liable for and shall hold Contractor and Owner harmless from and indemnify Contractor and Owner for all court costs, attorney's fees and damages resulting from claims by sub-subcontractors and Subcontractor's suppliers and all liens and all claims of persons furnishing material or labor on behalf of Subcontractor in connection with the Work. Subcontractor shall deliver to Contractor with each application for payment recordable affidavits and lien releases or waivers acceptable to Contractor from Subcontractor and Subcontractor's sub-subcontractors and suppliers. In the event any person or entity claiming by, through or under Subcontractor notifies Contractor of any non-payment or seeks to encumber funds held by Contractor and payable to Subcontractor or files a lien or other claim against the Project, or Contractor's interest therein, Subcontractor shall within three (3) days notify Contractor if Subcontractor disputes such claim. If at any time a lien has been filed against Contractor, the Owner, the Project or any sums held by Contractor by any person or entity claiming through Subcontractor, Subcontractor shall, within seven (7) days of receipt of notice of such lien pay the claim and cause the lien to be released or shall file a bond in lieu of the payment of such lien and shall cause the lien to be released from the project.

10.1.7. Notwithstanding the foregoing, if such lien or claim is due solely to sums wrongfully held by Contractor, Subcontractor shall not have any obligation to hold harmless or indemnify Contractor against such lien or claim.

10.2. PROGRESS PAYMENTS. Subject to the provisions of the Subcontract, the amount of each progress payment shall be computed as follows:

10.2.1. Take that portion of the Subcontract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Subcontractor's Work by the share of the total Subcontract Sum allocated to that portion of the Subcontractor's Work in the schedule of values, less that percentage actually retained, if any, from payments to the Contractor on account of the Work of the Subcontractor;

10.2.2. Add that portion of the Subcontract Sum properly allocable to materials and equipment delivered and suitably stored at the site by the Subcontractor for subsequent incorporation in the Subcontractor's Work or, if approved in advance in writing by the Owner, suitably stored off the site at a location agreed upon in writing, less the same percentage retainage required by the Prime Contract to be applied to such materials and equipment in the Contractor's Application for Payment;

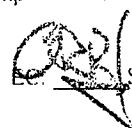
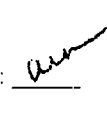
10.2.3. Subtract the aggregate of previous payments made by the Contractor; and

10.2.4. Subtract amounts, if any, calculated under Subparagraph 10.2.1 or 10.2.2 which are related to Work of the Subcontractor for which the Architect has withheld or nullified, in whole or in part, a Certificate of Payment for a cause which is the fault of the Subcontractor or Subcontractor's sub-subcontractors.

10.2.5. All periodic payments by Contractor shall be subject to a retainage, to be held by Contractor, of ten percent (10%) of the amount billed by Subcontractor. To the extent approved or permitted by Owner and any lender providing financing for all or any part of the Work, and if Subcontractor is in compliance with the terms of the Subcontract, the aggregate amount of the retainage, subject to offset for defects and deficiencies, shall be reduced to five percent (5%) upon the Work achieving fifty percent (50%) completion and acceptance thereof by Contractor and Owner. No periodic payment by Contractor shall be deemed to constitute acceptance of any faulty or defective Work.

10.3. STORED MATERIALS. Notwithstanding the provisions of Subsection 10.2., payment for stored materials may be conditioned on delivery to the Owner of bills of sale (which shall include a complete description, including photographs, bills of lading, serial numbers, warehouse receipts and/or inventories, as appropriate for Owner to identify the stored materials) and such other procedures satisfactory to Owner to establish the Owner's title and to insure and otherwise protect the Owner's interest in and to such stored materials, unless requested otherwise by Contractor. Subcontractor shall schedule the materials to prevent the arrival of major items well in advance of their incorporation into the improvements.

10.4. SUBSTANTIAL COMPLETION. When the Work or a designated portion thereof is substantially complete in accordance with the requirements of the Prime Contract, the Contractor shall, upon application by the Subcontractor, make prompt application for payment for such Work. Within thirty (30) days following issuance by the Owner of the Certificate for Payment covering such substantially completed Work, the Contractor shall, to the full extent allowed in the Prime Contract, make payment to the Subcontractor, deducting any portion of the funds for the Work withheld in accordance with the Certificate of Payment to cover costs of items to be completed or corrected by the Subcontractor. Such payment to the Subcontractor shall be the entire unpaid balance of the Subcontract Sum if a full release of retainage is allowed under the Prime Contract for the Work prior to the completion of the entire Project. If the Prime Contract does not allow for a full release of retainage, then such payment shall be an amount which, when added to previous payments to the Subcontractor, will reduce the retainage on the Subcontractor's substantially completed Work to the same percentage of retainage as that on the Contractor's work covered by the Certificate of Payment.

EC:  Sub: 

Contract Number: 002

# 11. FINAL PAYMENT.

11.1. TIME. Subject to the provisions of Section 10.4, final payment, constituting the entire unpaid balance of the Subcontract Sum, shall be made by the Contractor to the Subcontractor when the Work is fully performed in accordance with the

requirements of the Subcontract, Subcontractor has filed a final application for payment, the Owner has issued a Certificate for Payment covering the Subcontractor's completed Work and the Contractor has received payment from the Owner. If a Certificate for Payment is not issued within forty-five (45) days of Contractor's application for payment, or the Contractor does not receive from the Owner payment within forty-five (45) days of Contractor's application for payment, and such payment is otherwise due to Subcontractor and such failure is not due to any fault of Subcontractor, final payment to the Subcontractor shall be made upon demand.

11.2. LIEN WAIVERS. Final payment shall not be due until Subcontractor has delivered to Contractor a complete, recordable affidavit and release of all liens arising out of this Subcontract, in the form attached hereto as Exhibit F, or such other form as may otherwise be requested by Owner, covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Contractor indemnifying Contractor and the Project against any and all lien(s). If any lien remains unsatisfied after all payments are made, Subcontractor shall refund to Contractor all monies the latter may be compelled to pay in discharging such lien, including all court costs and expenses and reasonable attorney's fees. The acceptance of final payment shall constitute a release of all claims by Subcontractor except those previously made in writing and identified by Subcontractor as unsettled at the time of the final application for payment.

11.3. EVIDENCE OF PAYMENT. Before issuance of the final payment, the Subcontractor, if required, shall submit evidence satisfactory to the Contractor that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Subcontractor's Work have been satisfied.

11.4. SUB-SUBCONTRACTORS AND PROVIDERS. Subcontractor shall keep Contractor informed of all sub-subcontractors, and all materials and/or service providers of any tier who provide materials or service for any part of the Work in excess of One Thousand Dollars (\$1,000.00) by completing, submitting and updating as appropriate Exhibit G attached hereto.

11.5. ADVANCE WAIVER OF LIENS. To the greatest extent permitted by law, Subcontractor hereby waives in advance of any rights Subcontractor may have by statute, law, rule, regulation or otherwise to assert or maintain any lien on the Owner's interest in the property consisting of the Project. This waiver is given knowingly and voluntarily, and after opportunity to consult with Subcontractor's attorney.

## 12. INSURANCE AND BONDS.



### 12.1. COVERAGES.

12.1.1. Before the Subcontractor commences any Work pursuant to this Subcontract, the Subcontractor shall obtain and maintain throughout the term of the Subcontract, insurance of the types and in the minimum amounts set forth on Exhibit H. Self-insured retentions and/or deductibles may not be more than Ten Thousand Dollars (\$10,000.00). Acceptance of any insurance by Contractor shall not relieve or decrease the liability of the Subcontractor.

12.1.2. Coverages must be maintained with financially secure insurance companies licensed to do business in the State where the Project is located, have a Best's Guide Rating of not less than A-VI and must otherwise be acceptable to Owner and Contractor. Coverage must be maintained without interruption from date of commencement of the Work until date of final payment, and Contractor, Developer, Owner, and the Operator, their parent and subsidiary companies, together with their employees, officers agents, members and directors shall be named as additional insureds and Lender where required, under Subcontractor's Commercial General Liability policy, Automobile liability policy, Products/Completed Operations Coverage and the Umbrella/Excess Insurance. The additional insured coverage is to be provided by ISO form CG20100704, CG20370704, or equivalent forms, a copy of which will be provided with the certificate of insurance. All such policies shall apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs afforded to the indemnities and/or additional insured's identified within this Agreement.

12.1.3. Certificates of insurance acceptable to the Contractor, together with all appropriate endorsements, shall be filed with the Contractor prior to commencement of the Subcontractor's Work, and at least ten (10) days prior to the expiration of any policy. These certificates and the insurance policies required by this Article 12 shall contain an endorsement that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the Contractor. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 11. If requested by Contractor, Subcontractor shall provide certified copies of all such policies to Contractor within ten (10) days of such request. Subcontractor must immediately notify Contractor of any reduction or restriction in the required insurance that takes place during the term of the Subcontract, and/or in the event the insurer notifies the Subcontractor of its intent not to renew coverage.

12.1.4. The Contractor shall furnish to the Subcontractor upon demand, satisfactory evidence of insurance required of the Contractor under the Prime Contract.

EC:  Sub: 

Contract Number: 002

12.1.5. If Subcontractor fails to secure and maintain the required insurance, Contractor shall have the right (without any obligation to do so, however) to secure same in the name and for the account of the Subcontractor in which event the Subcontractor shall pay the costs thereof to Contractor upon demand and furnish upon demand all information that may be required in connection therewith.

12.1.6. The insurance provisions of this Subcontract shall not be construed as a limitation on the Subcontract's responsibilities and liabilities pursuant to the terms and conditions of the Subcontract, including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein.

12.1.7. The Subcontractor shall not make changes in or allow the required insurance coverages to lapse without the Contractor's prior written approval thereto.

12.2. **WAIVERS OF SUBROGATION.** The Contractor and Subcontractor waive all rights against (1) each other and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, each of the other, and (2) the Owner, Developer, Operator, and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, for damages caused by fire or other perils to the extent covered by property insurance provided under the Prime Contract or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by the Owner as fiduciary. The Subcontractor shall require of the Subcontractor's sub-subcontractors, agents and employees, by appropriate agreements, written where legally required for validity, similar waivers in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

12.3. The Contractor shall promptly, upon request of the Subcontractor, furnish a copy or permit a copy to be made of any bond covering payment of obligations arising under the Subcontract.

12.4. **Performance Bond and Payment Bond:**

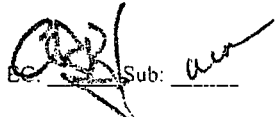
Bond Required for the payment and performance bonds. All bonds must be in the AIA312 format or equal. Cost of bond is on bonding company's invoice at standard rates. **Subcontractor must include the name of the Owner and Lender on all bonds as a dual obligee. Subcontractor can provide this information through a dual obligee rider. Two original copies of all bonds are required and should be forwarded to the Corporate Office located at 991 Corporate Boulevard, Linthicum, MD 21090.**

Unless waived by Contractor in this Subsection 12.4, prior to the commencement of the Work, Subcontractor shall pay for and deliver to Owner acceptable, statutory payment and performance bonds in the full amount of the Subcontract sum issued by a surety acceptable to Owner.

13. **SETTLEMENT OF DISPUTES.**

13.1. In the event of any dispute involving the Work performed or to be performed, Contractor shall issue a decision which shall be followed by Subcontractor, without interruption, deficiency, or delay. If Subcontractor does not agree with such decision, Subcontractor may make a claim under Section 7.3. and the matter shall be resolved as set forth in Article 13.2. or 13.3. as applicable. If the Subcontractor prevails, Subcontractor's sole remedy shall be an equitable adjustment determined as provided in Section 13.2. or 13.3. as applicable. In addition to notice required by Article 9 or the Subcontract Documents, notification of any claim for the equitable adjustment must be asserted in writing not later than ten (10) days after Subcontractor's knowledge of the claim, and if Section 13.2. is applicable, within sufficient time to allow Contractor to give notice to the Owner under the Subcontract Documents.

13.2. In case of any dispute between Contractor and Subcontractor, in any way relating to or arising from any act or omission of the Owner or involving the Subcontract Documents, Subcontractor agrees to be bound to Contractor to the same extent that Contractor is bound to the Owner, by the terms of the Subcontract Documents, and by any and all preliminary and final decisions or determinations made thereunder by the party, board or court so authorized in the Subcontract Documents or by law, whether or not Subcontractor is a party to such proceedings. In case of such dispute, Subcontractor will comply with all provisions of the Subcontract Documents allowing a reasonable time for Contractor to analyze and forward to the Owner any required communications or documentation. Contractor will, at its option, (1) present to the Owner, in Contractor's name, or (2) authorize Subcontractor to present to the Owner, in Contractor's name, all of Subcontractor's claims and answer the Owner's claims involving Subcontractor's Work, whenever Contractor is permitted to do so by the terms of the Subcontract Documents. Contractor will further invoke on behalf of Subcontractor, or allow Subcontractor to invoke, those provisions in the Subcontract Documents for determining disputes. If such dispute is prosecuted or defended by Contractor, Subcontractor, at its own expense, agrees to furnish all documents, statements, witnesses, and other information required by Contractor and to pay or reimburse Contractor for all costs incurred by Contractor in connection with the dispute including attorneys' fees and court costs.

Sub: 

Contract Number: 002

13.3. To the extent not resolved under Section 13.2 above, any dispute between Contractor and Subcontractor shall, at Contractor's sole option, be decided by litigation. DUE TO THE SPECIALIZED NATURE OF CONSTRUCTION LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY.

#### 14. MISCELLANEOUS PROVISIONS.

14.1. GENERAL CONDITIONS. Where reference is made in this Agreement to a provision of the General Conditions or another Subcontract Document, the reference refers to that provision as expressly amended or supplemented by other provisions of the Subcontract Documents.

14.2. MERIT SHOP. The Subcontractor acknowledges that this Project is being built as a "Merit Shop" project, and therefore is not under jurisdiction of union work rules. The Subcontractor agrees to comply with the work rules as established by Contractor, and not to interfere with the employees or work of Contractor or other subcontractors and suppliers involved with this Project. Failure to comply with this provision may result in termination of the Subcontract at the sole discretion of Contractor.

14.3. PRIVACY. Until Subcontractor's obligations under this Subcontract are completely fulfilled, Subcontractor agrees not to perform any Work directly for the Owner or deal directly with the Owner's representatives in connection with the Project, unless otherwise directed in writing by Contractor. All Work for this Project performed by Subcontractor shall be processed and handled exclusively by Contractor.

14.4. VEHICLES. All vehicles are to be operated in accordance with the traffic and parking rules and regulations of the Operator and the Contractor. Violation of these rules may result in the vehicle being towed at the owner's expense, and the vehicle and operator being banned from the site. All workers authorized to park within the site must obtain parking passes from the Contractor's office and must display the parking passes whenever the vehicle is on the site. Subcontractor's employees, agents and sub-subcontractors may park vehicles only in areas on or off-site as designated for parking by Owner or Contractor.

14.5. RESIDENTS OF RETIREMENT COMMUNITY. The safety and protection of the residents of the Project is of paramount importance to the Contractor. Subcontractor, its workers, suppliers, and sub-subcontractors must adhere to all traffic regulations, noise restrictions, and other safety standards established by the Contractor and the Operator. Residents of the Project must be treated with courtesy and respect at all times. In the event that the buildings are occupied while the Subcontractor is performing work on the Project, all courtesy is to be extended to the residents and precautions taken to avoid any disruption or inconvenience during this usage.

14.6. SIGNS. No signs may be placed on any portion of the site and/or building without written permission of Owner.

14.7. COMMUNICATIONS. It is agreed and understood that all communications by or through Subcontractor to the Architect, Engineer, Owner, Developer or any representative thereof shall be made through Contractor.

14.8. EXAMINATION OF PRIOR WORK. Subcontractor shall carefully examine the work of others which may affect the Work and shall notify Contractor in writing, completely detailing and supporting any apparent deficiencies therein before performing the Work; otherwise, such other Work shall be deemed acceptable to Subcontractor and Subcontractor shall be deemed to have waived all claims with respect thereto.

14.9. INVALIDITY. If any provision of the Subcontract is found to be invalid, unenforceable or unlawful, such provision shall be enforced in such manner as shall most nearly affect the intent of the parties and yet conform to the law applicable thereto and the remainder of the Subcontract Documents shall remain in full force and effect.

14.10. NOTICES. Except as stated in Section 10.1 of this Agreement, all notices, requests, approvals and other communications required or permitted to be delivered under the Subcontract must be in writing and shall be effective upon: (a) the date of delivery if hand-delivered to the other party or forwarded by facsimile to a number provided and authorized for delivery of notices by the receiving party; (b) the date of transmission if sent by telegram; (c) the date after mailing if sent by overnight commercial carrier; or (d) three (3) business days after mailing if sent by U.S. mail. Except for the use of facsimiles, if permitted, all notices must be sent to the addresses listed in the introductory paragraph of this Agreement, or to such other address as may be expressly designated in writing by either party as the correct address for notices, requests, approvals and other communications.

14.11. INDEPENDENT CONTRACTOR. Subcontractor is an independent contractor and hereby assumes all of the rights, duties, obligations and liabilities thereby arising.

14.12. WAIVER. Any failure by Contractor at any time or from time to time to enforce or require the strict performance of any of the terms or conditions hereof shall not affect or impair Contractor's right to at any time thereafter avail itself of the remedies available for the subsequent breach of such terms or conditions.

14.13. GOVERNING LAW. The Subcontract shall be governed by the law of the State in which the Project is located. No presumption shall be deemed to exist in favor of or against either party as a result of the preparation and/or negotiation of the Subcontract.

Contract Number: 002

The Subcontract and Subcontract Documents are subject to the Contract between the Owner and Contractor, the General Conditions, and the Additional Supplementary General Conditions.

14.14. EQUAL OPPORTUNITY. Subcontractor agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, handicap or national origin.

14.15. CONTRACTOR AND SUBCONTRACTOR PAYMENT ACT. Duties and obligations imposed by the Contract Documents and the rights and remedies available there under shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available at law or in equity. Notwithstanding the foregoing, Subcontractor, Contractor and Owner agree that this Agreement shall govern Owner's payment obligations to Contractor and Contractor's payments to Subcontractor and shall control over any contrary or additional obligations or requirements issued by the Pennsylvania Contractor and Subcontractor Payment Act, 73 P.S. §502 et seq. (the "Payment Act"), including but not limited to requirements in the Payment Act for certain notices to Subcontractor and imposing certain limitations, interest, penalties, and attorneys fees. To the greatest extent permitted by law, Subcontractor, Contractor and Owner waive the provisions of the Payment Act as it may relate to this Agreement, the Work or any additional work performed by Subcontractor or Contractor with respect to the Project

14.16. EXHIBITS. The following exhibits are attached hereto:

Type	Description
Exhibit A	Exhibit A Drawing Log
Exhibit B	Exhibit B Scope
Exhibit C	Exhibit C SOV
Exhibit D	Exhibit D Pay App
Exhibit D-1	Exhibit D1 Pay App Instructions
Exhibit E	Exhibit E Partial Release
Exhibit F	Exhibit F Final Release
Exhibit E-1 & F-1	Instructions for Exhibits E & F
Exhibit G	Exhibit G Vendor List
Exhibit G-1	Exhibit G1 Vendor List Instructions
Exhibit H Sch D	Exhibit H Schedule D
Exhibit I	Exhibit I Payment Bond
Exhibit J	Exhibit J Performance Bond

OK Michael James  
Erickson Construction

Exhibit K Addendum to Subcontract Agreement for Allan A. Myers, L.P.

This Agreement entered into as of the day and year first written above.

WITNESS:

Julie Adolph

CONTRACTOR  
ERICKSON CONSTRUCTION, LLC

By:

George Brown  
Vice President of Construction

Dated: MAY 09 2007

SUBCONTRACTOR

By:

Allan A. Myers, L.P.  
A. Ross Myers  
CEO

Dated: 4-24-07

EC: George Brown Sub: Michael James



Contract Number: 001

## SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of 3/9/2006 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Alan Jackson; and Allan A. Myers, L.P. (the "Subcontractor"), having an address of 1805 Berks Road, Worcester, PA, 19490.

### RECITALS

A. The Contractor has made a contract for construction dated as of 3/6/2006 (the "Prime Contract") with Warminster Campus, LP (the "Owner"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228. A copy of the Prime Contract containing all provisions applicable to Subcontractor shall be made available to the Subcontractor, upon request, in Contractor's general offices.

B. The Prime Contract is for the provision of labor, materials and services in connection with the construction of Ann's Choice Site Work 3.0, 701 Johnsville Blvd, being part of a project known as Ann's Choice, located in Warminster, PA (the "Project").

C. The Architect for the Work (as such term is defined in Section 2.1 below) is Bohler Engineering, Inc. (the "Architect"), having an address of 1600 Manor Drive, Chalfont, PA, 18914.

D. The Developer of the Project is Erickson Retirement Communities, LLC (the "Developer"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

E. The Operator of the Project is Ann's Choice Inc. (the "Operator"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

NOW THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, the Contractor hereby agrees to hire the Subcontractor to perform the Work, and the Subcontractor hereby agrees to perform the Work, on the terms and conditions hereinafter set forth in this Subcontract.

### 1. THE SUBCONTRACT DOCUMENTS.

1.1. The Subcontract Documents consist of (1) this Subcontract; (2) provisions of the Prime Contract applicable to the Work, (including all General Conditions to the Prime Contract, and all Drawings and Specifications, as such terms are defined in the Prime Contract); (3) other documents listed in Section 1.2 below; and (4) modifications to this Subcontract issued after execution of this Subcontract. To the extent any terms of this Subcontract are in conflict with the terms of the Prime Contract, the terms of this Subcontract shall control. The Subcontract Documents form the Subcontract, and are as fully a part of this Subcontract as if attached to this Subcontract or repeated herein. The Subcontract represents the entire and integrated Subcontract between the parties hereto and supersedes all prior negotiations, representations or Subcontracts, either written or oral. All initially capitalized terms used herein, unless otherwise defined in this Subcontract, shall have the meanings given such terms in the Prime Contract.

1.2. To the extent not listed directly above, the Subcontract Documents, except for Modifications issued after execution of this Subcontract, are enumerated as follows: (on Exhibit A attached hereto)

### 2. THE WORK OF THIS SUBCONTRACT.

2.1. The term "Work" shall mean and refer to all labor, supervision, materials and services scaffolding, tools, equipment, supplies, hoisting, vertical transportation and all other things necessary for the construction and completion of the work described in Exhibit B and work incidental thereto, in strict accordance and full compliance with the terms of the Subcontract Documents (which are hereby incorporated by reference) and this Subcontract and to the satisfaction of Contractor and the Owner.

2.2. The Subcontractor shall execute the Work described below (or if noted below, on Exhibit B attached hereto), including but not limited to, all labor, materials, equipment, services and other items required to complete such portion of the Work, except to the extent specifically indicated in the Subcontract to be the responsibility, of others:

- Exhibit B, Description of work, attached.
- The Work consists of Sitework.

2.3. Subcontractor shall carefully examine the Subcontract Documents and shall promptly notify Contractor in writing of any deficiencies, discrepancies, ambiguities or errors before proceeding with the Work.

**Contract Number: 001**

2.4 Subcontractor represents that it is fully qualified to perform this Subcontract, and acknowledges that, prior to the execution of this Subcontract, it has (a) by its own independent investigation ascertained (i) the Work required by this Subcontract, (ii) the conditions involved in performing the Work, and (iii) the obligations of this Subcontract and the Contract Documents; and (b) verified all information furnished by Contractor or others satisfying itself as to the correctness and accuracy of that information. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder.

**3. CONSTRUCTION SCHEDULE.**

3.1. **DATE OF COMMENCEMENT.** The date of commencement shall be the date of this Subcontract, as first written above, unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Contractor:

Date of Commencement: 3/6/2006

3.1.1. From time to time throughout the term of this Subcontract, the Contractor shall provide the Subcontractor with copies of the Contractor's construction schedule and schedule of submittals, together with such additional scheduling details as will enable the Subcontractor to plan and perform the Work properly. The Subcontractor shall be notified promptly of subsequent changes in the construction and submittal schedules and additional scheduling details.

3.1.2. If requested by Contractor, Subcontractor shall submit detailed schedules for performance of the Subcontract, in a form acceptable to Contractor, which shall comply with all scheduling requirements of the Subcontract Documents. Contractor may from time to time, at its sole discretion, direct Subcontractor to make reasonable modifications and revisions in such schedules.

3.1.3. Subcontractor will proceed with the Work in a prompt and diligent manner, in accordance with Contractor's schedules as reasonably amended from time to time. Subcontractor shall be liable to Contractor for failure to adhere to Contractor's construction schedules including amendments even if such schedules differ from schedules set forth in the Subcontract Documents or the time of completion called for by the Subcontract Documents.

3.1.4. Subcontractor shall be entitled to additional compensation for compliance with schedule amendments or damages for delay only to the extent the Subcontract Documents entitle Contractor to damages or to a contract adjustment increasing the price of the Prime Contract.

3.2. **SUBMITTALS.** Subcontractor shall make all submittals required by this Subcontract, including shop drawings, test reports, and certificates, within seven (7) days following the Date of Commencement. Subcontractor must revise and resubmit any submittals within seven (7) days after such items are returned to Subcontractor for correction.

**3.3. SUBSTANTIAL COMPLETION.**

3.3.1. The Project shall be substantially completed not later than , ("Substantial Completion") subject to adjustments as provided in the Subcontract Documents (see Exhibit B attached hereto for details). Subcontractor must complete its Work on the Project in the necessary time sequence to assure that the Project, including the Work and the work of Contractor and all other subcontractor's on the Project, is substantially completed by the date listed above in this Section 3.3.1.

3.4. **TIME IS OF THE ESSENCE.** Time is of the essence of this Subcontract, subject to any applicable notice and cure periods provided in the Subcontract.

**4. SUBCONTRACT SUM.**

4.1. **SUBCONTRACT SUM.** The Contractor shall pay the Subcontractor in current funds for performance of the Subcontract the Subcontract Sum of Four million four hundred ninety thousand thirty-four dollars and fifty cents (\$4,490,034.50) subject to additions and deductions as provided in the Subcontract.

**4.2. ALTERNATES.**

4.2.1. The Subcontract Sum includes the following alternates, (or if noted below, as set forth on Exhibit C attached hereto), if any, which are described in the Subcontract and have been accepted by the Owner and the Contractor:

  X   See Exhibit C attached.

           Alternates are included in Exhibit C attached:

Contract Number: 001

4.2.2. Contractor reserves the right to have Subcontractor provide the following alternates (or, if noted, as set forth on Exhibit C attached hereto, which alternates are not included in the Subcontract Sum.

  X   See Exhibit C attached.

           Reserved Alternates are defined in Exhibit C attached:

4.3. UNIT PRICES. Unit prices, if any (inclusive of overhead and prices), are as follows (or, if noted, as set forth on Exhibit C attached hereto):

  X   See Exhibit C attached.

           Unit Prices are detailed in Exhibit C attached:

4.4. ESTIMATED COST OF THE WORK. The schedule of values breakdown of the amount of the Subcontract Sum is attached hereto as Exhibit C, unless noted otherwise below in this Section 4.4. The schedule of values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract. If the Schedule of Values is not attached hereto, Subcontractor shall submit to Contractor the Schedule of Values in form similar to AIA G703 format within ten (10.) days of request of Contractor for Contractor's approval. When approved, the Schedule of Values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract.

  X   Estimated Cost of Work is not attached hereto.

## 5. CONTRACTOR.

### 5.1. SERVICES PROVIDED BY THE CONTRACTOR.

5.1.1. The Contractor shall provide suitable areas for storage of the Subcontractor's materials and equipment during the course of the Work, to the extent such areas are readily available, from time to time.

5.1.2. If Contractor has available and Subcontractor elects to use Contractor's equipment or facilities, an agreed price in writing must be made before such use. Subcontractor shall make its own determination before commencing to use such equipment or facilities that such equipment or facilities are adequate and safe for the Work to be performed. Such equipment and facilities shall be accepted by Subcontractor in "AS-IS" condition without warranty or representation by Contractor as to their condition or adequacy to perform the respective function. Subcontractor agrees that all personnel operating or using such equipment or facilities shall be qualified and properly trained in the operation and use of such equipment or facilities. Subcontractor agrees to return the equipment and facilities to Contractor at the conclusion of the use in as good a condition as received. In the event that any such equipment is damaged while in the possession of Subcontractor, Contractor shall be entitled to exercise Contractor's remedies under Section 8.3 of this Agreement.

## 6. SUBCONTRACTOR.

6.1. LICENSE. The Subcontractor represents to Contractor that Subcontractor is duly licensed to perform the Work in the jurisdiction where the Project is located. Subcontractor represents that Subcontractor's License Number is                     , Registration Number                     , and Sales or Tax Registration Number is 23-3083827, and that all such licenses and registrations shall be maintained in full force and effect throughout the term of Subcontractor's obligations under the Subcontract, including any warranty obligations.

### 6.2. EXECUTION AND PROGRESS OF THE WORK.

6.2.1. The Subcontractor shall cooperate with the Contractor in scheduling and performing the Subcontractor's Work to avoid conflict, delay in or interference with the work of the Contractor, other subcontractors or Owner's own forces. Subcontractor is obligated to assure that all workmen of Subcontractor work in harmony with all other workmen on the Project.

6.2.2. The Subcontractor shall promptly submit Shop Drawings, Product Data, Samples and similar submittals required by the Subcontract with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Contractor or other subcontractors.

6.2.3. The Subcontractor shall furnish to the Contractor periodic progress reports on the Work of this Subcontract upon request of Contractor, including information on the status of materials and equipment which may be in the course of preparation or manufacture.

6.2.4. The Subcontractor shall complete all of its work in a good and workmanlike manner. The Subcontractor agrees that the Owner will have the authority to reject Work which does not conform to the Prime Contract or to the Subcontract. The

**Contract Number: 001**

Subcontractor shall, at Subcontractor's cost, replace or, if approved by the Owner, repair any defective work and repeat tests as necessary, at Subcontractor's cost, until all Work is proven satisfactory.

