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| <b>UNITED STATES BANKRUPTCY COURT</b>  |  | <b>PROOF OF CLAIM</b>   |
| Name of Debtor:<br><b>Erickson Retirement Communities, LLC and Erickson Construction, LLC</b>  |  | Case Number:<br><b>09-37010-11 &amp; 09-37016</b>   |
| <small>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.</small>   |  |   |
| Name of Creditor (the person or other entity to whom the debtor owes money or property):<br><b>The Hanover Insurance Company</b>   |  | <input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.<br><br>Court Claim Number: _____<br>(If known)<br><br>Filed on: _____  |
| Name and address where notices should be sent:<br><b>Eric G. Korphage<br/>Pike &amp; Gilliss, LLC, 9475 Deereco Rd., Ste. 300<br/>Timonium, MD 21093</b>   |  |   |
| Telephone number:<br><b>(441) 761-6506</b>   |  |   |
| Name and address where payment should be sent (if different from above):<br><br><div style="text-align: center;"><b>RECEIVED</b><br/><b>MAR 02 2010</b><br/><b>BMC GROUP</b></div>   |  | <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.<br><br><input type="checkbox"/> Check this box if you are the debtor or trustee in this case.<br><br>Specify the priority of the claim.   |
| Telephone number:<br><br><div style="text-align: center;"><b>1B8</b></div>   |  |   |
| Name and address where payment should be sent (if different from above):<br><br><div style="text-align: center;"><b>TAWANA C. MARSHALL, CLERK<br/>U.S. BANKRUPTCY COURT<br/>NORTHERN DISTRICT OF TEXAS</b></div>   |  |   |
| 1. Amount of Claim as of Date Case Filed: \$ <u>207,934.30</u>   |  | 5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.<br><br><input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).<br><br><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).<br><br><input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).<br><br><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).<br><br><input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).<br><br><input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)( ): _____<br><br>Amount entitled to priority:<br>\$ _____<br><br><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> |
| 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.<br><br>If all or part of your claim is entitled to priority, complete item 5.<br><br><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.  |  |   |
| 2. Basis for Claim: <u>See exhibit A attached.</u><br>(See instruction #2 on reverse side.)  |  |   |
| 3. Last four digits of any number by which creditor identifies debtor: <u>2652</u>   |  |   |
| 3a. Debtor may have scheduled account as: <u>501-876-248</u><br>(See instruction #3a on reverse side.)   |  |   |
| 4. Secured Claim (See instruction #4 on reverse side.)<br>Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.<br><br>Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other<br>Describe: <u>See exhibit A attached.</u><br><br>Value of Property: \$ _____ Annual Interest Rate _____ %<br><br>Amount of arrearage and other charges as of time case filed included in secured claim,<br>If any: \$ _____ Basis for perfection: _____<br><br>Amount of Secured Claim: \$ <u>207,934.30</u> Amount Unsecured: \$ _____ |  |   |
| 6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  |  |   |
| 7. Documents: 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 instruction 7 and definition of "redacted" on reverse side.)<br><br>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.<br><br>If the documents are not available, please explain:   |  |   |
| Date:<br><b>02/25/2010</b>   |  |   |
| Signature: 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.<br><br><b>E. A. [Signature], Attorney for Hanover</b>  |  |   |

Erickson Ret. Comm. LLC



01805

# EXHIBIT A

**EXHIBIT A TO PROOF OF CLAIM**  
**Bankruptcy Case Nos.: 09-37010-11 and 09-37016**

Debtor, Erickson Construction, LLC ("Erickson"), contracted with Panther Corporation ("Panther") to provide plumbing and mechanical work to the Ashby Ponds Independent Living Buildings 1.1, 1.2 and 1.5 located in Ashburn, Virginia (collectively the "Ashburn Project"). (Attached hereto as exhibit 1 are copies of the Erickson-Panther contracts, which are incorporated herein by reference). Claimant, The Hanover Insurance Company ("Hanover"), issued two Payment Bonds (the "Bonds") naming Panther as the Contractor or Principal and Erickson as the Owner. (The Bonds are attached hereto as exhibit 2 and incorporated herein by reference). If a valid and proper claim is presented, these Bonds obligate Hanover to make payment if Panther fails to pay certain subcontractors or suppliers for work or materials provided to the Bonded projects.

In order to induce Hanover into issuing the Bonds, Panther executed an Agreement of Indemnity dated August 30, 2005 (the "Indemnity Agreement"). A copy of the Indemnity Agreement is attached hereto as exhibit 3 and incorporated herein by reference. The indemnity Agreement obligates Panther to exonerate, indemnify and save Hanover harmless:

2. The indemnitors shall exonerate, indemnify, and save harmless the Surety from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Surety may pay or incur, including, but not limited to, loss, interest, court costs and consultant and attorney fees:

- (a) by having executed or procured the execution of the bonds; or
- (b) in making an independent investigation of any claim, demand, or suite; or
- (c) in defending any suit, action, mediation, arbitration or any other proceeding to obtain release from liability whether the Surety, in its sole discretion, elects to employ its own attorney or permits or requires indemnitors to defend the Surety; or
- (d) in enforcing any of the covenants, terms and conditions of this agreement.

(See exhibit 3, ¶ 2 of the Indemnity Agreement).

Upon the occurrence of certain events, Panther (and the other indemnitors), assign certain rights to Hanover, including all rights and title to contracts and all monies retained, due, or due in the future on account of any contracts:

5. With respect to each bond executed by the Surety in connection with a contract, the Indemnitors hereby assign, transfer, convey and set over to the Surety;

(a) all right, title and interest of the Indemnitors in and to all tools, plants, equipment and materials of every nature and description that may now or hereafter be upon the site of the contracted work or elsewhere for the purpose of the contract; and

(b) all right, title and interest of the Indemnitors in and to the contract including all rights in and to all subcontracts or purchase orders let or to be let in connection therewith; and

(c) all monies retained, due or due in the future on account of any contract, whether bonded or unbounded, in which any or all the indemnitors have an interest; and

(d) all right, title and interest, or use of any license, patent, trademark or copyright held by Indemnitors in connecting with contracted work or required for the completion of any contract.

The assignments shall be effective as of the execution dates of the bonds, but only enforceable upon the occurrence of one or more of the events described in Paragraph 6(a-f).

(See exhibit 5, ¶ 2 of the Indemnity Agreement) (emphasis added).

Further, the Indemnity Agreement specifies the events that trigger Hanover's rights of assignment, including the failure of Panther to pay for any labor or material used in the prosecution of any bonded contract:

6. In the event the Indemnitors, or any one or more of them, shall: (a) whether actually or allegedly (as declared by the obligee or owner), delay, default, abandon, forfeit or breach any contract secured by a bond, or (b) fail, neglect, or refuse in any manner to timely pay for any labor or material used in the prosecution of any contract secured by a bond, or (c) change its character, identity, control, beneficial ownership, or existence, or (d) fail to perform, or comply with any of the terms, covenants, or obligations of this Agreement including, but not limited to, prompt payment of any amount due under this Agreement, or (e) make an assignment for the benefit of creditors, or have any proceedings instituted against them, or any one or more of them, alleging

insolvency or involving the appointment of a receiver or trustee whether such Indemnitor(s) is/are insolvent or not, or (f) have proceedings instituted against any of the Indemnitors which have the effect of depriving any of them of the use of any part of the equipment used in connecting with any contract work so as to hinder, delay, or impede the normal and satisfactory progress of the work, then the Surety, in its sole discretion, shall have the right, but not the obligation, to take possession of the work under the contract and any other contract, in connection with which the Surety has issued a bond or bond(s) and, at the expense of the Indemnitors, to complete, to arrange for completion, or to agree to the re-letting or completion by the obligee or owner of the contract work.

(See exhibit 3, ¶ 6 of the Indemnity Agreement).

The Indemnity Agreement also specifies that any contract funds, whether due or to become due, are held to be held in trust for the benefit, and completion, of all obligations incurred in completing the contracts:

7. The indemnitors covenant and agree that all funds due or to become due under any contract secured by a bond, whether in the possession of any Indemnitor or others, are held in trust for the benefit and payment of all obligations incurred in the completion of said contract for which the surety would be obligated under the bond. The trust shall inure for the benefit of the Surety for any liability or loss under any bond, and this agreement shall constitute notice of such trust.

(See exhibit 3, ¶ 7 of the Indemnity Agreement).

In connection with the Ashburn Project, Hajoca Corporation d/b/a J & H Aitcheson ("Hajoca") has claimed that it contracted with Panther to provide certain materials to Panther. (See exhibit 4, a copy of the Application for Commercial Credit, which Hajoca maintains is the contract between Panther and Hajoca). Hajoca has asserted a claim against Hanover maintaining that Panther failed to pay Hajoca and Hajoca is due monies from Panther. Hajoca has sued Hanover in the Circuit Court for Loudoun County, Virginia in the suit *Hajoca Corporation d/b/a J & H Aitcheson v. The Hanover Insurance Company*, Case No.: CL57316. Hajoca demands \$207,934.30, plus interest and costs of the action, from Hanover in this suit.

During the course of Panther performing work for Erickson, and in order to induce Hajoca to continue to provide materials to the Ashburn Project, per Hajoca, Erickson, Panther and Hajoca entered into a Joint Payment Agreement. (The Joint Payment Agreement is attached hereto as exhibit 5 and is incorporated herein by reference). Pursuant to this Joint Payment Agreement, Erickson agreed to pay Hajoca in full if Panther failed to make payment to Hajoca for materials that Hajoca provided to the Ashburn Project. (See exhibit 5, ¶¶ 1-3(a) of the Joint Payment Agreement, which is incorporated herein by reference). As previously stated, Hajoca has claimed that Panther failed to pay it for materials Hajoca provided to the Ashburn Project.

Hanover issued a subpoena to Erickson requesting information concerning any amounts that Erickson contends are due from Erickson to Panther or Hajoca. In response to Hanover's subpoena, Erickson produced the attached Contract Analysis Summary showing that Erickson's records indicate \$157,721.81 is due from Erickson to Panther for work provided to the Ashburn Project. (See exhibit 6 attached hereto). Similarly, in Erickson's schedule F, Erickson has listed Hajoca as having a \$160,000 claim. Additionally, prior to Erickson filing bankruptcy, Erickson's representatives represented to Hanover and Hajoca that it had at least \$160,000 in its account representing contract funds Erickson was holding that were due to Panther/Hajoca for materials Hajoca provided to the Ashburn Project. Erickson further represented that it was prepared to issue a check, or had already issued a check, which it was holding, made out to Panther/Hajoca in the amount of \$160,000 to satisfy Hajoca's claim against Erickson.

To the extent that Hanover satisfies any portion of Hajoca's claim, including Hajoca's claim for principal, interest, and/or costs, Hanover is equitably subrogated to Hajoca's claim against Erickson and Hajoca's right to the contract funds for the Ashburn Project. Hanover is also subrogated to Panther's rights, as well as Erickson's rights, to the contract funds for the

Ashburn Project. Accordingly, to the extent that Hanover satisfies any portion of Hajoca's claim, Hanover has an ownership interest in and to the contract proceeds that Erickson is holding, and a claim against Erickson. This ownership interest in, and to, the contract funds, is superior to all other creditors. See *Pearlman v. Reliance Ins. Co.*, 371 U.S. 132 (1962); see also *In re Jones Constr. & Renovation, Inc.*, 337 B.R. 579 (Bankr. E.D. Va. 2006) (holding that a surety has a superior ownership interest in contract funds pursuant to its rights of equitable subrogation); *Mid-Atlantic Supply, Inc. v. Three Rivers Aluminum Co.*, 790 F.2d 1121 (4th Cir. 1986) (contract proceeds held in trust and issued in the form of a joint check were not part of the bankruptcy estate and the supplier was entitled to the proceeds of the check); *Am. States Ins. Co. v. United States*, 324 B.R. 600 (N.D. Tex. 2005) (holding that the surety had an equitable ownership interest in and to retention or monies earned, but not yet, paid to the debtor). Hanover also has rights of assignment pursuant to the Indemnity Agreement and if it satisfies any portion of Hajoca's claim against Hanover and the Bonds, Hanover will obtain an assignment of Hajoca's rights against Erickson in and to the contract funds for the Ashburn Project.

# **EXHIBIT 1**



Contract Number: 15P

POSTED  
12/27/07  
#81269 CMO

Sub: Panther Corporation  
Cost Code: 557RB11-48400-154000

## SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of 09/01/2007 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Alan Jackson; and Panther Corporation (the "Subcontractor"), having an address of 1325 Industrial Road, Manassas, VA, 20109.

### RECITALS

- A. The Contractor has made a contract for construction dated as of 09/01/2007 (the "Prime Contract") with Ashburn 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 Independent Living Building 1.1, 21059 Loudoun County Parkway, being part of a project known as Ashby Ponds, located in Ashburn, VA (the "Project").
- C. The Architect for the Work (as such term is defined in Section 2.1 below) is Marks, Thomas Architects, Inc. (the "Architect"), having an address of 1410 Key Highway, Baltimore, MD, 21230.
- 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 Ashby Ponds, 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 Plumbing Contract (Sub).

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.

EC: [Signature] Sub: [Signature]

Contract Number: 15P

Sub: Panther Corporation  
Cost Code: 557RB11-48400-154000

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: 09/01/2007

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 09/01/2008, ("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 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 three hundred sixteen thousand Dollars and zero Cents (\$1,316,000.00) 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:

EC:  Sub: EW

Contract Number: 15P

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 27D505 9901A, Registration Number       , and Sales or Tax Registration Number is 54-2012645, 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

EC:        Sub: EW

**Contract Number: 15P**

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

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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
- (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.

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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; (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

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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 21059 Loudoun County Parkway, Ashburn, VA, 20147 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.

**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.

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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.

## 11. FINAL PAYMENT.

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**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 P, 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 Q 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.

**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.

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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 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 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.

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.**

Contract Number: 15P

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.

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.