6.2.5. The Subcontractor shall, at Subcontractor's sole cost and expense, supply adequate tools and equipment, and shall also at all times supply and promptly pay for a sufficient number of properly skilled workmen and for a sufficient amount of materials and supplies of proper quality to prosecute efficiently and promptly the Work in accordance with the requirements of the Subcontract and in accordance with a mutually agreed upon schedule. Subcontractor hereby acknowledges that the Project will be built on an accelerated basis and Subcontractor acknowledges that it has taken such accelerated schedule into account for meeting the requirements of this Subcontract. If, in Contractor's reasonable opinion, Subcontractor fails to maintain the progress of its Work in accordance with the agreed upon schedule, Contractor may require Subcontractor to accelerate Subcontractor's performance by use of overtime work, work on Saturdays, Sundays, and Holidays, all without additional compensation, if, in the reasonable opinion of Contractor, such additional work is necessary to maintain proper progress of Subcontractor's Work. Upon request of Contractor, Subcontractor shall submit evidence satisfactory to Contractor evidencing the Subcontractor's ability to comply with the agreed upon schedule. No overtime or charges for an accelerated Construction Schedule shall be paid by Contractor unless specifically agreed to in writing by an executive officer of Contractor before the overtime is performed.

6.2.6. The Subcontractor shall take necessary precautions to protect the work of other subcontractors from damage caused by operations by the Subcontractor. Subcontractor shall be responsible for and protect the Work in place from the elements and all other causes of damage until completion and final acceptance by Contractor and shall adequately store and protect its own materials and materials furnished it by Owner, Contractor and other suppliers. Subcontractor will use without unreasonable waste any materials or equipment furnished by the Owner, Contractor or other suppliers and will pay for any damage to such material or equipment sustained during Subcontractor's use or possession.

6.2.7. Subcontractor shall install all necessary equipment and materials in the necessary time sequence, (except at scheduled temporary omissions and leapfrog areas), and prior to close-in of any area so as to maintain the progress of the Work and the Project and eliminate any rework to install materials or equipment out of sequence. The Subcontractor shall bear any cost related to installation of materials or equipment that is installed out of sequence, unless such out of sequence work is directed or authorized in writing by Contractor. The Subcontractor shall participate in the preparation of coordinated drawings in areas of congestion, specifically noting and advising the Contractor of potential conflicts between the Work of the Subcontractor, the Contractor, and other subcontractors or the Owner's own forces. Subcontractor shall be represented on the Project while the Work is in progress by a competent full-time supervisor satisfactory to Contractor.

6.2.8. Should Subcontractor's performance of the Work be delayed by any acts of Contractor, Contractor's other contractors or Contractor's suppliers, Subcontractor shall receive an equitable extension of time for the performance of the Work, but shall not be entitled to any increase in the Subcontract Sum or to damages or additional compensation as a consequence of such delays, and Subcontractor hereby waives any claim for any such increase, damages or additional compensation.

6.2.9. Subcontractor shall complete all Work in accordance with the mutually agreed upon schedule. No extensions of time or provision for additional costs will be allowed for weather related delays unless Subcontractor submits in writing within seven (7) days from the date incurred, a claim for delay resulting from inclement weather. Contractor may, in its sole discretion, approve or disapprove a claim for delay.

**6.3. LAWS, PERMITS, FEES AND NOTICES.**

6.3.1. The Subcontractor shall provide all notices and comply with all Federal, state or local laws, ordinances, building codes, rules, regulations and orders of public authorities bearing on performance of the Work of this Subcontract. The Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's Work, the furnishing of which is required of the Contractor by the Prime Contract.

6.3.2. Subcontractor shall be liable to Contractor, Developer, Operator and the Owner for all loss, cost and expense attributable to any acts of commission or omission by Subcontractor, its employees and agents, and lower-tier subcontractors resulting from failure to comply with any Federal, state or local laws, building codes, ordinances or regulations including, but not limited to, any fines, penalties or corrective measures.

6.3.3. Except as otherwise provided by the Subcontract Documents, Subcontractor agrees to pay, comply with, and hold Contractor, Developer and Operator harmless from all social security, state unemployment, welfare fees, and all other Federal, State and local taxes (including sales and use taxes) and fees of every nature applicable to the Work including penalties or any interest.

**6.4. SAFETY PRECAUTIONS AND PROCEDURES.**

6.4.1. The Subcontractor shall take all appropriate precautions with respect to performance of this Subcontract, shall comply with safety measures initiated by the Owner or the Contractor, and shall comply with all applicable laws, ordinances, rules, regulations and orders of public authorities for the safety of persons or property. The Subcontractor shall report to the Contractor within twenty-four (24) hours an injury to any employee or agent of the Subcontractor which occurred at the site. Subcontractor shall be solely responsible for providing a safe place to work for its agents, employees and sub-subcontractors. Subcontractor shall implement and enforce

Contract Number: 001

a health and safety program for its employees and sub-subcontractors on the site, which program shall be at least as effective as the Health and Safety Program of Contractor. Subcontractor's employees and sub-subcontractors on the site shall obey the directives of Contractor's

Project Manager, Superintendent and Safety Director. All of Subcontractor's employees, agents and contractors must attend the safety meetings held by Contractor's Safety Director, or, in lieu of such attendance, Subcontractor must provide to Contractor the minutes and attendance of all safety meetings conducted by Subcontractor, within two (2) days following the completion of such safety meetings.

6.4.2. If hazardous substances of a type of which an employer is required by law to notify its employees are being used on the site by the Subcontractor, the Subcontractor's sub-subcontractors, or anyone directly or indirectly employed by them, the Subcontractor shall, at least three (3) days before bringing such substances onto the Site, provide Contractor with a materials data sheet for such substances, and give written notice of the chemical composition of such substances to Contractor. Subcontractor will comply with all laws regarding Subcontractor's use and handling of such hazardous substances by Subcontractor or Subcontractor's sub-subcontractors, agents and employees.

6.4.3. Contractor reserves the right to require Subcontractor to perform from time to time, at Subcontractor's cost, drug testing of all or any of Subcontractor's agents, employees and sub-subcontractors. Such testing must be done with testing companies selected or approved by Contractor. Subcontractor must prohibit from the Work Site any persons that test positively for drug use. Contractor shall be entitled to prohibit from the site any persons that Contractor deems to be disruptive to the smooth construction of the Project.

6.5. CLEANING UP. The Subcontractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract. Subcontractor shall at all times keep the Subcontractor's work area; keep the premises free from rubbish, debris and waste and surplus materials resulting from its operations; and shall turn over the work area in such condition as to permit the next succeeding work to be commenced without further cleaning. If Subcontractor fails to comply with the provisions of this Section, Contractor shall have the right itself or through others to perform such cleaning and to charge the cost thereof to Subcontractor, plus overhead charges of twenty-five percent (25%), provided the Subcontractor is given a twenty-four (24) hour written notice of such delinquency and fails to remedy same. Subcontractor shall not damage the work of others by its performance of its obligations under the Subcontract and shall indemnify Contractor for damage caused by Subcontractor or its agents to the work of Contractor, and other contractors, including court costs and attorney's fees.

6.6. WARRANTY. In addition to any product warranties required by the Subcontract, the Subcontractor warrants to Contractor that all material and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defect and in conformance with the Prime Contract and the Subcontract. All Work not conforming to these requirements may be considered defective. Subcontractor shall, promptly upon request of Contractor, furnish all labor, materials and supervision necessary to correct or replace any defective or nonconforming Work and any damage caused by such defect or fault, at no cost to Contractor or Owner, for a period of one (1) year from the date of Final Payment, except for latent defects, which shall be for a period of six (6) months following the discovery of such latent defect. This warranty shall run to and be enforceable by Owner, Contractor, and their successors and assigns. This warranty shall be in addition to and not in limitation of any other warranty or remedy provided by law or by the Subcontract.

6.7. INDEMNIFICATION. To the fullest extent permitted by law, the Subcontractor shall indemnify, defend and hold harmless the Owner, Contractor, Operator, Developer, their respective parent and subsidiaries, and their respective agents, officers, employees, members and directors of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from performance of the Subcontractor's Work under this Subcontract, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent or intentional acts or omissions of the Subcontractor, the Subcontractor's sub-subcontractors, materialmen or suppliers, anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 6.7.

## 7. CHANGES IN THE WORK.

7.1. CONTRACTOR CHANGES. Contractor may at any time make changes in the Work either:

- (a) By written change order signed by Contractor and Subcontractor prior to commencement specifying the changes to be made and the increase or decrease in the Subcontract Sum and extension of time, if any; or
- (b) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that an equitable adjustment in the Subcontract Sum will be made, based on the time and materials to perform such changes; or

Contract Number: 001

- (c) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that the Subcontract Sum shall be adjusted based on actual costs of performing such changes based on time and materials, plus a fixed fee, to be set in such change order.

7.2. OBLIGATION TO PROCEED. Subcontractor shall proceed with the changes ordered so as not to delay the Work. In the event Contractor changes the Work pursuant to 7.1(b) above, Subcontractor shall file with Contractor within seven (7) days from the

date of such order Subcontractor's written itemized estimate for the cost of performing the changes to be made. If mutual agreement on the cost is reached, Subcontractor and Contractor will execute a written change order executed by the authorized officers or designees of Contractor and Subcontractor. If mutual agreement cannot be reached and the changes are required by Contractor, the Work shall proceed and Subcontractor shall be entitled to a reasonable adjustment in the Subcontract sum and in the time for performance of the work to the extent such adjustments are focused by the Contractor's written change order. If the extra Work or changes are required by Contractor, Subcontractor does not waive its right by proceeding under protest provided it so notifies Contractor in writing within five (5) days from submittal of the itemized estimate referred to above.

7.3. COST AND TIME. Subcontractor shall respond to a proposed change within seven (7) days of request by Contractor. In the event that a Subcontractor change order response is not delivered to the Contractor by the date required, it shall be conclusively presumed that such proposed change does not result in a change in Subcontractor's cost or construction time, and all work and materials called for by the proposed change order shall be provided by Subcontractor at no additional cost or delay to Contractor. For changes in the work for which contractual unit prices, if any, do not apply, the Subcontractor shall submit an itemized breakdown of his estimated cost for such changes with the following percentages for overhead and profit combined: Fifteen percent (15%) on work performed by Subcontractor's own forces or by sub-subcontractors and five percent (5%) on work performed on behalf of Subcontractor by a sub-subcontractor.

#### 8. TERMINATION, REMEDIES FOR DEFAULT AND ASSIGNMENT OF THE SUBCONTRACT.

8.1. TERMINATION BY THE SUBCONTRACTOR. The Subcontractor may terminate the Subcontract if Contractor fails to pay to Subcontractors any sums due to Subcontractor within forty-five (45) days following the date such sums were due and payable to Subcontractor. Such termination shall only be effective if Subcontractor makes written demand for such payment to Contractor following the expiration of such forty-five (45) day period and Contractor fails to pay all sums then due and payable within ten (10) days following receipt of Subcontractor's demand. In the event of such termination by the Subcontractor, the Subcontractor shall be entitled to recover from the Contractor payment for Work executed to date of termination and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery (but not for anticipated profits).

#### 8.2. TERMINATION BY THE CONTRACTOR.

8.2.1. If the Subcontractor (i) fails or neglects to carry out the Work in accordance with the Subcontract or otherwise to perform in accordance with this Subcontract; and (ii) fails within thirty-six (36) hours after receipt of notice to correct such default or neglect, the Contractor, in addition to Contractor's remedies under Section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract.

8.2.2. For its convenience, the Contractor shall have the right to terminate this Subcontract for any reason by giving the Subcontractor written notice of termination. Such termination for the Contractor's convenience shall be effective upon Subcontractor's receipt of written notice of such termination. Termination for default, if wrongfully made, shall be treated as a termination for convenience. In the event that the Subcontractor is terminated for the convenience of the Contractor, the Subcontractor shall be paid a pro rata percentage of the Subcontract Sum equal to the percentage of Work in place, less payments theretofore received by the Subcontractor. In no event shall the Subcontractor be entitled to receive payment for anticipated profits for unperformed Work.

8.3. CONTRACTOR'S REMEDIES. Should Subcontractor (a) fail to correct, replace and/or re-execute faulty or defective Work and/or materials furnished under the Subcontract; (b) fail to complete or diligently proceed with the Work in accordance with the agreed upon schedule; (c) fail to correct or repair any damage to the Project caused by the acts or omissions of Subcontractor; or (d) otherwise be in default of any provision of the Subcontract, if such failure or default is not corrected, then Contractor shall have the right to correct, replace or otherwise remedy and such defect, deficiencies or delayed performance by any reasonable and expedient means, including taking over or supplementing Subcontractor's Work and materials and employing such additional labor, equipment and materials as may be necessary to cure the default and achieve compliance with the Subcontract. In such event, Contractor may deduct from any sums due to Subcontractor the cost of performing such work and correcting such deficiencies, plus overhead of fifteen percent (15%) of such cost. If payments then or thereafter due Subcontractor are not sufficient to cover such amount, Subcontractor shall promptly pay the difference to Contractor. The remedies of Contractor under this subparagraph are in addition to any other remedies available to Contractor under the Subcontract or available at law or in equity.

8.4. CONTRACTOR'S ADDITIONAL REMEDIES. Subcontractor shall reimburse Contractor for any loss, damage or extra expense paid or incurred by Contractor which is due to Subcontractor's failure to supply materials, labor, or to properly perform the Work in accordance with the Subcontractor Documents. Subcontractor's failure to perform shall include the failure of its lower-tier subcontractors to perform. Subcontractor's liability shall include but not be limited to (1) damages and other delay costs payable by

Contract Number: 001

Contractor to the Owner; (2) Contractor's increased costs of performance, such as extended overhead and increased performance costs resulting from Subcontractor-caused delays or improper Subcontractor Work; (3) warranty and rework costs; (4) liability to third parties; (5) excess reprourement costs; (6) consultants' fees; and (7) attorneys' fees and court costs. Contractor may take over any of Subcontractor's outstanding sub-subcontracts and purchase orders and take possession of all tools, equipment, scaffolds, material and

supplies of Subcontractor which are on the Project site, in transit to, or especially manufactured for, the Work for use in completion of the Project. Contractor is hereby granted a lien on all such property to secure Subcontractor's performance under this Subcontract. Subcontractor shall, upon request of Contractor, execute and deliver to Contractor all documents and take all such steps to effect the legal assignment of Subcontractor's contractual rights under such sub-subcontracts and purchase orders, but Contractor shall not be required to assume any of Subcontractor's outstanding obligations thereunder.

#### 8.5. ASSIGNMENT OF THE SUBCONTRACT.

8.5.1. In the event of termination of the Prime Contract by the Owner, the Contractor may assign this Subcontract to the Owner, with the Owner's agreement, subject to the provisions of the Prime Contract and to the prior rights of the surety, if any, obligated under bonds relating to the Prime Contract.

8.5.2. The Subcontractor shall not assign this Subcontract without the written consent of the Contractor, nor subcontract the whole or any portion of this Subcontract without the written consent of the Contractor.

#### 9. MUTUAL RIGHTS AND RESPONSIBILITIES.

The Contractor and Subcontractor shall be mutually bound by the terms of this Subcontract and, to the extent that provisions of the Prime Contract apply to the Work of the Subcontractor, the Contractor shall assume toward the Subcontractor all obligations and responsibilities that the Owner, under the Prime Contract, assumes toward the Contractor, and the Subcontractor shall assume toward the Contractor all obligations and responsibilities which the Contractor, under the Prime Contract, assumes toward the Owner and the Architect. The Contractor shall have the benefit of all rights, remedies and redress against the Subcontractor which the Owner, under the Prime Contract, has against the Contractor, and the Subcontractor shall have the benefit of all rights, remedies and redress against the Contractor which the Contractor, under the Prime Contract, has against the Owner, insofar as applicable to this Subcontract. Where a provision of the Prime Contract is inconsistent with a provision of this Subcontract, this Subcontract shall govern.

#### 10. PROGRESS PAYMENTS.


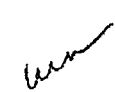
##### 10.1. APPLICATIONS FOR PAYMENT.

**SUBCONTRACTOR SHALL SUBMIT ALL REQUISITIONS AND APPLICATIONS FOR PAYMENT FOR PAYMENT PROCESSING TO: ERICKSON CONSTRUCTION, LLC; Alan Jackson 701 Johnsville Blvd, Warminster, PA, 18974 OR TO SUCH OTHER ADDRESS AS CONTRACTOR MAY DIRECT.**

10.1.1. Based upon applications for payment submitted to the Contractor by the Subcontractor, corresponding to Applications for Payment submitted by the Contractor to the Owner, and Certificates for Payment issued by the Owner, the Contractor shall make progress payments on account of the Subcontract Sum to the Subcontractor as provided below and elsewhere in the Subcontract. Each application for payment shall be in the form attached hereto as Exhibit D, or such other form as may otherwise be requested by Owner, and must include a Partial Release of Liens in either the form attached hereto as Exhibit E, or such other form as may otherwise be requested by Owner, and with such detail substantiating Subcontractors right to payment.

10.1.2. The period covered by each application for payment submitted by Subcontractor shall be one (1) calendar month ending on the last day of the calendar month. Each application for payment must be based on actual work performed by or under Subcontractor through the 19th day of the month, and the reasonably estimated work to be performed by or under Subcontractor during the balance of the month.

10.1.3. Provided an application for payment is received by the Contractor not later than the 20th day of a month, the Contractor shall include the Subcontractor's Work covered by that application in the next Application for Payment which the Contractor is entitled to submit to the Owner. Subcontractor's progress payments shall be due and payable within ten (10) working days after the Contractor receives payment for the Subcontractor's Work from the Owner. If the Owner or Architect fails to issue a Certificate for Payment or the Owner fails to pay Contractor for Subcontractor's Work within forty-five (45) days following the applicable Application for Payment, and such failure is not the fault of the Subcontractor or Subcontractor's sub-subcontractors, the Contractor shall pay the Subcontractor, within ten (10) days following demand, a progress payment computed as provided in Section 10.2 of this Subcontract. Notwithstanding the foregoing, payments to Subcontractor may be withheld on account of (i) defective Work not remedied, (ii) claims filed, (iii) damage to Contractor or another subcontractor or (iv) failure to carry out the Work in accordance with the Subcontract.

For:  Sub: 

Contract Number: 001

10.1.4. If an application for payment is received by the Contractor on or after the 21st day of any calendar month, the Subcontractor's Work covered by such application shall be included by the Contractor in the next Application for Payment submitted to the Owner.

10.1.5. Each application for payment shall be based upon the most recent schedule of values approved by the Contractor in accordance with Section 4.4 of this Subcontract. Applications for payment submitted by the Subcontractor shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Subcontractor's application for payment.

10.1.6. Subcontractor shall pay all claimants for all costs and expenses resulting from the performance of the Work and for all labor and materials used. Subcontractor is liable for and shall hold Contractor and Owner harmless from and indemnify Contractor and Owner for all court costs, attorney's fees and damages resulting from claims by sub-subcontractors and Subcontractor's suppliers and all liens and all claims of persons furnishing material or labor on behalf of Subcontractor in connection with the Work. Subcontractor shall deliver to Contractor with each application for payment recordable affidavits and lien releases or waivers acceptable to Contractor from Subcontractor and Subcontractor's sub-subcontractors and suppliers. In the event any person or entity claiming by, through or under Subcontractor notifies Contractor of any non-payment or seeks to encumber funds held by Contractor and payable to Subcontractor or files a lien or other claim against the Project, or Contractor's interest therein, Subcontractor shall within three (3) days notify Contractor if Subcontractor disputes such claim. If at any time a lien has been filed against Contractor, the Owner, the Project or any sums held by Contractor by any person or entity claiming through Subcontractor, Subcontractor shall, within seven (7) days of receipt of notice of such lien pay the claim and cause the lien to be released or shall file a bond in lieu of the payment of such lien and shall cause the lien to be released from the project.

10.1.7. Notwithstanding the foregoing, if such lien or claim is due solely to sums wrongfully held by Contractor, Subcontractor shall not have any obligation to hold harmless or indemnify Contractor against such lien or claim.

10.2. PROGRESS PAYMENTS. Subject to the provisions of the Subcontract, the amount of each progress payment shall be computed as follows:

10.2.1. Take that portion of the Subcontract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Subcontractor's Work by the share of the total Subcontract Sum allocated to that portion of the Subcontractor's Work in the schedule of values, less that percentage actually retained, if any, from payments to the Contractor on account of the Work of the Subcontractor;

10.2.2. Add that portion of the Subcontract Sum properly allocable to materials and equipment delivered and suitably stored at the site by the Subcontractor for subsequent incorporation in the Subcontractor's Work or, if approved in advance in writing by the Owner, suitably stored off the site at a location agreed upon in writing, less the same percentage retainage required by the Prime Contract to be applied to such materials and equipment in the Contractor's Application for Payment;

10.2.3. Subtract the aggregate of previous payments made by the Contractor; and

10.2.4. Subtract amounts, if any, calculated under Subparagraph 10.2.1 or 10.2.2 which are related to Work of the Subcontractor for which the Architect has withheld or nullified, in whole or in part, a Certificate of Payment for a cause which is the fault of the Subcontractor or Subcontractor's sub-subcontractors.

10.2.5. All periodic payments by Contractor shall be subject to a retainage, to be held by Contractor, of ten percent (10%) of the amount billed by Subcontractor. To the extent approved or permitted by Owner and any lender providing financing for all or any part of the Work, and if Subcontractor is in compliance with the terms of the Subcontract, the aggregate amount of the retainage, subject to offset for defects and deficiencies, shall be reduced to five percent (5%) upon the Work achieving fifty percent (50%) completion and acceptance thereof by Contractor and Owner. No periodic payment by Contractor shall be deemed to constitute acceptance of any faulty or defective Work.

10.3. STORED MATERIALS. Notwithstanding the provisions of Subsection 10.2., payment for stored materials may be conditioned on delivery to the Owner of bills of sale (which shall include a complete description, including photographs, bills of lading, serial numbers, warehouse receipts and/or inventories, as appropriate for Owner to identify the stored materials) and such other procedures satisfactory to Owner to establish the Owner's title and to insure and otherwise protect the Owner's interest in and to such stored materials, unless requested otherwise by Contractor. Subcontractor shall schedule the materials to prevent the arrival of major items well in advance of their incorporation into the improvements.

10.4. SUBSTANTIAL COMPLETION. When the Work or a designated portion thereof is substantially complete in accordance with the requirements of the Prime Contract, the Contractor shall, upon application by the Subcontractor, make prompt application for payment for such Work. Within thirty (30) days following issuance by the Owner of the Certificate for Payment covering such substantially completed Work, the Contractor shall, to the full extent allowed in the Prime Contract, make payment to the Subcontractor, deducting any portion of the funds for the Work withheld in accordance with the Certificate of Payment to cover costs of items to be completed or corrected by the Subcontractor. Such payment to the Subcontractor shall be the entire unpaid balance of the



Contract Number: 001

Subcontract Sum if a full release of retainage is allowed under the Prime Contract for the Work prior to the completion of the entire Project. If the Prime Contract does not allow for a full release of retainage, then such payment shall be an amount which, when added to previous payments to the Subcontractor, will reduce the retainage on the Subcontractor's substantially completed Work to the same percentage of retainage as that on the Contractor's work covered by the Certificate of Payment.

## 11. FINAL PAYMENT.

11.1. TIME. Subject to the provisions of Section 10.4, final payment, constituting the entire unpaid balance of the Subcontract Sum, shall be made by the Contractor to the Subcontractor when the Work is fully performed in accordance with the requirements of the Subcontract, Subcontractor has filed a final application for payment, the Owner has issued a Certificate for Payment covering the Subcontractor's completed Work and the Contractor has received payment from the Owner. If a Certificate for Payment is not issued within forty-five (45) days of Contractor's application for payment, or the Contractor does not receive from the Owner payment within forty-five (45) days of Contractor's application for payment, and such payment is otherwise due to Subcontractor and such failure is not due to any fault of Subcontractor, final payment to the Subcontractor shall be made upon demand.

11.2. LIEN WAIVERS. Final payment shall not be due until Subcontractor has delivered to Contractor a complete, recordable affidavit and release of all liens arising out of this Subcontract, in the form attached hereto as Exhibit F, or such other form as may otherwise be requested by Owner, covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Contractor indemnifying Contractor and the Project against any and all lien(s). If any lien remains unsatisfied after all payments are made, Subcontractor shall refund to Contractor all monies the latter may be compelled to pay in discharging such lien, including all court costs and expenses and reasonable attorney's fees. The acceptance of final payment shall constitute a release of all claims by Subcontractor except those previously made in writing and identified by Subcontractor as unsettled at the time of the final application for payment.

11.3. EVIDENCE OF PAYMENT. Before issuance of the final payment, the Subcontractor, if required, shall submit evidence satisfactory to the Contractor that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Subcontractor's Work have been satisfied.

11.4. SUB-SUBCONTRACTORS AND PROVIDERS. Subcontractor shall keep Contractor informed of all sub-subcontractors, and all materials and/or service providers of any tier who provide materials or service for any part of the Work in excess of One Thousand Dollars (\$1,000.00) by completing, submitting and updating as appropriate Exhibit G attached hereto.

11.5. ADVANCE WAIVER OF LIENS. To the greatest extent permitted by law, Subcontractor hereby waives in advance of any rights Subcontractor may have by statute, law, rule, regulation or otherwise to assert or maintain any lien on the Owner's interest in the property consisting of the Project. This waiver is given knowingly and voluntarily, and after opportunity to consult with Subcontractor's attorney.

## 12. INSURANCE AND BONDS.

### 12.1. COVERAGES.

12.1.1. Before the Subcontractor commences any Work pursuant to this Subcontract, the Subcontractor shall obtain and maintain throughout the term of the Subcontract, insurance of the types and in the minimum amounts set forth on Exhibit H. Self-insured retentions and/or deductibles may not be more than Ten Thousand Dollars (\$10,000.00). Acceptance of any insurance by Contractor shall not relieve or decrease the liability of the Subcontractor.

12.1.2. Coverages must be maintained with financially secure insurance companies licensed to do business in the State where the Project is located, have a Best's Guide Rating of not less than A-VI and must otherwise be acceptable to Owner and Contractor. Coverage must be maintained without interruption from date of commencement of the Work until date of final payment, and Contractor, Developer, Owner, and the Operator, their parent and subsidiary companies, together with their employees, officers agents, members and directors shall be named as additional insureds and Lender where required, under Subcontractor's Commercial General Liability policy, Automobile liability policy, Product/Completed Operations Coverage and the Umbrella/Excess Insurance. The additional insured coverage is to be provided by ISO form CG 20100704, or CG20370704, or equivalent forms, a copy of which will be provided with the certificate of insurance. All such policies shall apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs afforded to the indemnities and/or additional insured's identified within this agreement.

12.1.3. Certificates of insurance acceptable to the Contractor, together with all appropriate endorsements, shall be filed with the Contractor prior to commencement of the Subcontractor's Work, and at least ten (10) days prior to the expiration of any policy. These certificates and the insurance policies required by this Article 12 shall contain an endorsement that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the Contractor. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 11. If requested by Contractor, Subcontractor shall provide certified copies of all such policies to Contractor within ten (10) days of such request. Subcontractor must immediately notify Contractor of any reduction or restriction in the required insurance that takes place during the term of the Subcontract, and/or in the event the insurer notifies the Subcontractor of its intent not to renew coverage.

Contract Number: 001

12.1.4. The Contractor shall furnish to the Subcontractor upon demand, satisfactory evidence of insurance required of the Contractor under the Prime Contract.

12.1.5. If Subcontractor fails to secure and maintain the required insurance, Contractor shall have the right (without any obligation to do so, however) to secure same in the name and for the account of the Subcontractor in which event the Subcontractor shall pay the costs thereof to Contractor upon demand and furnish upon demand all information that may be required in connection therewith.

12.1.6. The insurance provisions of this Subcontract shall not be construed as a limitation on the Subcontract's responsibilities and liabilities pursuant to the terms and conditions of the Subcontract, including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein.

12.1.7. The Subcontractor shall not make changes in or allow the required insurance coverages to lapse without the Contractor's prior written approval thereto.

12.2. **WAIVERS OF SUBROGATION.** The Contractor and Subcontractor waive all rights against (1) each other and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, each of the other, and (2) the Owner, Developer, Operator, and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, for damages caused by fire of other perils to the extent covered by property insurance provided under the Prime Contract or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by the Owner as fiduciary. The Subcontractor shall require of the Subcontractor's sub-subcontractors, agents and employees, by appropriate agreements, written where legally required for validity, similar waivers in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

12.3. The Contractor shall promptly, upon request of the Subcontractor, furnish a copy or permit a copy to be made of any bond covering payment of obligations arising under the Subcontract.

12.4. **Performance Bond and Payment Bond:**

Bond Not Required for the payment and performance bonds. All bonds must be in the AIA312 format or equal. Cost of bond is on bonding company's invoice at standard rates. **Subcontractor must include the names of the Owner and Lender on all bonds as a dual obligee. Subcontractor can provide this information through a dual obligee rider. Two original copies of all bonds are required and should be forwarded to the Corporate Office located at 991 Corporate Boulevard, Linthicum, MD 21090.**

Unless waived by Contractor in this Subsection 12.4, prior to the commencement of the Work, Subcontractor shall pay for and deliver to Owner acceptable, statutory payment and performance bonds in the full amount of the Subcontract sum issued by a surety acceptable to Owner.