Contract Number: 15P

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 Virginia 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:

Exhibit A - Drawing Log  
Exhibit B - Scope  
Exhibit C - SOV  
Exhibit D - Pay Application  
Exhibit E - Partial Release  
Exhibit F - Final Release  
Exhibit G - Vendor List  
Exhibit H, Sched B - Insurance Requirements Sched. B  
Exhibit I - Payment Bond  
Exhibit J - Performance Bond  
Exhibit K: Rider to Subcontract Agreement

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

WITNESS:

*Paul J. Adolph*  
*Harold Shrewsbury*

CONTRACTOR  
ERICKSON CONSTRUCTION, LLC

By:

*George Brown*  
George Brown  
Vice President

Dated: 12-20-07

SUBCONTRACTOR

By:

*Emery Wisenbaker*  
Panther Corporation  
Mr. Emery Wisenbaker  
Owner *VP*

Dated: 12-04-07

## EXHIBIT "A"

### Drawings and Specifications

| Drawing           | Revision | Description                           | Date      |
|-------------------|----------|---------------------------------------|-----------|
| <b>Plumbing</b>   |          |                                       |           |
| 70.00             | C        | Plumbing Schedule                     | 3/8/2007  |
| 70.01             | C        | Subslab Plumbing Plan                 | 3/8/2007  |
| 70.02             | C        | Parking Level Plumbing Plan           | 3/8/2007  |
| 70.03             | C        | First Floor Plumbing Plan (Build-Out) | 3/8/2007  |
| 70.04             | C        | Second Floor Plumbing Plan            | 3/8/2007  |
| 70.05             | C        | Third Floor Plumbing Plan             | 3/8/2007  |
| 70.06             | C        | Fourth Floor Plumbing Plan            | 3/8/2007  |
| 71.01             | C        | Plumbing Part Plans                   | 3/8/2007  |
| 72.01             | C        | Plumbing Risers & Details             | 3/8/2007  |
| 73.01             | 0        | Sanitary Riser Diagrams               | 1/10/2007 |
| 73.02             | 0        | Sanitary Riser Diagrams               | 1/10/2007 |
| 73.03             | 0        | Domestic Water Riser Diagrams         | 1/10/2007 |
| 73.04             | 0        | Domestic Water Riser Diagrams         | 1/10/2007 |
| <b>Mechanical</b> |          |                                       |           |
| 80.00             | 0        | Mechanical Schedules                  | 1/10/2007 |
| 80.01             | C        | Parking Level Mechanical Plan         | 3/8/2007  |
| 80.02             | C        | First Floor Mechanical Plan Start-Up  | 3/8/2007  |
| 80.03             | C        | Second Floor Mechanical Plan          | 3/8/2007  |
| 80.04             | C        | Third Floor Mechanical Plan           | 3/8/2007  |
| 80.05             | C        | Fourth Floor Mechanical Plan          | 3/8/2007  |
| 80.06             | C        | Attic Mechanical Plan                 | 3/8/2007  |
| 81.01             | C        | Mechanical Part Plans                 | 3/8/2007  |
| 82.01             | 0        | Mechanical Details                    | 1/10/2007 |
| 82.02             | C        | Mechanical Details                    | 3/8/2007  |
| 83.01             | 0        | HVAC Risers                           | 1/10/2007 |
| 84.01             | C        | Mechanical Schedules                  | 3/8/2007  |
| 80.00             | 0        | Mechanical Schedules                  | 1/10/2007 |

| Drawing           | Revision | Description                              | Date      |
|-------------------|----------|--|-----------|
| 80.01             | C        | Parking Level Mechanical Plan            | 3/8/2007  |
| 80.02             | C        | First Floor Mechanical Plan Start-Up     | 3/8/2007  |
| 80.03             | C        | Second Floor Mechanical Plan             | 3/8/2007  |
| 80.04             | C        | Third Floor Mechanical Plan              | 3/8/2007  |
| 80.05             | C        | Fourth Floor Mechanical Plan             | 3/8/2007  |
| 80.06             | C        | Attic Mechanical Plan                    | 3/8/2007  |
| 81.01             | A        | Mechanical Part Plans                    | 2/16/2007 |
| 81.01             | C        | Mechanical Part Plans                    | 3/8/2007  |
| 82.02             | C        | Mechanical Details                       | 3/8/2007  |
| 83.01             | 0        | HVAC Risers                              | 1/10/2007 |
| 84.01             | C        | Mechanical Schedules                     | 3/8/2007  |
| <b>Electrical</b> |          |  |           |
| 90.00             | 0        | Legend, Abbrev. + Light Fixture Schedule | 1/10/2007 |
| 90.01             | C        | Lighting + Power Parking Level Plan      | 3/8/2007  |
| 90.02             | C        | Lighting + Power First Floor Plan        | 3/8/2007  |
| 90.03             | C        | Lighting + Power Second Floor Plan       | 3/8/2007  |
| 90.04             | C        | Lighting + Power Third Floor Plan        | 3/8/2007  |
| 90.05             | C        | Lighting + Power Fourth Floor Plan       | 3/8/2007  |
| 91.01             | C        | Electrical Part Plans                    | 3/8/2007  |
| 91.02             | C        | Electrical Part Plans                    | 3/8/2007  |
| 92.01             | 0        | Electrical Site Distribution system      | 1/10/2007 |
| 92.02             | 0        | Details                                  | 1/10/2007 |
| 92.03             | 0        | Special System Block Diagrams            | 1/10/2007 |
| 93.01             | C        | Power Riser                              | 3/8/2007  |
| 93.02             | 0        | Special Systems Risers + Details         | 1/10/2007 |
| 94.01             | C        | Panel Schedules                          | 3/8/2007  |
| <b>Units</b>      |          |  |           |
| Unit Notes        | C        | Unit Notes                               | 3/8/2007  |
| Unit G51          | 0        | Unit Plan                                | 1/10/2007 |
| Unit G52          | C        | Unit Plan                                | 3/8/2007  |
| Unit G52M         | C        | Unit Plan                                | 3/8/2007  |

Sub: DMR Associates Inc.  
Cost Code: 557RB11-48700-155000

| Drawing               | Revision | Description         | Date      |
|-----------------------|----------|---------------------|-----------|
| Unit H61M             | 0        | Unit Plan           | 1/10/2007 |
| Unit H63M             | 0        | Unit Plan           | 1/10/2007 |
| Unit K31.5            | C        | Unit Plan           | 3/8/2007  |
| Unit K33.5            | C        | Unit Plan           | 3/8/2007  |
| Unit K61              | 0        | Unit Plan           | 1/10/2007 |
| Unit K71              | C        | Unit Plan           | 3/8/2007  |
| Unit LG41.5           | C        | Unit Plan           | 3/8/2007  |
| Unit LG41.5M          | 0        | Unit Plan           | 1/10/2007 |
| Unit LG51             | 0        | Unit Plan           | 1/10/2007 |
| Unit LG61             | C        | Unit Plan           | 3/8/2007  |
| Unit R11              | C        | Unit Plan           | 3/8/2007  |
| Unit R11A             | 0        | Unit Plan           | 1/10/2007 |
| Unit R21              | C        | Unit Plan           | 3/8/2007  |
| Unit R31.5            | 0        | Unit Plan           | 1/10/2007 |
| Unit R41.5            | 0        | Unit Plan           | 1/10/2007 |
| Unit R41.5            | C        | Unit Plan           | 3/8/2007  |
| Unit R41.5M           | 0        | Unit Plan           | 1/10/2007 |
| Unit R42.5            | C        | Unit Plan           | 3/8/2007  |
| Unit R61              | C        | Unit Plan           | 3/8/2007  |
| Unit R61M             | C        | Unit Plan           | 3/8/2007  |
| Unit S21              | C        | Unit Plan           | 3/8/2007  |
| Unit S41.5            | C        | Unit Plan           | 3/8/2007  |
| Unit S41A             | C        | Unit Plan           | 3/8/2007  |
| <b>Specifications</b> |          |                     |           |
| Volume 2              |          | Division 15 thru 16 | 1/10/2007 |
|                       |          |                     |           |

EC:  Sub: EW

**EXHIBIT "B"**  
**SCOPE OF WORK**  
**PLUMBING AND MECHANICAL PIPING**

This subcontractor shall furnish and install all materials, labor, tools, and equipment to complete the plumbing and mechanical piping work for Ashby Ponds Independent Living Building 1.1 in accordance with the contract documents prepared by Marks, Thomas Architects, dated January 10, 2007. The above work for this subcontractor is in accordance with the contract documents, in general and the work of Division 15 – Plumbing and Mechanical, in particular.


The Work shall include, but is not necessarily limited to the following:

**A. Quality Assurance:**

1. A preconstruction meeting must be held involving all parties integral to completion of this scope of work being performed.
2. Subcontractor, after 48 hours notice, will man the job and complete his work, as indicated by periodic punch lists, conveyed by the Contractor. Subcontractor shall complete Contractor's punch lists, returned to Contractor with signature of completion, within 72 hours of mobilization. Any material delays, that would impede completion of Contractor's punch list, shall be brought to the Contractor's attention immediately after receipt of punch list. Contractor shall make reasonable effort to make complete punch lists in order to minimize subcontractor mobilizations.
3. The Subcontractor shall coordinate all work performed under the terms of this contract with the Contractor. Subcontractor's failure to properly coordinate the work shall result in the subcontractor reworking his work to make it fit at the direction of the Contractor and at no extra cost to the Contractor. Identify any known discrepancies in the Contract Documents to the Contractor prior to this Subcontractor's work.
4. The subcontractor shall make all necessary arrangements and directly pay all costs related to repairs, rework, etc. caused by the subcontractor's work. Prior to any repairs, re-work, etc. being made on Subcontractor's behalf, Subcontractor shall be given 48 hours notice in writing to allow Subcontractor to witness alleged damages, and if in agreement as to his responsibility for such damages, to have the opportunity to effect such repairs himself, or have the opportunity to record work on his behalf for which he will be financially responsible. (NOTE: 48 hours shall be construed to mean two working days, exclusive of weekends or holidays).

**B. Cleaning:**

1. The Subcontractor shall maintain sufficient labor onsite to keep their work areas clean and orderly on a daily basis, so as to allow other trades access and to maintain a safe working environment.

 Sub: EW



2. Subcontractor is responsible for all trash created from his work or by his workers from taking breaks. Trash is to be removed on a **DAILY** basis to a job site container provided by the Contractor. Subcontractor will continuously reinforce this stipulation to his workers. Leaving trash in, or around, the jobsite will not be tolerated.

**C. Safety:**

1. This Subcontractor is to provide adequate and proper safety protection for its personnel and equipment and shall strictly comply with all rules and regulations of the Federal Occupational Safety and Health Act, all other applicable health and safety laws and regulations, and of the Erickson Construction Safety Program. Hard hats, thick soled shoes (not sneakers), full length pants and shirts are to be worn by all personnel employed on the job by this Subcontractor at all times. Payments may be withheld in the form of fines for violations. Accidents to personnel of this Subcontractor, no matter how minor, will be promptly reported in detail to the Project Superintendent and/or Site Safety Officer within twenty four (24) hours of the incident. Photographs must be taken by the Subcontractor of the accident location and copies of those and all applicable hospital reports must be submitted. Fines levied by Erickson Construction, LLC. Due to the acts of this Subcontractor for failure to comply with the safety regulations and requirements of OSHA and all other applicable health and safety laws and regulations, will be paid by this Subcontractor or deducted from its Subcontract amount as described elsewhere in the Subcontract. This Subcontractor and its Sub-Subcontractors will be required to provide a copy of its Safety Program to the Project superintendent prior to commencing work at the project site. This program will include a listing, with names and phone numbers, of no less than three persons who will be designated competent persons for the duration of subcontractors work. No cost extras or time extensions will be recognized for failure to meet the requirement.
2. The Subcontractor is responsible for the safe stocking of materials to ensure that structural components of the facility being constructed are not overloaded. Subcontractor is responsible for any damage caused by improper stacking.
3. The Contractor shall provide general lighting and temporary power and wiring throughout the structure. Subcontractor shall provide specific task lighting and cords required to complete their work. All cords and lighting to be in accordance with OSHA standards.
4. The Subcontractor shall furnish trained and certified lift operators for all lift work. Lift includes, but is not limited to, forklifts, boom lifts, scissor lifts, cranes and mechanical hoists.

**D. Close Out Documentation:**

1. Subcontractor to furnish all warranty and certification inspections for receipt of warranties and certifications prior to owner acceptance.
2. Final payment will not be processed until all applicable close-out documents and materials are received.

3. Subcontractor shall furnish three (3) copies of closeout documentation for submission to the Owner/Architect for approval. Upon approval by the Owner/Architect, the Subcontractor shall furnish three (3) corrected copies of close-out documents to the Contractor for inclusion in the Master O&M to the Owner.
4. Subcontractor agrees to submit all O & M Manuals and Record documents no later than 45 days prior to substantial completion.

**E. General Requirements:**

1. Work hours for all trades will only be permitted on Monday thru Friday from 7:00 AM to 4:00 PM. All Saturday, Sunday and work after 4:00 PM must be pre-approved by Erickson Construction during the week prior to when the work is to be performed.
2. Subcontractor must have an English speaking foreman onsite at all time when their work is taking place.
3. Subcontractor will not be permitted to play music.
4. Smoking, eating and drinking are prohibited in buildings.
5. Subcontractor is responsible for keeping all of its operations, storage, trailers, materials, etc. within designated staging areas. No equipment, materials, trailers, etc. can be stored outside the storage area without specific permission of Erickson Construction.
6. Subcontractor shall not install signs, or other advertising, on fencing or buildings around the project except those specifically required for safety or traffic purposes. Subcontractor is limited to one sign on their construction trailer; this sign shall be reasonably sized and shall not project above such trailer. Any and all signs are subject to Erickson Construction's approval.
7. Includes all applicable local, state, and federal sales tax.
8. Subcontractor shall be responsible for hoisting, lifting, unloading and distribution of materials necessary for the completion of Subcontractor's work, including materials provided by others for installation by the Subcontractor.
9. All submittals to be submitted in a quantity of eight (8) sets each.
10. The subcontractor shall coordinate all work performed under this agreement with work performed by the MEP Subcontractors and Finish Subcontractors to ensure all system are fully compatible and operational. Special attention to be given to floor and drains to assure proper slope to the drain is obtained, provided the drains are set by others to the proper elevations.

**F. Plumbing and Mechanical Piping Specific Issues:**

1. The Mechanical, Electrical, and Fire Protection Subcontractors agree that there is a complete mechanical/electrical/plumbing/sprinkler system for the project and that the systems interface not only technically but also in installation. The total system is compatible and complete and this Subcontractor, collectively with the Mechanical and Fire Protection Subcontractors, agrees that all interconnection and interfacing is included in this Agreement.
2. Perform all layout required for the work. Correct any errors arising from improper layout at no extra cost to the Contractor, unless error is caused by incorrect information in the contract documents.
3. Furnish sleeve layout drawings for coordination with the post tension slab system and other MEP trades. Layout for sleeves to accommodate pipe and equipment penetrations. Drawings are to show dimensions from the column lines.
4. Furnish coordinated mechanical and plumbing rough-in drawings.
5. Scope includes ASME certified welding and certification documents for all certified welders.
6. When soldering, or using torches, around finish walls, drywall, or combustible materials use reflective heat shields to protect the finished product, or combustible materials, from damage due to the torches.
7. Perform any required excavation for trenches and do so in a safe manner. Provide any shoring, cages, or other devices required to protect the work men. Provide barricades or barriers required protecting the public and other workers. Perform all backfill operations required around pipe or structures using only suitable materials. Backfill shall be brought up in lifts specified, not exceeding 8", and shall be compacted to the specified density and in no case in buildings or under paved areas shall this be less than 95% standard proctor. After the area is backfilled, re-grade the area to the specified contours +/- .2 feet. Dispose of any excess materials on site as directed by the Contractor. All ditch excavation spoils that are to be used for backfill shall be protected from inclement weather. If the material is not protected, and becomes water saturated, provide any required select backfill material and dispose of the unsuitable material at no extra cost to the Contractor.
8. All excavation shall be unclassified. If rock is encountered, the subcontractor shall notify the Contractor prior to removal of the rock. In reference to this clause, rock shall be defined as material that cannot be excavated/ripped with a Case 580 backhoe or equivalent machine. The subcontractor shall be paid extra compensation for excavation of rock. This extra payment shall cover all excavation backfill, drilling and shooting, select material, bedding and any other cost incurred due to rock.
9. Plumbing services (5'-0" outside building in accordance with the contract documents; (sanitary & storm/condensate).

10. All underground pipelines shall be laid to a uniform grade. Any leakage infiltration, or exfiltration, shall not exceed limits set out in the contract documents, or local governing authority, whichever is the most stringent. Perform any testing required to ascertain the amount of leakage occurring.
11. Furnish and install condensate lines to the back water valve pit. (Back water valve pit is by others).
12. Furnish and install all foundation drains.
13. Furnish and install elevator sump pump piping.
14. Furnish and install all areaway and floor drains.
15. Furnish and install backflow preventer valves in accordance with the contract documents.
16. Furnish and install water hammer arrestors as in accordance with the code and contract documents.
17. Furnish and install all sleeves for all penetrations in drywall walls, floor deck, roofs, slab on grade, etc. as required by the work of the subcontractor and the contract documents. Sleeves in concrete floors shall be the same height as the finished floor unless otherwise directed by the Contractor.
18. Furnish and install any and all firestopping and fire safing of subcontractor's penetrations as required by the contract documents. Firestopping and "safing" of penetrations shall be completed on a timely basis as directed by the Contractor.
19. Furnish and install all necessary supplemental supports, hangers, isolation, etc. as required for proper installation of this Scope of Work. Coordinate installation of supports and hangers with structural framing of decks.
20. Provide drawings showing dimensional data and load requirements for the proper support of any equipment mounted on structural steel or building structure supplied by others.
21. Furnish and install all vibration isolation for equipment supplied in this scope of work in accordance with the contract documents.
22. Provide temporary water lines and faucets for use during construction as directed by the Contractor. Maintenance and protection by others.
23. Furnish and install all water, sewer, condensate, gas, etc. in accordance with all applicable codes and ordinances of complete plumbing work. Make final connection to all site utilities.
24. Furnish and install all pipe fittings in accordance with the contract documents.

25. Install temporary covers or plugs in all stub ups to preclude foreign materials from entering piping systems during construction. Furnish all plugs, caps, etc. necessary to obtain partial floor by floor building occupancy.
26. Connect sub slab condensate drains to Heat Pump/condensate system.
27. Furnish and install temperature blending or mixing valves in accordance with the contract documents.
28. Furnish and install vent caps.
29. Furnish and install wall hydrants & hose bibs in accordance with the contract documents.
30. Furnish and install roof flashing required for vent stacks.
31. Furnish and install all plumbing fixtures as specified and shown on the contract drawings and make connections of same.
32. Furnish and install escutcheon plates around all kitchen and bath plumbing piping and as required by the work.
33. Furnish and install plastic or fiberglass tub and shower protectors. Plastic to be heavy mil on the entire surface of tubs and showers. Place cardboard inside the shower over the threshold and down the face as possible. Subcontractor will provide and maintain tub/shower protectors as possible, but it shall be the contractor's responsibility to police and rectify the continued removal and/or abuse of such protectors by other trades, etc. The Subcontractor shall likewise notify the Contractor of all observed instances of protection removal or abuse.
34. Furnish and install drip pans in accordance with the contract documents.
35. Furnish and install handicap plumbing fixtures in accordance with the contract documents.
36. Furnish and install ice maker rough-in connections.
37. Connect and furnish; valves, air gaps, and trim only for equipment furnished and set in place by others to include:
  - i. Vanities
  - ii. Dishwashers
  - iii. Clothes washers / dryers
  - iv. Kitchen sinks
  - v. Ice makers in refrigerators
  - vi. Disposers

38. Plumbing fixtures with trim to include:

- i. Kitchen sinks – trim only; (install garbage disposal provided by others)
- ii. Vanity bowls – trim only
- iii. Clothes washer / dryers – hose connection outlet only (hoses and hookup by others)
- iv. Tubs with tub/shower diverters
- v. Lavatories
- vi. Miscellaneous sinks
- vii. Water closets
- viii. Showers & Tubs

39. This subcontract includes the connection of equipment furnished and set in place by others. Subcontractor shall connect equipment in a manner as to preclude damage to the connections and/or piping.

40. Furnish and install water heaters as indicated in accordance with the contract documents.

41. Furnish and install all inserts and other items necessary to incorporate the mechanical work in the facility.

42. Furnish and install condenser water piping.

43. Furnish and install HVAC (Loop water) system. Subcontractor to coordinate connections to the loop water piping in adjacent buildings.

44. Furnish, install, and remove temporary construction strainers at Closed Loop Condenser Water Service piping to prevent foreign matter from entering the system in accordance with the contract documents.

45. Unit shutoff valves are to be located in the corridor above each unit entry door.

46. Furnish and install expansion compensators as indicated in the contract documents.

47. Furnish and install motor starters that are integral to equipment. Individual starters and disconnects are excluded from this Subcontract.

48. Furnish and install insulation of plumbing, equipment installed under this subcontract, and HVAC piping, etc. per code, and in accordance with the contract documents.

49. Furnish all access panels required by the work of this subcontractor in adequate size, type and fire rating for the intended use. Subcontractor to provide location of access panel placement and valves, etc. Access panels shall be placed such that they can reasonably be operated and/or serviced via the access provided. Installation by others.

50. In all piping systems, provide methods, means, valves, stoppers, etc. for testing isolated areas as the progress of the job requires so other work on the job may proceed concurrently. This particularly applies to individual floors and areas of the building.
51. Complete all necessary work and perform all tests and inspections required by the work and local governing authorities and prevailing local building codes. All tests and inspections shall be completed on a timely basis so as to maintain the schedule and allow time for other subcontractors to perform their work and inspections on a timely basis.
52. Test all piping in accordance with Specifications except that pneumatic testing is permissible for piping in freezing weather that cannot be completely drained.
53. Subcontractor shall flush piping prior to final hook-ups. Disinfect potable water lines prior to occupancy of building and provide certification of chlorination of water lines. Furnish flush and cleaning certification of the HVAC piping system in accordance with the contract documents.
54. Prior to covering or concealment of piping, the subcontractor shall make or mark up accurate "as built" drawings of his work and shall submit eight (8) complete sets of "as built" drawings at the completion of his work.
55. Furnish and install all pipe, valve, and equipment identification (i.e. Stenciling, pipe wrap, etc.) in accordance with the contract documents. This excludes painting of the pipe.
56. Provide necessary preparations and adjustments for final acceptance of all systems, including startup of systems, in accordance with the contract documents for final acceptance of the work.
57. This scope of work includes owner training for all equipment supplied by this scope of work, even when equipment is turned over to another Subcontractor for installation.
58. Included is a one (1) year warranty for this scope of work in accordance with the contract documents.
59. This scope excludes concrete pads.

END OF SECTION

**EXHIBIT "C"**  
**Schedule of Values**

|                                     |                |
|-------------------------------------|----------------|
| Submittals                          | \$5,000.00     |
| Permits                             | \$20,000.00    |
| Bonds                               | \$13,000.00    |
| Parking Garage Plumbing             |                |
| Plumbing Ground Works               | \$45,000.00    |
| Sub-Surface Drain Tile              | \$35,000.00    |
| Trench Drains                       | \$9,400.00     |
| 1 <sup>st</sup> Floor - 18 Units    |                |
| Under Floor Rough-In                | \$55,732.00    |
| Above Floor Rough-In                | \$144,902.00   |
| Final Trim Out                      | \$22,286.00    |
| Closed Loop Piping                  | \$150,500.00   |
| 2 <sup>nd</sup> Floor - 17 Units    |                |
| Under Floor Rough-In                | \$52,636.00    |
| Above Floor Rough-In                | \$136,852.00   |
| Final Trim Out                      | \$21,048.00    |
| Closed Loop Piping                  | \$21,500.00    |
| 3 <sup>rd</sup> Floor - 21 Units    |                |
| Under Floor Rough-In                | \$65,018.00    |
| Above Floor Rough-In                | \$169,052.00   |
| Final Trim Out                      | \$26,002.00    |
| Closed Loop Piping                  | \$21,500.00    |
| 4 <sup>th</sup> Floor - 21 Units    |                |
| Under Floor Rough-In                | \$65,018.00    |
| Above Floor Rough-In                | \$169,052.00   |
| Final Trim Out                      | \$26,002.00    |
| Closed Loop Piping                  | \$21,500.00    |
| Owner/Operating Manuals & As-Builts |                |
| Owner/Operating Manuals             | \$10,000.00    |
| As-Built Drawings                   | \$10,000.00    |
| Total                               | \$1,316,000.00 |


**Alternates**

1. Furnish Cast Iron Sanitary Waste Risers \$36,700.00/Add

**Unit Prices**

1. None

END OF SECTION

EC:  Sub: *EWD*



**Exhibit "D.1"**  
**Instructions for "Exhibit D"**

Subcontractors/Suppliers shall submit attached Application and Certificate for Payment (Exhibit D) for payment processing to:

**ERICKSON CONSTRUCTION, L.L.C.**  
**21059 Loudoun County Parkway**  
**Ashburn, VA, 20147**

**ATTN: Project Manager, Alan Jackson**

Your application for payment, using the attached Application and Certificate for Payment (Exhibit D) form, must be fully completed, and must be in our office at the above address *no later than the 20<sup>th</sup> of the month.*

If your Application and Certificate for Payment is not fully completed and received in our office, at the above address *by the 20<sup>th</sup> of the month*, your payment will be delayed until the following month's payment cycle.

**EXHIBIT "D"**  
**APPLICATION AND CERTIFICATE FOR PAYMENT**

**TO:** ERICKSON CONSTRUCTION, LLC.  
703 Maiden Choice Lane  
Baltimore, MD 21228

**DATE:**

**PROJECT:** 557RB11  
**JOB:** Wood framed residential building.  
**APPLICANT NO.:**  
**PERIOD TO:**

**FROM:** Panther Corporation

|   |    |
|---|----|
| 1. Original Contract Amount                       | \$ |
| 2. Change Orders Issued to Date (Thru C.O. # )    | \$ |
| 3. Contract Sum to Date (Line 1+2)                | \$ |
| 4. Total Completed & Stored to Date               | \$ |
| 5. Less Retainage ( %)                            | \$ |
| 6. Total Earned to Date Less Retainage (Line 4-5) | \$ |
| 7. Less Previous Requisitions                     | \$ |
| 8. Payment Due This Period (Line 6-7)             | \$ |

**SUBCONTRACTORS AFFIDAVIT & RELEASE OF LIEN:**

The undersigned Subcontractor certifies; (i) that the work for which this payment request is being submitted has been completed in accordance with the Contract Documents; (ii) that it has paid its employees, sub-subcontractors, and material suppliers for all work and material for which Erickson Construction has paid previous requests for payment; (iii) that the amount of this invoice is due.

**CONTRACTOR: By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Officer, General Partner, or Owner)

**Note:** Payment will be made for only those costs which are included as part of the Original Contract amount or for which a Change Order has been issued by Erickson Construction L.L.C. Please provide a list of any outstanding claims for additional costs or pending extras.

**NOTES:**

**TO BE COMPLETED BY PROJECT MANAGER**

|                   |              |
|-------------------|--------------|
| RETAINAGE RELEASE | \$           |
| PROGRESS BILLING  | \$           |
| RETAINAGE HELD    | \$           |
| TOTAL AMOUNT DUE  | \$           |
| PROJECT NUMBER    | 557RB11      |
| COST CODE #       | 48400-154000 |
| APPROVED BY       |              |
| APPROVED DATE     |              |

| FINAL PAYMENT           |  |
|-------------------------|--|
| PUNCH LIST COMPLETED    | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| WARRANTY COMPLETED      | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| ATTIC STOCK DELIVERED   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| O&M (CLOSEOUT BOOK-DEL) | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| CHANGE ORDERS COMPLETED | <input type="checkbox"/> YES <input type="checkbox"/> NO |

| FOR ACCOUNTING USE ONLY |  |
|-------------------------|--|
| DATE RECEIVED           |  |
| REVIEWED BY             |  |

EC:  Sub: ECW

Sub: Panther Corporation  
Cost Code: 557RB11 - 48400-154000

**EXHIBIT "E1" & "F1"**  
**Instructions for Exhibits E & F**

Subcontractors/Suppliers shall submit attached Partial Release of Liens (Exhibit E) and Final Release of Liens (Exhibit F) for payment processing to:

**ERICKSON CONSTRUCTION, LLC.**  
**Corporate Office**  
**991 Corporate Blvd.**  
**Linthicum, Maryland 21090**  
**Attn: Contract Administrator**

**EXHIBIT E - PARTIAL RELEASE OF LIENS**

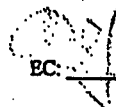
The attached Partial Release of Liens (Exhibit E) form must be fully completed, properly executed by a authorized Corporate Officer or Owner/Proprietor with Original Signatures, Notarized, and must be in our office at the above address no later than the last day of the month.

If your Partial Release of Liens (Exhibit E) is not fully executed and received on a timely basis, i.e. no later than the last day of the month, previous payment not covered by a current waiver of lien will be deducted from your expected payment.

**EXHIBIT F - FINAL RELEASE OF LIENS**

The attached Final Release of Liens (Exhibit F) form must be fully completed, properly executed by a authorized Corporate Officers or Owner/Proprietary with original signatures, Notarized, and must be in our office at the above address no later than the last day of the month or at issuance of Final Payment.

**NO FINAL PAYMENTS WILL BE ISSUED UNTIL FINAL RELEASE OF LIENS IS IN HAND.**

EC:  Sub: EW

**EXHIBIT "E"**  
**CONTRACTORS, SUBCONTRACTORS AND SUPPLIER**  
**PARTIAL RELEASE OF LIENS**

STATE OF:  
COUNTY OF:

Original Contract Amount: \$ \_\_\_\_\_  
Approved Change Orders: \$ \_\_\_\_\_  
Adjusted Contract Amount: \$ \_\_\_\_\_  
Completed to Date: \$ \_\_\_\_\_  
Retention: \$ \_\_\_\_\_  
Total Earned (Less Retention): \$ \_\_\_\_\_  
Previous Payments: \$ \_\_\_\_\_  
Current Payment: \$ \_\_\_\_\_  
Contract Balance: \$ \_\_\_\_\_

TO: CHICAGO TITLE INSURANCE COMPANY (Title Insurer)  
\_\_\_\_ (Lender)  
\_\_\_\_ (Owner)  
\_\_\_\_ (Contractor)

The UNDERSIGNED being duly sworn states that he is the \_\_\_\_\_ (title)  
of \_\_\_\_\_ (firm) who has a contract with \_\_\_\_\_  
for furnishing \_\_\_\_\_ for the improvements being erected on  
real estate known and identified as Independent Living Building 1.1 located in \_\_\_\_\_  
County, State of \_\_\_\_\_ and owned by \_\_\_\_\_.


The UNDERSIGNED, for and in consideration of the sum of \_\_\_\_\_  
(\$ \_\_\_\_\_) in payment of invoice or application dated \_\_\_\_\_ and other good and  
valuable consideration, the receipt of which is hereby acknowledged, does hereby waive and release any and all liens or  
claims of right of lien on the aforementioned property and improvements thereon, and on monies or other consideration due or  
to become due on account of labor or services, materials, fixtures or apparatus heretofore furnished, prior to  
\_\_\_\_\_, 20\_\_\_\_, except for the retention stated above.