13. **SETTLEMENT OF DISPUTES.**

13.1. In the event of any dispute involving the Work performed or to be performed, Contractor shall issue a decision which shall be followed by Subcontractor, without interruption, deficiency, or delay. If Subcontractor does not agree with such decision, Subcontractor may make a claim under Section 7.3. and the matter shall be resolved as set forth in Article 13.2. or 13.3. as applicable. If the Subcontractor prevails, Subcontractor's sole remedy shall be an equitable adjustment determined as provided in Section 13.2. or 13.3. as permitted to do so by the terms of the Subcontract Documents. Contractor will further invoke on behalf of Subcontractor, or allow Subcontractor to invoke, those provisions in the Subcontract Documents for determining disputes. If such dispute is prosecuted or defended by Contractor, Subcontractor, at its own expense, agrees to furnish all documents, statements, witnesses, and other information required by Contractor and to pay or reimburse Contractor for all costs incurred by Contractor in connection with the dispute including attorneys' fees and court costs.

13.2. In case of any dispute between Contractor and Subcontractor, in any way relating to or arising from any act or omission of the Owner or involving the Subcontract Documents, Subcontractor agrees to be bound to Contractor to the same extent that Contractor is bound to the Owner, by the terms of the Subcontract Documents, and by any and all preliminary and final decisions or determinations made thereunder by the party, board or court so authorized in the Subcontract Documents or by law, whether or not Subcontractor is a party to such proceedings. In case of such dispute, Subcontractor will comply with all provisions of the Subcontract Documents allowing a reasonable time for Contractor to analyze and forward to the Owner any required communications or documentation. Contractor will, at its option, (1) present to the Owner, in Contractor's name, or (2) authorize Subcontractor to present to the Owner, in Contractor's name, all of Subcontractor's claims and answer the Owner's claims involving Subcontractor's Work, whenever Contractor is permitted to do so by the terms of the Subcontract Documents. Contractor will further invoke on behalf of Subcontractor, or allow Subcontractor to invoke, those provisions in the Subcontract Documents for determining disputes. If such dispute is prosecuted or defended by Contractor, Subcontractor, at its own expense, agrees to furnish all documents, statements, witnesses, and other information required by Contractor and to pay or reimburse Contractor for all costs incurred by Contractor in connection with the dispute including attorneys' fees and court costs.

Contract Number: 001

13.3. To the extent not resolved under Section 13.2 above, any dispute between Contractor and Subcontractor shall, at Contractor's sole option, be decided by litigation. DUE TO THE SPECIALIZED NATURE OF CONSTRUCTION LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY.

#### 14. MISCELLANEOUS PROVISIONS.

14.1. GENERAL CONDITIONS. Where reference is made in this Agreement to a provision of the General Conditions or another Subcontract Document, the reference refers to that provision as expressly amended or supplemented by other provisions of the Subcontract Documents.

14.2. MERIT SHOP. The Subcontractor acknowledges that this Project is being built as a "Merit Shop" project, and therefore is not under jurisdiction of union work rules. The Subcontractor agrees to comply with the work rules as established by Contractor, and not to interfere with the employees or work of Contractor or other subcontractors and suppliers involved with this Project. Failure to comply with this provision may result in termination of the Subcontract at the sole discretion of Contractor.

14.3. PRIVACY. Until Subcontractor's obligations under this Subcontract are completely fulfilled, Subcontractor agrees not to perform any Work directly for the Owner or deal directly with the Owner's representatives in connection with the Project, unless otherwise directed in writing by Contractor. All Work for this Project performed by Subcontractor shall be processed and handled exclusively by Contractor.

14.4. VEHICLES. All vehicles are to be operated in accordance with the traffic and parking rules and regulations of the Operator and the Contractor. Violation of these rules may result in the vehicle being towed at the owner's expense, and the vehicle and operator being banned from the site. All workers authorized to park within the site must obtain parking passes from the Contractor's office and must display the parking passes whenever the vehicle is on the site. Subcontractor's employees, agents and sub-subcontractors may park vehicles only in areas on or off-site as designated for parking by Owner or Contractor.

14.5. RESIDENTS OF RETIREMENT COMMUNITY. The safety and protection of the residents of the Project is of paramount importance to the Contractor. Subcontractor, its workers, suppliers, and sub-subcontractors must adhere to all traffic regulations, noise restrictions, and other safety standards established by the Contractor and the Operator. Residents of the Project must be treated with courtesy and respect at all times. In the event that the buildings are occupied while the Subcontractor is performing work on the Project, all courtesy is to be extended to the residents and precautions taken to avoid any disruption or inconvenience during this usage.

14.6. SIGNS. No signs may be placed on any portion of the site and/or building without written permission of Owner.

14.7. COMMUNICATIONS. It is agreed and understood that all communications by or through Subcontractor to the Architect, Engineer, Owner, Developer or any representative thereof shall be made through Contractor.

14.8. EXAMINATION OF PRIOR WORK. Subcontractor shall carefully examine the work of others which may affect the Work and shall notify Contractor in writing, completely detailing and supporting any apparent deficiencies therein before performing the Work; otherwise, such other Work shall be deemed acceptable to Subcontractor and Subcontractor shall be deemed to have waived all claims with respect thereto.

14.9. INVALIDITY. If any provision of the Subcontract is found to be invalid, unenforceable or unlawful, such provision shall be enforced in such manner as shall most nearly affect the intent of the parties and yet conform to the law applicable thereto and the remainder of the Subcontract Documents shall remain in full force and effect.

14.10. NOTICES. Except as stated in Section 10.1 of this Agreement, all notices, requests, approvals and other communications required or permitted to be delivered under the Subcontract must be in writing and shall be effective upon: (a) the date of delivery if hand-delivered to the other party or forwarded by facsimile to a number provided and authorized for delivery of notices by the receiving party; (b) the date of transmission if sent by telegram; (c) the date after mailing if sent by overnight commercial carrier; or (d) three (3) business days after mailing if sent by U.S. mail. Except for the use of facsimiles, if permitted, all notices must be sent to the addresses listed in the introductory paragraph of this Agreement, or to such other address as may be expressly designated in writing by either party as the correct address for notices, requests, approvals and other communications.

14.11. INDEPENDENT CONTRACTOR. Subcontractor is an independent contractor and hereby assumes all of the rights, duties, obligations and liabilities thereby arising.

14.12. WAIVER. Any failure by Contractor at any time or from time to time to enforce or require the strict performance of any of the terms or conditions hereof shall not affect or impair Contractor's right to at any time thereafter avail itself of the remedies available for the subsequent breach of such terms or conditions.

14.13. GOVERNING LAW. The Subcontract shall be governed by the law of the State in which the Project is located. No presumption shall be deemed to exist in favor of or against either party as a result of the preparation and/or negotiation of the Subcontract.

Contract Number: 001

The Subcontract and Subcontract Documents are subject to the Contract between the Owner and Contractor, the General Conditions, and the Additional Supplementary General Conditions.

14.14. EQUAL OPPORTUNITY. Subcontractor agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, handicap or national origin.

14.15. CONTRACTOR AND SUBCONTRACTOR PAYMENT ACT. Duties and obligations imposed by the Contract Documents and the rights and remedies available there under shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available at law or in equity. Notwithstanding the foregoing, Subcontractor, Contractor and Owner agree that this Agreement shall govern Owner's payment obligations to Contractor and Contractor's payments to Subcontractor and shall control over any contrary or additional obligations or requirements issued by the Pennsylvania Contractor and Subcontractor Payment Act, 73 P.S. §502 et seq. (the "Payment Act"), including but not limited to requirements in the Payment Act for certain notices to Subcontractor and imposing certain limitations, interest, penalties, and attorneys fees. To the greatest extent permitted by law, Subcontractor, Contractor and Owner waive the provisions of the Payment Act as it may relate to this Agreement, the Work or any additional work performed by Subcontractor or Contractor with respect to the Project

14.16. EXHIBITS. The following exhibits are attached hereto:

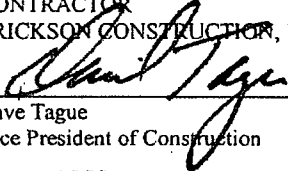
Type	Description
Exhibit A	Exhibit A Drawing Log
Exhibit B	Exhibit B Scope
Exhibit C	Exhibit C SOV
Exhibit D	Exhibit D Pay App
Exhibit D-1	Exhibit D1 Pay App Instructions
Exhibit E	Exhibit E Partial Release
Exhibit F	Exhibit F Final Release
Exhibit E-1 & F-1	Instructions for Exhibits E & F
Exhibit G	Exhibit G Vendor List
Exhibit G-1	Exhibit G1 Vendor List Instructions
Exhibit H Sch D	Exhibit H Schedule D
Exhibit I	Exhibit I Payment Bond
Exhibit J	Exhibit J Performance Bond
Exhibit K	Exhibit K - Amendment to Subcontract Agreement

This Agreement entered into as of the day and year first written above.

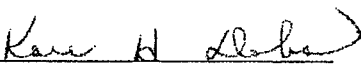
WITNESS:

\_\_\_\_\_

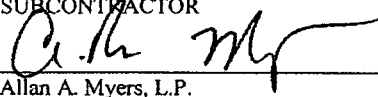
CONTRACTOR  
ERICKSON CONSTRUCTION, LLC

By:   
Dave Tague  
Vice President of Construction

Dated: APR 24 2006

  
\_\_\_\_\_

SUBCONTRACTOR

By:   
Allan A. Myers, L.P.  
A. Ross Myers  
CEO


Dated: April 18, 2006

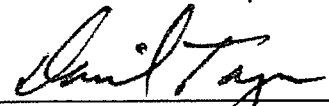
## Exhibit "K"

### Amendment to Subcontract Agreement for Allan A. Myers, LP

- 2.4 Change Article 2.4 to read as follows, "Subcontractor represents that it is fully qualified to perform the Work of this Subcontract and acknowledges that, prior to the execution of this subcontract, it has visually inspected the conditions involved in performing the Work and the obligations of this Subcontract and the Contract Documents and that it has reviewed information furnished by the Contractor or others. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder. Subcontractor is relying on the information provided by the Owner."
- 3.1.3 Add the words "mutually agreed upon" to the first sentence in front of the word "Contractor's". Add to the last sentence after the words "Subcontract Documents", "but only to the extent such failure is within its control."
- 6.2.4 At the end of the third sentence, after the word "satisfactory" add "as being in compliance with the subcontract documents."
- 6.2.5 In the last sentence, change "executive officer of Contractor" to "Director of Construction of Contractor."
- 6.2.6 At the end of the last sentence, replace period with a comma after the word "possession" then add "but only to the extent not caused by Owner, Developer, Operator, Contractor or anyone else they are responsible for."
- 6.2.7 In the first sentence, replace the words "the necessary time sequence" with "accordance with the mutually agreed upon schedule".
- 6.2.8 In the first sentence, add the words "Owner, Developer, Operator" between the words "of" and "Contractor".
- 6.3.1 At the end of the last sentence, change period to a comma and add the words "unless otherwise specified herein."
- 6.5 In the third sentence, change "twenty five percent (25%)" to "fifteen percent (15%)" and after the word "same", remove period and add "within three (3) business days."
- 6.6 In the third sentence, change "Final Payment" to "substantial completion" and "six (6)" to "twelve (12)" and "the discovery of such latent defect." to "final payment." Add to the end of the paragraph the sentence "The Subcontractor's Warranty does not include remedies for defects or damages caused by other parties use of the Work for which it was not intended, improper use of equipment, damages caused by normal wear and tear during normal usage, improper or insufficient maintenance or modifications performed by Owner or others."

- 8.2.1 Change item (ii) to read " fails within forty-eight (48) hours written notice to correct or provide sufficient cure schedule for such default or neglect, the Contractor, in addition to Contractor's remedies under section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract."
- 8.3 At the end of the last sentence add "Notwithstanding, Subcontractor shall be given forty-eight (48) hours written notice to correct deficiency or provide cure schedule acceptable to Contractor and Owner before any such right is exercised."
- 8.4 In the fourth sentence, delete the words "tools, equipment". Delete the last sentence of the first paragraph of this Article.
- 10.1.3 In the third sentence, add the word "only" between "may" and "be". At the end of the paragraph, add the sentence, "Any such amounts withheld will be paid within thirty (30) days of remedy."
- 10.1.6 Add sentence to the end of this Article. "Notwithstanding, Subcontractor's obligation hereunder only apply to the extent it has received payment for any such claimed funds."
- 10.2.5 After the word "Owner" in the second sentence add the sentence "Upon reduction to 5% retention, the Subcontractor, at his option, may provide a retention bond for the balance of the retained funds in lieu of continuing withholding retention."
- 10.4 At the end of the paragraph, add new sentences, "Contractor may designate portions of the Work for substantial completion that coincide with turnover dates of buildings within each site work phase. All retainage sums held less an amount equal to one hundred fifty percent (150%) of the value of written punch lists, if any, shall be due for payment within thirty (30) days of the date of substantial completion of the Work as defined herein."
- 11.4 Change "One Thousand Dollars (\$1,000.00)" to "Ten Thousand Dollars (\$10,000.00)".
- 12.1.1 Delete the second sentence.
- 13.2 Delete this Article and references to this Article in 13.1 and 13.3.
- 13.3 In the first sentence, delete the words "at Contractor's sole option".

By   
Name A. Ross Myers  
Title CEO  
Date April 18, 2006

By   
Name David Tague  
Title Vice President of Construction  
Date APR 24 2006

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001



## AGREEMENT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS AGREEMENT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of the 7th day of April, 2004 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: David B. Tague; and Allan A. Myers (the "Subcontractor") having an address of 1805 Berks Road, Worcester, PA 19490. Attn: Gary Tiller, VP & Gen. Mgr.

### RECITALS

A. The Contractor has made a contract for construction dated as of 04/07/2004 (the "Prime Contract") with Warminster Campus, LP (the "Owner"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228. A partial copy of the Prime Contract containing all provisions applicable to Subcontractor shall be made available to the Subcontractor, upon request, in Contractor's general offices.

B. The Prime Contract is for the provision of labor, materials and services in connection with the construction of all or part of a continuing care retirement community known as Ann's Choice located at 701 Johnsville Boulevard, Warminster, Pennsylvania (the "Project").

C. The Engineer for the Work (as such term is defined in Section 2.1 below) is Bohler Engineering, Inc. (the "Engineer"), having an address of 1120 Welsh Road, Suite 200, North Wales, PA 19454.

NOW THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, the Contractor hereby agrees to hire the Subcontractor to perform the Work, and the Subcontractor hereby agrees to perform the Work, on the terms and conditions hereinafter set forth in this Agreement.

### 1. THE SUBCONTRACT DOCUMENTS.

1.1. The Subcontract Documents consist of (1) this Agreement; (2) provisions of the Prime Contract applicable to the Work, (including all General Conditions to the Prime Contract, and all Drawings and Specifications, as such terms are defined in the Prime Contract); (3) other documents listed in Section 1.2 below; and (4) modifications to this Agreement issued after execution of this Agreement. To the extent any terms of this Agreement are in conflict with the terms of the Prime Contract, the terms of this Agreement shall control. The Subcontract Documents form the Subcontract, and are as fully a part of this Agreement as if attached to this Agreement or repeated herein. The Subcontract represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. All capitalized terms used herein, unless otherwise defined in this Agreement, shall have the meanings given such terms in the Prime Contract.

1.2. The Subcontract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows: (or, if noted below, on Exhibit A attached hereto)

Document	Date
See Exhibit 'A' Attached Hereto	

### 2. THE WORK OF THIS SUBCONTRACT.

2.1. The term "Work" shall mean and refer to the labor, materials and services required to be supplied by the Subcontractor pursuant to the Subcontract.

2.2. The Subcontractor shall execute the Work described below (or if noted below, on Exhibit B attached hereto), including but not limited to, all labor, materials, equipment, services and other items required to complete such portion of the Work, except to the extent specifically indicated in the Subcontract to be the responsibility, of others:

See Exhibit 'B' Attached Hereto

2.3. Subcontractor shall carefully examine the Subcontract Documents and shall promptly notify Contractor in writing of any deficiencies, discrepancies, ambiguities or errors before proceeding with the Work.

### 3. CONSTRUCTION SCHEDULE.

3.1. DATE OF COMMENCEMENT. The date of commencement shall be the date of this Agreement, as first written above, unless a different date

April 23, 2004

Page 1 of 10

Initials Erickson Construction LLC:   J   SUB: GT

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Contractor:

Date of Commencement: 05/03/2004

3.2. **SUBMITTALS.** Subcontractor shall make all submittals required by this Subcontract, including shop drawings, test reports, and certificates, within Seven (7) days following the Date of Commencement. Subcontractor must revise and resubmit any submittals within seven (7) days after such items are returned to Subcontractor for correction.

3.3. **SUBSTANTIAL COMPLETION.**

3.3.1. The first phase of the Subject Development shall be substantially completed not later than 11/04/2004, subject to adjustments as provided in the Subcontract Documents. Subcontractor must complete its Work on the first phase of the Subject Development in the necessary time sequence to assure that the Project, including the Work and the work of Contractor and all other subcontractor's on the first phase of the Subject Development, is substantially completed by the date listed above in this Section 3.3.1.

3.3.2. The final phase of the Subject Development shall be substantially completed not later than 04/01/2006, subject to adjustments as provided in the Subcontract Documents. Subcontractor must complete its Work on the final phase of the Subject Development in the necessary time sequence to assure that the final phase of the Subject Development, including the Work and the work of Contractor and all other subcontractor's on the final phase of the Subject Development, is substantially completed by the date listed above in this Section 3.3.2.

3.4. **TIME IS OF THE ESSENCE.** Time is of the essence of this Subcontract, subject to any applicable notice and cure periods provided in the Subcontract.

4. **SUBCONTRACT SUM.**

4.1. **SUBCONTRACT SUM.** The Contractor shall pay the Subcontractor in current funds for performance of the Subcontract the Subcontract Sum of Two million seven hundred nineteen thousand ninety nine and 15/100 Dollars (\$2,719,099.15) subject to additions and deductions as provided in the Subcontract.

4.2. **ALTERNATES.**

4.2.1. The Subcontract Sum includes the following alternates, (or if noted below, as set forth on Exhibit C attached hereto), if any, which are described in the Subcontract and have been accepted by the Owner and the Contractor:

N/A

4.2.2. Contractor reserves the right to have Subcontractor provide the following alternatives (or, if noted, as set forth on Exhibit C attached hereto, which alternates are not included in the Subcontract Sum.

N/A

4.3. **UNIT PRICES.** Unit prices, if any (inclusive of overhead and prices), are as follows (or, if noted, as set forth on Exhibit C attached hereto):

See Exhibit 'C' Attached Hereto

4.4. **ESTIMATED COST OF THE WORK.** The schedule of values breakdown of the amount of the Subcontract Sum is attached hereto as Exhibit C, unless noted otherwise below in this Section 4.4. The schedule of values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract. If the Schedule of Values is not attached hereto, Subcontractor shall submit to Contractor the Schedule of Values in form similar to AIA G703 format within ten (10.) days of request of Contractor for Contractor's approval. When approved, the Schedule of Values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract.

\_\_\_\_\_ Estimated Cost of Work is not attached hereto.

\_\_\_\_\_ Please return Schedule of Values, Exhibit "C", with this contract.

5. **CONTRACTOR.**

April 22, 2004

Page 2 of 10

Initials Erickson Construction LLC:    SUB: GT



Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

5.1. SERVICES PROVIDED BY THE CONTRACTOR.

5.1.1. From time to time throughout the term of this Agreement, the Contractor shall provide the Subcontractor with copies of the Contractor's construction schedule and schedule of submittals, together with such additional scheduling details as will enable the Subcontractor to plan and perform the Work properly. The Subcontractor shall be notified promptly of subsequent changes in the construction and submittal schedules and additional scheduling details.

5.1.2. The Contractor shall provide suitable areas for storage of the Subcontractor's materials and equipment during the course of the Work, to the extent such areas are readily available, from time to time.

5.1.3. If Contractor has available and Subcontractor elects to use Contractor's equipment or facilities, an agreed price in writing must be made before such use. Subcontractor shall make its own determination before commencing to use such equipment or facilities that such equipment or facilities are adequate and safe for the Work to be performed. Such equipment and facilities shall be accepted by Subcontractor in "AS-IS" condition without warranty or representation by Contractor as to their condition or adequacy to perform the respective function. Subcontractor agrees that all personnel operating or using such equipment or facilities shall be qualified and properly trained in the operation and use of such equipment or facilities. Subcontractor agrees to return the equipment and facilities to Contractor at the conclusion of the use in as good a condition as received. In the event that any such equipment is damaged while in the possession of Subcontractor, Contractor shall be entitled to exercise Contractor's remedies under Section 8.3 of this Agreement.

6. SUBCONTRACTOR.

6.1. LICENSE. The Subcontractor represents to Contractor that Subcontractor is duly licensed to perform the Work in Bucks County, Warminster Township, and the State of Pennsylvania. Subcontractor represents that Subcontractor's License Number is C-4316, Registration Number \_\_\_\_\_, and Sales Tax Registration Number is PA# 81370429, and that all such licenses and registrations shall be maintained in full force and effect throughout the term of Subcontractor's obligations under the Subcontract, including any warranty obligations.

6.2. EXECUTION AND PROGRESS OF THE WORK.

6.2.1. The Subcontractor shall cooperate with the Contractor in scheduling and performing the Subcontractor's Work to avoid conflict, delay in or interference with the work of the Contractor, other subcontractors or Owner's own forces. Subcontractor is obligated to assure that all workmen of Subcontractor work in harmony with all other workmen on the Project.

6.2.2. The Subcontractor shall promptly submit Shop Drawings, Product Data, Samples and similar submittals required by the Subcontract with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Contractor or other subcontractors.

6.2.3. The Subcontractor shall furnish to the Contractor periodic progress reports on the Work of this Subcontract upon request of Contractor, including information on the status of materials and equipment which may be in the course of preparation or manufacture.

6.2.4. The Subcontractor agrees that the Owner will have the authority to reject Work which does not conform to the Prime Contract or to the Subcontract. The Subcontractor shall, at Subcontractor's cost, replace or, if approved by the Owner, repair any defective work and repeat tests as necessary, at Subcontractor's cost, until all Work is proven satisfactory.

6.2.5. The Subcontractor shall, at Subcontractor's cost, supply adequate tools and equipment, and shall also at all times supply and promptly pay for a sufficient number of properly skilled workmen and for a sufficient amount of materials and supplies of proper quality to prosecute efficiently and promptly the Work in accordance with the requirements of the Subcontract and in accordance with Contractor's then current schedule. Subcontractor hereby acknowledges that the Project will be built on an accelerated basis and Subcontractor acknowledges that it has taken such accelerated schedule into account for meeting the requirements of this Subcontract. If, in Contractor's reasonable opinion, Subcontractor fails to maintain the progress of its Work in accordance with Contractor's schedule, Contractor may require Subcontractor to accelerate Subcontractor's performance by use of overtime work, work on Saturdays, Sundays, and Holidays, all without additional compensation, if, in the reasonable opinion of Contractor, such additional work is necessary to maintain proper progress of Subcontractor's Work. Upon request of Contractor, Subcontractor shall submit evidence satisfactory to Contractor evidencing the Subcontractor's ability to comply with the Contractor's schedule. No overtime or charges for an accelerated Construction Schedule shall be paid by Contractor unless specifically agreed to in writing by an executive officer of Contractor before the overtime is performed.

6.2.6. The Subcontractor shall take necessary precautions to protect the work of other subcontractors from damage caused by operations by the Subcontractor. Subcontractor shall be responsible for and protect the Work in place from the elements and all other causes of damage until completion and final acceptance by Contractor and shall adequately store and protect its own materials and materials furnished it by Owner, Contractor and other suppliers. Subcontractor will use without unreasonable waste any materials or equipment furnished by the Owner, Contractor or other suppliers and will pay for any damage to such material or equipment sustained during Subcontractor's use or possession.

6.2.7. Subcontractor shall install all necessary equipment and materials in the necessary time sequence, (except at scheduled temporary omissions and leapfrog areas), and prior to close-in of any area so as to maintain the progress of the Work and the Project and eliminate any rework to install materials or equipment out of sequence. The Subcontractor shall bear any cost related to installation of materials or equipment that is installed out of sequence. The Subcontractor shall participate in the preparation of coordinated drawings in areas of congestion, specifically noting and advising the Contractor of potential conflicts between the Work of the Subcontractor, the Contractor, and other subcontractors or the Owner's own forces. Subcontractor shall be represented on the Project while the Work is in progress by a competent full-time supervisor satisfactory to Contractor.

6.2.8. Should Subcontractor's performance of the Work be delayed by any acts of Contractor, Contractor's other contractors or Contractor's

April 22, 2004

Page 3 of 10

Initials Erickson Construction LLC: u

SUB: GT

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

suppliers, Subcontractor shall receive an equitable extension of time for the performance of the Work, ~~and~~ <sup>an</sup> shall not be entitled to ~~any~~ <sup>an</sup> increase in the Subcontract Sum or to damages or additional compensation as a consequence of such delays, ~~and Subcontractor hereby waives any claim for any such increase, damages or additional compensation.~~ Any claim of delay and request for an extension of time shall be made in writing to Contractor in the form of a work change order not more than ten (10) days after the commencement of the delay; otherwise it is waived.

6.2.9. Subcontractor shall complete all Work in accordance with the Construction Schedule provided by Contractor. No extensions of time or provision for additional costs will be allowed for weather related delays unless Subcontractor submits in writing within seven (7) days from the date incurred, a claim for delay resulting from inclement weather. ~~Contractor may, in its sole discretion, approve or disapprove a claim for delay.~~

### 6.3. LAWS, PERMITS, FEES AND NOTICES.

6.3.1. The Subcontractor shall provide all notices and comply with all laws, ordinances, rules, regulations and orders of public authorities bearing on performance of the Work of this Subcontract. The Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's Work, the furnishing of which is required of the Contractor by the Prime Contract.

6.3.2. Subcontractor shall properly and timely report and pay all social security, state unemployment, welfare fees, and all other Federal, State and local taxes (including sales and use taxes) and fees of every nature applicable to the Work. All such taxes and fees are included in the Subcontract Price.

### 6.4. SAFETY PRECAUTIONS AND PROCEDURES.

6.4.1. The Subcontractor shall take all appropriate precautions with respect to performance of this Subcontract, shall comply with safety measures initiated by the Owner or the Contractor, and shall comply with all applicable laws, ordinances, rules, regulations and orders of public authorities for the safety of persons or property. The Subcontractor shall report to the Contractor within twenty-four (24) hours an injury to any employee or agent of the Subcontractor which occurred at the site. Subcontractor shall be solely responsible for providing a safe place to work for its agents, employees and sub-subcontractors. Subcontractor shall implement and enforce a health and safety program for its employees and sub-subcontractors on the site, which program shall be at least as effective as the Health and Safety Program of Contractor. Subcontractor's employees and sub-subcontractors on the site shall obey the directives of Contractor's Project Manager, Superintendent and Safety Director. All of Subcontractor's employees, agents and contractors must attend the safety meetings held by Contractor's Safety Director, or, in lieu of such attendance, Subcontractor must provide to Contractor the minutes and attendance of all safety meetings conducted by Subcontractor, within two (2) days following the completion of such safety meetings.

6.4.2. If hazardous substances of a type of which an employer is required by law to notify its employees are being used on the site by the Subcontractor, the Subcontractor's sub-subcontractors, or anyone directly or indirectly employed by them, the Subcontractor shall, at least three (3) days before bringing such substances onto the Site, provide Contractor with a materials data sheet for such substances, and give written notice of the chemical composition of such substances to Contractor. Subcontractor will comply with all laws regarding Subcontractor's use and handling of such hazardous substances by Subcontractor or Subcontractor's sub-subcontractors, agents and employees.

6.4.3. Contractor reserves the right to require Subcontractor to perform from time to time, at Subcontractor's cost, drug testing of all or any of Subcontractor's agents, employees and sub-subcontractors. Such testing must be done with testing companies selected or approved by Contractor. Subcontractor must prohibit from the Work Site any persons that test positively for drug use. Contractor shall be entitled to prohibit from the site any persons that Contractor deems to be disruptive to the smooth construction of the Project.

6.5. CLEANING UP. The Subcontractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract. Subcontractor shall at all times keep the Subcontractor's work area; keep the premises free from rubbish, debris and waste and surplus materials resulting from its operations; and shall turn over the work area in such condition as to permit the next succeeding work to be commenced without further cleaning. If Subcontractor fails to comply with the provisions of this Section, Contractor shall have the right itself or through others to perform such cleaning and to charge the cost thereof to Subcontractor, plus overhead charges of twenty-five percent (25%), provided the Subcontractor is given a twenty-four (24) hour written notice of such delinquency and fails to remedy same. Subcontractor shall not damage the work of others by its performance of its obligations under the Subcontract and shall indemnify Contractor for damage caused by Subcontractor or its agents to the work of Contractor, and other contractors, including court costs and attorney's fees.

6.6. WARRANTY. In addition to any product warranties required by the Subcontract, the Subcontractor warrants to Contractor that all material and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defect and in conformance with the Subcontract. All Work not conforming to these requirements may be considered defective. Subcontractor shall, promptly upon request of Contractor, furnish all labor, materials and supervision necessary to correct or replace any defective or nonconforming Work and any damage caused by such defect or fault, at no cost to Contractor or Owner, for a period of one (1) year from the date the Work is completed, except for latent defects, which shall be for a period of six (6) months following the discovery of such latent defect. This warranty shall run to and be enforceable by Owner, Contractor, and their successors and assigns. This warranty shall be in addition to and not in limitation of any other warranty or remedy provided by law or by the Subcontract.