The UNDERSIGNED, respectfully warrants that the contract status set forth above is an accurate statement, and no  
other sums are claimed, that all laborers, subcontractors, and suppliers employed by him have been paid all sums previously  
due and all current sums due out of this payment and that none of such laborers, subcontractors or suppliers is or will be  
entitled to claim or assert any claim against the above described real estate or the improvements thereon for labor or materials  
furnished to or for the account of the undersigned. (Upon request, the undersigned shall list the name of each of his  
subcontractors, and suppliers, with contract and payment status, on CTI form F-3926 - Contractors and Subcontractors  
Affidavit, attach same hereto and upon request furnish waivers from said parties).

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_  
By: \_\_\_\_\_ Contractor/Supplier/Subcontractor  
\_\_\_\_\_  
Signature & Title (Must be an Officer)

Signed and sworn to before me this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_

My Commission Expires: \_\_\_\_\_  
Notary Public Signature

EG:  Sub: EW

**EXHIBIT "F"**  
**CONTRACTORS, SUBCONTRACTORS AND SUPPLIER**  
**FINAL RELEASE OF LIENS**

|            |        |                                |          |
|------------|--------|--------------------------------|----------|
| STATE OF:  | )      | Original Contract Amount:      | \$ _____ |
|            | ) S.S. | Approved Change Orders:        | \$ _____ |
| COUNTY OF: | )      | Adjusted Contract Amount:      | \$ _____ |
|            |        | Completed to Date:             | \$ _____ |
|            |        | Retention:                     | \$ _____ |
|            |        | Total Earned (Less Retention): | \$ _____ |
|            |        | Previous Payments:             | \$ _____ |
|            |        | Current Payment:               | \$ _____ |
|            |        | Contract Balance:              | \$ _____ |

TO: CHICAGO TITLE INSURANCE COMPANY (Title Insurer)  
\_\_\_\_ (Lender)  
\_\_\_\_ (Owner)  
\_\_\_\_ (Contractor)

The UNDERSIGNED being duly sworn states that he is the \_\_\_\_\_ (title)  
of \_\_\_\_\_ (firm) who has a contract with \_\_\_\_\_  
for furnishing \_\_\_\_\_ for the improvements being erected on real  
estate known and identified as Independent Living Building 1.1 located in \_\_\_\_\_  
County, State of \_\_\_\_\_ and owned by \_\_\_\_\_.

The UNDERSIGNED, for and in consideration of the sum of \_\_\_\_\_  
(\$ \_\_\_\_\_) in payment of invoice or application dated \_\_\_\_\_ and other good and  
valuable consideration, the receipt of which is hereby acknowledged, does hereby waive and release any and all liens or  
claims of right of lien on the aforementioned property and improvements thereon, and on monies or other consideration due or  
to become due on account of labor or services, materials, fixtures or apparatus heretofore furnished, prior to  
\_\_\_\_\_, 20\_\_\_\_, except for the retention stated above.

The UNDERSIGNED, respectfully warrants that the contract status set forth above is an accurate statement, and no  
other sums are claimed, that all laborers, subcontractors, and suppliers employed by him have been paid all sums previously  
due and all current sums due out of this payment and that none of such laborers, subcontractors or suppliers is or will be  
entitled to claim or assert any claim against the above described real estate or the improvements thereon for labor or materials  
furnished to or for the account of the undersigned. (Upon request, the undersigned shall list the name of each of his  
subcontractors, and suppliers, with contract and payment status, on CTI's form F-3926 - Contractors and Subcontractors  
Affidavit, attach same hereto and upon request furnish waivers from said parties).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_ Contractor/Supplier/Subcontractor  
\_\_\_\_\_  
(Title)

Signed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EC:  Sub: EW


**EXHIBIT "G1"**  
**Instructions for Exhibit "G"**

**ERICKSON CONSTRUCTION, LLC.**  
**Corporate Office**  
**991 Corporate Blvd.**  
**Linthicum, Maryland 21090**  
**Attn: Accounts Payable Clerk**

**EXHIBIT G - VENDOR/TEIR SUBCONTRACTOR LIST**

The attached Vendor/Tier Subcontractor List (Exhibit G) from must be fully completed, properly executed by authorized Corporate Officer or Owner/Proprietor with Original Signatures, Notarized and must be in our office at the above address no later than the 20<sup>th</sup> day of the month.


If you Vendor/Tier Subcontractor list (Exhibit G) is not fully executed and received on a timely basis, i.e. no later than the 20<sup>th</sup> day of the month, previous payment not covered by a current waiver of lien will be deducted from your expected payment.

EG:  Sub: EW

**EXHIBIT "K"**  
**Rider to**  
**Subcontract Agreement**  
**Between**  
**Erickson Construction and Panther Corporation**

- 8.2.2 Delete sentence three (3) – "Termination for default, if wrongfully made, shall be treated as a termination for convenience."
- 11.5 Delete paragraph in its entirety.
- 13.3 Change the first sentence to read, "... and Subcontractor shall, at Contractor's or Subcontractor's option, be decided by litigation."

END OF SECTION

EC:  Sub: EW

**EXHIBIT "G"**

**Vendor/Tier Subcontractor List**

Please identify below on the spaces provided the names of all tier subcontractors and/or vendors who will supply materials and/or services whose value will exceed \$1,000.00 to the referenced project, the contact person, addresses and telephone numbers for each.

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

 Sub: ECW



## EXHIBIT "H" Schedule B INSURANCE

Subcontractor shall obtain insurance of the types and in the amounts described below:

| TYPE OF COVERAGE  | AMOUNT OF COVERAGE (LIMITS)  |
|---|--|
| <u>AD.1 Worker's Compensation</u><br><br><u>Employer's Liability</u>  | Statutory Limits (set by states)<br><br>Bodily Injury by Accident = \$100,000. Ea. Accident<br>Bodily Injury by Disease = \$500,000. Policy Limit<br>Bodily Injury by Disease = \$100,000. Ea. Employee  |
| <u>AD.2 Commercial General Liability:</u> written on ISO occurrence form and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).<br><br><u>The policy must not be limited by Residential construction exclusions that are applicable to the work performed under this agreement.</u> | <u>Occurrence Form, minimum required limits</u><br><br>General Aggregate Limit (other than Products/Completed Operations): \$1,000,000.<br><br>Products/Completed Operations Aggregate Limit: \$1,000,000.<br><br>Each Occurrence Limit: \$1,000,000.<br><br>Personal Injury & Advertising Injury Limit: \$1,000,000.<br><br>Contractual Liability: \$1,000,000. |
| <u>AD.3 Business Auto Liability:</u> covering any automobile, including hired and non-owned auto's  | <u>Minimum required limits</u><br><br>Bodily Injury Each Person: \$1,000,000.<br>Bodily Injury Each Accident: \$1,000,000.<br>Property Damage Each Accident: \$1,000,000.<br><br>Or, \$1,000,000. combined bodily injury and property damage each accident limit for all of the above  |
| <u>AD.4 Commercial Umbrella Insurance Policy:</u> or Excess Liability coverage applicable to Employers Liability, General Liability, and Automobile Liability and meeting at least the same coverage requirements under each as stated above.   | <u>Occurrence Form, minimum required limits</u><br><br>\$4,000,000. each occurrence<br>\$4,000,000. aggregate  |
| <u>AD.5 Property Insurance:</u> covering all personal property including rented, leased or borrowed tools and equipment brought on site by Subcontractor. Subcontractor hereby waives all right of recovery against Contractor, its parent company, Owner, and Operator for loss or damage to such property however caused.   | Replacement Cost or Actual Cash Value  |

(\*Refer to Article 12.1.2 for additional insured requirements.)

**EXHIBIT "I"**

**Payment Bond**

**AIA Document A312 – Electronic Format**

- Subcontractor must include the name of the Owner and Lender as Dual Oblige.
- Subcontractor may provide this information in the form of a Dual Oblige Rider.
- Two original copies of all bonds are required and should be forwarded to the Corporate Office located at 991 Corporate Blvd., Linthicum, MD 21090.

**EXHIBIT "J"**

**Performance Bond**

**AIA Document A312 – Electronic Format**

- Subcontractor must include the name of the Owner and Lender as Dual Oblige.
- Subcontractor may provide this information in the form of a Dual Oblige Rider.
- Two original copies of all bonds are required and should be forwarded to the Corporate Office located at: 991 Corporate Blvd., Linthicum, MD 21090.

POSTED  
#812977-EMO

## SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of 09/01/2007 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Alan Jackson; and Panther Corporation (the "Subcontractor"), having an address of 11325 Industrial Road, Manassas, VA, 20109.

### RECITALS

- A. The Contractor has made a contract for construction dated as of 09/01/2007 (the "Prime Contract") with Ashburn 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 Independent Living Building 1.2, 21059 Loudoun County Parkway, being part of a project known as Ashby Ponds, located in Ashburn, VA (the "Project").
- C. The Architect for the Work (as such term is defined in Section 2.1 below) is Marks, Thomas Architects, Inc. (the "Architect"), having an address of 1410 Key Highway, Baltimore, MD, 21230.
- 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 Ashby Ponds, 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 Plumbing Contract (Sub).

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.

EC: [Signature] Sub: ELM

Contract Number: 15P

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: 09/01/2007

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 09/01/2008, ("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 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 two hundred eighty-eight thousand Dollars and zero Cents (\$1,288,000.00) 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:

EC-27 Sub: EW

Contract Number: 15P

Sub: Panther Corporation  
Cost Code: 557RB12-48400-154000

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 2705059901A, Registration Number \_\_\_\_\_, and Sales or Tax Registration Number is 54-2012645, 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

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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

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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
- (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.

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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; (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

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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 21059 Loudoun County Parkway, Ashburn, VA, 20147 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.

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.

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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.

## 11. FINAL PAYMENT.

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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 Q 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.

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.

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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 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 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.

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.**

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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.

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.

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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 Virginia 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:

Exhibit A - Drawing Log  
Exhibit B - Scope  
Exhibit C - SOV  
Exhibit D - Pay Application  
Exhibit E - Partial Release  
Exhibit F - Final Release  
Exhibit G - Vendor List  
Exhibit H, Sched B - Insurance Requirements Sched. B  
Exhibit I - Payment Bond  
Exhibit J - Performance Bond  
Exhibit K: Rider to Subcontract Agreement

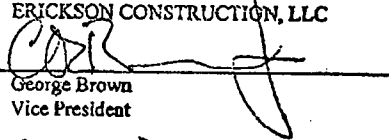
This Agreement entered into as of the day and year first written above.

WITNESS:

  
Harold Shrewsbury

CONTRACTOR  
ERICKSON CONSTRUCTION, LLC

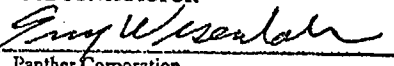
By:

  
George Brown  
Vice President

Dated: 12-20-07

SUBCONTRACTOR

By:

  
Panther Corporation  
Mr. Emery Wisenbaker  
President VP

Dated: 12-04-07

## EXHIBIT "A"

### Drawings and Specifications

| Drawing              | Revision | Description                     | Date      |
|----------------------|----------|---------------------------------|-----------|
| <b>Architectural</b> |          |                                 |           |
| 00.00                | 0        | Cover Sheet                     | 1/10/2007 |
| 00.01                | 0        | Code Review                     | 1/10/2007 |
| 00.02                | C        | Neighborhood Code Sheet         | 3/8/2007  |
| 00.02a               | 0        | UL Assemblies                   | 1/10/2007 |
| 00.02b               | 0        | UL Assemblies                   | 1/10/2007 |
| 00.02c               | 0        | UL Assemblies                   | 1/10/2007 |
| 00.02d               | 0        | UL Assemblies                   | 1/10/2007 |
| 00.03                | C        | Parking Count & Phasing Diagram | 3/8/2007  |
| 00.04                | 0        | Campus Wide Building Elevation  | 1/10/2007 |
| 20.01                | 0        | Site Plan                       | 1/10/2007 |
| 30.01                | C        | Parking Level Plan              | 3/8/2007  |
| 30.02                | C        | First Floor Plan                | 3/8/2007  |
| 30.03                | C        | Second Floor Plan               | 3/8/2007  |
| 30.04                | C        | Third Floor Plan                | 3/8/2007  |
| 30.05                | C        | Fourth Floor Plan               | 3/8/2007  |
| 30.06                | C        | Roof Plan                       | 3/8/2007  |
| 30.07                | C        | Link Plans & RCP                | 3/8/2007  |
| 30.08                | 0        | Link Section                    | 1/10/2007 |
| 31.01                | C        | Elevations                      | 3/8/2007  |
| 31.02                | C        | Elevations                      | 3/8/2007  |
| 31.03                | C        | Elevations Detail               | 3/8/2007  |
| 31.04                | C        | Link Elevations                 | 3/8/2007  |
| 32.01                | C        | Building Section                | 3/8/2007  |
| 33.01                | C        | Wall Sections                   | 3/8/2007  |
| 33.02                | C        | Wall Sections                   | 3/8/2007  |
| 33.03                | C        | Wall Sections                   | 3/8/2007  |
| 33.04                | C        | Wall Sections                   | 3/8/2007  |
| 33.05                | C        | Wall Sections                   | 3/8/2007  |



| Drawing | Revision | Description                          | Date      |
|---------|----------|--------------------------------------|-----------|
| 33.06   | C        | Wall Sections                        | 3/8/2007  |
| 33.07   | 0        | Wall Sections                        | 1/10/2007 |
| 33.08   | C        | Porch Sections                       | 3/8/2007  |
| 33.09   | C        | Porch Details                        | 3/8/2007  |
| 34.01   | B        | Elevator Plans and Sections          | 2/23/2007 |
| 34.01   | C        | Elevator Plans and Sections          | 3/8/2007  |
| 34.02   | C        | Stair Plans                          | 3/8/2007  |
| 34.03   | 0        | Stair Sections and Details           | 1/10/2007 |
| 35.01   | C        | Wall, Floor, and Roof Schedule       | 3/8/2007  |
| 35.02   | C        | Window and Louver Schedule & Details | 3/8/2007  |
| 35.02   | B        | Window and Louver Schedule & Details | 2/23/2007 |
| 35.03   | C        | Door Schedule                        | 3/8/2007  |
| 35.04   | 0        | Door Details                         | 1/10/2007 |
| 36.01   | C        | Typical Interior Details             | 3/8/2007  |
| 36.02   | C        | Enlarged Plans & Interior Elevs.     | 3/8/2007  |
| 36.03   | C        | Enlarged Floor Plans                 | 3/8/2007  |
| 36.04   | 0        | Enlarged Plans                       | 1/10/2007 |
| 38.01   | C        | Parking Level RCP                    | 3/8/2007  |
| 38.02   | C        | First Floor RCP                      | 3/8/2007  |
| 38.03   | C        | Second Floor RCP                     | 3/8/2007  |
| 38.04   | C        | Third Floor RCP                      | 3/8/2007  |
| 38.05   | C        | Fourth Floor RCP                     | 3/8/2007  |
| 40.01   | C        | Parking Level Floor Finish Plan      | 3/8/2007  |
| 40.02   | 0        | Elev. lobby Finish Plan              | 1/10/2007 |
| 40.03   | 0        | Exit Lobbies, Doghouse & Corridors   | 1/10/2007 |
| 40.04   | 0        | Link To RB1.1                        | 1/10/2007 |
| 45.01   | C        | RB Finish Schedule                   | 3/8/2007  |
| 45.02   | 0        | Resident Unit Finish Schedule        | 1/10/2007 |
| 45.03   | C        | Unit Amenities List                  | 3/8/2007  |
| 48.01   | 0        | Parking Level Signage Plan           | 1/10/2007 |
| 48.02   | 0        | First Floor Signage Plan             | 1/10/2007 |
| 48.03   | 0        | Second Floor Signage Plan            | 1/10/2007 |
| 48.04   | 0        | Third Floor Signage Plan Main Street | 1/10/2007 |


| Drawing           | Revision | Description                            | Date      |
|-------------------|----------|--|-----------|
| 48.05             | 0        | Fourth Floor Signage Plan              | 1/10/2007 |
| 49.01             | 0        | Parking Level Furniture Plan           | 1/10/2007 |
| 49.02             | C        | First Floor Furniture Plan             | 3/8/2007  |
| 49.03             | C        | Second Floor Furniture Plan            | 3/8/2007  |
| 49.04             | C        | Third Floor Furniture Plan             | 3/8/2007  |
| 49.05             | C        | Fourth Floor Furniture Plan            | 3/8/2007  |
| <b>Structural</b> |          |  |           |
| 60.01             | C        | Parking Level & Foundation Plan        | 3/8/2007  |
| 60.02             | 0        | First Floor Framing Plan               | 1/10/2007 |
| 60.02a            | 0        | First Floor Bearing Wall Location Plan | 1/10/2007 |
| 60.03             | C        | Second Floor Framing Plan              | 3/8/2007  |
| 60.04             | C        | Third Floor Framing Plan               | 3/8/2007  |
| 60.05             | C        | Fourth Floor Framing Plan              | 3/8/2007  |
| 60.06             | C        | Roof Framing Plan                      | 3/8/2007  |
| 60.07             | C        | Link Framing Plans                     | 3/8/2007  |
| 61.01             | 0        | Structural Notes & Typical Details     | 1/10/2007 |
| 61.01A            | 0        | Typical Details                        | 1/10/2007 |
| 61.02             | C        | Sections                               | 3/8/2007  |
| 61.03             | 0        | Sections                               | 1/10/2007 |
| 61.04             | C        | Sections                               | 3/8/2007  |
| 61.05             | 0        | Sections                               | 1/10/2007 |
| 64.01             | C        | Roof Truss Profiles                    | 3/8/2007  |
| 65.01             | 0        | Column Schedule                        | 1/10/2007 |
| 65.02             | 0        | Shearwall Elev's & Details             | 1/10/2007 |
| 65.03             | 0        | Bearingwall Framing Elev's             | 1/10/2007 |
| 65.04             | 0        | Bearingwall Framing Elev's             | 1/10/2007 |
| <b>Plumbing</b>   |          |  |           |
| 70.00             | C        | Plumbing Schedule                      | 3/8/2007  |
| 70.01             | 0        | Subslab Plumbing Plan                  | 1/10/2007 |
| 70.02             | C        | Parking Level Plumbing Plan            | 3/8/2007  |
| 70.03             | C        | First Floor Plumbing Plan Start-Up     | 3/8/2007  |

| Drawing           | Revision | Description                              | Date      |
|-------------------|----------|--|-----------|
| 70.04             | C        | Second Floor Plumbing Plan Start-Up      | 3/8/2007  |
| 70.05             | C        | Third Floor Plumbing Plan                | 3/8/2007  |
| 70.06             | C        | Fourth Floor Plumbing Plan               | 3/8/2007  |
| 71.01             | C        | Plumbing Part Plans                      | 3/8/2007  |
| 72.01             | C        | Plumbing Risers & Details                | 3/8/2007  |
| 73.01             | 0        | Sanitary Riser Diagrams                  | 1/10/2007 |
| 73.02             | 0        | Sanitary Riser Diagrams                  | 1/10/2007 |
| 73.03             | 0        | Domestic Water Riser Diagrams            | 1/10/2007 |
| 73.04             | 0        | Domestic Water Riser Diagrams            | 1/10/2007 |
| <b>Mechanical</b> |          |  |           |
| 80.00             | C        | Mechanical Schedules                     | 3/8/2007  |
| 80.01             | C        | Parking Level Mechanical Plan            | 3/8/2007  |
| 80.02             | 0        | First Floor Mechanical Plan Start-Up     | 1/10/2007 |
| 80.03             | 0        | Second Floor Mechanical Plan             | 1/10/2007 |
| 80.04             | 0        | Third Floor Mechanical Plan              | 1/10/2007 |
| 80.05             | 0        | Fourth Floor Mechanical Plan             | 1/10/2007 |
| 80.06             | C        | Attic Mechanical Plan                    | 3/8/2007  |
| 81.01             | 0        | Mechanical Part Plans                    | 1/10/2007 |
| 82.01             | 0        | Mechanical Details                       | 1/10/2007 |
| 82.02             | C        | Mechanical Details                       | 3/8/2007  |
| 83.01             | 0        | HVAC Risers                              | 1/10/2007 |
| 84.01             | 0        | Mechanical Schedules                     | 1/10/2007 |
| <b>Electrical</b> |          |  |           |
| 90.00             | 0        | Legend, Abbrev. + Light Fixture Schedule | 1/10/2007 |
| 90.01             | C        | Lighting + Power Parking Level Plan      | 3/8/2007  |
| 90.02             | C        | Lighting + Power First Floor Plan        | 3/8/2007  |
| 90.03             | C        | Lighting + Power Second Floor Plan       | 3/8/2007  |
| 90.04             | C        | Lighting + Power Third Floor Plan        | 3/8/2007  |
| 90.05             | C        | Lighting + Power Fourth Floor Plan       | 3/8/2007  |
| 91.01             | 0        | Electrical Part Plans                    | 1/10/2007 |
| 92.01             | 0        | Electrical Site Distribution System      | 1/10/2007 |

| Drawing      | Revision | Description                      | Date      |
|--------------|----------|----------------------------------|-----------|
| 92.02        | 0        | Details                          | 1/10/2007 |
| 92.03        | 0        | Special System Block Diagrams    | 1/10/2007 |
| 93.01        | C        | Power Riser                      | 3/8/2007  |
| 93.02        | 0        | Special Systems Risers + Details | 1/10/2007 |
| 94.01        | C        | Panel Schedules                  | 3/8/2007  |
| Units        |          |                                  |           |
| Unit Notes   | C        | Unit Notes                       | 3/8/2007  |
| Unit G51     | 0        | Unit Plan                        | 1/10/2007 |
| Unit G52     | C        | Unit Plan                        | 3/8/2007  |
| Unit G52M    | 0        | Unit Plan                        | 1/10/2007 |
| Unit H61M    | 0        | Unit Plan                        | 1/10/2007 |
| Unit H63M    | C        | Unit Plan                        | 3/8/2007  |
| Unit K31.5   | C        | Unit Plan                        | 3/8/2007  |
| Unit K33.5   | 0        | Unit Plan                        | 1/10/2007 |
| Unit K33.5   | C        | Unit Plan                        | 3/8/2007  |
| Unit K61     | 0        | Unit Plan                        | 1/10/2007 |
| Unit K71     | 0        | Unit Plan                        | 1/10/2007 |
| Unit LG41.5  | C        | Unit Plan                        | 3/8/2007  |
| Unit LG41.5M | 0        | Unit Plan                        | 1/10/2007 |
| Unit LG51    | 0        | Unit Plan                        | 1/10/2007 |
| Unit LG61    | C        | Unit Plan                        | 3/8/2007  |
| Unit R11     | C        | Unit Plan                        | 3/8/2007  |
| Unit R11A    | C        | Unit Plan                        | 3/8/2007  |
| Unit R21     | C        | Unit Plan                        | 3/8/2007  |
| Unit R31.5   | 0        | Unit Plan                        | 1/10/2007 |
| Unit R41.5   | C        | Unit Plan                        | 3/8/2007  |
| Unit R42.5   | C        | Unit Plan                        | 3/8/2007  |
| Unit R51M    | C        | Unit Plan                        | 3/8/2007  |
| Unit R61     | C        | Unit Plan                        | 3/8/2007  |
| Unit R61M    | 0        | Unit Plan                        | 1/10/2007 |
| Unit S21     | C        | Unit Plan                        | 3/8/2007  |
| Unit S41.5   | C        | Unit Plan                        | 3/8/2007  |
| Unit S41A    | C        | Unit Plan                        | 3/8/2007  |

Sub: Panther Corporation  
Cost Code: 557RB12-48400-154000

| Drawing        | Revision | Description         | Date      |
|----------------|----------|---------------------|-----------|
| Specifications |          |                     |           |
| Volume 1       |          | Division 1 thru 14  | 1/10/2007 |
| Volume 2       |          | Division 15 thru 16 | 1/10/2007 |
|                |          |                     |           |

EC:  Sub: EW

**EXHIBIT "B"**  
**SCOPE OF WORK**  
**PLUMBING AND MECHANICAL PIPING**

This subcontractor shall furnish and install all materials, labor, tools, and equipment to complete the plumbing and mechanical piping work for Ashby Ponds Independent Living Building 1.2 in accordance with the contract documents prepared by Marks, Thomas Architects, dated January 10, 2007. The above work for this subcontractor is in accordance with the contract documents, in general and the work of Division 15 – Plumbing and Mechanical, in particular.

The Work shall include, but is not necessarily limited to the following:

**A. Quality Assurance:**

1. A preconstruction meeting must be held involving all parties integral to completion of this scope of work being performed.
2. Subcontractor, after 48 hours notice, will man the job and complete his work, as indicated by periodic punch lists, conveyed by the Contractor. Subcontractor shall complete Contractor's punch lists, returned to Contractor with signature of completion, within 72 hours of mobilization. Any material delays, that would impede completion of Contractor's punch list, shall be brought to the Contractor's attention immediately after receipt of punch list. Contractor shall make reasonable effort to make complete punch lists in order to minimize subcontractor mobilizations.
3. The Subcontractor shall coordinate all work performed under the terms of this contract with the Contractor. Subcontractor's failure to properly coordinate the work shall result in the subcontractor reworking his work to make it fit at the direction of the Contractor and at no extra cost to the Contractor. Identify any known discrepancies in the Contract Documents to the Contractor prior to this Subcontractor's work.
4. The subcontractor shall make all necessary arrangements and directly pay all costs related to repairs, rework, etc. caused by the subcontractor's work. Prior to any repairs, re-work, etc. being made on Subcontractor's behalf, Subcontractor shall be given 48 hours notice in writing to allow Subcontractor to witness alleged damages, and if in agreement as to his responsibility for such damages, to have the opportunity to effect such repairs himself, or have the opportunity to record work on his behalf for which he will be financially responsible. (NOTE: 48 hours shall be construed to mean two working days, exclusive of weekends or holidays).

**B. Cleaning:**

1. The Subcontractor shall maintain sufficient labor onsite to keep their work areas clean and orderly on a daily basis, so as to allow other trades access and to maintain a safe working environment.

2. Subcontractor is responsible for all trash created from his work or by his workers from taking breaks. Trash is to be removed on a DAILY basis to a job site container provided by the Contractor. Subcontractor will continuously reinforce this stipulation to his workers. Leaving trash in, or around, the jobsite will not be tolerated.

**C. Safety:**

1. This Subcontractor is to provide adequate and proper safety protection for its personnel and equipment and shall strictly comply with all rules and regulations of the Federal Occupational Safety and Health Act, all other applicable health and safety laws and regulations, and of the Erickson Construction Safety Program. Hard hats, thick soled shoes (not sneakers), full length pants and shirts are to be worn by all personnel employed on the job by this Subcontractor at all times. Payments may be withheld in the form of fines for violations. Accidents to personnel of this Subcontractor, no matter how minor, will be promptly reported in detail to the Project Superintendent and/or Site Safety Officer within twenty four (24) hours of the incident. Photographs must be taken by the Subcontractor of the accident location and copies of those and all applicable hospital reports must be submitted. Fines levied by Erickson Construction, LLC. Due to the acts of this Subcontractor for failure to comply with the safety regulations and requirements of OSHA and all other applicable health and safety laws and regulations, will be paid by this Subcontractor or deducted from its Subcontract amount as described elsewhere in the Subcontract. This Subcontractor and its Sub-Subcontractors will be required to provide a copy of its Safety Program to the Project superintendent prior to commencing work at the project site. This program will include a listing, with names and phone numbers, of no less than three persons who will be designated competent persons for the duration of subcontractors work. No cost extras or time extensions will be recognized for failure to meet the requirement.
2. The Subcontractor is responsible for the safe stocking of materials to ensure that structural components of the facility being constructed are not overloaded. Subcontractor is responsible for any damage caused by improper stacking.
3. The Contractor shall provide general lighting and temporary power and wiring throughout the structure. Subcontractor shall provide specific task lighting and cords required to complete their work. All cords and lighting to be in accordance with OSHA standards.
4. The Subcontractor shall furnish trained and certified lift operators for all lift work. Lift includes, but is not limited to, forklifts, boom lifts, scissor lifts, cranes and mechanical hoists.

**D. Close Out Documentation:**

1. Subcontractor to furnish all warranty and certification inspections for receipt of warranties and certifications prior to owner acceptance.
2. Final payment will not be processed until all applicable close-out documents and materials are received.

3. Subcontractor shall furnish three (3) copies of closeout documentation for submission to the Owner/Architect for approval. Upon approval by the Owner/Architect, the Subcontractor shall furnish three (3) corrected copies of close-out documents to the Contractor for inclusion in the Master O&M to the Owner.
4. Subcontractor agrees to submit all O & M Manuals and Record documents no later than 45 days prior to substantial completion.

**E. General Requirements:**

1. Work hours for all trades will only be permitted on Monday thru Friday from 7:00 AM to 4:00 PM. All Saturday, Sunday and work after 4:00 PM must be pre-approved by Erickson Construction during the week prior to when the work is to be performed.
2. Subcontractor must have an English speaking foreman onsite at all time when their work is taking place.
3. Subcontractor will not be permitted to play music.
4. Smoking, eating and drinking are prohibited in buildings.
5. Subcontractor is responsible for keeping all of its operations, storage, trailers, materials, etc. within designated staging areas. No equipment, materials, trailers, etc. can be stored outside the storage area without specific permission of Erickson Construction.
6. Subcontractor shall not install signs, or other advertising, on fencing or buildings around the project except those specifically required for safety or traffic purposes. Subcontractor is limited to one sign on their construction trailer; this sign shall be reasonably sized and shall not project above such trailer. Any and all signs are subject to Erickson Construction's approval.
7. Includes all applicable local, state, and federal sales tax.
8. Subcontractor shall be responsible for hoisting, lifting, unloading and distribution of materials necessary for the completion of Subcontractor's work, including materials provided by others for installation by the Subcontractor.
9. All submittals to be submitted in a quantity of eight (8) sets each.
10. The subcontractor shall coordinate all work performed under this agreement with work performed by the MEP Subcontractors and Finish Subcontractors to ensure all system are fully compatible and operational. Special attention to be given to floor and drains to assure proper slope to the drain is obtained, provided the drains are set by others to the proper elevations.