6.7. INDEMNIFICATION: Subcontractor agrees to indemnify and save Contractor, Owner, Owner's agents, and the Architect harmless from, and defend at its own expense, any and all claims, suits, losses, damages, or expenses in any manner connected with the Work performed by or for the Subcontractor under this Subcontract or caused or occasioned in whole or in part by reason of the presence of the person or property of Subcontractor, its employees, agents, or suppliers, except with such claims or suits arise out of the sole negligence of Contractor. Subcontractor shall defend, indemnify, and save Contractor, Owner, Owner's agents, and Architect harmless from, and defend at its own expense, any and all claims by the employees of Subcontractor, its vendors, or its agents, when such claims shall have been incurred, or alleged to have occurred from an unsafe place to work or such similar type of complaint. Subcontractor shall pay all expenses, costs, and attorney's fees incurred by Contractor, Owner, Owner's agents, or Architect in the enforcement of this Subcontract, of any bond furnished in connection herewith, or for the prosecution or defense of any claim as defined herein. Subcontractor shall indemnify, defend, and hold harmless Contractor, including but not limited to attorneys fees and costs, to the fullest extent and under no circumstances to a lesser extent than Contractor has indemnified Owner and others with respect to Subcontractor's Work (including without limitation, Subcontractor's performance of its Work)

April 22, 2004

Page 4 of 10

Initials Erickson Construction LLC: U SUB: GT

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

under the Contract Documents.

7. CHANGES IN THE WORK.

7.1. CONTRACTOR CHANGES. Contractor may at any time make changes in the Work either:

- (a) By written change order signed by Contractor and Subcontractor prior to commencement specifying the changes to be made and the increase or decrease in the Subcontract Sum and extension of time, if any; or
- (b) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that an equitable adjustment in the Subcontract Sum will be made, based on the time and materials to perform such changes; or
- (c) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that the Subcontract Sum shall be adjusted based on actual costs of performing such changes based on time and materials, plus a fixed fee, to be set in such change order.

7.2. OBLIGATION TO PROCEED. Subcontractor shall proceed with the changes ordered so as not to delay the Work. In the event Contractor changes the Work pursuant to 7.1(b) above, Subcontractor shall file with Contractor within seven (7) days from the date of such order Subcontractor's written itemized estimate for the cost of performing the changes to be made. If mutual agreement on the cost is reached, Subcontractor and Contractor will execute a written change order executed by the authorized officers or designees of Contractor and Subcontractor. If mutual agreement cannot be reached and the changes are required by Contractor, the Work shall proceed and Subcontractor shall be entitled to a reasonable adjustment in the Subcontract sum and in the time for performance of the work to the extent such adjustments are focused by the Contractor's written change order. If the extra Work or changes are required by Contractor, Subcontractor does not waive its right by proceeding under protest provided it so notifies Contractor in writing within five (5) days from submittal of the itemized estimate referred to above.

7.3. COST AND TIME. Subcontractor shall respond to a proposed change <sup>PROVIDED BY THE CONTRACTOR IN WRITING</sup> within seven (7) days of request by Contractor. ~~In the event that a Subcontractor change order response is not delivered to the Contractor by the date required, it shall be conclusively presumed that such proposed change does not result in a change in Subcontractor's cost or construction time, and all work and materials called for by the proposed change order shall be provided by Subcontractor at no additional cost or delay to Contractor.~~ For changes in the work for which contractual unit prices, if any, do not apply, the Subcontractor shall submit an itemized breakdown of his estimated cost for such changes with the following percentages for overhead and profit combined: Fifteen percent (15%) on work performed by Subcontractor's own forces or by sub-subcontractors and five percent (5%) on work performed on behalf of Subcontractor by a sub-subcontractor.

8. TERMINATION, REMEDIES FOR DEFAULT AND ASSIGNMENT OF THE SUBCONTRACT.

8.1. TERMINATION BY THE SUBCONTRACTOR. The Subcontractor may terminate the Subcontract if Contractor fails to pay to Subcontractors any sums due to Subcontractor within forty-five (45) days following the date such sums were due and payable to Subcontractor. Such termination shall only be effective if Subcontractor makes written demand for such payment to Contractor following the expiration of such forty-five (45) day period and Contractor fails to pay all sums then due and payable within ten (10) days following receipt of Subcontractor's demand. In the event of such termination by the Subcontractor, the Subcontractor shall be entitled to recover from the Contractor payment for Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery.

8.2. TERMINATION BY THE CONTRACTOR.

8.2.1. If the Subcontractor (i) persistently or repeatedly fails or neglects to carry out the Work in accordance with the Subcontract or otherwise to perform in accordance with this Agreement; and (ii) fails within thirty-six (36) hours after receipt of notice to correct such default or neglect, the Contractor, in addition to Contractor's remedies under Section 8.3. and 8.4. of this Agreement, may immediately and without further notice to Subcontractor terminate the Subcontract.

8.2.2. For its convenience, the Contractor shall have the right to terminate this Subcontract for any reason by giving the Subcontractor written notice of termination. Such termination for the Contractor's convenience shall be effective upon Subcontractor's receipt of written notice of such termination. Termination for default, if wrongfully made, shall be treated as a termination for convenience. In the event that the Subcontractor is terminated for the convenience of the Contractor, the Subcontractor shall be paid a pro rata percentage of the Subcontract Sum equal to the percentage of Work in place, less payments theretofore received by the Subcontractor. In no event shall the Subcontractor be entitled to receive payment for anticipated profits for unperformed Work.

8.3. CONTRACTOR'S REMEDIES. Should Subcontractor (a) fail to correct, replace and/or re-execute faulty or defective Work and/or materials furnished under the Subcontract; (b) fail to complete or diligently proceed with the Work within the time required by Contractor; (c) fail to correct or repair any damage to the Project caused by the acts or omissions of Subcontractor; or (d) otherwise be in default of any provision of the Subcontract, and if such failure or default is not corrected within thirty-six (36) hours following Contractor's notice to Subcontractor of such failure or default, Contractor shall have the right to correct, replace or otherwise remedy and such defect, deficiencies or delayed performance by any reasonable and expedient means, including taking over or supplementing Subcontractor's Work and materials and employing such additional labor, equipment and materials as may be necessary to cure the default and achieve compliance with the Subcontract. In such event, Contractor may deduct from any sums due to Subcontractor the cost of performing such work and correcting such deficiencies, plus overhead of fifteen percent (15%) of such cost. If payments then or thereafter due Subcontractor are not sufficient to cover such amount, Subcontractor shall promptly pay the difference to Contractor. The remedies of Contractor under this subparagraph are in addition to any other remedies available to Contractor under the Subcontract or available at law or in equity.

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

8.4. **CONTRACTOR'S ADDITIONAL REMEDIES.** Subcontractor shall reimburse Contractor for any loss, damage or extra expense paid or incurred by Contractor which is due to Subcontractor's failure to supply materials, labor, or to properly perform the Work. Contractor may take over any of Subcontractor's outstanding sub-subcontracts and purchase orders and take possession of all tools, ~~equipment~~, scaffolds, material and supplies of Subcontractor which are on the Project site, in transit to, or especially manufactured for, the Work for use in completion of the Project. ~~Contractor is hereby granted a lien on all such property to secure Subcontractor's performance under this Agreement.~~ Subcontractor shall, upon request of Contractor, execute and deliver to Contractor all documents and take all such steps to effect the legal assignment of Subcontractor's contractual rights under such sub-subcontracts and purchase orders, but Contractor shall not be required to assume any of Subcontractor's outstanding obligations thereunder.

8.5. **ASSIGNMENT OF THE SUBCONTRACT.**

8.5.1. In the event of termination of the Prime Contract by the Owner, the Contractor may assign this Subcontract to the Owner, with the Owner's agreement, subject to the provisions of the Prime Contract and to the prior rights of the surety, if any, obligated under bonds relating to the Prime Contract.

8.5.2. The Subcontractor shall not assign this Subcontract without the written consent of the Contractor, nor subcontract the whole or any portion of this Subcontract without the written consent of the Contractor.

9. **MUTUAL RIGHTS AND RESPONSIBILITIES.**

The Contractor and Subcontractor shall be mutually bound by the terms of this Agreement and, to the extent that provisions of the Prime Contract apply to the Work of the Subcontractor, the Contractor shall assume toward the Subcontractor all obligations and responsibilities that the Owner, under the Prime Contract, assumes toward the Contractor, and the Subcontractor shall assume toward the Contractor all obligations and responsibilities which the Contractor, under the Prime Contract, assumes toward the Owner and the Engineer. The Contractor shall have the benefit of all rights, remedies and redress against the Subcontractor which the Owner, under the Prime Contract, has against the Contractor, and the Subcontractor shall have the benefit of all rights, remedies and redress against the Contractor which the Contractor, under the Prime Contract, has against the Owner, insofar as applicable to this Subcontract. Where a provision of the Prime Contract is inconsistent with a provision of this Agreement, this Agreement shall govern.

10. **PROGRESS PAYMENTS.**

10.1. **APPLICATIONS FOR PAYMENT AND WAIVER OF LIENS.**

**SUBCONTRACTOR SHALL SUBMIT ALL REQUISITIONS AND APPLICATIONS FOR PAYMENT FOR PAYMENT PROCESSING TO:  
ERICKSON CONSTRUCTION, L.L.C.; ATTN: Project Manager ANN'S CHOICE - SITEWORK 2.0; 701 JOHNSVILLE BOULEVARD,  
WARMINSTER, PA 18974, UNLESS INFORMED OTHERWISE BY CONTR**

10.1.1. Based upon applications for payment submitted to the Contractor by the Subcontractor, corresponding to Applications for Payment submitted by the Contractor to the Owner, and Certificates for Payment issued by the Owner or Engineer, the Contractor shall make progress payments on account of the Subcontract Sum to the Subcontractor as provided below and elsewhere in the Subcontract. Each application for payment shall include an "Acknowledgement of Progress Payment and Release of Liens and Claims" in the form attached hereto as Exhibit 1).

10.1.2. The period covered by each application for payment submitted by Subcontractor shall be one (1) calendar month ending on the last day of the calendar month. Each application for payment must be based on actual work performed by or under Subcontractor through the 19th day of the month, and the reasonably estimated work to be performed by or under Subcontractor during the balance of the month.

10.1.3. Provided an application for payment is received by the Contractor not later than the 20th day of a month, the Contractor shall include the Subcontractor's Work covered by that application in the next Application for Payment which the Contractor is entitled to submit to the Owner. Subcontractor's progress payments shall be due and payable within ten (10) working days after the Contractor receives payment for the Subcontractor's Work from the Owner. If the Owner or Engineer fails to issue a Certificate for Payment or the Owner fails to pay Contractor for Subcontractor's Work within forty-five (45) days following the applicable Application for Payment, and such failure is not the fault of the Subcontractor or Subcontractor's sub-subcontractors, the Contractor shall pay the Subcontractor, within ten (10) days following demand, a progress payment computed as provided in Section 10.2. of this Agreement. Notwithstanding the foregoing, payments to Subcontractor may be withheld on account of (i) defective Work not remedied, (ii) claims filed, (iii) damage to Contractor or another subcontractor or (iv) failure to carry out the Work in accordance with the Subcontract. **TO THE EXTENT SUCH PAYMENT IS WITHHELD BY THE OWNER, PAYMENT DUE UPON REMEDY OF CLAIM.**

10.1.4. If an application for payment is received by the Contractor on or after the 21st day of any calendar month, the Subcontractor's Work covered by such application shall be included by the Contractor in the next Application for Payment submitted to the Owner.

10.1.5. Each application for payment shall be based upon the most recent schedule of values approved by the Contractor in accordance with Subsection 6.2.3. of this Agreement. Applications for payment submitted by the Subcontractor shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Subcontractor's application for payment.

10.1.6. Subcontractor shall pay all claimants for all costs and expenses resulting from the performance of the Work and for all labor and materials used.

10.1.7. Subcontractor and any persons acting through or under Subcontractor shall not file or maintain any mechanics' claims or liens

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

against the Project, or the building thereof, or the lot of ground appurtenant thereto, for or on account of any Work done or materials furnished by this Subcontractor and/or any such person or persons as aforesaid.

10.1.8. To the fullest extent permitted by applicable law, Subcontractor, for and on behalf of Subcontractor and all other persons acting through or under Subcontractor, hereby expressly waives and relinquishes the right to have, file, or maintain any mechanics' claims or lien against the Project, the buildings thereof, and the lot of ground appurtenant thereto, or any of them, which waiver shall be and hereby is made an independent covenant and shall operate and be effective also with respect to Work and labor done and materials furnished under any supplemental agreement between Contractor and Subcontractor, or any agreement for extra Work done, performed, furnished or supplied in and about the Project, although not therein referred to as Work and labor performed and materials furnished under this Subcontract.

10.1.9. Subcontractor, as a condition precedent to the making of any payment hereunder, shall furnish to the Contractor a full and complete release and discharge, in a form satisfactory to Contractor and Owner, of all liens, claims, and demands arising out of or relating to the Subcontract Work and any and all materials furnished, Work done, and equipment used in connection therewith. Furthermore, if, prior to final payment, the Contractor, Owner, or any party providing financing for the Project requests a release of liens from Subcontractor or anyone acting through or under Subcontractor, Subcontractor shall execute and deliver such release of liens in a form satisfactory to Contractor, Owner or such other party.

10.1.10. If any Subcontractor or other person working under Subcontractor files a mechanics' lien or claim or notice of intention or right to file a lien for or on account of work, labor, services, materials, equipment or other items furnished under or in connection with this Agreement, Subcontractor agrees to discharge or remove such lien, claim or notice at its own expense by bond, payment or otherwise within twenty (20) calendar days from the date of the filing thereof, and upon its failure to do so, Contractor or Owner shall have the right to cause any such lien or claim, notice of intention or stop notice to be removed or discharged by whatever means Contractor or Owner chooses, at the sole cost and expense of Subcontractor (such costs and expenses to include legal fees and disbursements). Subcontractor agrees to hold harmless and indemnify Contractor and Owner from and against any and all such liens, claims or other filings, and actions brought or judgments rendered thereon, and from and against any and all losses, damages, liabilities, costs and expenses, including legal fees and disbursements, which Contractor or Owner may sustain in connection therewith.

10.2. **PROGRESS PAYMENTS.** Subject to the provisions of the Subcontract, the amount of each progress payment shall be computed as follows:

10.2.1. Take that portion of the Subcontract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Subcontractor's Work by the share of the total Subcontract Sum allocated to that portion of the Subcontractor's Work in the schedule of values, less that percentage actually retained, if any, from payments to the Contractor on account of the Work of the Subcontractor;

10.2.2. Add that portion of the Subcontract Sum properly allocable to materials and equipment delivered and suitably stored at the site by the Subcontractor for subsequent incorporation in the Subcontractor's Work or, if approved in advance in writing by the Owner, suitably stored off the site at a location agreed upon in writing, less the same percentage retainage required by the Prime Contract to be applied to such materials and equipment in the Contractor's Application for Payment;

10.2.3. Subtract the aggregate of previous payments made by the Contractor; and

10.2.4. Subtract amounts, if any, calculated under Subparagraph 10.2.1 or 10.2.2. which are related to Work of the Subcontractor for which the Engineer has withheld or nullified, in whole or in part, a Certificate of Payment for a cause which is the fault of the Subcontractor or Subcontractor's sub-subcontractors.

10.2.5. All periodic payments by Contractor shall be subject to a retainage, to be held by Contractor, of ten percent (10%) of the amount billed by Subcontractor. The aggregate amount of the retainage, subject to offset for defects and deficiencies, shall be paid to Subcontractor within sixty (60) days of Subcontractor's submission of a final invoice after completion of the Work and acceptance thereof by Contractor and Owner; provided, however, upon completion of such portion of the Work as involves a sub-subcontractor or supplier, and upon receipt of appropriate lien waivers and releases, the retainage applicable to sub-subcontractors or suppliers on such completed Work will be released thirty (30) days after satisfactory completion thereof. No periodic payment by Contractor shall be deemed to constitute acceptance of any faulty or defective Work.

10.2.6. Notwithstanding the provisions of 10.2.5. above, at such time as the Project achieves fifty percent (50%) completion, the retainage shall be reduced to five percent (5%) of labor and services, and all future applications for payment shall be subject to a five percent (5%) retainage on labor and services.

*SEE EXHIBIT "I" FOR ADDENDUM TO 10.2.6.*

10.3. **STORED MATERIALS.** Notwithstanding the provisions of Subsection 10.2., payment for stored materials may be conditioned on delivery to the Owner of bills of sale (which shall include a complete description, including photographs, bills of lading, serial numbers, warehouse receipts and/or inventories, as appropriate for Owner to identify the stored materials) and such other procedures satisfactory to Owner to establish the Owner's title and to insure and otherwise protect the Owner's interest in and to such stored materials, unless requested otherwise by Contractor. Subcontractor shall schedule the materials to prevent the arrival of major items well in advance of their incorporation into the improvements.

10.4. **SUBSTANTIAL COMPLETION.** When the Work or a designated portion thereof is substantially complete in accordance with the requirements of the Prime Contract, the Contractor shall, upon application by the Subcontractor, make prompt application for payment for such Work. Within thirty (30) days following issuance by the Engineer of the Certificate for Payment covering such substantially completed Work, the Contractor shall, to the full extent allowed in the Prime Contract, make payment to the Subcontractor, deducting any portion of the funds for the Work withheld in accordance with the Certificate of Payment to cover costs of items to be completed or corrected by the Subcontractor. Such payment to the Subcontractor shall be the entire unpaid balance of the Subcontract Sum if a full release of retainage is allowed under the Prime Contract for the Work prior to the completion of the entire Project. If the Prime Contract does not allow for a full release of retainage, then such payment shall be an amount which, when added to previous payments to the Subcontractor, will reduce the retainage on the Subcontractor's substantially completed Work to the same percentage of retainage as that on the Contractor's work covered by the Certificate of Payment.

#### 11. FINAL PAYMENT.

11.1. **TIME.** Final payment, constituting the entire unpaid balance of the Subcontract Sum, shall be made by the Contractor to the Subcontractor

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

when the Work is fully performed in accordance with the requirements of the Subcontract, Subcontractor has filed a final application for payment, the Owner or Engineer, has issued a Certificate for Payment covering the Subcontractor's completed Work and the Contractor has received payment from the Owner. If, for any cause which is not the fault of the Subcontractor, a Certificate for Payment is not issued within forty-five (45) days of Contractor's application for Payment, or the Contractor does not receive from the Owner, payment within forty-five (45) days of Contractor's application for Payment, final payment to the Subcontractor shall be made upon demand.

11.2. **LIEN WAIVERS.** Final payment shall not be due until Subcontractor has delivered to Contractor a complete, recordable affidavit and release of all liens arising out of this Subcontract, in form and content satisfactory to Contractor and Owner, covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Contractor indemnifying Contractor and the Project against any and all lien(s). If any lien remains unsatisfied after all payments are made, Subcontractor shall refund to Contractor all monies the latter may be compelled to pay in discharging such lien, including all court costs and expenses and reasonable attorney's fees. The acceptance of final payment shall constitute a release of all claims by Subcontractor except those previously made in writing and identified by Subcontractor as unsettled at the time of the final application for payment.

11.3. **EVIDENCE OF PAYMENT.** Before issuance of the final payment, the Subcontractor, if required, shall submit evidence satisfactory to the Contractor that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Subcontractor's Work have been satisfied.

12. **INSURANCE AND BONDS.**

12.1. **COVERAGES.**

12.1.1. The Subcontractor shall purchase and maintain insurance of the following types of coverage and limits of liability:

Comprehensive Public Liability:

In the event the Subcontract Sum stated in Section 4.1 is equal to or less than Two Hundred Fifty Thousand dollars (\$250,000), One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and death, and Five Hundred Thousand Dollars (\$500,000.00) per occurrence for property damage.

In the event the Subcontract sum listed in Section 4.1 is in excess of the Two Hundred Fifty Thousand Dollars (\$250,000.00), Three Million Dollars (\$3,000,000.00) per occurrence for bodily injury, death and property damage.

Auto Liability:

Five Hundred Thousand Dollars (\$500,000.00) combined single limit, for bodily injury, death, and property damage.

Workers Compensation:

As required by law.

12.1.2. Coverages must be maintained with financially secure insurance companies acceptable to Owner and Contractor, without interruption from date of commencement of the Work until date of final payment, and Contractor and Owner, and any designees of Owner, shall be named as an additional insured under Subcontractor's Comprehensive Public Liability policy.

12.1.3. Certificates of insurance acceptable to the Contractor shall be filed with the Contractor prior to commencement of the Subcontractor's Work, and periodically thereafter as requested by Contractor. These certificates and the insurance policies required by this Article 12 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the Contractor. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 11.

12.1.4. The Contractor shall furnish to the Subcontractor upon demand, satisfactory evidence of insurance required of the Contractor under the Prime Contract.

12.2. **WAIVERS OF SUBROGATION.** The Contractor and Subcontractor waive all rights against (1) each other and any of their Subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Owner, the Engineer, the Engineer's consultant separate contractors, and any of their Subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other perils to the extent covered by property insurance provided under the Prime Contract or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by the Owner as fiduciary. The Subcontractor shall require of the Subcontractor's sub-subcontractors, agents and employees, by appropriate agreements, written where legally required for validity, similar waivers in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

12.3. The Contractor shall promptly, upon request of the Subcontractor, furnish a copy or permit a copy to be made of any bond covering payment of

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

obligations arising under the Subcontract.

12.4. Performance Bond and Payment Bond:

Contractor expressly ( ☒ ) requires ( ☐ ) waives the payment and performance bonds. Cost of bond is on bonding company's invoice at standard rates.

Unless waived by Contractor in this Subsection 12.4., prior to the commencement of the Work, Subcontractor shall pay for and deliver to Owner acceptable, statutory payment and performance bonds in the full amount of the Subcontract sum issued by a surety acceptable to Owner. The bond premium on the bonds shall be promptly refunded to Owner and shall reduce the Subcontract sum.

13. MISCELLANEOUS PROVISIONS.

13.1. GENERAL CONDITIONS. Where reference is made in this Agreement to a provision of the General Conditions or another Subcontract Document, the reference refers to that provision as expressly amended or supplemented by other provisions of the Subcontract Documents.

13.2. MERIT SHOP. The Subcontractor acknowledges that this Project is being built as a "Merit Shop" project, and therefore is not under jurisdiction of union work rules. The Subcontractor agrees to comply with the work rules as established by Contractor, and not to interfere with the employees or work of Contractor or other subcontractors and suppliers involved with this Project. Failure to comply with this provision may result in termination of the Subcontract at the sole discretion of Contractor.

13.3. VEHICLES. All vehicles are to be operated in accordance with the traffic and parking rules and regulations of Ann's Choice (the "Retirement Community") and the Contractor. Violation of these rules may result in the vehicle being towed at the owner's expense, and the vehicle and operator being banned from the site. All workers authorized to park within the site must obtain parking passes from the Contractor's office and must display the parking passes whenever the vehicle is on the site. Subcontractor's employees, agents and sub-subcontractors may park vehicles only in areas on or off-site as designated for parking by Owner or Contractor.

13.4. RESIDENTS OF RETIREMENT COMMUNITY. The safety and protection of the residents of the Retirement Community is of paramount importance to the Contractor. Subcontractor, its workers, suppliers, and sub-subcontractors must adhere to all traffic regulations, noise restrictions, and other safety standards established by the Contractor and the Retirement Community. Residents of the Retirement Community must be treated with courtesy and respect at all times. In the event that the buildings are occupied while the Subcontractor is performing work on the Project, all courtesy is to be extended to the residents and precautions taken to avoid any disruption or inconvenience during this usage.

13.5. SIGNS. No signs may be placed on any portion of the site and/or building without written permission of Owner.

13.6. COMMUNICATIONS. It is agreed and understood that all communications by or through Subcontractor to the Architect, Engineer, Owner, or any representative thereof shall be made through Contractor.

13.7. EXAMINATION OF PRIOR WORK. Subcontractor shall carefully examine the work of others which may affect the Work and shall notify Contractor in writing, completely detailing and supporting any apparent deficiencies therein before performing the Work; otherwise, such other Work shall be deemed acceptable to Subcontractor and Subcontractor shall be deemed to have waived all claims with respect thereto.

13.8. INVALIDITY. If any provision of the Subcontract is found to be invalid, unenforceable or unlawful, such provision shall be enforced in such manner as shall most nearly effect the intent of the parties and yet conform to the law applicable thereto and the remainder of the Subcontract Documents shall remain in full force and effect.

13.9. NOTICES. Except as stated in Section 10.1 of this Agreement, all notices, requests, approvals and other communications required or permitted to be delivered under the Subcontract must be in writing and shall be effective upon: (a) the date of delivery if hand-delivered to the other party or forwarded by facsimile to a number provided and authorized for delivery of notices by the receiving party; (b) the date of transmission if sent by telegram; (c) the date after mailing if sent by overnight commercial carrier; or (d) three (3) business days after mailing if sent by U.S. mail. Except for the use of facsimiles, if permitted, all notices must be sent to the addresses listed in the introductory paragraph of this Agreement, or to such other address as may be expressly designated in writing by either party as the correct address for notices, requests, approvals and other communications.

13.10. INDEPENDENT CONTRACTOR. Subcontractor is an independent contractor and hereby assumes all of the rights, duties, obligations and liabilities thereby arising.

13.11. WAIVER. Any failure by Contractor at any time or from time to time to enforce or require the strict performance of any of the terms or conditions hereof shall not affect or impair Contractor's right to at any time thereafter avail itself of the remedies available for the subsequent breach of such terms or conditions.

13.12. GOVERNING LAW. The Subcontract shall be governed by the law of the State of Pennsylvania. No presumption shall be deemed to exist in favor of or against either party as a result of the preparation and/or negotiation of the Subcontract. The Subcontract and Subcontract Documents are subject to the Contract between the Owner and Contractor, the General Conditions, and the Additional Supplementary General Conditions. The Subcontractor and Contractor hereby agree that all suits, claims or actions arising out of this Agreement shall be brought in Bucks County, Pennsylvania.

13.13. EQUAL OPPORTUNITY. Subcontractor agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, handicap or national origin.

April 22, 2004

Page 9 of 10

Initials Erickson Construction LLC: J SUB: GT

Contract # \_\_\_\_\_

Subcontractor: Allan A. Myers

519-SW2.0-48400.022001

13.14. EXHIBITS. The following exhibits are attached hereto:

Exhibit A	Subcontract Documents
Exhibit B	Work
Exhibit C	Alternates, Units and Schedule of Values
Exhibit D	Application and Certificate for Payment
Exhibit D-1	Instructions for Exhibit D
Exhibit E	Partial Release of Liens
Exhibit E-1	Instructions for Exhibit E
Exhibit F	Final Release of Liens
Exhibit F-1	Instructions for Exhibit F
Exhibit G	Lien Release/Payment Status
Exhibit H	Vendor/Tier Subcontractor List

13.15. CONTRACTOR AND SUBCONTRACTOR PAYMENT ACT. Duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available at law or in equity. Notwithstanding the foregoing, Subcontractor, Contractor and Owner agree that this Agreement shall govern Owner's payment obligations to Contractor and Contractor's payments to Subcontractor and shall control over any contrary or additional obligations or requirements issued by the Pennsylvania Contractor and Subcontractor Payment Act, 73 P.S. §502 et seq. (the "Payment Act"), including but not limited to requirements in the Payment Act for certain notices to Subcontractor and imposing certain limitations, interest, penalties, and attorneys fees. To the greatest extent permitted by law, Subcontractor, Contractor and Owner waive the provisions of the Payment Act as it may relate to this Agreement, the Work or any additional work performed by Subcontractor or Contractor with respect to the Project.

This Agreement entered into \_\_\_\_\_ of the day and year first written above.

WITNESS

CONTRACTOR:

ERICKSON CONSTRUCTION, LLC

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

Name: David B. Tague

Title: Vice President of Construction

SUBCONTRACTOR:

Allan A. Myers

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

Name: Gary Tiller

Title: Vice President/General Manager

APPROVED AS TO  
LEGAL SUFFICIENCY \_\_\_\_\_

April 22, 2004

Page 10 of 10

Initials Erickson Construction LLC: ET SUB: GT



Contract Number: 001

## SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of 9/19/2005 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Michael James; and Allan A. Myers, L.P. (the "Subcontractor"), having an address of 1805 Berks Road, Worcester, PA, 19490.

### RECITALS

A. The Contractor has made a contract for construction dated as of (the "Prime Contract") with Concord Campus, LLC (the "Owner"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228. A copy of the Prime Contract containing all provisions applicable to Subcontractor shall be made available to the Subcontractor, upon request, in Contractor's general offices.

B. The Prime Contract is for the provision of labor, materials and services in connection with the construction of Maris Grove SW 1.1 Stage B,C,D, 115 Brinton Lake Road, being part of a project known as Maris Grove, located in Glen Mills, PA (the "Project").

C. The Architect for the Work (as such term is defined in Section 2.1 below) is Bohler Engineering, Inc. (the "Architect"), having an address of 1600 Manor Drive, Chalfont, PA, 18914.

D. The Developer of the Project is Erickson Retirement Communities, LLC (the "Developer"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

E. The Operator of the Project is Maris Grove Inc. (the "Operator"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

NOW THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, the Contractor hereby agrees to hire the Subcontractor to perform the Work, and the Subcontractor hereby agrees to perform the Work, on the terms and conditions hereinafter set forth in this Subcontract.

### 1. THE SUBCONTRACT DOCUMENTS.

1.1. The Subcontract Documents consist of (1) this Subcontract; (2) provisions of the Prime Contract applicable to the Work, (including all General Conditions to the Prime Contract, and all Drawings and Specifications, as such terms are defined in the Prime Contract); (3) other documents listed in Section 1.2 below; and (4) modifications to this Subcontract issued after execution of this Subcontract. To the extent any terms of this Subcontract are in conflict with the terms of the Prime Contract, the terms of this Subcontract shall control. The Subcontract Documents form the Subcontract, and are as fully a part of this Subcontract as if attached to this Subcontract or repeated herein. The Subcontract represents the entire and integrated Subcontract between the parties hereto and supersedes all prior negotiations, representations or Subcontracts, either written or oral. All initially capitalized terms used herein, unless otherwise defined in this Subcontract, shall have the meanings given such terms in the Prime Contract.