**F. Plumbing and Mechanical Piping Specific Issues:**

1. The Mechanical, Electrical, and Fire Protection Subcontractors agree that there is a complete mechanical/electrical/plumbing/sprinkler system for the project and that the systems interface not only technically but also in installation. The total system is compatible and complete and this Subcontractor, collectively with the Mechanical and Fire Protection Subcontractors, agrees that all interconnection and interfacing is included in this Agreement.
2. Perform all layout required for the work. Correct any errors arising from improper layout at no extra cost to the Contractor, unless error is caused by incorrect information in the contract documents.
3. Furnish sleeve layout drawings for coordination with the post tension slab system and other MEP trades. Layout for sleeves to accommodate pipe and equipment penetrations. Drawings are to show dimensions from the column lines.
4. Furnish coordinated mechanical and plumbing rough-in drawings.
5. Scope includes ASME certified welding and certification documents for all certified welders.
6. When soldering, or using torches, around finish walls, drywall, or combustible materials use reflective heat shields to protect the finished product, or combustible materials, from damage due to the torches.
7. Perform any required excavation for trenches and do so in a safe manner. Provide any shoring, cages, or other devices required to protect the work men. Provide barricades or barriers required protecting the public and other workers. Perform all backfill operations required around pipe or structures using only suitable materials. Backfill shall be brought up in lifts specified, not exceeding 8", and shall be compacted to the specified density and in no case in buildings or under paved areas shall this be less than 95% standard proctor. After the area is backfilled, re-grade the area to the specified contours +/- .2 feet. Dispose of any excess materials on site as directed by the Contractor. All ditch excavation spoils that are to be used for backfill shall be protected from inclement weather. If the material is not protected, and becomes water saturated, provide any required select backfill material and dispose of the unsuitable material at no extra cost to the Contractor.
8. All excavation shall be unclassified. If rock is encountered, the subcontractor shall notify the Contractor prior to removal of the rock. In reference to this clause, rock shall be defined as material that cannot be excavated/ripped with a Case 580 backhoe or equivalent machine. The subcontractor shall be paid extra compensation for excavation of rock. This extra payment shall cover all excavation backfill, drilling and shooting, select material, bedding and any other cost incurred due to rock.
9. Plumbing services (5'-0" outside building in accordance with the contract documents; (sanitary & storm/condensate).

10. All underground pipelines shall be laid to a uniform grade. Any leakage infiltration, or exfiltration, shall not exceed limits set out in the contract documents, or local governing authority, whichever is the most stringent. Perform any testing required to ascertain the amount of leakage occurring.
11. Furnish and install condensate lines to the back water valve pit. (Back water valve pit is by others).
12. Furnish and install all foundation drains.
13. Furnish and install elevator sump pump piping.
14. Furnish and install all areaway and floor drains.
15. Furnish and install backflow preventer valves in accordance with the contract documents.
16. Furnish and install water hammer arrestors as in accordance with the code and contract documents.
17. Furnish and install all sleeves for all penetrations in drywall walls, floor deck, roofs, slab on grade, etc. as required by the work of the subcontractor and the contract documents. Sleeves in concrete floors shall be the same height as the finished floor unless otherwise directed by the Contractor.
18. Furnish and install any and all firestopping and fire safing of subcontractor's penetrations as required by the contract documents. Firestopping and "safing" of penetrations shall be completed on a timely basis as directed by the Contractor.
19. Furnish and install all necessary supplemental supports, hangers, isolation, etc. as required for proper installation of this Scope of Work. Coordinate installation of supports and hangers with structural framing of decks.
20. Provide drawings showing dimensional data and load requirements for the proper support of any equipment mounted on structural steel or building structure supplied by others.
21. Furnish and install all vibration isolation for equipment supplied in this scope of work in accordance with the contract documents.
22. Provide temporary water lines and faucets for use during construction as directed by the Contractor. Maintenance and protection by others.
23. Furnish and install all water, sewer, condensate, gas, etc. in accordance with all applicable codes and ordinances of complete plumbing work. Make final connection to all site utilities.
24. Furnish and install all pipe fittings in accordance with the contract documents.

25. Install temporary covers or plugs in all stub ups to preclude foreign materials from entering piping systems during construction. Furnish all plugs, caps, etc. necessary to obtain partial floor by floor building occupancy.
26. Connect sub slab condensate drains to Heat Pump/condensate system.
27. Furnish and install temperature blending or mixing valves in accordance with the contract documents.
28. Furnish and install vent caps.
29. Furnish and install wall hydrants & hose bibs in accordance with the contract documents.
30. Furnish and install roof flashing required for vent stacks.
31. Furnish and install all plumbing fixtures as specified and shown on the contract drawings and make connections of same.
32. Furnish and install escutcheon plates around all kitchen and bath plumbing piping and as required by the work.
33. Furnish and install plastic or fiberglass tub and shower protectors. Plastic to be heavy mil on the entire surface of tubs and showers. Place cardboard inside the shower over the threshold and down the face as possible. Subcontractor will provide and maintain tub/shower protectors as possible, but it shall be the contractor's responsibility to police and rectify the continued removal and/or abuse of such protectors by other trades, etc. The Subcontractor shall likewise notify the Contractor of all observed instances of protection removal or abuse.
34. Furnish and install drip pans in accordance with the contract documents.
35. Furnish and install handicap plumbing fixtures in accordance with the contract documents.
36. Furnish and install ice maker rough-in connections.
37. Connect and furnish; valves, air gaps, and trim only for equipment furnished and set in place by others to include:
  - i. Vanities
  - ii. Dishwashers
  - iii. Clothes washers / dryers
  - iv. Kitchen sinks
  - v. Ice makers in refrigerators
  - vi. Disposers

38. Plumbing fixtures with trim to include:

- i. Kitchen sinks – trim only; (install garbage disposal provided by others)
- ii. Vanity bowls – trim only
- iii. Clothes washer / dryers – hose connection outlet only (hoses and hookup by others)
- iv. Tubs with tub/shower diverters
- v. Lavatories
- vi. Miscellaneous sinks
- vii. Water closets
- viii. Showers & Tubs

39. This subcontract includes the connection of equipment furnished and set in place by others. Subcontractor shall connect equipment in a manner as to preclude damage to the connections and/or piping.
40. Furnish and install water heaters as indicated in accordance with the contract documents.
41. Furnish and install all inserts and other items necessary to incorporate the mechanical work in the facility.
42. Furnish and install condenser water piping.
43. Furnish and install HVAC (Loop water) system. Subcontractor to coordinate connections to the loop water piping in adjacent buildings.
44. Furnish, install, and remove temporary construction strainers at Closed Loop Condenser Water Service piping to prevent foreign matter from entering the system in accordance with the contract documents.
45. Unit shutoff valves are to be located in the corridor above each unit entry door.
46. Furnish and install expansion compensators as indicated in the contract documents.
47. Furnish and install motor starters that are integral to equipment. Individual starters and disconnects are excluded from this Subcontract.
48. Furnish and install insulation of plumbing, equipment installed under this subcontract, and HVAC piping, etc. per code, and in accordance with the contract documents.
49. Furnish all access panels required by the work of this subcontractor in adequate size, type and fire rating for the intended use. Subcontractor to provide location of access panel placement and valves, etc. Access panels shall be placed such that they can reasonably be operated and/or serviced via the access provided. Installation by others.

50. In all piping systems, provide methods, means, valves, stoppers, etc. for testing isolated areas as the progress of the job requires so other work on the job may proceed concurrently. This particularly applies to individual floors and areas of the building.
51. Complete all necessary work and perform all tests and inspections required by the work and local governing authorities and prevailing local building codes. All tests and inspections shall be completed on a timely basis so as to maintain the schedule and allow time for other subcontractors to perform their work and inspections on a timely basis.
52. Test all piping in accordance with Specifications except that pneumatic testing is permissible for piping in freezing weather that cannot be completely drained.
53. Subcontractor shall flush piping prior to final hook-ups. Disinfect potable water lines prior to occupancy of building and provide certification of chlorination of water lines. Furnish flush and cleaning certification of the HVAC piping system in accordance with the contract documents.
54. Prior to covering or concealment of piping, the subcontractor shall make or mark up accurate "as built" drawings of his work and shall submit eight (8) complete sets of "as built" drawings at the completion of his work.
55. Furnish and install all pipe, valve, and equipment identification (i.e. Stenciling, pipe wrap, etc.) in accordance with the contract documents. This excludes painting of the pipe.
56. Provide necessary preparations and adjustments for final acceptance of all systems, including startup of systems, in accordance with the contract documents for final acceptance of the work.
57. This scope of work includes owner training for all equipment supplied by this scope of work, even when equipment is turned over to another Subcontractor for installation.
58. Included is a one (1) year warranty for this scope of work in accordance with the contract documents.
59. This scope excludes concrete pads.

END OF SECTION

**EXHIBIT "C"**  
**Schedule of Values**

|                                     |                |
|-------------------------------------|----------------|
| Submittals                          | \$5,000.00     |
| Permits                             | \$20,000.00    |
| Bonds                               | \$13,000.00    |
| Parking Garage Plumbing             |                |
| Plumbing Ground Works               | \$37,000.00    |
| Sub-Surface Drain Tile              | \$31,000.00    |
| Trench Drains                       | \$8,100.00     |
| 1 <sup>st</sup> Floor - 20 Units    |                |
| Under Floor Rough-In                | \$2,636.00     |
| Above Floor Rough-In                | \$136,852.00   |
| Final Trim Out                      | \$21,048.00    |
| Closed Loop Piping                  | \$143,300.00   |
| 2 <sup>nd</sup> Floor - 20 Units    |                |
| Under Floor Rough-In                | \$61,922.00    |
| Above Floor Rough-In                | \$161,002.00   |
| Final Trim Out                      | \$24,764.00    |
| Closed Loop Piping                  | \$19,000.00    |
| 3 <sup>rd</sup> Floor - 20 Units    |                |
| Under Floor Rough-In                | \$61,922.00    |
| Above Floor Rough-In                | \$161,002.00   |
| Final Trim Out                      | \$24,764.00    |
| Closed Loop Piping                  | \$19,000.00    |
| 4 <sup>th</sup> Floor - 20 Units    |                |
| Under Floor Rough-In                | \$61,922.00    |
| Above Floor Rough-In                | \$161,002.00   |
| Final Trim Out                      | \$24,764.00    |
| Closed Loop Piping                  | \$19,000.00    |
| Owner/Operating Manuals & As-Builts |                |
| Owner/Operating Manuals             | \$10,000.00    |
| As-Built Drawings                   | \$10,000.00    |
| Total                               | \$1,288,000.00 |


**Alternates**

- I. Furnish Cast Iron Sanitary Waste Risers \$35,900.00/Add

**Unit Prices**

- I. None

END OF SECTION

EC:  Sub: EW

**Exhibit "D.1"**  
**Instructions for "Exhibit D"**

Subcontractors/Suppliers shall submit attached Application and Certificate for Payment (Exhibit D) for payment processing to:

**ERICKSON CONSTRUCTION, L.L.C.**  
**21059 Loudoun County Parkway**  
**Ashburn, VA, 20147**

**ATTN: Project Manager, Alan Jackson**

Your application for payment, using the attached Application and Certificate for Payment (Exhibit D) form, must be fully completed, and must be in our office at the above address *no later than the 20<sup>th</sup> of the month.*

If your Application and Certificate for Payment is not fully completed and received in our office, at the above address *by the 20<sup>th</sup> of the month*, your payment will be delayed until the following month's payment cycle.

**EXHIBIT "D"**  
**APPLICATION AND CERTIFICATE FOR PAYMENT**

**TO:**      **ERICKSON CONSTRUCTION, LLC.**  
         703 Maiden Choice Lane  
         Baltimore, MD 21228

**FROM:**    Panther Corporation

**DATE:**

**PROJECT:**      557RB12  
**JOB:**            Wood framed residential building.

**APPLICANT NO.:**  
**PERIOD TO:**

|   |          |
|---|----------|
| 1. Original Contract Amount                         | \$ _____ |
| 2. Change Orders Issued to Date (Thru C.O. # _____) | \$ _____ |
| 3. Contract Sum to Date (Line 1+2)                  | \$ _____ |
| 4. Total Completed & Stored to Date                 | \$ _____ |
| 5. Less Retainage (_____ %)                         | \$ _____ |
| 6. Total Earned to Date Less Retainage (Line 4-5)   | \$ _____ |
| 7. Less Previous Requisitions                       | \$ _____ |
| 8. Payment Due This Period (Line 6-7)               | \$ _____ |

**SUBCONTRACTORS AFFIDAVIT & RELEASE OF LIEN:**

The undersigned Subcontractor certifies; (i) that the work for which this payment request is being submitted has been completed in accordance with the Contract Documents; (ii) that it has paid its employees, sub-subcontractors, and material suppliers for all work and material for which Erickson Construction has paid previous requests for payment; (iii) that the amount of this invoice is due.

**CONTRACTOR: By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Officer, General Partner, or Owner)

**Note:**    Payment will be made for only those costs which are included as part of the Original Contract amount or for which a Change Order has been issued by Erickson Construction L.L.C. Please provide a list of any outstanding claims for additional costs or pending extras.


**NOTES:**

**TO BE COMPLETED BY PROJECT MANAGER**

|                   |              |
|-------------------|--------------|
| RETAINAGE RELEASE | \$ _____     |
| PROGRESS BILLING  | \$ _____     |
| RETAINAGE HELD    | \$ _____     |
| TOTAL AMOUNT DUE  | \$ _____     |
| PROJECT NUMBER    | 557RB12      |
| COST CODE #       | 48400-154000 |
| APPROVED BY       | _____        |
| APPROVED DATE     | _____        |

| FINAL PAYMENT           |  |
|-------------------------|--|
| PUNCH LIST COMPLETED    | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| WARRANTY COMPLETED      | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| ATTIC STOCK DELIVERED   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| O&M (CLOSEOUT BOOK-DEL) | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| CHANGE ORDERS COMPLETED | <input type="checkbox"/> YES <input type="checkbox"/> NO |

| FOR ACCOUNTING USE ONLY |       |
|-------------------------|-------|
| DATE RECEIVED           | _____ |
| REVIEWED BY             | _____ |

EC  Sub: EW



**EXHIBIT "E1" & "F1"**  
**Instructions for Exhibits E & F**

Subcontractors/Suppliers shall submit attached Partial Release of Liens (Exhibit E) and Final Release of Liens (Exhibit F) for payment processing to:

**ERICKSON CONSTRUCTION, LLC.**  
**Corporate Office**  
**991 Corporate Blvd.**  
**Linthicum, Maryland 21090**  
**Attn: Contract Administrator**

**EXHIBIT E – PARTIAL RELEASE OF LIENS**

The attached Partial Release of Liens (Exhibit E) form must be fully completed, properly executed by a authorized Corporate Officer or Owner/Proprietor with Original Signatures, Notarized, and must be in our office at the above address no later than the last day of the month.

If your Partial Release of Liens (Exhibit E) is not fully executed and received on a timely basis, i.e. no later than the last day of the month, previous payment not covered by a current waiver of lien will be deducted from your expected payment.

**EXHIBIT F – FINAL RELEASE OF LIENS**

The attached Final Release of Liens (Exhibit F) form must be fully completed, properly executed by a authorized Corporate Officers or Owner/Proprietary with original signatures, Notarized, and must be in our office at the above address no later than the last day of the month or at issuance of Final Payment.

**NO FINAL PAYMENTS WILL BE ISSUED UNTIL FINAL RELEASE OF LIENS IS IN HAND.**

**EXHIBIT "E"**  
**CONTRACTORS, SUBCONTRACTORS AND SUPPLIER**  
**PARTIAL RELEASE OF LIENS**

STATE OF:  
COUNTY OF:

Original Contract Amount: \$ \_\_\_\_\_  
Approved Change Orders: \$ \_\_\_\_\_  
Adjusted Contract Amount: \$ \_\_\_\_\_  
Completed to Date: \$ \_\_\_\_\_  
Retention: \$ \_\_\_\_\_  
Total Earned (Less Retention): \$ \_\_\_\_\_  
Previous Payments: \$ \_\_\_\_\_  
Current Payment: \$ \_\_\_\_\_  
Contract Balance: \$ \_\_\_\_\_

TO: CHICAGO TITLE INSURANCE COMPANY (Title Insurer)  
\_\_\_\_ (Lender)  
\_\_\_\_ (Owner)  
\_\_\_\_ (Contractor)

The UNDERSIGNED being duly sworn states that he is the \_\_\_\_\_ (title)  
of \_\_\_\_\_ (firm) who has a contract with \_\_\_\_\_  
for furnishing \_\_\_\_\_ for the improvements being erected on  
real estate known and identified as Independent Living Building 12 located in \_\_\_\_\_  
County, State of \_\_\_\_\_ and owned by \_\_\_\_\_.

The UNDERSIGNED, for and in consideration of the sum of \_\_\_\_\_  
(\$ \_\_\_\_\_) in payment of invoice or application dated \_\_\_\_\_ and other good and  
valuable consideration, the receipt of which is hereby acknowledged, does hereby waive and release any and all liens or  
claims of right of lien on the aforementioned property and improvements thereon, and on monies or other consideration due or  
to become due on account of labor or services, materials, fixtures or apparatus heretofore furnished, prior to  
\_\_\_\_\_, 20\_\_\_\_, except for the retention stated above.

The UNDERSIGNED, respectfully warrants that the contract status set forth above is an accurate statement, and no  
other sums are claimed, that all laborers, subcontractors, and suppliers employed by him have been paid all sums previously  
due and all current sums due out of this payment and that none of such laborers, subcontractors or suppliers is or will be  
entitled to claim or assert any claim against the above described real estate or the improvements thereon for labor or materials  
furnished to or for the account of the undersigned. (Upon request, the undersigned shall list the name of each of his  
subcontractors, and suppliers, with contract and payment status, on CTI form F-3926 - Contractors and Subcontractors  
Affidavit, attach same hereto and upon request furnish waivers from said parties).

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_  
By: \_\_\_\_\_ Contractor/Supplier/Subcontractor  
\_\_\_\_\_  
Signature & Title (Must be an Officer)

Signed and sworn to before me this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_

My Commission Expires: \_\_\_\_\_  
Notary Public Signature

EC:            Sub: EW

**EXHIBIT "F"**  
**CONTRACTORS, SUBCONTRACTORS AND SUPPLIER**  
**FINAL RELEASE OF LIENS**

|            |        |                                |    |       |
|------------|--------|--------------------------------|----|-------|
| STATE OF:  | )      | Original Contract Amount:      | \$ | _____ |
|            | ) S.S. | Approved Change Orders:        | \$ | _____ |
| COUNTY OF: | )      | Adjusted Contract Amount:      | \$ | _____ |
|            |        | Completed to Date:             | \$ | _____ |
|            |        | Retention:                     | \$ | _____ |
|            |        | Total Earned (Less Retention): | \$ | _____ |
|            |        | Previous Payments:             | \$ | _____ |
|            |        | Current Payment:               | \$ | _____ |
|            |        | Contract Balance:              | \$ | _____ |

TO: CHICAGO TITLE INSURANCE COMPANY (Title Insurer)  
\_\_\_\_ (Lender)  
\_\_\_\_ (Owner)  
\_\_\_\_ (Contractor)

The UNDERSIGNED being duly sworn states that he is the \_\_\_\_\_ (title)  
of \_\_\_\_\_ (firm) who has a contract with \_\_\_\_\_  
for furnishing \_\_\_\_\_ for the improvements being erected on real  
estate known and identified as Independent Living Building 1.2 located in \_\_\_\_\_  
County, State of \_\_\_\_\_ and owned by \_\_\_\_\_

The UNDERSIGNED, for and in consideration of the sum of \_\_\_\_\_  
(\$ \_\_\_\_\_) in payment of invoice or application dated \_\_\_\_\_ and other good and  
valuable consideration, the receipt of which is hereby acknowledged, does hereby waive and release any and all liens or  
claims of right of lien on the aforementioned property and improvements thereon, and on monies or other consideration due or  
to become due on account of labor or services, materials, fixtures or apparatus heretofore furnished, prior to  
\_\_\_\_\_, 20\_\_\_\_, except for the retention stated above.

The UNDERSIGNED, respectfully warrants that the contract status set forth above is an accurate statement, and no  
other sums are claimed, that all laborers, subcontractors, and suppliers employed by him have been paid all sums previously  
due and all current sums due out of this payment and that none of such laborers, subcontractors or suppliers is or will be  
entitled to claim or assert any claim against the above described real estate or the improvements thereon for labor or materials  
furnished to or for the account of the undersigned. (Upon request, the undersigned shall list the name of each of his  
subcontractors, and suppliers, with contract and payment status, on CTI's form F-3926 - Contractors and Subcontractors  
Affidavit, attach same hereto and upon request furnish waivers from said parties).


Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_ Contractor/Supplier/Subcontractor  
\_\_\_\_\_  
(Title)

Signed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EC:  Sub: EW


**EXHIBIT "G1"**  
**Instructions for Exhibit "G"**

**ERICKSON CONSTRUCTION, LLC.**  
**Corporate Office**  
**991 Corporate Blvd.**  
**Linthicum, Maryland 21090**  
**Attn: Accounts Payable Clerk**

**EXHIBIT G - VENDOR/TEIR SUBCONTRACTOR LIST**

The attached Vendor/Tier Subcontractor List (Exhibit G) from must be fully completed, properly executed by authorized Corporate Officer or Owner/Proprietor with Original Signatures, Notarized and must be in our office at the above address no later than the 20<sup>th</sup> day of the month.

If you Vendor/Tier Subcontractor list (Exhibit G) is not fully executed and received on a timely basis, i.e. no later than the 20<sup>th</sup> day of the month, previous payment not covered by a current waiver of lien will be deducted from your expected payment.

EC:  Sub: EW

**EXHIBIT "G"**

**Vendor/Tier Subcontractor List**

Please identify below on the spaces provided the names of all tier subcontractors and/or vendors who will supply materials and/or services whose value will exceed \$1,000.00 to the referenced project, the contact person, addresses and telephone numbers for each.

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_

Company Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Address \_\_\_\_\_  
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**EXHIBIT "H" Schedule B  
INSURANCE**

Subcontractor shall obtain insurance of the types and in the amounts described below:

| TYPE OF COVERAGE  | AMOUNT OF COVERAGE (LIMITS)   |
|---|---|
| <u>AD.1 Worker's Compensation</u><br><br><u>Employer's Liability</u>  | Statutory Limits (set by states)<br><br>Bodily Injury by Accident = \$100,000. Ea. Accident<br>Bodily Injury by Disease = \$500,000. Policy Limit<br>Bodily Injury by Disease = \$100,000. Ea. Employee   |
| <u>AD.2 Commercial General Liability:</u> written on ISO occurrence form and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).<br><br><u>The policy must not be limited by Residential construction exclusions that are applicable to the work performed under this agreement.</u> | <u>Occurrence Form, minimum required limits:</u><br><br>General Aggregate Limit (other than Products/Completed Operations): \$1,000,000.<br><br>Products/Completed Operations Aggregate Limit: \$1,000,000.<br><br>Each Occurrence Limit: \$1,000,000.<br><br>Personal Injury & Advertising Injury Limit: \$1,000,000.<br><br>Contractual Liability: \$1,000,000. |
| <u>AD.3 Business Auto Liability:</u> covering any automobile, including hired and non-owned auto's  | <u>Minimum required limits:</u><br><br>Bodily Injury Each Person: \$1,000,000.<br>Bodily Injury Each Accident: \$1,000,000.<br>Property Damage Each Accident: \$1,000,000.<br><br>Or, \$1,000,000. combined bodily injury and property damage each accident limit for all of the above  |
| <u>AD.4 Commercial Umbrella Insurance Policy:</u> or Excess Liability coverage applicable to Employers Liability, General Liability, and Automobile Liability and meeting at least the same coverage requirements under each as stated above.   | <u>Occurrence Form, minimum required limits:</u><br><br>\$4,000,000. each occurrence<br>\$4,000,000. aggregate  |
| <u>AD.5 Property Insurance:</u> covering all personal property including rented, leased or borrowed tools and equipment brought on site by Subcontractor. Subcontractor hereby waives all right of recovery against Contractor, its parent company, Owner, and Operator for loss or damage to such property however caused.   | Replacement Cost or Actual Cash Value   |

(\*Refer to Article 12.1.2 for additional insured requirements.)

**EXHIBIT "I"**

**Payment Bond**

**AIA Document A312 - Electronic Format**

- Subcontractor must include the name of the Owner and Lender as Dual Oblige.
- Subcontractor may provide this information in the form of a Dual Oblige Rider.
- Two original copies of all bonds are required and should be forwarded to the Corporate Office located at: 991 Corporate Blvd., Linthicum, MD 21090.

**EXHIBIT "J"**

**Performance Bond**

**AIA Document A312 – Electronic Format**

- Subcontractor must include the name of the Owner and Lender as Dual Oblige.
- Subcontractor may provide this information in the form of a Dual Oblige Rider.
- Two original copies of all bonds are required and should be forwarded to the Corporate Office located at: 991 Corporate Blvd., Linthicum, MD 21090.

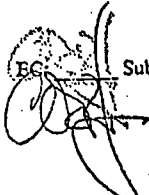


**EXHIBIT "K"**  
**Rider to**  
**Subcontract Agreement**  
**Between**  
**Erickson Construction and Panther Corporation**

- 8.2.2 Delete sentence three (3) - "Termination for default, if wrongfully made, shall be treated as a termination for convenience."
- 11.5 Delete paragraph in its entirety.
- 13.3 Change the first sentence to read, "... and Subcontractor shall, at Contractor's or Subcontractor's option, be decided by litigation."

END OF SECTION

EC Sub: EW



Contract Number: ISP

Sub: Panther Corporation  
Cost Code: 557RB15-48400-154000

POSTED  
6/30/08  
# 89914 EME  
9/5/08  
BOND WAS WAIVED

## SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR

THIS SUBCONTRACT BETWEEN CONTRACTOR AND SUBCONTRACTOR (this "Agreement") is made as of 04/17/2008 by and between ERICKSON CONSTRUCTION, LLC (the "Contractor"), having an address of 703 Maiden Choice Road, Baltimore, Maryland 21228, Attn: Michael Sights; and Panther Corporation (the "Subcontractor"), having an address of 11325 Industrial Road, Manassas, VA, 20109.

### RECITALS

- A. The Contractor has made a contract for construction dated as of 03/26/2008 (the "Prime Contract") with Ashburn 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 Ashby Ponds Independent Living Building 1.5, 21065 Cardinal Pond Terrace, being part of a project known as Ashby Ponds, located in Ashburn, VA (the "Project").
- C. The Architect for the Work (as such term is defined in Section 2.1 below) is Marks, Thomas Architects (the "Architect"), having an address of 1410 Key Highway, Baltimore, MD, 21230.
- 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 Ashby Ponds, 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 Plumbing Contract (Sub).

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: EW

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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: 04/01/2008

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 04/01/2009, ("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 one million two hundred seventy thousand five hundred seventy-seven Dollars and zero Cents (\$1,270,577.00) 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:

Contract Number: 15P.

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 2705059901A, Registration Number                     , and Sales or Tax Registration Number is 54-201265, 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.

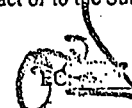
### 6.2. EXECUTION AND PROGRESS OF THE WORK.

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

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**Contract Number: 15P**

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

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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
- (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.

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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 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 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

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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 Sights 21065 Cardinal Pond Terrace, Ashburn, Va., 20147 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.

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.



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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.

## 11. FINAL PAYMENT.

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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 indemnitied 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.

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.

EC: [Signature] Sub: EW

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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 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 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.

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.**

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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.

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.