1.2. To the extent not listed directly above, the Subcontract Documents, except for Modifications issued after execution of this Subcontract, are enumerated as follows: (on Exhibit A attached hereto)

### 2. THE WORK OF THIS SUBCONTRACT.

2.1. The term "Work" shall mean and refer to all labor, supervision, materials and services scaffolding, tools, equipment, supplies, hoisting, vertical transportation and all other things necessary for the construction and completion of the work described in Exhibit B and work incidental thereto, in strict accordance and full compliance with the terms of the Subcontract Documents (which are hereby incorporated by reference) and this Subcontract and to the satisfaction of Contractor and the Owner.

2.2. The Subcontractor shall execute the Work described below (or if noted below, on Exhibit B attached hereto), including but not limited to, all labor, materials, equipment, services and other items required to complete such portion of the Work, except to the extent specifically indicated in the Subcontract to be the responsibility, of others:

- Exhibit B, Description of work, attached.
- The Work consists of Sitework.

2.3. Subcontractor shall carefully examine the Subcontract Documents and shall promptly notify Contractor in writing of any deficiencies, discrepancies, ambiguities or errors before proceeding with the Work.

Contract Number: 001

2.4 Subcontractor represents that it is fully qualified to perform this Subcontract, and acknowledges that, prior to the execution of this Subcontract, it has (a) by its own independent investigation ascertained (i) the Work required by this Subcontract, (ii) the conditions involved in performing the Work, and (iii) the obligations of this Subcontract and the Contract Documents; and (b) verified all information furnished by Contractor or others satisfying itself as to the correctness and accuracy of that information. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder.

### 3. CONSTRUCTION SCHEDULE.

3.1. DATE OF COMMENCEMENT. The date of commencement shall be the date of this Subcontract, as first written above, unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Contractor:

Date of Commencement: 9/6/2005

3.1.1. From time to time throughout the term of this Subcontract, the Contractor shall provide the Subcontractor with copies of the Contractor's construction schedule and schedule of submittals, together with such additional scheduling details as will enable the Subcontractor to plan and perform the Work properly. The Subcontractor shall be notified promptly of subsequent changes in the construction and submittal schedules and additional scheduling details.

3.1.2. If requested by Contractor, Subcontractor shall submit detailed schedules for performance of the Subcontract, in a form acceptable to Contractor, which shall comply with all scheduling requirements of the Subcontract Documents. Contractor may from time to time, at its sole discretion, direct Subcontractor to make reasonable modifications and revisions in such schedules.

3.1.3. Subcontractor will proceed with the Work in a prompt and diligent manner, in accordance with Contractor's schedules as reasonably amended from time to time. Subcontractor shall be liable to Contractor for failure to adhere to Contractor's construction schedules including amendments even if such schedules differ from schedules set forth in the Subcontract Documents or the time of completion called for by the Subcontract Documents.

3.1.4. Subcontractor shall be entitled to additional compensation for compliance with schedule amendments or damages for delay only to the extent the Subcontract Documents entitle Contractor to damages or to a contract adjustment increasing the price of the Prime Contract.

3.2. SUBMITTALS. Subcontractor shall make all submittals required by this Subcontract, including shop drawings, test reports, and certificates, within seven (7) days following the Date of Commencement. Subcontractor must revise and resubmit any submittals within seven (7) days after such items are returned to Subcontractor for correction.

### 3.3. SUBSTANTIAL COMPLETION.

3.3.1. The Project shall be substantially completed not later than , ("Substantial Completion") subject to adjustments as provided in the Subcontract Documents (see Exhibit B attached hereto for details). Subcontractor must complete its Work on the Project in the necessary time sequence to assure that the Project, including the Work and the work of Contractor and all other subcontractor's on the Project, is substantially completed by the date listed above in this Section 3.3.1.

3.4. TIME IS OF THE ESSENCE. Time is of the essence of this Subcontract, subject to any applicable notice and cure periods provided in the Subcontract.

### 4. SUBCONTRACT SUM.

4.1. SUBCONTRACT SUM. The Contractor shall pay the Subcontractor in current funds for performance of the Subcontract the Subcontract Sum of Nine million nine hundred fifty-five thousand nine hundred forty-four dollars (\$9,955,944.00) subject to additions and deductions as provided in the Subcontract.

### 4.2. ALTERNATES.

4.2.1. The Subcontract Sum includes the following alternates, (or if noted below, as set forth on Exhibit C attached hereto), if any, which are described in the Subcontract and have been accepted by the Owner and the Contractor:

    X     See Exhibit C attached.

           Alternates are included in Exhibit C attached:

4.2.2. Contractor reserves the right to have Subcontractor provide the following alternates (or, if noted, as set forth on Exhibit C attached hereto, which alternates are not included in the Subcontract Sum.

Contract Number: 001

  X   See Exhibit C attached.

           Reserved Alternates are defined in Exhibit C attached:

4.3. UNIT PRICES. Unit prices, if any (inclusive of overhead and prices), are as follows (or, if noted, as set forth on Exhibit C attached hereto):

  X   See Exhibit C attached.

           Unit Prices are detailed in Exhibit C attached:

4.4. ESTIMATED COST OF THE WORK. The schedule of values breakdown of the amount of the Subcontract Sum is attached hereto as Exhibit C, unless noted otherwise below in this Section 4.4. The schedule of values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract. If the Schedule of Values is not attached hereto, Subcontractor shall submit to Contractor the Schedule of Values in form similar to AIA G703 format within ten (10.) days of request of Contractor for Contractor's approval. When approved, the Schedule of Values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract.

  X   Estimated Cost of Work is not attached hereto.

## 5. CONTRACTOR.

### 5.1. SERVICES PROVIDED BY THE CONTRACTOR.

5.1.1. The Contractor shall provide suitable areas for storage of the Subcontractor's materials and equipment during the course of the Work, to the extent such areas are readily available, from time to time.

5.1.2. If Contractor has available and Subcontractor elects to use Contractor's equipment or facilities, an agreed price in writing must be made before such use. Subcontractor shall make its own determination before commencing to use such equipment or facilities that such equipment or facilities are adequate and safe for the Work to be performed. Such equipment and facilities shall be accepted by Subcontractor in "AS-IS" condition without warranty or representation by Contractor as to their condition or adequacy to perform the respective function. Subcontractor agrees that all personnel operating or using such equipment or facilities shall be qualified and properly trained in the operation and use of such equipment or facilities. Subcontractor agrees to return the equipment and facilities to Contractor at the conclusion of the use in as good a condition as received. In the event that any such equipment is damaged while in the possession of Subcontractor, Contractor shall be entitled to exercise Contractor's remedies under Section 8.3 of this Agreement.

## 6. SUBCONTRACTOR.

6.1. LICENSE. The Subcontractor represents to Contractor that Subcontractor is duly licensed to perform the Work in the jurisdiction where the Project is located. Subcontractor represents that Subcontractor's License Number is see attached, Registration Number                     , and Sales or Tax Registration Number is 23-3083827, and that all such licenses and registrations shall be maintained in full force and effect throughout the term of Subcontractor's obligations under the Subcontract, including any warranty obligations.

### 6.2. EXECUTION AND PROGRESS OF THE WORK.

6.2.1. The Subcontractor shall cooperate with the Contractor in scheduling and performing the Subcontractor's Work to avoid conflict, delay in or interference with the work of the Contractor, other subcontractors or Owner's own forces. Subcontractor is obligated to assure that all workmen of Subcontractor work in harmony with all other workmen on the Project.

6.2.2. The Subcontractor shall promptly submit Shop Drawings, Product Data, Samples and similar submittals required by the Subcontract with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Contractor or other subcontractors.

6.2.3. The Subcontractor shall furnish to the Contractor periodic progress reports on the Work of this Subcontract upon request of Contractor, including information on the status of materials and equipment which may be in the course of preparation or manufacture.

6.2.4. The Subcontractor shall complete all of its work in a good and workmanlike manner. The Subcontractor agrees that the Owner will have the authority to reject Work which does not conform to the Prime Contract or to the Subcontract. The Subcontractor shall, at Subcontractor's cost, replace or, if approved by the Owner, repair any defective work and repeat tests as necessary, at Subcontractor's cost, until all Work is proven satisfactory.

Contract Number: 001

6.2.5. The Subcontractor shall, at Subcontractor's sole cost and expense, supply adequate tools and equipment, and shall also at all times supply and promptly pay for a sufficient number of properly skilled workmen and for a sufficient amount of materials and supplies of proper quality to prosecute efficiently and promptly the Work in accordance with the requirements of the Subcontract and in accordance with a mutually agreed upon schedule. Subcontractor hereby acknowledges that the Project will be built on an accelerated basis and Subcontractor acknowledges that it has taken such accelerated schedule into account for meeting the requirements of this Subcontract. If, in Contractor's reasonable opinion, Subcontractor fails to maintain the progress of its Work in accordance with the agreed upon schedule, Contractor may require Subcontractor to accelerate Subcontractor's performance by use of overtime work, work on Saturdays, Sundays, and Holidays, all without additional compensation, if, in the reasonable opinion of Contractor, such additional work is necessary to maintain proper progress of Subcontractor's Work. Upon request of Contractor, Subcontractor shall submit evidence satisfactory to Contractor evidencing the Subcontractor's ability to comply with the agreed upon schedule. No overtime or charges for an accelerated Construction Schedule shall be paid by Contractor unless specifically agreed to in writing by an executive officer of Contractor before the overtime is performed.

6.2.6. The Subcontractor shall take necessary precautions to protect the work of other subcontractors from damage caused by operations by the Subcontractor. Subcontractor shall be responsible for and protect the Work in place from the elements and all other causes of damage until completion and final acceptance by Contractor and shall adequately store and protect its own materials and materials furnished it by Owner, Contractor and other suppliers. Subcontractor will use without unreasonable waste any materials or equipment furnished by the Owner, Contractor or other suppliers and will pay for any damage to such material or equipment sustained during Subcontractor's use or possession.

6.2.7. Subcontractor shall install all necessary equipment and materials in the necessary time sequence, (except at scheduled temporary omissions and leapfrog areas), and prior to close-in of any area so as to maintain the progress of the Work and the Project and eliminate any rework to install materials or equipment out of sequence. The Subcontractor shall bear any cost related to installation of materials or equipment that is installed out of sequence, unless such out of sequence work is directed or authorized in writing by Contractor. The Subcontractor shall participate in the preparation of coordinated drawings in areas of congestion, specifically noting and advising the Contractor of potential conflicts between the Work of the Subcontractor, the Contractor, and other subcontractors or the Owner's own forces. Subcontractor shall be represented on the Project while the Work is in progress by a competent full-time supervisor satisfactory to Contractor.

6.2.8. Should Subcontractor's performance of the Work be delayed by any acts of Contractor, Contractor's other contractors or Contractor's suppliers, Subcontractor shall receive an equitable extension of time for the performance of the Work, but shall not be entitled to any increase in the Subcontract Sum or to damages or additional compensation as a consequence of such delays, and Subcontractor hereby waives any claim for any such increase, damages or additional compensation.

6.2.9. Subcontractor shall complete all Work in accordance with the mutually agreed upon schedule. No extensions of time or provision for additional costs will be allowed for weather related delays unless Subcontractor submits in writing within seven (7) days from the date incurred, a claim for delay resulting from inclement weather. Contractor may, in its sole discretion, approve or disapprove a claim for delay.

### 6.3. LAWS, PERMITS, FEES AND NOTICES.

6.3.1. The Subcontractor shall provide all notices and comply with all Federal, state or local laws, ordinances, building codes, rules, regulations and orders of public authorities bearing on performance of the Work of this Subcontract. The Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's Work, the furnishing of which is required of the Contractor by the Prime Contract.

6.3.2. Subcontractor shall be liable to Contractor, Developer, Operator and the Owner for all loss, cost and expense attributable to any acts of commission or omission by Subcontractor, its employees and agents, and lower-tier subcontractors resulting from failure to comply with any Federal, state or local laws, building codes, ordinances or regulations including, but not limited to, any fines, penalties or corrective measures.

6.3.3. Except as otherwise provided by the Subcontract Documents, Subcontractor agrees to pay, comply with, and hold Contractor, Developer and Operator harmless from all social security, state unemployment, welfare fees, and all other Federal, State and local taxes (including sales and use taxes) and fees of every nature applicable to the Work including penalties or any interest.

### 6.4. SAFETY PRECAUTIONS AND PROCEDURES.

6.4.1. The Subcontractor shall take all appropriate precautions with respect to performance of this Subcontract, shall comply with safety measures initiated by the Owner or the Contractor, and shall comply with all applicable laws, ordinances, rules, regulations and orders of public authorities for the safety of persons or property. The Subcontractor shall report to the Contractor within twenty-four (24) hours an injury to any employee or agent of the Subcontractor which occurred at the site. Subcontractor shall be solely responsible for providing a safe place to work for its agents, employees and sub-subcontractors. Subcontractor shall implement and enforce a health and safety program for its employees and sub-subcontractors on the site, which program shall be at least as effective as the Health

Contract Number: 001

and Safety Program of Contractor. Subcontractor's employees and sub-subcontractors on the site shall obey the directives of Contractor's Project Manager, Superintendent and Safety Director. All of Subcontractor's employees, agents and contractors must attend the safety

meetings held by Contractor's Safety Director, or, in lieu of such attendance, Subcontractor must provide to Contractor the minutes and attendance of all safety meetings conducted by Subcontractor, within two (2) days following the completion of such safety meetings.

6.4.2. If hazardous substances of a type of which an employer is required by law to notify its employees are being used on the site by the Subcontractor, the Subcontractor's sub-subcontractors, or anyone directly or indirectly employed by them, the Subcontractor shall, at least three (3) days before bringing such substances onto the Site, provide Contractor with a materials data sheet for such substances, and give written notice of the chemical composition of such substances to Contractor. Subcontractor will comply with all laws regarding Subcontractor's use and handling of such hazardous substances by Subcontractor or Subcontractor's sub-subcontractors, agents and employees.

6.4.3. Contractor reserves the right to require Subcontractor to perform from time to time, at Subcontractor's cost, drug testing of all or any of Subcontractor's agents, employees and sub-subcontractors. Such testing must be done with testing companies selected or approved by Contractor. Subcontractor must prohibit from the Work Site any persons that test positively for drug use. Contractor shall be entitled to prohibit from the site any persons that Contractor deems to be disruptive to the smooth construction of the Project.

6.5. CLEANING UP. The Subcontractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract. Subcontractor shall at all times keep the Subcontractor's work area; keep the premises free from rubbish, debris and waste and surplus materials resulting from its operations; and shall turn over the work area in such condition as to permit the next succeeding work to be commenced without further cleaning. If Subcontractor fails to comply with the provisions of this Section, Contractor shall have the right itself or through others to perform such cleaning and to charge the cost thereof to Subcontractor, plus overhead charges of twenty-five percent (25%), provided the Subcontractor is given a twenty-four (24) hour written notice of such delinquency and fails to remedy same. Subcontractor shall not damage the work of others by its performance of its obligations under the Subcontract and shall indemnify Contractor for damage caused by Subcontractor or its agents to the work of Contractor, and other contractors, including court costs and attorney's fees.

6.6. WARRANTY. In addition to any product warranties required by the Subcontract, the Subcontractor warrants to Contractor that all material and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defect and in conformance with the Prime Contract and the Subcontract. All Work not conforming to these requirements may be considered defective. Subcontractor shall, promptly upon request of Contractor, furnish all labor, materials and supervision necessary to correct or replace any defective or nonconforming Work and any damage caused by such defect or fault, at no cost to Contractor or Owner, for a period of one (1) year from the date of Final Payment, except for latent defects, which shall be for a period of six (6) months following the discovery of such latent defect. This warranty shall run to and be enforceable by Owner, Contractor, and their successors and assigns. This warranty shall be in addition to and not in limitation of any other warranty or remedy provided by law or by the Subcontract.

6.7. INDEMNIFICATION. To the fullest extent permitted by law, the Subcontractor shall indemnify, defend and hold harmless the Owner, Contractor, Operator, Developer, their respective parent and subsidiaries, and their respective agents, officers, employees, members and directors of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from performance of the Subcontractor's Work under this Subcontract, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent or intentional acts or omissions of the Subcontractor, the Subcontractor's sub-subcontractors, materialmen or suppliers, anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 6.7.

## 7. CHANGES IN THE WORK.

7.1. CONTRACTOR CHANGES. Contractor may at any time make changes in the Work either:

- (a) By written change order signed by Contractor and Subcontractor prior to commencement specifying the changes to be made and the increase or decrease in the Subcontract Sum and extension of time, if any; or
- (b) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that an equitable adjustment in the Subcontract Sum will be made, based on the time and materials to perform such changes; or
- (c) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that the Subcontract Sum shall be adjusted based on actual costs of performing such changes based on time and materials, plus a fixed fee, to be set in such change order.

Contract Number: 001

7.2. OBLIGATION TO PROCEED. Subcontractor shall proceed with the changes ordered so as not to delay the Work. In the event Contractor changes the Work pursuant to 7.1(b) above, Subcontractor shall file with Contractor within seven (7) days from the

date of such order Subcontractor's written itemized estimate for the cost of performing the changes to be made. If mutual agreement on the cost is reached, Subcontractor and Contractor will execute a written change order executed by the authorized officers or designees of

Contractor and Subcontractor. If mutual agreement cannot be reached and the changes are required by Contractor, the Work shall proceed and Subcontractor shall be entitled to a reasonable adjustment in the Subcontract sum and in the time for performance of the work to the extent such adjustments are focused by the Contractor's written change order. If the extra Work or changes are required by Contractor, Subcontractor does not waive its right by proceeding under protest provided it so notifies Contractor in writing within five (5) days from submittal of the itemized estimate referred to above.

7.3. COST AND TIME. Subcontractor shall respond to a proposed change within seven (7) days of request by Contractor. In the event that a Subcontractor change order response is not delivered to the Contractor by the date required, it shall be conclusively presumed that such proposed change does not result in a change in Subcontractor's cost or construction time, and all work and materials called for by the proposed change order shall be provided by Subcontractor at no additional cost or delay to Contractor. For changes in the work for which contractual unit prices, if any, do not apply, the Subcontractor shall submit an itemized breakdown of his estimated cost for such changes with the following percentages for overhead and profit combined: Fifteen percent (15%) on work performed by Subcontractor's own forces or by sub-subcontractors and five percent (5%) on work performed on behalf of Subcontractor by a sub-subcontractor.

#### 8. TERMINATION, REMEDIES FOR DEFAULT AND ASSIGNMENT OF THE SUBCONTRACT.

8.1. TERMINATION BY THE SUBCONTRACTOR. The Subcontractor may terminate the Subcontract if Contractor fails to pay to Subcontractors any sums due to Subcontractor within forty-five (45) days following the date such sums were due and payable to Subcontractor. Such termination shall only be effective if Subcontractor makes written demand for such payment to Contractor following the expiration of such forty-five (45) day period and Contractor fails to pay all sums then due and payable within ten (10) days following receipt of Subcontractor's demand. In the event of such termination by the Subcontractor, the Subcontractor shall be entitled to recover from the Contractor payment for Work executed to date of termination and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery (but not for anticipated profits).

#### 8.2. TERMINATION BY THE CONTRACTOR.

8.2.1. If the Subcontractor (i) fails or neglects to carry out the Work in accordance with the Subcontract or otherwise to perform in accordance with this Subcontract; and (ii) fails within thirty-six (36) hours after receipt of notice to correct such default or neglect, the Contractor, in addition to Contractor's remedies under Section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract.

8.2.2. For its convenience, the Contractor shall have the right to terminate this Subcontract for any reason by giving the Subcontractor written notice of termination. Such termination for the Contractor's convenience shall be effective upon Subcontractor's receipt of written notice of such termination. Termination for default, if wrongfully made, shall be treated as a termination for convenience. In the event that the Subcontractor is terminated for the convenience of the Contractor, the Subcontractor shall be paid a pro rata percentage of the Subcontract Sum equal to the percentage of Work in place, less payments theretofore received by the Subcontractor. In no event shall the Subcontractor be entitled to receive payment for anticipated profits for unperformed Work.

8.3. CONTRACTOR'S REMEDIES. Should Subcontractor (a) fail to correct, replace and/or re-execute faulty or defective Work and/or materials furnished under the Subcontract; (b) fail to complete or diligently proceed with the Work in accordance with the agreed upon schedule; (c) fail to correct or repair any damage to the Project caused by the acts or omissions of Subcontractor; or (d) otherwise be in default of any provision of the Subcontract, if such failure or default is not corrected, then Contractor shall have the right to correct, replace or otherwise remedy and such defect, deficiencies or delayed performance by any reasonable and expedient means, including taking over or supplementing Subcontractor's Work and materials and employing such additional labor, equipment and materials as may be necessary to cure the default and achieve compliance with the Subcontract. In such event, Contractor may deduct from any sums due to Subcontractor the cost of performing such work and correcting such deficiencies, plus overhead of fifteen percent (15%) of such cost. If payments then or thereafter due Subcontractor are not sufficient to cover such amount, Subcontractor shall promptly pay the difference to Contractor. The remedies of Contractor under this subparagraph are in addition to any other remedies available to Contractor under the Subcontract or available at law or in equity.

8.4. CONTRACTOR'S ADDITIONAL REMEDIES. Subcontractor shall reimburse Contractor for any loss, damage or extra expense paid or incurred by Contractor which is due to Subcontractor's failure to supply materials, labor, or to properly perform the Work in accordance with the Subcontract Documents. Subcontractor's failure to perform shall include the failure of its lower-tier subcontractors to perform. Subcontractor's liability shall include but not be limited to (1) damages and other delay costs payable by Contractor to the Owner; (2) Contractor's increased costs of performance, such as extended overhead and increased performance costs resulting from Subcontractor-caused delays or improper Subcontractor Work; (3) warranty and rework costs; (4) liability to third parties;

Contract Number: 001

(5) excess procurement costs; (6) consultants' fees; and (7) attorneys' fees and court costs. Contractor may take over any of Subcontractor's outstanding sub-subcontracts and purchase orders and take possession of all tools, equipment, scaffolds, material and supplies of Subcontractor which are on the Project site, in transit to, or especially manufactured for, the Work for use in completion of the Project. Contractor is hereby granted a lien on all such property to secure Subcontractor's performance under this Subcontract.

Subcontractor shall, upon request of Contractor, execute and deliver to Contractor all documents and take all such steps to effect the legal assignment of Subcontractor's contractual rights under such sub-subcontracts and purchase orders, but Contractor shall not be required to assume any of Subcontractor's outstanding obligations thereunder.

#### 8.5. ASSIGNMENT OF THE SUBCONTRACT.

8.5.1. In the event of termination of the Prime Contract by the Owner, the Contractor may assign this Subcontract to the Owner, with the Owner's agreement, subject to the provisions of the Prime Contract and to the prior rights of the surety, if any, obligated under bonds relating to the Prime Contract.

8.5.2. The Subcontractor shall not assign this Subcontract without the written consent of the Contractor, nor subcontract the whole or any portion of this Subcontract without the written consent of the Contractor.

#### 9. MUTUAL RIGHTS AND RESPONSIBILITIES.

The Contractor and Subcontractor shall be mutually bound by the terms of this Subcontract and, to the extent that provisions of the Prime Contract apply to the Work of the Subcontractor, the Contractor shall assume toward the Subcontractor all obligations and responsibilities that the Owner, under the Prime Contract, assumes toward the Contractor, and the Subcontractor shall assume toward the Contractor all obligations and responsibilities which the Contractor, under the Prime Contract, assumes toward the Owner and the Architect. The Contractor shall have the benefit of all rights, remedies and redress against the Subcontractor which the Owner, under the Prime Contract, has against the Contractor, and the Subcontractor shall have the benefit of all rights, remedies and redress against the Contractor which the Contractor, under the Prime Contract, has against the Owner, insofar as applicable to this Subcontract. Where a provision of the Prime Contract is inconsistent with a provision of this Subcontract, this Subcontract shall govern.

#### 10. PROGRESS PAYMENTS.

##### 10.1. APPLICATIONS FOR PAYMENT.

**SUBCONTRACTOR SHALL SUBMIT ALL REQUISITIONS AND APPLICATIONS FOR PAYMENT FOR PAYMENT PROCESSING TO: ERICKSON CONSTRUCTION, LLC; Michael James 115 Brinton Lake Road, Glen Mills, PA, 19342 OR TO SUCH OTHER ADDRESS AS CONTRACTOR MAY DIRECT.**

10.1.1. Based upon applications for payment submitted to the Contractor by the Subcontractor, corresponding to Applications for Payment submitted by the Contractor to the Owner, and Certificates for Payment issued by the Owner, the Contractor shall make progress payments on account of the Subcontract Sum to the Subcontractor as provided below and elsewhere in the Subcontract. Each application for payment shall be in the form attached hereto as Exhibit D, or such other form as may otherwise be requested by Owner, and must include a Partial Release of Liens in either the form attached hereto as Exhibit E, or such other form as may otherwise be requested by Owner, and with such detail substantiating Subcontractors right to payment.

10.1.2. The period covered by each application for payment submitted by Subcontractor shall be one (1) calendar month ending on the last day of the calendar month. Each application for payment must be based on actual work performed by or under Subcontractor through the 19th day of the month, and the reasonably estimated work to be performed by or under Subcontractor during the balance of the month.

10.1.3. Provided an application for payment is received by the Contractor not later than the 20th day of a month, the Contractor shall include the Subcontractor's Work covered by that application in the next Application for Payment which the Contractor is entitled to submit to the Owner. Subcontractor's progress payments shall be due and payable within ten (10) working days after the Contractor receives payment for the Subcontractor's Work from the Owner. If the Owner or Architect fails to issue a Certificate for Payment or the Owner fails to pay Contractor for Subcontractor's Work within forty-five (45) days following the applicable Application for Payment, and such failure is not the fault of the Subcontractor or Subcontractor's sub-subcontractors, the Contractor shall pay the Subcontractor, within ten (10) days following demand, a progress payment computed as provided in Section 10.2 of this Subcontract. Notwithstanding the foregoing, payments to Subcontractor may be withheld on account of (i) defective Work not remedied, (ii) claims filed, (iii) damage to Contractor or another subcontractor or (iv) failure to carry out the Work in accordance with the Subcontract.

10.1.4. If an application for payment is received by the Contractor on or after the 21st day of any calendar month, the Subcontractor's Work covered by such application shall be included by the Contractor in the next Application for Payment submitted to the Owner.

Contract Number: 001

10.1.5. Each application for payment shall be based upon the most recent schedule of values approved by the Contractor in accordance with Section 4.4 of this Subcontract. Applications for payment submitted by the Subcontractor shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Subcontractor's application for payment.

10.1.6. Subcontractor shall pay all claimants for all costs and expenses resulting from the performance of the Work and for all labor and materials used. Subcontractor is liable for and shall hold Contractor and Owner harmless from and indemnify Contractor and Owner for all court costs, attorney's fees and damages resulting from claims by sub-subcontractors and Subcontractor's suppliers and all liens and all claims of persons furnishing material or labor on behalf of Subcontractor in connection with the Work. Subcontractor shall deliver to Contractor with each application for payment recordable affidavits and lien releases or waivers acceptable to Contractor from Subcontractor and Subcontractor's sub-subcontractors and suppliers. In the event any person or entity claiming by, through or under Subcontractor notifies Contractor of any non-payment or seeks to encumber funds held by Contractor and payable to Subcontractor or files a lien or other claim against the Project, or Contractor's interest therein, Subcontractor shall within three (3) days notify Contractor if Subcontractor disputes such claim. If at any time a lien has been filed against Contractor, the Owner, the Project or any sums held by Contractor by any person or entity claiming through Subcontractor, Subcontractor shall, within seven (7) days of receipt of notice of such lien pay the claim and cause the lien to be released or shall file a bond in lieu of the payment of such lien and shall cause the lien to be released from the project.

10.1.7. Notwithstanding the foregoing, if such lien or claim is due solely to sums wrongfully held by Contractor, Subcontractor shall not have any obligation to hold harmless or indemnify Contractor against such lien or claim.

10.2. PROGRESS PAYMENTS. Subject to the provisions of the Subcontract, the amount of each progress payment shall be computed as follows:

10.2.1. Take that portion of the Subcontract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Subcontractor's Work by the share of the total Subcontract Sum allocated to that portion of the Subcontractor's Work in the schedule of values, less that percentage actually retained, if any, from payments to the Contractor on account of the Work of the Subcontractor;

10.2.2. Add that portion of the Subcontract Sum properly allocable to materials and equipment delivered and suitably stored at the site by the Subcontractor for subsequent incorporation in the Subcontractor's Work or, if approved in advance in writing by the Owner, suitably stored off the site at a location agreed upon in writing, less the same percentage retainage required by the Prime Contract to be applied to such materials and equipment in the Contractor's Application for Payment;

10.2.3. Subtract the aggregate of previous payments made by the Contractor; and

10.2.4. Subtract amounts, if any, calculated under Subparagraph 10.2.1 or 10.2.2 which are related to Work of the Subcontractor for which the Architect has withheld or nullified, in whole or in part, a Certificate of Payment for a cause which is the fault of the Subcontractor or Subcontractor's sub-subcontractors.

10.2.5. All periodic payments by Contractor shall be subject to a retainage, to be held by Contractor, of ten percent (10%) of the amount billed by Subcontractor. To the extent approved or permitted by Owner and any lender providing financing for all or any part of the Work, and if Subcontractor is in compliance with the terms of the Subcontract, the aggregate amount of the retainage, subject to offset for defects and deficiencies, shall be reduced to five percent (5%) upon the Work achieving fifty percent (50%) completion and acceptance thereof by Contractor and Owner. No periodic payment by Contractor shall be deemed to constitute acceptance of any faulty or defective Work.

10.3. STORED MATERIALS. Notwithstanding the provisions of Subsection 10.2., payment for stored materials may be conditioned on delivery to the Owner of bills of sale (which shall include a complete description, including photographs, bills of lading, serial numbers, warehouse receipts and/or inventories, as appropriate for Owner to identify the stored materials) and such other procedures satisfactory to Owner to establish the Owner's title and to insure and otherwise protect the Owner's interest in and to such stored materials, unless requested otherwise by Contractor. Subcontractor shall schedule the materials to prevent the arrival of major items well in advance of their incorporation into the improvements.

10.4. SUBSTANTIAL COMPLETION. When the Work or a designated portion thereof is substantially complete in accordance with the requirements of the Prime Contract, the Contractor shall, upon application by the Subcontractor, make prompt application for payment for such Work. Within thirty (30) days following issuance by the Owner of the Certificate for Payment covering such substantially completed Work, the Contractor shall, to the full extent allowed in the Prime Contract, make payment to the Subcontractor, deducting any portion of the funds for the Work withheld in accordance with the Certificate of Payment to cover costs of items to be completed or corrected by the Subcontractor. Such payment to the Subcontractor shall be the entire unpaid balance of the Subcontract Sum if a full release of retainage is allowed under the Prime Contract for the Work prior to the completion of the entire Project. If the Prime Contract does not allow for a full release of retainage, then such payment shall be an amount which, when added to previous payments to the Subcontractor, will reduce the retainage on the Subcontractor's substantially completed Work to the same percentage of retainage as that on the Contractor's work covered by the Certificate of Payment.



Contract Number: 001

## 11. FINAL PAYMENT.

11.1. TIME. Subject to the provisions of Section 10.4, final payment, constituting the entire unpaid balance of the Subcontract Sum, shall be made by the Contractor to the Subcontractor when the Work is fully performed in accordance with the

requirements of the Subcontract, Subcontractor has filed a final application for payment, the Owner has issued a Certificate for Payment covering the Subcontractor's completed Work and the Contractor has received payment from the Owner. If a Certificate for Payment is not issued within forty-five (45) days of Contractor's application for payment, or the Contractor does not receive from the Owner payment within forty-five (45) days of Contractor's application for payment, and such payment is otherwise due to Subcontractor and such failure is not due to any fault of Subcontractor, final payment to the Subcontractor shall be made upon demand.

11.2. LIEN WAIVERS. Final payment shall not be due until Subcontractor has delivered to Contractor a complete, recordable affidavit and release of all liens arising out of this Subcontract, in the form attached hereto as Exhibit F, or such other form as may otherwise be requested by Owner, covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Contractor indemnifying Contractor and the Project against any and all lien(s). If any lien remains unsatisfied after all payments are made, Subcontractor shall refund to Contractor all monies the latter may be compelled to pay in discharging such lien, including all court costs and expenses and reasonable attorney's fees. The acceptance of final payment shall constitute a release of all claims by Subcontractor except those previously made in writing and identified by Subcontractor as unsettled at the time of the final application for payment.

11.3. EVIDENCE OF PAYMENT. Before issuance of the final payment, the Subcontractor, if required, shall submit evidence satisfactory to the Contractor that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Subcontractor's Work have been satisfied.

11.4. SUB-SUBCONTRACTORS AND PROVIDERS. Subcontractor shall keep Contractor informed of all sub-subcontractors, and all materials and/or service providers of any tier who provide materials or service for any part of the Work in excess of One Thousand Dollars (\$1,000.00) by completing, submitting and updating as appropriate Exhibit G attached hereto.

11.5. ADVANCE WAIVER OF LIENS. To the greatest extent permitted by law, Subcontractor hereby waives in advance of any rights Subcontractor may have by statute, law, rule, regulation or otherwise to assert or maintain any lien on the Owner's interest in the property consisting of the Project. This waiver is given knowingly and voluntarily, and after opportunity to consult with Subcontractor's attorney.

## 12. INSURANCE AND BONDS.

### 12.1. COVERAGES.

12.1.1. Before the Subcontractor commences any Work pursuant to this Subcontract, the Subcontractor shall obtain and maintain throughout the term of the Subcontract, insurance of the types and in the minimum amounts set forth on Exhibit H. Self-insured retentions and/or deductibles may not be more than Ten Thousand Dollars (\$10,000.00). Acceptance of any insurance by Contractor shall not relieve or decrease the liability of the Subcontractor.

12.1.2. Coverages must be maintained with financially secure insurance companies licensed to do business in the State where the Project is located, have a Best's Guide Rating of not less than A-VI and must otherwise be acceptable to Owner and Contractor. Coverage must be maintained without interruption from date of commencement of the Work until date of final payment, and Contractor, Developer, Owner, and the Operator, their parent and subsidiary companies, together with their employees, officers agents, members and directors shall be named as additional insureds under Subcontractor's Commercial General Liability policy, Automobile liability policy, Products/Completed Operations Coverage and the Umbrella/Excess Insurance. The additional insured coverage is to be provided by ISO form CG20100704, CG20370704, CG2011, or its equivalent, a copy of which will be provided with the certificate of insurance. All such policies shall apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs afforded to the indemnities and/or additional insured's identified within this Agreement.

12.1.3. Certificates of insurance acceptable to the Contractor, together with all appropriate endorsements, shall be filed with the Contractor prior to commencement of the Subcontractor's Work, and at least ten (10) days prior to the expiration of any policy. These certificates and the insurance policies required by this Article 12 shall contain an endorsement that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the Contractor. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 11. If requested by Contractor, Subcontractor shall provide certified copies of all such policies to Contractor within ten (10) days of such request. Subcontractor must immediately notify Contractor of any reduction or restriction in the required insurance that takes place during the term of the Subcontract, and/or in the event the insurer notifies the Subcontractor of its intent not to renew coverage.

12.1.4. The Contractor shall furnish to the Subcontractor upon demand, satisfactory evidence of insurance required of the Contractor under the Prime Contract.

Contract Number: 001

12.1.5. If Subcontractor fails to secure and maintain the required insurance, Contractor shall have the right (without any obligation to do so, however) to secure same in the name and for the account of the Subcontractor in which event the Subcontractor shall pay the costs thereof to Contractor upon demand and furnish upon demand all information that may be required in connection therewith.

12.1.6. The insurance provisions of this Subcontract shall not be construed as a limitation on the Subcontract's responsibilities and liabilities pursuant to the terms and conditions of the Subcontract, including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein.

12.1.7. The Subcontractor shall not make changes in or allow the required insurance coverages to lapse without the Contractor's prior written approval thereto.

12.2. **WAIVERS OF SUBROGATION.** The Contractor and Subcontractor waive all rights against (1) each other and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, each of the other, and (2) the Owner, Developer, Operator, and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, for damages caused by fire or other perils to the extent covered by property insurance provided under the Prime Contract or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by the Owner as fiduciary. The Subcontractor shall require of the Subcontractor's sub-subcontractors, agents and employees, by appropriate agreements, written where legally required for validity, similar waivers in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

12.3. The Contractor shall promptly, upon request of the Subcontractor, furnish a copy or permit a copy to be made of any bond covering payment of obligations arising under the Subcontract.

12.4. **Performance Bond and Payment Bond:**

Contractor expressly Bond Required the payment and performance bonds. All bonds must be in the AIA312 format or equal. Cost of bond is on bonding company's invoice at standard rates. Subcontractor must include the name of the Owner and Lender on all bonds as a dual obligee. Subcontractor can provide this information through a dual obligee rider. Two original copies of all bonds are required and should be forwarded to the Corporate Office located at 991 Corporate Boulevard, Linthicum, MD 21090.

Unless waived by Contractor in this Subsection 12.4, prior to the commencement of the Work, Subcontractor shall pay for and deliver to Owner acceptable, statutory payment and performance bonds in the full amount of the Subcontract sum issued by a surety acceptable to Owner.

13. **SETTLEMENT OF DISPUTES.**

13.1. In the event of any dispute involving the Work performed or to be performed, Contractor shall issue a decision which shall be followed by Subcontractor, without interruption, deficiency, or delay. If Subcontractor does not agree with such decision, Subcontractor may make a claim under Section 7.3. and the matter shall be resolved as set forth in Article 13.2. or 13.3. as applicable. If the Subcontractor prevails, Subcontractor's sole remedy shall be an equitable adjustment determined as provided in Section 13.2. or 13.3. as applicable. In addition to notice required by Article 9 or the Subcontract Documents, notification of any claim for the equitable adjustment must be asserted in writing not later than ten (10) days after Subcontractor's knowledge of the claim, and if Section 13.2. is applicable, within sufficient time to allow Contractor to give notice to the Owner under the Subcontract Documents.

13.2. In case of any dispute between Contractor and Subcontractor, in any way relating to or arising from any act or omission of the Owner or involving the Subcontract Documents, Subcontractor agrees to be bound to Contractor to the same extent that Contractor is bound to the Owner, by the terms of the Subcontract Documents, and by any and all preliminary and final decisions or determinations made thereunder by the party, board or court so authorized in the Subcontract Documents or by law, whether or not Subcontractor is a party to such proceedings. In case of such dispute, Subcontractor will comply with all provisions of the Subcontract Documents allowing a reasonable time for Contractor to analyze and forward to the Owner any required communications or documentation. Contractor will, at its option, (1) present to the Owner, in Contractor's name, or (2) authorize Subcontractor to present to the Owner, in Contractor's name, all of Subcontractor's claims and answer the Owner's claims involving Subcontractor's Work, whenever Contractor is permitted to do so by the terms of the Subcontract Documents. Contractor will further invoke on behalf of Subcontractor, or allow Subcontractor to invoke, those provisions in the Subcontract Documents for determining disputes. If such dispute is prosecuted or defended by Contractor, Subcontractor, at its own expense, agrees to furnish all documents, statements, witnesses, and other information required by Contractor and to pay or reimburse Contractor for all costs incurred by Contractor in connection with the dispute including attorneys' fees and court costs.

Contract Number: 001

13.3. To the extent not resolved under Section 13.2 above, any dispute between Contractor and Subcontractor shall, at Contractor's sole option, be decided by litigation. DUE TO THE SPECIALIZED NATURE OF CONSTRUCTION LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY.

14. MISCELLANEOUS PROVISIONS.

14.1. GENERAL CONDITIONS. Where reference is made in this Agreement to a provision of the General Conditions or another Subcontract Document, the reference refers to that provision as expressly amended or supplemented by other provisions of the Subcontract Documents.

14.2. MERIT SHOP. The Subcontractor acknowledges that this Project is being built as a "Merit Shop" project, and therefore is not under jurisdiction of union work rules. The Subcontractor agrees to comply with the work rules as established by Contractor, and not to interfere with the employees or work of Contractor or other subcontractors and suppliers involved with this Project. Failure to comply with this provision may result in termination of the Subcontract at the sole discretion of Contractor.

14.3. PRIVACY. Until Subcontractor's obligations under this Subcontract are completely fulfilled, Subcontractor agrees not to perform any Work directly for the Owner or deal directly with the Owner's representatives in connection with the Project, unless otherwise directed in writing by Contractor. All Work for this Project performed by Subcontractor shall be processed and handled exclusively by Contractor.

14.4. VEHICLES. All vehicles are to be operated in accordance with the traffic and parking rules and regulations of the Operator and the Contractor. Violation of these rules may result in the vehicle being towed at the owner's expense, and the vehicle and operator being banned from the site. All workers authorized to park within the site must obtain parking passes from the Contractor's office and must display the parking passes whenever the vehicle is on the site. Subcontractor's employees, agents and sub-subcontractors may park vehicles only in areas on or off-site as designated for parking by Owner or Contractor.

14.5. RESIDENTS OF RETIREMENT COMMUNITY. The safety and protection of the residents of the Project is of paramount importance to the Contractor. Subcontractor, its workers, suppliers, and sub-subcontractors must adhere to all traffic regulations, noise restrictions, and other safety standards established by the Contractor and the Operator. Residents of the Project must be treated with courtesy and respect at all times. In the event that the buildings are occupied while the Subcontractor is performing work on the Project, all courtesy is to be extended to the residents and precautions taken to avoid any disruption or inconvenience during this usage.

14.6. SIGNS. No signs may be placed on any portion of the site and/or building without written permission of Owner.

14.7. COMMUNICATIONS. It is agreed and understood that all communications by or through Subcontractor to the Architect, Engineer, Owner, Developer or any representative thereof shall be made through Contractor.

14.8. EXAMINATION OF PRIOR WORK. Subcontractor shall carefully examine the work of others which may affect the Work and shall notify Contractor in writing, completely detailing and supporting any apparent deficiencies therein before performing the Work; otherwise, such other Work shall be deemed acceptable to Subcontractor and Subcontractor shall be deemed to have waived all claims with respect thereto.

14.9. INVALIDITY. If any provision of the Subcontract is found to be invalid, unenforceable or unlawful, such provision shall be enforced in such manner as shall most nearly affect the intent of the parties and yet conform to the law applicable thereto and the remainder of the Subcontract Documents shall remain in full force and effect.

14.10. NOTICES. Except as stated in Section 10.1 of this Agreement, all notices, requests, approvals and other communications required or permitted to be delivered under the Subcontract must be in writing and shall be effective upon: (a) the date of delivery if hand-delivered to the other party or forwarded by facsimile to a number provided and authorized for delivery of notices by the receiving party; (b) the date of transmission if sent by telegram; (c) the date after mailing if sent by overnight commercial carrier; or (d) three (3) business days after mailing if sent by U.S. mail. Except for the use of facsimiles, if permitted, all notices must be sent to the addresses listed in the introductory paragraph of this Agreement, or to such other address as may be expressly designated in writing by either party as the correct address for notices, requests, approvals and other communications.

14.11. INDEPENDENT CONTRACTOR. Subcontractor is an independent contractor and hereby assumes all of the rights, duties, obligations and liabilities thereby arising.

14.12. WAIVER. Any failure by Contractor at any time or from time to time to enforce or require the strict performance of any of the terms or conditions hereof shall not affect or impair Contractor's right to at any time thereafter avail itself of the remedies available for the subsequent breach of such terms or conditions.

14.13. GOVERNING LAW. The Subcontract shall be governed by the law of the State in which the Project is located. No presumption shall be deemed to exist in favor of or against either party as a result of the preparation and/or negotiation of the Subcontract.

Contract Number: 001

The Subcontract and Subcontract Documents are subject to the Contract between the Owner and Contractor, the General Conditions, and the Additional Supplementary General Conditions.

14.14. EQUAL OPPORTUNITY. Subcontractor agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, handicap or national origin.

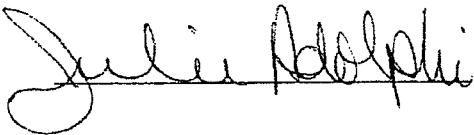
14.15. CONTRACTOR AND SUBCONTRACTOR PAYMENT ACT. Duties and obligations imposed by the Contract Documents and the rights and remedies available there under shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available at law or in equity. Notwithstanding the foregoing, Subcontractor, Contractor and Owner agree that this Agreement shall govern Owner's payment obligations to Contractor and Contractor's payments to Subcontractor and shall control over any contrary or additional obligations or requirements issued by the Pennsylvania Contractor and Subcontractor Payment Act, 73 P.S. §502 et seq. (the "Payment Act"), including but not limited to requirements in the Payment Act for certain notices to Subcontractor and imposing certain limitations, interest, penalties, and attorneys fees. To the greatest extent permitted by law, Subcontractor, Contractor and Owner waive the provisions of the Payment Act as it may relate to this Agreement, the Work or any additional work performed by Subcontractor or Contractor with respect to the Project

14.16. EXHIBITS. The following exhibits are attached hereto:

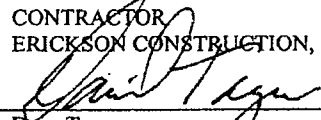
Type	Description
Exhibit A	Exhibit A Drawing Log
Exhibit B	Exhibit B Scope
Exhibit C	Exhibit C SOV
Exhibit D	Exhibit D Pay App
Exhibit D-1	Exhibit D1 Pay App Instructions
Exhibit E	Exhibit E Partial Release
Exhibit F	Exhibit F Final Release
Exhibit E-1 & F-1	Instructions for Exhibits E & F
Exhibit G	Exhibit G Vendor List
Exhibit G-1	Exhibit G1 Vendor List Instructions
Exhibit H Sch D	Exhibit H Schedule D
Exhibit I	Exhibit I Payment Bond
Exhibit J	Exhibit J Performance Bond
Exhibit K	Amendment to Subcontract Agreement for Allan A. Myers, LP

This Agreement entered into as of the day and year first written above.

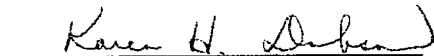
WITNESS:



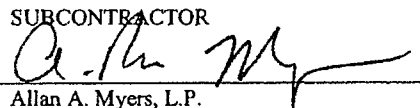
CONTRACTOR  
ERICKSON CONSTRUCTION, LLC

By:   
Dave Tague  
Vice President of Construction

Dated: 10/7/05



SUBCONTRACTOR

By:   
Allan A. Myers, L.P.  
~~Tim Casey~~ A. Ross Myers  
Vice President CEO

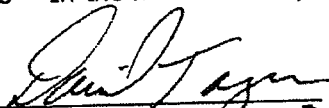
Dated: 10/4/05

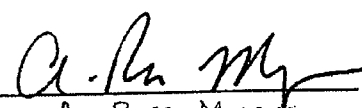
## Exhibit "K"

### Amendment to Subcontract Agreement for Allan A. Myers, LP

- 2.4 Change Article 2.4 to read as follows, "Subcontractor represents that it is fully qualified to perform the Work of this Subcontract and acknowledges that, prior to the execution of this subcontract, it has visually inspected the conditions involved in performing the Work and the obligations of this Subcontract and the Contract Documents and that it has reviewed information furnished by the Contractor or others. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder. Subcontractor is relying on the information provided by the Owner."
- 3.1.3 Add the words "mutually agreed upon" to the first sentence in front of the word "Contractor's". Add to the last sentence after the words "Subcontract Documents", "but only to the extent such failure is within its control."
- 6.2.4 At the end of the third sentence, after the word "satisfactory" add "as being in compliance with the subcontract documents."
- 6.2.5 In the last sentence, change "executive officer of Contractor" to "Director of Construction of Contractor."
- 6.2.6 At the end of the last sentence, replace period with a comma after the word "possession" then add "but only to the extent not caused by Owner, Developer, Operator, Contractor or anyone else they are responsible for."
- 6.2.7 In the first sentence, replace the words "the necessary time sequence" with "accordance with the mutually agreed upon schedule".
- 6.2.8 In the first sentence, add the words "Owner, Developer, Operator" between the words "of" and "Contractor".
- 6.3.1 At the end of the last sentence, change period to a comma and add the words "unless otherwise specified herein."
- 6.5 In the third sentence, change "twenty five percent (25%)" to "fifteen percent (15%)" and after the word "same", remove period and add "within three (3) business days."
- 6.6 In the third sentence, change "Final Payment" to "substantial completion" and "six (6)" to "twelve (12)" and "the discovery of such latent defect." to "final payment." Add to the end of the paragraph the sentence "The Subcontractor's Warranty does not include remedies for defects or damages caused by other parties use of the Work for which it was not intended, improper use of equipment, damages caused by normal wear and tear during normal usage, improper or insufficient maintenance or modifications performed by Owner or others."

- 8.2.1 Change item (ii) to read " fails within forty-eight (48) hours written notice to correct or provide sufficient cure schedule for such default or neglect, the Contractor, in addition to Contractor's remedies under section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract."
- 8.3 At the end of the last sentence add "Notwithstanding, Subcontractor shall be given forty-eight (48) hours written notice to correct deficiency or provide cure schedule acceptable to Contractor and Owner before any such right is exercised."
- 8.4 In the fourth sentence, delete the words "tools, equipment". Delete the last sentence of the first paragraph of this Article.
- 10.1.3 In the third sentence, add the word "only" between "may" and "be". At the end of the paragraph, add the sentence, "Any such amounts withheld will be paid within thirty (30) days of remedy."
- 10.1.6 Add sentence to the end of this Article. "Notwithstanding, Subcontractor's obligation hereunder only apply to the extent it has received payment for any such claimed funds."
- 10.2.5 After the word "Owner" in the second sentence add the sentence "Upon reduction to 5% retention, the Subcontractor, at his option, may provide a retention bond for the balance of the retained funds in lieu of continuing withholding retention."
- 10.4 At the end of the paragraph, add new sentences, "Contractor may designate portions of the Work for substantial completion that coincide with turnover dates of buildings within each site work phase. All retainage sums held less an amount equal to one hundred fifty percent (150%) of the value of written punch lists, if any, shall be due for payment within thirty (30) days of the date of substantial completion of the Work as defined herein."
- 11.4 Change "One Thousand Dollars (\$1,000.00)" to "Ten Thousand Dollars (\$10,000.00)".
- 12.1.1 Delete the second sentence.
- 13.2 Delete this Article and references to this Article in 13.1 and 13.3.
- 13.3 In the first sentence, delete the words "at Contractor's sole option".

By   
Name DAVID TRAGUE  
Title VP CONSTRUCTION  
Date 10/7/05

By   
Name A. Ross Myers  
Title CEO  
Date 10/4/05

**Transmittal**

**Project** [512-SW1.2] - Marls Grove  
SW 1.2 Loop Road /  
Evergreen Drive

**View Date** 3/1/2006

Erickson Construction, L.L.C.  
115 Brinton Lake Road  
Glen Mills, PA 19342  
Phone: (484) 840-2840  
Fax: (484) 840-2843

**Transmittal No.** 512-  
SW1.2-00001

<b>To</b> Mr Jim Newnam Allan A. Myers, L.P. 300 Evergreen Dr. Concord, PA 19342 Phone: (484) 840-2945 Fax: (484) 840-2947	<b>Date</b> 3/1/2006 <b>Items listed are being sent</b> <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Under Separate Cover <b>Via</b> Hand Delivered
<b>From</b> Mr. Michael James (Erickson Construction, L.L.C.)	
<b>Subject</b> Evergreen Drive/Loop Road Contract	

We are transmitting the following to you:

- |   |  |   |  |                                  |
|---|--|---|--|----------------------------------|
| <input type="checkbox"/> Product Data           | <input type="checkbox"/> Samples       | <input type="checkbox"/> Shop Drawings  | <input type="checkbox"/> O&M Manuals         | <input type="checkbox"/> Plans   |
| <input type="checkbox"/> Architectural Drawings | <input type="checkbox"/> Letters       | <input type="checkbox"/> Specifications | <input type="checkbox"/> Prints              | <input type="checkbox"/> Addenda |
| <input type="checkbox"/> Engineering Drawings   | <input type="checkbox"/> Change Orders | <input type="checkbox"/> Submittal      | <input checked="" type="checkbox"/> Contract |                                  |

**Remarks** Evergreen Drive/ Loop Road

Received By

Printed Name

Date

Contract Number: 001

Sub: Allan A. Myers, L.P.  
Cost Code: 512-SW1.2-48400-02-2000**SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR**

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of 1/25/2006 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Michael James; and Allan A. Myers, L.P. (the "Subcontractor"), having an address of 1805 Berks Road, Worcester, PA, 19490.

**RECITALS**

A. The Contractor has made a contract for construction dated as of 2/2/2006 (the "Prime Contract") with Concord Campus, LP (the "Owner"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228. A copy of the Prime Contract containing all provisions applicable to Subcontractor shall be made available to the Subcontractor, upon request, in Contractor's general offices.

B. The Prime Contract is for the provision of labor, materials and services in connection with the construction of Maris Grove SW 1.2 Loop Road / Evergreen Drive, 115 Brinton Lake Road, being part of a project known as Maris Grove, located in Glen Mills, PA (the "Project").

C. The Architect for the Work (as such term is defined in Section 2.1 below) is Bohler Engineering, Inc. (the "Architect"), having an address of 1600 Manor Drive, Chalfont, PA, 18914.

D. The Developer of the Project is Erickson Retirement Communities, LLC (the "Developer"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

E. The Operator of the Project is Maris Grove Inc. (the "Operator"), having an address of 701 Maiden Choice Lane, Baltimore, Maryland 21228.

NOW THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, the Contractor hereby agrees to hire the Subcontractor to perform the Work, and the Subcontractor hereby agrees to perform the Work, on the terms and conditions hereinafter set forth in this Subcontract.

**1. THE SUBCONTRACT DOCUMENTS.**

1.1. The Subcontract Documents consist of (1) this Subcontract; (2) provisions of the Prime Contract applicable to the Work, (including all General Conditions to the Prime Contract, and all Drawings and Specifications, as such terms are defined in the Prime Contract); (3) other documents listed in Section 1.2 below; and (4) modifications to this Subcontract issued after execution of this Subcontract. To the extent any terms of this Subcontract are in conflict with the terms of the Prime Contract, the terms of this Subcontract shall control. The Subcontract Documents form the Subcontract, and are as fully a part of this Subcontract as if attached to this Subcontract or repeated herein. The Subcontract represents the entire and integrated Subcontract between the parties hereto and supersedes all prior negotiations, representations or Subcontracts, either written or oral. All initially capitalized terms used herein, unless otherwise defined in this Subcontract, shall have the meanings given such terms in the Prime Contract.

1.2. To the extent not listed directly above, the Subcontract Documents, except for Modifications issued after execution of this Subcontract, are enumerated as follows: (on Exhibit A attached hereto)

**2. THE WORK OF THIS SUBCONTRACT.**

2.1. The term "Work" shall mean and refer to all labor, supervision, materials and services scaffolding, tools, equipment, supplies, hoisting, vertical transportation and all other things necessary for the construction and completion of the work described in Exhibit B and work incidental thereto, in strict accordance and full compliance with the terms of the Subcontract Documents (which are hereby incorporated by reference) and this Subcontract and to the satisfaction of Contractor and the Owner.

2.2. The Subcontractor shall execute the Work described below (or if noted below, on Exhibit B attached hereto), including but not limited to, all labor, materials, equipment, services and other items required to complete such portion of the Work, except to the extent specifically indicated in the Subcontract to be the responsibility, of others:

- Exhibit B, Description of work, attached.
- The Work consists of Sitework.

2.3. Subcontractor shall carefully examine the Subcontract Documents and shall promptly notify Contractor in writing of any deficiencies, discrepancies, ambiguities or errors before proceeding with the Work.



Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

2.4 Subcontractor represents that it is fully qualified to perform this Subcontract, and acknowledges that, prior to the execution of this Subcontract, it has (a) by its own independent investigation ascertained (i) the Work required by this Subcontract, (ii) the conditions involved in performing the Work, and (iii) the obligations of this Subcontract and the Contract Documents; and (b) verified all information furnished by Contractor or others satisfying itself as to the correctness and accuracy of that information. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder.

### 3. CONSTRUCTION SCHEDULE.

3.1. DATE OF COMMENCEMENT. The date of commencement shall be the date of this Subcontract, as first written above, unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Contractor:

Date of Commencement: 1/30/2006

3.1.1. From time to time throughout the term of this Subcontract, the Contractor shall provide the Subcontractor with copies of the Contractor's construction schedule and schedule of submittals, together with such additional scheduling details as will enable the Subcontractor to plan and perform the Work properly. The Subcontractor shall be notified promptly of subsequent changes in the construction and submittal schedules and additional scheduling details.

3.1.2. If requested by Contractor, Subcontractor shall submit detailed schedules for performance of the Subcontract, in a form acceptable to Contractor, which shall comply with all scheduling requirements of the Subcontract Documents. Contractor may from time to time, at its sole discretion, direct Subcontractor to make reasonable modifications and revisions in such schedules.

3.1.3. Subcontractor will proceed with the Work in a prompt and diligent manner, in accordance with Contractor's schedules as reasonably amended from time to time. Subcontractor shall be liable to Contractor for failure to adhere to Contractor's construction schedules including amendments even if such schedules differ from schedules set forth in the Subcontract Documents or the time of completion called for by the Subcontract Documents.

3.1.4. Subcontractor shall be entitled to additional compensation for compliance with schedule amendments or damages for delay only to the extent the Subcontract Documents entitle Contractor to damages or to a contract adjustment increasing the price of the Prime Contract.

3.2. SUBMITTALS. Subcontractor shall make all submittals required by this Subcontract, including shop drawings, test reports, and certificates, within seven (7) days following the Date of Commencement. Subcontractor must revise and resubmit any submittals within seven (7) days after such items are returned to Subcontractor for correction.

### 3.3. SUBSTANTIAL COMPLETION.

3.3.1. The Project shall be substantially completed not later than 9/6/2006, ("Substantial Completion") subject to adjustments as provided in the Subcontract Documents (see Exhibit B attached hereto for details). Subcontractor must complete its Work on the Project in the necessary time sequence to assure that the Project, including the Work and the work of Contractor and all other subcontractors on the Project, is substantially completed by the date listed above in this Section 3.3.1.

3.4. TIME IS OF THE ESSENCE. Time is of the essence of this Subcontract, subject to any applicable notice and cure periods provided in the Subcontract.

### 4. SUBCONTRACT SUM.

4.1. SUBCONTRACT SUM. The Contractor shall pay the Subcontractor in current funds for performance of the Subcontract the Subcontract Sum of One million one hundred sixty-two thousand two hundred twenty dollars (\$1,162,220.00) subject to additions and deductions as provided in the Subcontract.

### 4.2. ALTERNATES.

4.2.1. The Subcontract Sum includes the following alternates, (or if noted below, as set forth on Exhibit C attached hereto), if any, which are described in the Subcontract and have been accepted by the Owner and the Contractor:

  X   See Exhibit C attached.

       Alternates are included in Exhibit C attached:

4.2.2. Contractor reserves the right to have Subcontractor provide the following alternates (or, if noted, as set forth on Exhibit C attached hereto, which alternates are not included in the Subcontract Sum.

Contract Number: 001

Sub: Allan A. Myers, L.P.  
Cost Code: 512-SW1.2-48400-02-2000☒ See Exhibit C attached.☐ Reserved Alternates are defined in Exhibit C attached:

4.3. UNIT PRICES. Unit prices, if any (inclusive of overhead and prices), are as follows (or, if noted, as set forth on Exhibit C attached hereto):

☒ See Exhibit C attached.☐ Unit Prices are detailed in Exhibit C attached:

4.4. ESTIMATED COST OF THE WORK. The schedule of values breakdown of the amount of the Subcontract Sum is attached hereto as Exhibit C, unless noted otherwise below in this Section 4.4. The schedule of values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract. If the Schedule of Values is not attached hereto, Subcontractor shall submit to Contractor the Schedule of Values in form similar to AIA G703 format within ten (10.) days of request of Contractor for Contractor's approval. When approved, the Schedule of Values shall be used by Subcontractor to apply for all payments due to Subcontractor under this Subcontract.

☒ Estimated Cost of Work is not attached hereto.

## 5. CONTRACTOR.

### 5.1. SERVICES PROVIDED BY THE CONTRACTOR.

5.1.1. The Contractor shall provide suitable areas for storage of the Subcontractor's materials and equipment during the course of the Work, to the extent such areas are readily available, from time to time.

5.1.2. If Contractor has available and Subcontractor elects to use Contractor's equipment or facilities, an agreed price in writing must be made before such use. Subcontractor shall make its own determination before commencing to use such equipment or facilities that such equipment or facilities are adequate and safe for the Work to be performed. Such equipment and facilities shall be accepted by Subcontractor in "AS-IS" condition without warranty or representation by Contractor as to their condition or adequacy to perform the respective function. Subcontractor agrees that all personnel operating or using such equipment or facilities shall be qualified and properly trained in the operation and use of such equipment or facilities. Subcontractor agrees to return the equipment and facilities to Contractor at the conclusion of the use in as good a condition as received. In the event that any such equipment is damaged while in the possession of Subcontractor, Contractor shall be entitled to exercise Contractor's remedies under Section 8.3 of this Agreement.

## 6. SUBCONTRACTOR.

6.1. LICENSE. The Subcontractor represents to Contractor that Subcontractor is duly licensed to perform the Work in the jurisdiction where the Project is located. Subcontractor represents that Subcontractor's License Number is See attached, Registration Number N/A, and Sales or Tax Registration Number is 23-3083827, and that all such licenses and registrations shall be maintained in full force and effect throughout the term of Subcontractor's obligations under the Subcontract, including any warranty obligations.

### 6.2. EXECUTION AND PROGRESS OF THE WORK.

6.2.1. The Subcontractor shall cooperate with the Contractor in scheduling and performing the Subcontractor's Work to avoid conflict, delay in or interference with the work of the Contractor, other subcontractors or Owner's own forces. Subcontractor is obligated to assure that all workmen of Subcontractor work in harmony with all other workmen on the Project.

6.2.2. The Subcontractor shall promptly submit Shop Drawings, Product Data, Samples and similar submittals required by the Subcontract with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Contractor or other subcontractors.

6.2.3. The Subcontractor shall furnish to the Contractor periodic progress reports on the Work of this Subcontract upon request of Contractor, including information on the status of materials and equipment which may be in the course of preparation or manufacture.

6.2.4. The Subcontractor shall complete all of its work in a good and workmanlike manner. The Subcontractor agrees that the Owner will have the authority to reject Work which does not conform to the Prime Contract or to the Subcontract. The Subcontractor shall, at Subcontractor's cost, replace or, if approved by the Owner, repair any defective work and repeat tests as necessary, at Subcontractor's cost, until all Work is proven satisfactory.

 Sub: am

Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

6.2.5. The Subcontractor shall, at Subcontractor's sole cost and expense, supply adequate tools and equipment, and shall also at all times supply and promptly pay for a sufficient number of properly skilled workmen and for a sufficient amount of materials and supplies of proper quality to prosecute efficiently and promptly the Work in accordance with the requirements of the Subcontract and in accordance with a mutually agreed upon schedule. Subcontractor hereby acknowledges that the Project will be built on an accelerated basis and Subcontractor acknowledges that it has taken such accelerated schedule into account for meeting the requirements of this Subcontract. If, in Contractor's reasonable opinion, Subcontractor fails to maintain the progress of its Work in accordance with the agreed upon schedule, Contractor may require Subcontractor to accelerate Subcontractor's performance by use of overtime work, work on Saturdays, Sundays, and Holidays, all without additional compensation, if, in the reasonable opinion of Contractor, such additional work is necessary to maintain proper progress of Subcontractor's Work. Upon request of Contractor, Subcontractor shall submit evidence satisfactory to Contractor evidencing the Subcontractor's ability to comply with the agreed upon schedule. No overtime or charges for an accelerated Construction Schedule shall be paid by Contractor unless specifically agreed to in writing by an executive officer of Contractor before the overtime is performed.

6.2.6. The Subcontractor shall take necessary precautions to protect the work of other subcontractors from damage caused by operations by the Subcontractor. Subcontractor shall be responsible for and protect the Work in place from the elements and all other causes of damage until completion and final acceptance by Contractor and shall adequately store and protect its own materials and materials furnished it by Owner, Contractor and other suppliers. Subcontractor will use without unreasonable waste any materials or equipment furnished by the Owner, Contractor or other suppliers and will pay for any damage to such material or equipment sustained during Subcontractor's use or possession.

6.2.7. Subcontractor shall install all necessary equipment and materials in the necessary time sequence, (except at scheduled temporary omissions and leapfrog areas), and prior to close-in of any area so as to maintain the progress of the Work and the Project and eliminate any rework to install materials or equipment out of sequence. The Subcontractor shall bear any cost related to installation of materials or equipment that is installed out of sequence, unless such out of sequence work is directed or authorized in writing by Contractor. The Subcontractor shall participate in the preparation of coordinated drawings in areas of congestion, specifically noting and advising the Contractor of potential conflicts between the Work of the Subcontractor, the Contractor, and other subcontractors or the Owner's own forces. Subcontractor shall be represented on the Project while the Work is in progress by a competent full-time supervisor satisfactory to Contractor.

6.2.8. Should Subcontractor's performance of the Work be delayed by any acts of Contractor, Contractor's other contractors or Contractor's suppliers, Subcontractor shall receive an equitable extension of time for the performance of the Work, but shall not be entitled to any increase in the Subcontract Sum or to damages or additional compensation as a consequence of such delays, and Subcontractor hereby waives any claim for any such increase, damages or additional compensation.

6.2.9. Subcontractor shall complete all Work in accordance with the mutually agreed upon schedule. No extensions of time or provision for additional costs will be allowed for weather related delays unless Subcontractor submits in writing within seven (7) days from the date incurred, a claim for delay resulting from inclement weather. Contractor may, in its sole discretion, approve or disapprove a claim for delay.

### 6.3. LAWS, PERMITS, FEES AND NOTICES.

6.3.1. The Subcontractor shall provide all notices and comply with all Federal, state or local laws, ordinances, building codes, rules, regulations and orders of public authorities bearing on performance of the Work of this Subcontract. The Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's Work, the furnishing of which is required of the Contractor by the Prime Contract.

6.3.2. Subcontractor shall be liable to Contractor, Developer, Operator and the Owner for all loss, cost and expense attributable to any acts of commission or omission by Subcontractor, its employees and agents, and lower-tier subcontractors resulting from failure to comply with any Federal, state or local laws, building codes, ordinances or regulations including, but not limited to, any fines, penalties or corrective measures.

6.3.3. Except as otherwise provided by the Subcontract Documents, Subcontractor agrees to pay, comply with, and hold Contractor, Developer and Operator harmless from all social security, state unemployment, welfare fees, and all other Federal, State and local taxes (including sales and use taxes) and fees of every nature applicable to the Work including penalties or any interest.

### 6.4. SAFETY PRECAUTIONS AND PROCEDURES.

6.4.1. The Subcontractor shall take all appropriate precautions with respect to performance of this Subcontract, shall comply with safety measures initiated by the Owner or the Contractor, and shall comply with all applicable laws, ordinances, rules, regulations and orders of public authorities for the safety of persons or property. The Subcontractor shall report to the Contractor within twenty-four (24) hours an injury to any employee or agent of the Subcontractor which occurred at the site. Subcontractor shall be solely responsible for providing a safe place to work for its agents, employees and sub-subcontractors. Subcontractor shall implement and enforce a health and safety program for its employees and sub-subcontractors on the site, which program shall be at least as effective as the Health

Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

and Safety Program of Contractor. Subcontractor's employees and sub-subcontractors on the site shall obey the directives of Contractor's Project Manager, Superintendent and Safety Director. All of Subcontractor's employees, agents and contractors must attend the safety

meetings held by Contractor's Safety Director, or, in lieu of such attendance, Subcontractor must provide to Contractor the minutes and attendance of all safety meetings conducted by Subcontractor, within two (2) days following the completion of such safety meetings.

6.4.2. If hazardous substances of a type of which an employer is required by law to notify its employees are being used on the site by the Subcontractor, the Subcontractor's sub-subcontractors, or anyone directly or indirectly employed by them, the Subcontractor shall, at least three (3) days before bringing such substances onto the Site, provide Contractor with a materials data sheet for such substances, and give written notice of the chemical composition of such substances to Contractor. Subcontractor will comply with all laws regarding Subcontractor's use and handling of such hazardous substances by Subcontractor or Subcontractor's sub-subcontractors, agents and employees.

6.4.3. Contractor reserves the right to require Subcontractor to perform from time to time, at Subcontractor's cost, drug testing of all or any of Subcontractor's agents, employees and sub-subcontractors. Such testing must be done with testing companies selected or approved by Contractor. Subcontractor must prohibit from the Work Site any persons that test positively for drug use. Contractor shall be entitled to prohibit from the site any persons that Contractor deems to be disruptive to the smooth construction of the Project.

6.5. CLEANING UP. The Subcontractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract. Subcontractor shall at all times keep the Subcontractor's work area; keep the premises free from rubbish, debris and waste and surplus materials resulting from its operations; and shall turn over the work area in such condition as to permit the next succeeding work to be commenced without further cleaning. If Subcontractor fails to comply with the provisions of this Section, Contractor shall have the right itself or through others to perform such cleaning and to charge the cost thereof to Subcontractor, plus overhead charges of twenty-five percent (25%), provided the Subcontractor is given a twenty-four (24) hour written notice of such delinquency and fails to remedy same. Subcontractor shall not damage the work of others by its performance of its obligations under the Subcontract and shall indemnify Contractor for damage caused by Subcontractor or its agents to the work of Contractor, and other contractors, including court costs and attorney's fees.


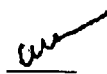
6.6. WARRANTY. In addition to any product warranties required by the Subcontract, the Subcontractor warrants to Contractor that all material and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defect and in conformance with the Prime Contract and the Subcontract. All Work not conforming to these requirements may be considered defective. Subcontractor shall, promptly upon request of Contractor, furnish all labor, materials and supervision necessary to correct or replace any defective or nonconforming Work and any damage caused by such defect or fault, at no cost to Contractor or Owner, for a period of one (1) year from the date of Final Payment, except for latent defects, which shall be for a period of six (6) months following the discovery of such latent defect. This warranty shall run to and be enforceable by Owner, Contractor, and their successors and assigns. This warranty shall be in addition to and not in limitation of any other warranty or remedy provided by law or by the Subcontract.

6.7. INDEMNIFICATION. To the fullest extent permitted by law, the Subcontractor shall indemnify, defend and hold harmless the Owner, Contractor, Operator, Developer, their respective parent and subsidiaries, and their respective agents, officers, employees, members and directors of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from performance of the Subcontractor's Work under this Subcontract, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent or intentional acts or omissions of the Subcontractor, the Subcontractor's sub-subcontractors, materialmen or suppliers, anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 6.7.

## 7. CHANGES IN THE WORK.

7.1. CONTRACTOR CHANGES. Contractor may at any time make changes in the Work either:

- (a) By written change order signed by Contractor and Subcontractor prior to commencement specifying the changes to be made and the increase or decrease in the Subcontract Sum and extension of time, if any; or
- (b) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that an equitable adjustment in the Subcontract Sum will be made, based on the time and materials to perform such changes; or
- (c) By written direction to Subcontractor to proceed with changes in the Work, specifying the changes to be made and specifically stating that the Subcontract Sum shall be adjusted based on actual costs of performing such changes based on time and materials, plus a fixed fee, to be set in such change order.

 Sub: 

Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

7.2. OBLIGATION TO PROCEED. Subcontractor shall proceed with the changes ordered so as not to delay the Work. In the event Contractor changes the Work pursuant to 7.1(b) above, Subcontractor shall file with Contractor within seven (7) days from the

date of such order Subcontractor's written itemized estimate for the cost of performing the changes to be made. If mutual agreement on the cost is reached, Subcontractor and Contractor will execute a written change order executed by the authorized officers or designees of

Contractor and Subcontractor. If mutual agreement cannot be reached and the changes are required by Contractor, the Work shall proceed and Subcontractor shall be entitled to a reasonable adjustment in the Subcontract sum and in the time for performance of the work to the extent such adjustments are focused by the Contractor's written change order. If the extra Work or changes are required by Contractor, Subcontractor does not waive its right by proceeding under protest provided it so notifies Contractor in writing within five (5) days from submittal of the itemized estimate referred to above.

7.3. COST AND TIME. Subcontractor shall respond to a proposed change within seven (7) days of request by Contractor. In the event that a Subcontractor change order response is not delivered to the Contractor by the date required, it shall be conclusively presumed that such proposed change does not result in a change in Subcontractor's cost or construction time, and all work and materials called for by the proposed change order shall be provided by Subcontractor at no additional cost or delay to Contractor. For changes in the work for which contractual unit prices, if any, do not apply, the Subcontractor shall submit an itemized breakdown of his estimated cost for such changes with the following percentages for overhead and profit combined: Fifteen percent (15%) on work performed by Subcontractor's own forces or by sub-subcontractors and five percent (5%) on work performed on behalf of Subcontractor by a sub-subcontractor.

#### 8. TERMINATION, REMEDIES FOR DEFAULT AND ASSIGNMENT OF THE SUBCONTRACT.

8.1. TERMINATION BY THE SUBCONTRACTOR. The Subcontractor may terminate the Subcontract if Contractor fails to pay to Subcontractors any sums due to Subcontractor within forty-five (45) days following the date such sums were due and payable to Subcontractor. Such termination shall only be effective if Subcontractor makes written demand for such payment to Contractor following the expiration of such forty-five (45) day period and Contractor fails to pay all sums then due and payable within ten (10) days following receipt of Subcontractor's demand. In the event of such termination by the Subcontractor, the Subcontractor shall be entitled to recover from the Contractor payment for Work executed to date of termination and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery (but not for anticipated profits).

#### 8.2. TERMINATION BY THE CONTRACTOR.

8.2.1. If the Subcontractor (i) fails or neglects to carry out the Work in accordance with the Subcontract or otherwise to perform in accordance with this Subcontract; and (ii) fails within thirty-six (36) hours after receipt of notice to correct such default or neglect, the Contractor, in addition to Contractor's remedies under Section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract.

8.2.2. For its convenience, the Contractor shall have the right to terminate this Subcontract for any reason by giving the Subcontractor written notice of termination. Such termination for the Contractor's convenience shall be effective upon Subcontractor's receipt of written notice of such termination. Termination for default, if wrongfully made, shall be treated as a termination for convenience. In the event that the Subcontractor is terminated for the convenience of the Contractor, the Subcontractor shall be paid a pro rata percentage of the Subcontract Sum equal to the percentage of Work in place, less payments theretofore received by the Subcontractor. In no event shall the Subcontractor be entitled to receive payment for anticipated profits for unperformed Work.

8.3. CONTRACTOR'S REMEDIES. Should Subcontractor (a) fail to correct, replace and/or re-execute faulty or defective Work and/or materials furnished under the Subcontract; (b) fail to complete or diligently proceed with the Work in accordance with the agreed upon schedule; (c) fail to correct or repair any damage to the Project caused by the acts or omissions of Subcontractor; or (d) otherwise be in default of any provision of the Subcontract, if such failure or default is not corrected, then Contractor shall have the right to correct, replace or otherwise remedy and such defect, deficiencies or delayed performance by any reasonable and expedient means, including taking over or supplementing Subcontractor's Work and materials and employing such additional labor, equipment and materials as may be necessary to cure the default and achieve compliance with the Subcontract. In such event, Contractor may deduct from any sums due to Subcontractor the cost of performing such work and correcting such deficiencies, plus overhead of fifteen percent (15%) of such cost. If payments then or thereafter due Subcontractor are not sufficient to cover such amount, Subcontractor shall promptly pay the difference to Contractor. The remedies of Contractor under this subparagraph are in addition to any other remedies available to Contractor under the Subcontract or available at law or in equity.

8.4. CONTRACTOR'S ADDITIONAL REMEDIES. Subcontractor shall reimburse Contractor for any loss, damage or extra expense paid or incurred by Contractor which is due to Subcontractor's failure to supply materials, labor, or to properly perform the Work in accordance with the Subcontract Documents. Subcontractor's failure to perform shall include the failure of its lower-tier subcontractors to perform. Subcontractor's liability shall include but not be limited to (1) damages and other delay costs payable by Contractor to the Owner; (2) Contractor's increased costs of performance, such as extended overhead and increased performance costs resulting from Subcontractor-caused delays or improper Subcontractor Work; (3) warranty and rework costs; (4) liability to third parties;

Contract Number: 001

Sub: Allan A. Myers, L.P.  
Cost Code: 512-SW1.2-48400-02-2000

(5) excess procurement costs; (6) consultants' fees; and (7) attorneys' fees and court costs. Contractor may take over any of Subcontractor's outstanding sub-subcontracts and purchase orders and take possession of all tools, equipment, scaffolds, material and supplies of Subcontractor which are on the Project site, in transit to, or especially manufactured for, the Work for use in completion of the Project. Contractor is hereby granted a lien on all such property to secure Subcontractor's performance under this Subcontract.

Subcontractor shall, upon request of Contractor, execute and deliver to Contractor all documents and take all such steps to effect the legal assignment of Subcontractor's contractual rights under such sub-subcontracts and purchase orders, but Contractor shall not be required to assume any of Subcontractor's outstanding obligations thereunder.

#### 8.5. ASSIGNMENT OF THE SUBCONTRACT.

8.5.1. In the event of termination of the Prime Contract by the Owner, the Contractor may assign this Subcontract to the Owner, with the Owner's agreement, subject to the provisions of the Prime Contract and to the prior rights of the surety, if any, obligated under bonds relating to the Prime Contract.

8.5.2. The Subcontractor shall not assign this Subcontract without the written consent of the Contractor, nor subcontract the whole or any portion of this Subcontract without the written consent of the Contractor.

#### 9. MUTUAL RIGHTS AND RESPONSIBILITIES.

The Contractor and Subcontractor shall be mutually bound by the terms of this Subcontract and, to the extent that provisions of the Prime Contract apply to the Work of the Subcontractor, the Contractor shall assume toward the Subcontractor all obligations and responsibilities that the Owner, under the Prime Contract, assumes toward the Contractor, and the Subcontractor shall assume toward the Contractor all obligations and responsibilities which the Contractor, under the Prime Contract, assumes toward the Owner and the Architect. The Contractor shall have the benefit of all rights, remedies and redress against the Subcontractor which the Owner, under the Prime Contract, has against the Contractor, and the Subcontractor shall have the benefit of all rights, remedies and redress against the Contractor which the Contractor, under the Prime Contract, has against the Owner, insofar as applicable to this Subcontract. Where a provision of the Prime Contract is inconsistent with a provision of this Subcontract, this Subcontract shall govern.

#### 10. PROGRESS PAYMENTS.

##### 10.1. APPLICATIONS FOR PAYMENT.

**SUBCONTRACTOR SHALL SUBMIT ALL REQUISITIONS AND APPLICATIONS FOR PAYMENT FOR PAYMENT PROCESSING TO: ERICKSON CONSTRUCTION, LLC; Michael James 115 Brinton Lake Road, Glen Mills, PA, 19342 OR TO SUCH OTHER ADDRESS AS CONTRACTOR MAY DIRECT.**

10.1.1. Based upon applications for payment submitted to the Contractor by the Subcontractor, corresponding to Applications for Payment submitted by the Contractor to the Owner, and Certificates for Payment issued by the Owner, the Contractor shall make progress payments on account of the Subcontract Sum to the Subcontractor as provided below and elsewhere in the Subcontract. Each application for payment shall be in the form attached hereto as Exhibit D, or such other form as may otherwise be requested by Owner, and must include a Partial Release of Liens in either the form attached hereto as Exhibit E, or such other form as may otherwise be requested by Owner, and with such detail substantiating Subcontractors right to payment.

10.1.2. The period covered by each application for payment submitted by Subcontractor shall be one (1) calendar month ending on the last day of the calendar month. Each application for payment must be based on actual work performed by or under Subcontractor through the 19th day of the month, and the reasonably estimated work to be performed by or under Subcontractor during the balance of the month.

10.1.3. Provided an application for payment is received by the Contractor not later than the 20th day of a month, the Contractor shall include the Subcontractor's Work covered by that application in the next Application for Payment which the Contractor is entitled to submit to the Owner. Subcontractor's progress payments shall be due and payable within ten (10) working days after the Contractor receives payment for the Subcontractor's Work from the Owner. If the Owner or Architect fails to issue a Certificate for Payment or the Owner fails to pay Contractor for Subcontractor's Work within forty-five (45) days following the applicable Application for Payment, and such failure is not the fault of the Subcontractor or Subcontractor's sub-subcontractors, the Contractor shall pay the Subcontractor, within ten (10) days following demand, a progress payment computed as provided in Section 10.2 of this Subcontract. Notwithstanding the foregoing, payments to Subcontractor may be withheld on account of (i) defective Work not remedied, (ii) claims filed, (iii) damage to Contractor or another subcontractor or (iv) failure to carry out the Work in accordance with the Subcontract.

10.1.4. If an application for payment is received by the Contractor on or after the 21st day of any calendar month, the Subcontractor's Work covered by such application shall be included by the Contractor in the next Application for Payment submitted to the Owner.

Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

10.1.5. Each application for payment shall be based upon the most recent schedule of values approved by the Contractor in accordance with Section 4.4 of this Subcontract. Applications for payment submitted by the Subcontractor shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Subcontractor's application for payment.

10.1.6. Subcontractor shall pay all claimants for all costs and expenses resulting from the performance of the Work and for all labor and materials used. Subcontractor is liable for and shall hold Contractor and Owner harmless from and indemnify Contractor and Owner for all court costs, attorney's fees and damages resulting from claims by sub-subcontractors and Subcontractor's suppliers and all liens and all claims of persons furnishing material or labor on behalf of Subcontractor in connection with the Work. Subcontractor shall deliver to Contractor with each application for payment recordable affidavits and lien releases or waivers acceptable to Contractor from Subcontractor and Subcontractor's sub-subcontractors and suppliers. In the event any person or entity claiming by, through or under Subcontractor notifies Contractor of any non-payment or seeks to encumber funds held by Contractor and payable to Subcontractor or files a lien or other claim against the Project, or Contractor's interest therein, Subcontractor shall within three (3) days notify Contractor if Subcontractor disputes such claim. If at any time a lien has been filed against Contractor, the Owner, the Project or any sums held by Contractor by any person or entity claiming through Subcontractor, Subcontractor shall, within seven (7) days of receipt of notice of such lien pay the claim and cause the lien to be released or shall file a bond in lieu of the payment of such lien and shall cause the lien to be released from the project.

10.1.7. Notwithstanding the foregoing, if such lien or claim is due solely to sums wrongfully held by Contractor, Subcontractor shall not have any obligation to hold harmless or indemnify Contractor against such lien or claim.

10.2. PROGRESS PAYMENTS. Subject to the provisions of the Subcontract, the amount of each progress payment shall be computed as follows:

10.2.1. Take that portion of the Subcontract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Subcontractor's Work by the share of the total Subcontract Sum allocated to that portion of the Subcontractor's Work in the schedule of values, less that percentage actually retained, if any, from payments to the Contractor on account of the Work of the Subcontractor;

10.2.2. Add that portion of the Subcontract Sum properly allocable to materials and equipment delivered and suitably stored at the site by the Subcontractor for subsequent incorporation in the Subcontractor's Work or, if approved in advance in writing by the Owner, suitably stored off the site at a location agreed upon in writing, less the same percentage retainage required by the Prime Contract to be applied to such materials and equipment in the Contractor's Application for Payment;

10.2.3. Subtract the aggregate of previous payments made by the Contractor; and

10.2.4. Subtract amounts, if any, calculated under Subparagraph 10.2.1 or 10.2.2 which are related to Work of the Subcontractor for which the Architect has withheld or nullified, in whole or in part, a Certificate of Payment for a cause which is the fault of the Subcontractor or Subcontractor's sub-subcontractors.

10.2.5. All periodic payments by Contractor shall be subject to a retainage, to be held by Contractor, of ten percent (10%) of the amount billed by Subcontractor. To the extent approved or permitted by Owner and any lender providing financing for all or any part of the Work, and if Subcontractor is in compliance with the terms of the Subcontract, the aggregate amount of the retainage, subject to offset for defects and deficiencies, shall be reduced to five percent (5%) upon the Work achieving fifty percent (50%) completion and acceptance thereof by Contractor and Owner. No periodic payment by Contractor shall be deemed to constitute acceptance of any faulty or defective Work.

10.3. STORED MATERIALS. Notwithstanding the provisions of Subsection 10.2., payment for stored materials may be conditioned on delivery to the Owner of bills of sale (which shall include a complete description, including photographs, bills of lading, serial numbers, warehouse receipts and/or inventories, as appropriate for Owner to identify the stored materials) and such other procedures satisfactory to Owner to establish the Owner's title and to insure and otherwise protect the Owner's interest in and to such stored materials, unless requested otherwise by Contractor. Subcontractor shall schedule the materials to prevent the arrival of major items well in advance of their incorporation into the improvements.

10.4. SUBSTANTIAL COMPLETION. When the Work or a designated portion thereof is substantially complete in accordance with the requirements of the Prime Contract, the Contractor shall, upon application by the Subcontractor, make prompt application for payment for such Work. Within thirty (30) days following issuance by the Owner of the Certificate for Payment covering such substantially completed Work, the Contractor shall, to the full extent allowed in the Prime Contract, make payment to the Subcontractor, deducting any portion of the funds for the Work withheld in accordance with the Certificate of Payment to cover costs of items to be completed or corrected by the Subcontractor. Such payment to the Subcontractor shall be the entire unpaid balance of the Subcontract Sum if a full release of retainage is allowed under the Prime Contract for the Work prior to the completion of the entire Project. If the Prime Contract does not allow for a full release of retainage, then such payment shall be an amount which, when added to previous payments to the Subcontractor, will reduce the retainage on the Subcontractor's substantially completed Work to the same percentage of retainage as that on the Contractor's work covered by the Certificate of Payment.

Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

## 11. FINAL PAYMENT.

11.1. TIME. Subject to the provisions of Section 10.4, final payment, constituting the entire unpaid balance of the Subcontract Sum, shall be made by the Contractor to the Subcontractor when the Work is fully performed in accordance with the

requirements of the Subcontract, Subcontractor has filed a final application for payment, the Owner has issued a Certificate for Payment covering the Subcontractor's completed Work and the Contractor has received payment from the Owner. If a Certificate for Payment is not issued within forty-five (45) days of Contractor's application for payment, or the Contractor does not receive from the Owner payment within forty-five (45) days of Contractor's application for payment, and such payment is otherwise due to Subcontractor and such failure is not due to any fault of Subcontractor, final payment to the Subcontractor shall be made upon demand.

11.2. LIEN WAIVERS. Final payment shall not be due until Subcontractor has delivered to Contractor a complete, recordable affidavit and release of all liens arising out of this Subcontract, in the form attached hereto as Exhibit E, or such other form as may otherwise be requested by Owner, covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Contractor indemnifying Contractor and the Project against any and all lien(s). If any lien remains unsatisfied after all payments are made, Subcontractor shall refund to Contractor all monies the latter may be compelled to pay in discharging such lien, including all court costs and expenses and reasonable attorney's fees. The acceptance of final payment shall constitute a release of all claims by Subcontractor except those previously made in writing and identified by Subcontractor as unsettled at the time of the final application for payment.

11.3. EVIDENCE OF PAYMENT. Before issuance of the final payment, the Subcontractor, if required, shall submit evidence satisfactory to the Contractor that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Subcontractor's Work have been satisfied.

11.4. SUB-SUBCONTRACTORS AND PROVIDERS. Subcontractor shall keep Contractor informed of all sub-subcontractors, and all materials and/or service providers of any tier who provide materials or service for any part of the Work in excess of One Thousand Dollars (\$1,000.00) by completing, submitting and updating as appropriate Exhibit G attached hereto.

11.5. ADVANCE WAIVER OF LIENS. To the greatest extent permitted by law, Subcontractor hereby waives in advance of any rights Subcontractor may have by statute, law, rule, regulation or otherwise to assert or maintain any lien on the Owner's interest in the property consisting of the Project. This waiver is given knowingly and voluntarily, and after opportunity to consult with Subcontractor's attorney.

## 12. INSURANCE AND BONDS.

### 12.1. COVERAGES.

12.1.1. Before the Subcontractor commences any Work pursuant to this Subcontract, the Subcontractor shall obtain and maintain throughout the term of the Subcontract, insurance of the types and in the minimum amounts set forth on Exhibit H. Self-insured retentions and/or deductibles may not be more than Ten Thousand Dollars (\$10,000.00). Acceptance of any insurance by Contractor shall not relieve or decrease the liability of the Subcontractor.

12.1.2. Coverages must be maintained with financially secure insurance companies licensed to do business in the State where the Project is located, have a Best's Guide Rating of not less than A-VI and must otherwise be acceptable to Owner and Contractor. Coverage must be maintained without interruption from date of commencement of the Work until date of final payment, and Contractor, Developer, Owner, and the Operator, their parent and subsidiary companies, together with their employees, officers agents, members and directors shall be named as additional insureds under Subcontractor's Commercial General Liability policy, Automobile liability policy, Products/Completed Operations Coverage and the Umbrella/Excess Insurance. The additional insured coverage is to be provided by ISO form CG20100704, CG20370704, CG2011, or its equivalent, a copy of which will be provided with the certificate of insurance. All such policies shall apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs afforded to the indemnities and/or additional insured's identified within this Agreement.

12.1.3. Certificates of insurance acceptable to the Contractor, together with all appropriate endorsements, shall be filed with the Contractor prior to commencement of the Subcontractor's Work, and at least ten (10) days prior to the expiration of any policy. These certificates and the insurance policies required by this Article 12 shall contain an endorsement that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the Contractor. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 11. If requested by Contractor, Subcontractor shall provide certified copies of all such policies to Contractor within ten (10) days of such request. Subcontractor must immediately notify Contractor of any reduction or restriction in the required insurance that takes place during the term of the Subcontract, and/or in the event the insurer notifies the Subcontractor of its intent not to renew coverage.

12.1.4. The Contractor shall furnish to the Subcontractor upon demand, satisfactory evidence of insurance required of the Contractor under the Prime Contract.



Sub: Allan A. Myers, L.P.

Cost Code: 512-SW1.2-48400-02-2000

Contract Number: 001

12.1.5. If Subcontractor fails to secure and maintain the required insurance, Contractor shall have the right (without any obligation to do so, however) to secure same in the name and for the account of the Subcontractor in which event the Subcontractor shall pay the costs thereof to Contractor upon demand and furnish upon demand all information that may be required in connection therewith.

12.1.6. The insurance provisions of this Subcontract shall not be construed as a limitation on the Subcontract's responsibilities and liabilities pursuant to the terms and conditions of the Subcontract, including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein.

12.1.7. The Subcontractor shall not make changes in or allow the required insurance coverages to lapse without the Contractor's prior written approval thereto.

12.2. **WAIVERS OF SUBROGATION.** The Contractor and Subcontractor waive all rights against (1) each other and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, each of the other, and (2) the Owner, Developer, Operator, and any of their Subcontractors, sub-subcontractors, agents, employees, officers, members and directors, for damages caused by fire or other perils to the extent covered by property insurance provided under the Prime Contract or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by the Owner as fiduciary. The Subcontractor shall require of the Subcontractor's sub-subcontractors, agents and employees, by appropriate agreements, written where legally required for validity, similar waivers in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

12.3. The Contractor shall promptly, upon request of the Subcontractor, furnish a copy or permit a copy to be made of any bond covering payment of obligations arising under the Subcontract.

12.4. **Performance Bond and Payment Bond:**

Bond Required for the payment and performance bonds. All bonds must be in the AIA312 format or equal. Cost of bond is on bonding company's invoice at standard rates. Subcontractor must include the name of the Owner and Lender on all bonds as a dual obligee. Subcontractor can provide this information through a dual obligerider. Two original copies of all bonds are required and should be forwarded to the Corporate Office located at 991 Corporate Boulevard, Linthicum, MD 21090.

Unless waived by Contractor in this Subsection 12.4, prior to the commencement of the Work, Subcontractor shall pay for and deliver to Owner acceptable, statutory payment and performance bonds in the full amount of the Subcontract sum issued by a surety acceptable to Owner.

13. **SETTLEMENT OF DISPUTES.**

13.1. In the event of any dispute involving the Work performed or to be performed, Contractor shall issue a decision which shall be followed by Subcontractor, without interruption, deficiency, or delay. If Subcontractor does not agree with such decision, Subcontractor may make a claim under Section 7.3. and the matter shall be resolved as set forth in Article 13.2. or 13.3. as applicable. If the Subcontractor prevails, Subcontractor's sole remedy shall be an equitable adjustment determined as provided in Section 13.2. or 13.3. as applicable. In addition to notice required by Article 9 or the Subcontract Documents, notification of any claim for the equitable adjustment must be asserted in writing not later than ten (10) days after Subcontractor's knowledge of the claim, and if Section 13.2. is applicable, within sufficient time to allow Contractor to give notice to the Owner under the Subcontract Documents.

13.2. In case of any dispute between Contractor and Subcontractor, in any way relating to or arising from any act or omission of the Owner or involving the Subcontract Documents, Subcontractor agrees to be bound to Contractor to the same extent that Contractor is bound to the Owner, by the terms of the Subcontract Documents, and by any and all preliminary and final decisions or determinations made thereunder by the party, board or court so authorized in the Subcontract Documents or by law, whether or not Subcontractor is a party to such proceedings. In case of such dispute, Subcontractor will comply with all provisions of the Subcontract Documents allowing a reasonable time for Contractor to analyze and forward to the Owner any required communications or documentation. Contractor will, at its option, (1) present to the Owner, in Contractor's name, or (2) authorize Subcontractor to present to the Owner, in Contractor's name, all of Subcontractor's claims and answer the Owner's claims involving Subcontractor's Work, whenever Contractor is permitted to do so by the terms of the Subcontract Documents. Contractor will further invoke on behalf of Subcontractor, or allow Subcontractor to invoke, those provisions in the Subcontract Documents for determining disputes. If such dispute is prosecuted or defended by Contractor, Subcontractor, at its own expense, agrees to furnish all documents, statements, witnesses, and other information required by Contractor and to pay or reimburse Contractor for all costs incurred by Contractor in connection with the dispute including attorneys' fees and court costs.

Contract Number: 001

Sub: Allan A. Myers, L.P.  
Cost Code: 512-SW1.2-48400-02-2000

13.3. To the extent not resolved under Section 13.2 above, any dispute between Contractor and Subcontractor shall, at Contractor's sole option, be decided by litigation. DUE TO THE SPECIALIZED NATURE OF CONSTRUCTION LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY.

#### 14. MISCELLANEOUS PROVISIONS.

14.1. GENERAL CONDITIONS. Where reference is made in this Agreement to a provision of the General Conditions or another Subcontract Document, the reference refers to that provision as expressly amended or supplemented by other provisions of the Subcontract Documents.

14.2. MERIT SHOP. The Subcontractor acknowledges that this Project is being built as a "Merit Shop" project, and therefore is not under jurisdiction of union work rules. The Subcontractor agrees to comply with the work rules as established by Contractor, and not to interfere with the employees or work of Contractor or other subcontractors and suppliers involved with this Project. Failure to comply with this provision may result in termination of the Subcontract at the sole discretion of Contractor.

14.3. PRIVACY. Until Subcontractor's obligations under this Subcontract are completely fulfilled, Subcontractor agrees not to perform any Work directly for the Owner or deal directly with the Owner's representatives in connection with the Project, unless otherwise directed in writing by Contractor. All Work for this Project performed by Subcontractor shall be processed and handled exclusively by Contractor.

14.4. VEHICLES. All vehicles are to be operated in accordance with the traffic and parking rules and regulations of the Operator and the Contractor. Violation of these rules may result in the vehicle being towed at the owner's expense, and the vehicle and operator being banned from the site. All workers authorized to park within the site must obtain parking passes from the Contractor's office and must display the parking passes whenever the vehicle is on the site. Subcontractor's employees, agents and sub-subcontractors may park vehicles only in areas on or off-site as designated for parking by Owner or Contractor.

14.5. RESIDENTS OF RETIREMENT COMMUNITY. The safety and protection of the residents of the Project is of paramount importance to the Contractor. Subcontractor, its workers, suppliers, and sub-subcontractors must adhere to all traffic regulations, noise restrictions, and other safety standards established by the Contractor and the Operator. Residents of the Project must be treated with courtesy and respect at all times. In the event that the buildings are occupied while the Subcontractor is performing work on the Project, all courtesy is to be extended to the residents and precautions taken to avoid any disruption or inconvenience during this usage.

14.6. SIGNS. No signs may be placed on any portion of the site and/or building without written permission of Owner.

14.7. COMMUNICATIONS. It is agreed and understood that all communications by or through Subcontractor to the Architect, Engineer, Owner, Developer or any representative thereof shall be made through Contractor.

14.8. EXAMINATION OF PRIOR WORK. Subcontractor shall carefully examine the work of others which may affect the Work and shall notify Contractor in writing, completely detailing and supporting any apparent deficiencies therein before performing the Work; otherwise, such other Work shall be deemed acceptable to Subcontractor and Subcontractor shall be deemed to have waived all claims with respect thereto.

14.9. INVALIDITY. If any provision of the Subcontract is found to be invalid, unenforceable or unlawful, such provision shall be enforced in such manner as shall most nearly affect the intent of the parties and yet conform to the law applicable thereto and the remainder of the Subcontract Documents shall remain in full force and effect.

14.10. NOTICES. Except as stated in Section 10.1 of this Agreement, all notices, requests, approvals and other communications required or permitted to be delivered under the Subcontract must be in writing and shall be effective upon: (a) the date of delivery if hand-delivered to the other party or forwarded by facsimile to a number provided and authorized for delivery of notices by the receiving party; (b) the date of transmission if sent by telegram; (c) the date after mailing if sent by overnight commercial carrier; or (d) three (3) business days after mailing if sent by U.S. mail. Except for the use of facsimiles, if permitted, all notices must be sent to the addresses listed in the introductory paragraph of this Agreement, or to such other address as may be expressly designated in writing by either party as the correct address for notices, requests, approvals and other communications.

14.11. INDEPENDENT CONTRACTOR. Subcontractor is an independent contractor and hereby assumes all of the rights, duties, obligations and liabilities thereby arising.

14.12. WAIVER. Any failure by Contractor at any time or from time to time to enforce or require the strict performance of any of the terms or conditions hereof shall not affect or impair Contractor's right to at any time thereafter avail itself of the remedies available for the subsequent breach of such terms or conditions.

14.13. GOVERNING LAW. The Subcontract shall be governed by the law of the State in which the Project is located. No presumption shall be deemed to exist in favor of or against either party as a result of the preparation and/or negotiation of the Subcontract.

Contract Number: 001

Sub: Allan A. Myers, L.P.  
Cost Code: 512-SW1.2-48400-02-2000

The Subcontract and Subcontract Documents are subject to the Contract between the Owner and Contractor, the General Conditions, and the Additional Supplementary General Conditions.

14.14. EQUAL OPPORTUNITY. Subcontractor agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, handicap or national origin.

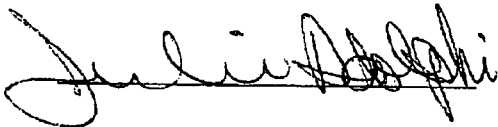
14.15. CONTRACTOR AND SUBCONTRACTOR PAYMENT ACT. Duties and obligations imposed by the Contract Documents and the rights and remedies available there under shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available at law or in equity. Notwithstanding the foregoing, Subcontractor, Contractor and Owner agree that this Agreement shall govern Owner's payment obligations to Contractor and Contractor's payments to Subcontractor and shall control over any contrary or additional obligations or requirements issued by the Pennsylvania Contractor and Subcontractor Payment Act, 73 P.S. §502 et seq. (the "Payment Act"), including but not limited to requirements in the Payment Act for certain notices to Subcontractor and imposing certain limitations, interest, penalties, and attorneys fees. To the greatest extent permitted by law, Subcontractor, Contractor and Owner waive the provisions of the Payment Act as it may relate to this Agreement, the Work or any additional work performed by Subcontractor or Contractor with respect to the Project

14.16. EXHIBITS. The following exhibits are attached hereto:

Type	Description
Exhibit A	Exhibit A Drawing Log
Exhibit B	Exhibit B Scope
Exhibit C	Exhibit C SOV
Exhibit D	Exhibit D Pay App
Exhibit D-1	Exhibit D1 Pay App Instructions
Exhibit E	Exhibit E Partial Release
Exhibit F	Exhibit F Final Release
Exhibit E-1 & F-1	Instructions for Exhibits E & F
Exhibit G	Exhibit G Vendor List
Exhibit G-1	Exhibit G1 Vendor List Instructions
Exhibit H Sch D	Exhibit H Schedule D
Exhibit I	Exhibit I Payment Bond
Exhibit J	Exhibit J Performance Bond

This Agreement entered into as of the day and year first written above.

WITNESS:

CONTRACTOR  
ERICKSON CONSTRUCTION, LLCBy: David Tague  
Vice President of Construction

Dated: FEB 23 2006

SUBCONTRACTOR

By: Allan A. Myers, L.P.  
~~Tim Casey~~ A. Ross Myers  
~~Sr. Construction Manager~~ CEO

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

Sub: Allan A. Myers, LP  
Cost Code: 512-SW12-48400-02-2000

### EXHIBIT "K"

Addendum to Subcontract Agreement  
Between  
ERICKSON CONSTRUCTION, LLC  
And  
ALLAN A. MYERS, LP

2.4 Change Article 2.4 to read as follow: **"Subcontractor represents that it is fully qualified to perform the Work of this Subcontract and acknowledges that, prior to the execution of this Subcontract, it has visually inspected the conditions involved in performing the Work and the obligations of this Subcontract and the Contract Documents and that it has reviewed information furnished by the Contractor or others. Any failure by Subcontractor to investigate independently and become fully informed will not relieve Subcontractor from its responsibilities hereunder. Subcontractor is relying on the information provided by the Owner."**

3.1 Replace "1/30/2006" with **"2/13/2006"**.

3.1.3 Add the words **"mutually agreed upon"** to the first sentence in front of the word "Contractor's". Add to the last sentence after the words "Subcontract Documents": **"but only to the extent such failure is within its control."**

6.2.4 At the end of the third sentence, after the word "satisfactory", add: **"as being in compliance with the Subcontract documents."**

6.2.5 In the last sentence, change "executive officer of Contractor" to: **"Director or Construction of Contractor."**

6.2.6 At the end of the last sentence, replace period with a comma after the word "possession", then add: **"but only to the extent not caused by Owner, Developer, Operator, Contractor or anyone else they are responsible for."**

6.2.7 In the first sentence, replace the words "the necessary time sequence" with: **"accordance with the mutually agreed upon schedule."**

6.2.8 In the first sentence, add the words: **"Owner, Developer, Operator"** between the words "of" and "Contractor".

6.3.1 At the end of the last sentence, change the period to a comma and add the words: **"unless otherwise specified herein."**

Sub: Allan A. Myers, LP  
Cost Code: 512-SW12-48400-02-2000

6.5 In the third sentence, change "twenty-five percent (25%)" to: **"fifteen percent (15%)"** and after the word "same", remove the period and add **"within three (3) business days."**

6.6 In the third sentence, change "Final Payment" to **"substantial completion"** and "six (6)" to **"twelve (12)"** and "the discovery of such latent defect." To **"final payment"**. Add to the end of the paragraph the following sentence: **"The Subcontractor's Warranty does not include remedies for defects or damages caused by other parties' use of the Work for which it was not intended, improper use of equipment, damages caused by normal wear and tear during normal usage, improper or insufficient maintenance or modifications performed by Owner or others."**

8.2.1 Change item (ii) to read: **"fails within forty-eight (48) hours' written notice to correct or provide sufficient cure schedule for such default or neglect, the Contractor, in addition to Contractor's remedies under Section 8.3 and 8.4 of this Subcontract, may immediately and without further notice to Subcontractor terminate the Subcontract."**

8.3 At the end of the last sentence, add: **"Notwithstanding, Subcontractor shall be given forty-eight (48) hours' written notice to correct deficiency or provide cure schedule acceptable to Contractor and Owner before any such right is exercised."**

8.4 In the fourth sentence, delete the words "tools, equipment". Delete the last sentence of the first paragraph of this Article.

10.1.3 In the fourth sentence, add the word: **"only"** between "may" and "be". At the end of the paragraph, add the sentence, **"Any such amounts withheld will be paid within thirty (30) days of remedy."**

10.1.6 Add sentence to the end of this Article: **"Notwithstanding, Subcontractor's obligation hereunder only apply to the extent it has received payment for any such claimed funds."**

10.2.5 After the word "Owner" in the second sentence, add the following sentence: **"Contractor may designate portions of the Work for substantial completion that coincide with turnover dates of buildings within each site work phase. All retainage sums held less an amount equal to one hundred fifty percent (150%) of the value of written punch lists, if any, shall be due for payment within thirty (30) days of the date of substantial completion of the Work as defined herein."**

Sub: Allan A. Myers, LP  
Cost Code: 512-SW12-48400-02-2000

11.4 Change "One Thousand Dollars (\$1,000.00)" to "Ten Thousand Dollars (\$10,000.00)".

12.1.1. Delete the second sentence.

13.2 Delete this Article and references to this Article in 13.1 and 13.3.

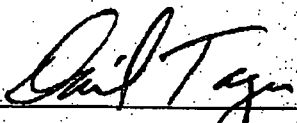
13.3 In the first sentence, delete the words "at Contractor's sole option".

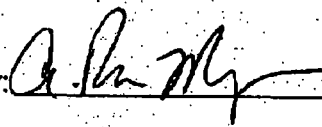
14.1.6 Exhibit K, herein, is an additional document to this Subcontract Agreement.

Exhibit B, Item #7: Insert after "by April 1, 2006" in the Completion Date item the following: "and no later than May 1, 2006."

Exhibit B, Item 25: Insert after "to the pavement" the following: "including new pavement,".

Exhibit B, Item 26(l): Change "Paving" to "Nosing".

By:   
Name: David Taguer  
Title: Vice President of Construction  
Date: FEB 23 2006

By:   
Name: A. Ross Myers  
Title: CEO  
Date: 2/15/06

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF SIX

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
117 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT:

Concordville Town Centre  
Loop Road - Phase I

FROM CONTRACTOR:

Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

VIA ARCHITECT:

Erickson Retirement Communities

CONTRACT FOR:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$ 1,162,200.00
2. Net change by Change Orders	\$ 486,935.60
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$ 1,649,135.60
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$ 1,649,135.60

5. RETAINAGE:

a. 0% of Completed Work \$ 0.00

b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE	\$ 0.00
	\$ 1,649,135.59

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE	\$ 1,640,643.55
	\$ 8,492.04

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 0.01

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - ©1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

APPLICATION NO: ELEVEN

APPLICATION DATE: 3/25/2009

PERIOD TO: 03/31/09

PROJECT NOS:

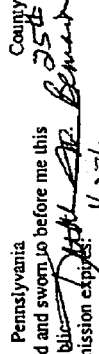
CONTRACT DATE:

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Kathleen M. Bernardin, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Jan. 27, 2010  
Member, Pennsylvania Association of Notaries

CONTRACTOR: Allan Myers, L.P.  
By:  Date: 3/25/09

State of: Pennsylvania County of: Montgomery  
Subscribed and sworn to before me this 25th day of March 2009  
Notary Public:   
My Commission expires: 1/27/10

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

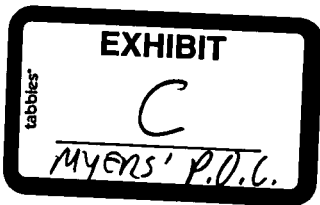
ARCHITECT:

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

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE. N.W., WASHINGTON, DC 20006-5922

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.



# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF SIX

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
115 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT: 015605  
Maris Grove Neighborhood I

#33

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	

5/21/2009

APPLICATION DATE

05/31/08

PERIOD TO:

VIA ARCHITECT:

FROM CONTRACTOR:  
Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

PROJECT NOS:

CONTRACT FOR:

CONTRACT DATE:


## CONTRACTOR'S APPLICATION FOR PAYMENT

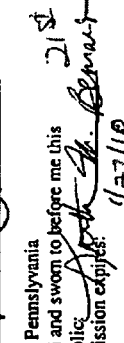
Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	9,955,944.00
2. Net change by Change Orders	\$	4,798,174.50
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	14,754,118.50
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	14,754,118.52
5. RETAINAGE:		
a. 5% of Completed Work	\$	0.00
b. % of Stored Material	\$	0
Total Retainage (Lines 5a + 5b or		
6. TOTAL EARNED LESS RETAINAGE	\$	0.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	14,747,862.52
8. CURRENT PAYMENT DUE	\$	6,256.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$	0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Kathleen M. Bernardin, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Jan. 27, 2010  
Member, Pennsylvania Association of Notaries

By:  Date: 5/21/09

State of: Pennsylvania  
Subscribed and sworn to before me this 21st day of May 2009  
Notary Public:   
My Commission expires: 1/27/10

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)  
ARCHITECT:

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

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-5022

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - 01982  
Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.



# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF SIX

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
117 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT: 028103

ANN'S CHOICE  
NEIGHBORHOOD 2

FROM CONTRACTOR:

Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

VIA ARCHITECT:

Erickson Retirement Communities

CONTRACT FOR:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

CONTRACT DATE:

PROJECT NOS:

PERIOD TO: 10/31/08

APPLICATION DATE 10/30/2008

APPLICATION NO: RETAINAGE #4

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Carolann Buchler, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Dec. 22, 2008  
Member, Pennsylvania Association of Notaries

1. ORIGINAL CONTRACT SUM \$ 2,719,099.15  
2. Net change by Change Orders \$ 1,787,419.76  
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 4,506,518.91  
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 4,506,518.91

5. RETAINAGE:  
a. % of Completed Work \$ 0.00  
b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE \$ 0.00  
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 4,479,018.91  
8. CURRENT PAYMENT DUE \$ 27,500.00  
9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 0.00

CONTRACTOR: Allan A Myers, L.P.  
By:  Date: 12/30/08

State of: Pennsylvania  
County of: Montgomery  
Subscribed and sworn to before me this 30th day of October 2008  
Notary Public: Carolann Buchler  
My Commission expires: 12/22/08

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)  
ARCHITECT:

By: Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA 071002

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-5202

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
115 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT: 010007  
Maris Grove Neighborhood 2

APPLICATION NO: #25  
APPLICATION DATE: 3/25/2009  
PERIOD TO: 03/31/09

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

FROM CONTRACTOR:

Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

VIA ARCHITECT:

CONTRACT FOR: Erickson Retirement Communities

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid to the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM \$ 0.00  
2. Net change by Change Orders \$ 68,389.46  
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 68,389.46  
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 68,389.46

5. RETAINAGE:  
a. 0% of Completed Work \$ 0.00  
b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE \$ 0.00  
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 0.00  
8. CURRENT PAYMENT DUE \$ 68,389.46  
9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 0.00

CONTRACTOR: Allan A Myers, L.P.  
By: *[Signature]* Date: 3/25/09

State of: Pennsylvania  
Subscribed and sworn to before me this 25th day of March 2009  
Notary Public: *[Signature]*  
My Commission expires: 1/31/10

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Kathleen M. Barnard, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Jan. 27, 2010  
Member, Pennsylvania Association of Notaries

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and outline Continuation Sheet that are changed to conform with the amount certified.)  
ARCHITECT:

By: Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - G-1992

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-5252

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
115 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT: 010007  
Maris Grove Neighborhood 2

APPLICATION NO: #27

APPLICATION DATE 5/21/2009

PERIOD TO: 05/31/09

FROM CONTRACTOR:

Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

VIA ARCHITECT:

Erickson Retirement Communities

CONTRACT FOR:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet. AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 5,152,826.80
2. Net change by Change Orders \$ 1,577,956.22
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 6,730,783.02
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 6,715,249.52

5. RETAINAGE: a. 2.5% of Completed Work \$ 153,893.64

b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE \$ 153,893.64

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 6,404,147.26

8. CURRENT PAYMENT DUE \$ 157,208.62

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 169,427.14

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order		\$0.00

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - © 1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-5092

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Kathleen M. Bernardin, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Jan. 27, 2010  
Member, Pennsylvania Association of Notaries

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Allan A Myers, L.P.

By:

Date:

State of: Pennsylvania County of: Montgomery

Subscribed and sworn to before me this 21st day of May 2009

Notary Public: *[Signature]*

My Commission expires: 1/27/10

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO: BRICKSON CONSTRUCTION, LLC  
115 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT: 010007  
Maris Grove Neighborhood 2

APPLICATION NO: RETS  
APPLICATION DATE: 7/31/2009  
PERIOD TO: 07/31/09

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

FROM CONTRACTOR:

Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

VIA ARCHITECT:

Erickson Retirement Communities

CONTRACT FOR:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 5,152,826.80
2. Net change by Change Orders \$ 1,577,956.22
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 6,730,783.02
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 6,715,249.52

5. RETAINAGE:

a. 0% of Completed Work \$ 0.00

b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE \$ 0.00

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 6,688,853.12

8. CURRENT PAYMENT DUE \$ 26,396.40

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 15,533.50

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - ©1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-6382

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due

CONTRACTOR: Allan A Myers, L.P.

By:

Date:

State of: Pennsylvania County of: Montgomery

Subscribed and sworn to before me this day of July 2009

Notary Public: *[Signature]*

My Commission Expires: 12/22/12

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED .....\$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
115 Brinton Lake Road  
Glen Mills, PA 19342  
ATTN: Project Manager

PROJECT: 010007  
Maris Grove Neighborhood 2

APPLICATION NO: #28  
APPLICATION DATE: 8/14/2009  
PERIOD TO: 08/31/09

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

FROM CONTRACTOR:

Allan A Myers, L.P.  
1805 Berks Road, PO Box 98  
Worcester, PA 19490

VIA ARCHITECT:

Erickson Retirement Communities

CONTRACT FOR:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 5,152,826.80  
2. Net change by Change Orders \$ 1,546,438.21  
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 6,699,265.01  
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 6,699,265.01

5. RETAINAGE:  
a. 2.5% of Completed Work \$ 0.00  
b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE \$ 0.00  
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 6,715,249.52  
8. CURRENT PAYMENT DUE \$ (15,984.51)  
9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order		\$0.00

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - ©1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Allan A Myers L.P.

By:

Date:

State of: Pennsylvania  
Subscribed and sworn to before me this 14th day of August 2009  
Notary Public: *[Signature]*  
My Commission expires: 1/27/10

County of: Montgomery

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-1222

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Kathleen M. Bernardin, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Jan. 27, 2010  
Member, Pennsylvania Association of Notaries

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF SIX

PAGES

TO: ERICKSON CONSTRUCTION, LLC  
701 JOHNSVILLE BOULEVARD  
WARMINSTER, PA 18974  
ATTN: Project Manager

PROJECT: 018905  
ANNS CHOICE SITE  
WORK 3.0

FROM CONTRACTOR:  
Allan A. Myers, L.P.

1805 Berks Road, PO Box 98  
Worcester, PA 19490

CONTRACT FOR: Erickson Retirement Communities

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 4,490,034.50  
2. Net change by Change Orders \$ 1,359,898.51  
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 5,849,933.01  
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 5,849,933.01

5. RETAINAGE:  
a. 0% of Completed Work \$ 0.00  
b. % of Stored Material \$ 0

Total Retainage (Lines 5a + 5b or

6. TOTAL EARNED LESS RETAINAGE \$ 0.00  
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 5,756,309.24  
8. CURRENT PAYMENT DUE \$ 93,623.77  
9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - G-1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

APPLICATION NO: RETAINAGE #3  
APPLICATION DATE: 10/22/2008  
PERIOD TO: 10/31/08

PROJECT NOS:

CONTRACT DATE:

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid to the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Allan A. Myers, L.P.  
*[Signature]*

By: *[Signature]* Date: 10/22/08  
County of: Montgomery  
day of: October 2008

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Worcester Twp., Montgomery County  
My Commission Expires Dec. 22, 2008  
Mentha, Pennsylvania Association of Notaries

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: ..... \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)  
ARCHITECT:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20004-6282

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

PROJECT: 010007

Maris Grove Neighborhood 2

TO: ERICKSON CONSTRUCTION, LLC

115 Brinton Lake Road

Glen Mills, PA 19342

ATTN: Project Manager

APPLICATION NO: #RET4

APPLICATION DATE 5/21/2009

PERIOD TO: 05/31/09

FROM CONTRACTOR:

Allan A Myers, L.P.

1805 Berks Road, PO Box 98

Worcester, PA 19490

VIA ARCHITECT:

PROJECT NOS:

CONTRACT FOR: Erickson Retirement Communities

CONTRACT DATE:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	5,152,826.80
2. Net change by Change Orders	\$	1,577,956.22
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	6,730,783.02
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	6,715,249.52
5. RETAINAGE:		
a. 2.5% of Completed Work	\$	26,396.40
b. % of Stored Material	\$	0
Total Retainage (Lines 5a + 5b or		
6. TOTAL EARNED LESS RETAINAGE	\$	26,396.40
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	6,561,355.88
8. CURRENT PAYMENT DUE	\$	127,497.24
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$	41,929.90

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - G162

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Allan Myers,

By:

State of: Pennsylvania

Subscribed and sworn to before me this

Notary Public: *[Signature]*

My Commission expires: 1/27/10

County of: Montgomery

day of: May 2009

Date:

5/21/09

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-6222

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Kathleen M. Bernhardt, Notary Public  
Worcester Twp., Montgomery County  
My Commission Expires Jan. 27, 2010  
Member, Pennsylvania Association of Notaries



Tonie-Alisha Olmo  
taolmo@jacobydonner.com

February 26, 2010

*Philadelphia*

1700 Market Street  
Suite 3100  
Philadelphia, PA 19103  
215.563.2400  
Fax: 215.563.2870

**VIA FEDERAL EXPRESS**

BMC Group, Inc.  
Attn: Erickson Retirement Communities, LLC  
Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

**Re: Erickson Retirement Communities, LLC, Case No. 09-37010**

**Concord Campus, LP, Case No. 09-37020**

**Erickson Construction LLC, Case No. 09-37016**

*New Jersey*

East Gate Center  
309 Fellowship Road  
Suite 200  
Mt. Laurel, NJ 08054  
609.278.2500  
Fax: 609.278.0505

Dear Sir/Madam:

Enclosed please find three Proofs of Claim in the following matters:

- Erickson Retirement Communities, LLC - Case No. 09-37010;
- Concord Campus, LP - Case No. 09-37020; and
- Erickson Construction LLC - Case No. 09-37016.

*Virginia*

355 Crawford Street  
Suite 200  
Portsmouth, VA 23704  
757.337.8768  
Fax: 757.337.8769

Please file the originals of record and return the time-stamped copies using the enclosed self-addressed stamped envelope.

Very truly yours,

Tonie-Alisha Olmo  
Legal Assistant

www.jacobydonner.com

TAO/tao

Enclosures

cc: Wendy Byerley (w/encl.)

{00072488;v1}



A Pennsylvania Professional Corporation  
A Member of Lawyers Associated Worldwide