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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 Virginia 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:

Exhibit A - Drawing Log  
Exhibit B - Scope  
Exhibit C - SOV  
Exhibit D - Pay Application  
Exhibit E - Partial Release  
Exhibit F - Final Release  
Exhibit G - Vendor List  
Exhibit H, Sched B - Insurance Requirements Sched. B  
Exhibit I - Payment Bond  
Exhibit J - Performance Bond  
Exhibit K: Rider to Subcontract Agreement

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

WITNESS:

Natalie J. Collins

CONTRACTOR  
ERICKSON CONSTRUCTION, LLC

By: George Brown

George Brown  
Vice President

Dated: 06-25-08

SUBCONTRACTOR

By: Emery Wisenbaker

Panther Corporation  
Emery Wisenbaker  
Owner Vice President

Dated: 5/8/08

**EXHIBIT "A"**  
**Drawings and Specifications**  
**ILB 1.5**

| Drawing       | Revision | Description                     | Date      |
|---------------|----------|---------------------------------|-----------|
| Architectural |          |                                 |           |
| 00.00         | Bid Set  | Cover Sheet                     | 1/17/2008 |
| 00.00A        | Bid Set  | Abbreviations & Symbols         | 1/17/2008 |
| 00.01         | Bid Set  | Code Review                     | 1/17/2008 |
| 00.02         | Bid Set  | Neighborhood Code Sheet         | 1/17/2008 |
| 00.02a        | Bid Set  | UL Assemblies                   | 1/17/2008 |
| 00.02b        | Bid Set  | UL Assemblies                   | 1/17/2008 |
| 00.02c        | Bid Set  | UL Assemblies                   | 1/17/2008 |
| 00.02d        | Bid Set  | UL Assemblies                   | 1/17/2008 |
| 00.03         | Bid Set  | Parking Count & Phasing Diagram | 1/17/2008 |
| 00.04         | Bid Set  | Campus Wide Building Elevations | 1/17/2008 |
| 20.01         | Bid Set  | Site Plan                       | 1/17/2008 |
| 30.01         | Bid Set  | Garage Level Plan               | 1/17/2008 |
| 30.02         | Bid Set  | First Floor Plan                | 1/17/2008 |
| 30.03         | Bid Set  | Second Floor Plan               | 1/17/2008 |
| 30.04         | Bid Set  | Third Floor Plan                | 1/17/2008 |
| 30.05         | Bid Set  | Fourth Floor Plan               | 1/17/2008 |
| 30.06         | Bid Set  | Roof Plan                       | 1/17/2008 |
| 30.07         | Bid Set  | Link Plans, RCP & Cross Section | 1/17/2008 |
| 30.08         | Bid Set  | Link Elevations                 | 1/17/2008 |
| 30.09         | Bid Set  | Link Section                    | 1/17/2008 |
| 30.10         | Bid Set  | Link Plan Details               | 1/17/2008 |
| 30.11         | Bid Set  | Link Section Details            | 1/17/2008 |
| 31.01         | Bid Set  | Building Elevations             | 1/17/2008 |
| 31.02         | Bid Set  | Building Elevations             | 1/17/2008 |
| 31.03         | Bid Set  | Enlarged Elevations             | 1/17/2008 |
| 31.04         | Bid Set  | Enlarged Elevations             | 1/17/2008 |

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| Drawing  | Revision | Description                          | Date      |
|----------|----------|--------------------------------------|-----------|
| 31.05    | Bid Set  | Enlarged Elevations                  | 1/17/2008 |
| 32.01    | Bid Set  | Building Sections                    | 1/17/2008 |
| 33.01    | Bid Set  | Typical Wall Sections                | 1/17/2008 |
| 33.02    | Bid Set  | Bay Window Sections                  | 1/17/2008 |
| 33.03    | Bid Set  | Porch Sections                       | 1/17/2008 |
| 33.04    | Bid Set  | Typical Wall Sections                | 1/17/2008 |
| 33.05    | Bid Set  | Roof Details                         | 1/17/2008 |
| 33.06    | Bid Set  | Porch Details                        | 1/17/2008 |
| 33.07    | Bid Set  | Porch Section Details                | 1/17/2008 |
| 33.08    | Bid Set  | Recessed Panel Sections              | 1/17/2008 |
| 33.09    | Bid Set  | Section Details & Axonometrics       | 1/17/2008 |
| 33.10    | Bid Set  | Typical Plan Details                 | 1/17/2008 |
| 34.01    | Bid Set  | Elevator Plans and Sections          | 1/17/2008 |
| 34.02    | Bid Set  | Stair Plans and Details              | 1/17/2008 |
| 34.03    | Bid Set  | Stair Sections and Details           | 1/17/2008 |
| 35.01... | Bid Set  | Wall, Floor, and Roof Schedule       | 1/17/2008 |
| 35.02    | Bid Set  | Window and Louver Schedule & Details | 1/17/2008 |
| 35.03    | Bid Set  | Door Schedule                        | 1/17/2008 |
| 35.04    | Bid Set  | Door Details                         | 1/17/2008 |
| 36.01    | Bid Set  | Typical Interior Details             | 1/17/2008 |
| 36.02    | Bid Set  | Enlarged Lobby Plans & Elevs.        | 1/17/2008 |
| 36.03    | Bid Set  | Enlarged Plans and Details           | 1/17/2008 |
| 37.01    | Bid Set  | Garage Signage Plan                  | 1/17/2008 |
| 37.02    | Bid Set  | Parking Sign Schedule                | 1/17/2008 |
| 37.03    | Bid Set  | Garage Details                       | 1/17/2008 |
| 37.04    | Bid Set  | Site Wall Details                    | 1/17/2008 |
| 38.01    | Bid Set  | Garage Level RCP                     | 1/17/2008 |
| 38.02    | Bid Set  | First Floor RCP                      | 1/17/2008 |
| 38.03    | Bid Set  | Second Floor RCP                     | 1/17/2008 |
| 38.04    | Bid Set  | Third Floor RCP                      | 1/17/2008 |
| 38.05    | Bid Set  | Fourth Floor RCP                     | 1/17/2008 |
| 40.01    | Bid Set  | Elev. & Exit Lobby Finish Plans      | 1/17/2008 |

| Drawing           | Revision | Description                            | Date      |
|-------------------|----------|--|-----------|
| 40.02             | Bid Set  | Elevator Lobby & Doghs Finish Plans    | 1/17/2008 |
| 40.03             | Bid Set  | Elevator Lobby & Doghs Finish Plans    | 1/17/2008 |
| 45.01             | Bid Set  | ILB Finish Schedule                    | 1/17/2008 |
| 45.02             | Bid Set  | Resident Unit Finish Schedule          | 1/17/2008 |
| 45.03             | Bid Set  | Unit Amenities List                    | 1/17/2008 |
| 48.01             | Bid Set  | Parking Level Signage Plan             | 1/17/2008 |
| 48.02             | Bid Set  | First Floor Signage Plan               | 1/17/2008 |
| 48.03             | Bid Set  | Second Floor Signage Plan              | 1/17/2008 |
| 48.04             | Bid Set  | Third Floor Signage Plan               | 1/17/2008 |
| 48.05             | Bid Set  | Fourth Floor Signage Plan              | 1/17/2008 |
| 49.01             | Bid Set  | Parking Level Std. Furn. Plan          | 1/17/2008 |
| 49.02             | Bid Set  | First Floor Std. Furn. Plan            | 1/17/2008 |
| 49.03             | Bid Set  | Second Floor Std. Furn. Plan Main St   | 1/17/2008 |
| 49.04             | Bid Set  | Third Floor Std. Furn. Plan            | 1/17/2008 |
| <b>Structural</b> |          |  |           |
| 60.01             | Bid Set  | Garage Level & Foundation Plan         | 1/17/2008 |
| 60.02             | Bid Set  | First Floor Concrete Slab Framing Plan | 1/17/2008 |
| 60.02A            | Bid Set  | First Floor Bearing Wall Location Plan | 1/17/2008 |
| 60.03             | Bid Set  | Second Floor Framing Plan              | 1/17/2008 |
| 60.04             | Bid Set  | Third Floor Framing Plan               | 1/17/2008 |
| 60.05             | Bid Set  | Fourth Floor Framing Plan A            | 1/17/2008 |
| 60.06             | Bid Set  | Roof Framing Plan                      | 1/17/2008 |
| 60.07             | Bid Set  | Link Framing Plan                      | 1/17/2008 |
| 61.01             | Bid Set  | Structural Notes & Typical Detail      | 1/17/2008 |
| 61.01A            | Bid Set  | Typical Details                        | 1/17/2008 |
| 61.02             | Bid Set  | Sections                               | 1/17/2008 |
| 61.03             | Bid Set  | Sections                               | 1/17/2008 |
| 61.04             | Bid Set  | Sections                               | 1/17/2008 |
| 61.05             | Bid Set  | Sections                               | 1/17/2008 |
| 61.06             | Bid Set  | Sections                               | 1/17/2008 |
| 64.01             | Bid Set  | Roof Truss Profiles                    | 1/17/2008 |



| Drawing           | Revision | Description                   | Date      |
|-------------------|----------|-------------------------------|-----------|
| 65.01             | Bid Set  | Column Schedule               | 1/17/2008 |
| 65.02             | Bid Set  | Shearwall Elev's & Details    | 1/17/2008 |
| 65.03             | Bid Set  | Bearingwall Framing Elev's    | 1/17/2008 |
| 65.04             | Bid Set  | Bearingwall Framing Elev's    | 1/17/2008 |
| <b>Plumbing</b>   |          |                               |           |
| 70.00             | Bid Set  | Plumbing Schedules            | 1/17/2008 |
| 70.01             | Bid Set  | Subslab-Plumbing Plan         | 1/17/2008 |
| 70.02             | Bid Set  | Parking Level-Plumbing Plan   | 1/17/2008 |
| 70.03             | Bid Set  | First Floor-Plumbing Plan     | 1/17/2008 |
| 70.04             | Bid Set  | Second Floor-Plumbing Plan    | 1/17/2008 |
| 70.05             | Bid Set  | Third Floor-Plumbing Plan     | 1/17/2008 |
| 70.06             | Bid Set  | Fourth Floor-Plumbing Plan    | 1/17/2008 |
| 71.01             | Bid Set  | Plumbing Part Plans           | 1/17/2008 |
| 72.01             | Bid Set  | Plumbing Risers & Details     | 1/17/2008 |
| 73.01             | Bid Set  | Sanitary Riser Diagrams       | 1/17/2008 |
| 73.02             | Bid Set  | Sanitary Riser Diagrams       | 1/17/2008 |
| 73.03             | Bid Set  | Domestic Water Riser Diagrams | 1/17/2008 |
| <b>Mechanical</b> |          |                               |           |
| 80.00             | Bid Set  | Mechanical Schedules          | 1/17/2008 |
| 80.01             | Bid Set  | Parking Level-Mechanical Plan | 1/17/2008 |
| 80.02             | Bid Set  | First Floor-Mechanical Plan   | 1/17/2008 |
| 80.03             | Bid Set  | Second Floor-Mechanical Plan  | 1/17/2008 |
| 80.04             | Bid Set  | Third Floor-Mechanical Plan   | 1/17/2008 |
| 80.05             | Bid Set  | Fourth Floor-Mechanical Plan  | 1/17/2008 |
| 80.06             | Bid Set  | Attic-Mechanical Plan         | 1/17/2008 |
| 81.01             | Bid Set  | Mechanical Part Plans         | 1/17/2008 |
| 82.01             | Bid Set  | Mechanical Details            | 1/17/2008 |
| 82.02             | Bid Set  | Mechanical Details            | 1/17/2008 |
| 83.01             | Bid Set  | HVAC Risers                   | 1/17/2008 |
| 84.01             | Bid Set  | Mechanical Schedules          | 1/17/2008 |

| Drawing           | Revision | Description                              | Date      |
|-------------------|----------|--|-----------|
| <b>Electrical</b> |          |  |           |
| 90.00             | Bid Set  | Legend, Abbrev. & Light Fixture Schedule | 1/17/2008 |
| 90.01             | Bid Set  | Lighting & Power Garage Level Plan       | 1/17/2008 |
| 90.02             | Bid Set  | Lighting & Power First Floor Plan        | 1/17/2008 |
| 90.03             | Bid Set  | Lighting & Power Second Floor Plan       | 1/17/2008 |
| 90.04             | Bid Set  | Lighting & Power Third Floor Plan        | 1/17/2008 |
| 90.05             | Bid Set  | Lighting & Power Fourth Floor Plan       | 1/17/2008 |
| 91.01             | Bid Set  | Electrical Part Plans                    | 1/17/2008 |
| 92.01             | Bid Set  | Electrical Site Distribution System      | 1/17/2008 |
| 92.02             | Bid Set  | Details                                  | 1/17/2008 |
| 92.03             | Bid Set  | Special System Block Diagrams            | 1/17/2008 |
| 93.01             | Bid Set  | Power Riser                              | 1/17/2008 |
| 93.02             | Bid Set  | Special Systems Risers + Details         | 1/17/2008 |
| 94.01             | Bid Set  | Panel Schedules                          | 1/17/2008 |
| <b>Units</b>      |          |  |           |
| Unit Notes        | Bid Set  | Unit Notes                               | 1/17/2008 |
| Unit G51          | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit G51M         | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit G52M         | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit H61M         | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit H61M1        | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit K31.5        | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit K61          | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit LG61         | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit R11M         | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit R21          | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit R41.5        | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit R41.5M       | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit R41.5M1      | Bid Set  | Unit Plan                                | 1/17/2008 |
| Unit 42.5         | Bid Set  | Unit Plan                                | 1/17/2008 |

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| Drawing        | Revision | Description        | Date      |
|----------------|----------|--------------------|-----------|
| Unit R51M      | Bid Set  | Unit Plan          | 1/17/2008 |
| Unit R61       | Bid Set  | Unit Plan          | 1/17/2008 |
| Unit S21       | Bid Set  | Unit Plan          | 1/17/2008 |
| Unit S41       | Bid Set  | Unit Plan          | 1/17/2008 |
| Unit S41A      | Bid Set  | Unit Plan          | 1/17/2008 |
| Unit S41.5     | Bid Set  | Unit Plan          | 1/17/2008 |
| Guest Suite    | Bid Set  | Unit Plan          | 1/17/2008 |
| Specifications |          |                    |           |
| Volume 1       |          | Section 1 thru 14  | 1/17/2008 |
| Volume 2       |          | Section 15 thru 16 | 1/17/2008 |

**EXHIBIT "B"**  
**SCOPE OF WORK**  
**PLUMBING AND MECHANICAL PIPING**

This subcontractor shall furnish and install all materials, labor, tools, and equipment to complete the plumbing and mechanical piping work for Ashby Ponds Independent Living Building 1.5 in accordance with the contract documents prepared by Marks, Thomas Architects, dated March 28, 2008. The above work for this subcontractor is in accordance with the contract documents, in general and the work of Division 15 – Plumbing and Mechanical, in particular.

The Work shall include, but is not necessarily limited to the following:

**A. Quality Assurance:**

1. A preconstruction meeting must be held involving all parties integral to completion of this scope of work being performed.
2. Subcontractor, after 48 hours notice, will man the job and complete his work, as indicated by periodic punch lists, conveyed by the Contractor. Subcontractor shall complete Contractor's punch lists, returned to Contractor with signature of completion, within 72 hours of mobilization. Any material delays, that would impede completion of Contractor's punch list, shall be brought to the Contractor's attention immediately after receipt of punch list. Contractor shall make reasonable effort to make complete punch lists in order to minimize subcontractor mobilizations.
3. The Subcontractor shall coordinate all work performed under the terms of this contract with the Contractor. Subcontractor's failure to properly coordinate the work shall result in the subcontractor reworking his work to make it fit at the direction of the Contractor and at no extra cost to the Contractor. Identify any known discrepancies in the Contract Documents to the Contractor prior to this Subcontractor's work.
4. The subcontractor shall make all necessary arrangements and directly pay all costs related to repairs, rework, etc. caused by the subcontractor's work. Prior to any repairs, re-work, etc. being made on Subcontractor's behalf, Subcontractor shall be given 48 hours notice in writing to allow Subcontractor to witness alleged damages, and if in agreement as to his responsibility for such damages, to have the opportunity to effect such repairs himself, or have the opportunity to record work on his behalf for which he will be financially responsible. (NOTE: 48 hours shall be construed to mean two working days, exclusive of weekends or holidays).

**B. Cleaning:**

1. The Subcontractor shall maintain sufficient labor onsite to keep their work areas clean and orderly on a daily basis, so as to allow other trades access and to maintain a safe working environment.

2. Subcontractor is responsible for all trash created from his work or by his workers from taking breaks. Trash is to be removed on a **DAILY** basis to a job site container provided by the Contractor. Subcontractor will continuously reinforce this stipulation to his workers. Leaving trash in, or around, the jobsite will not be tolerated.

**C. Safety:**

1. This Subcontractor is to provide adequate and proper safety protection for its personnel and equipment and shall strictly comply with all rules and regulations of the Federal Occupational Safety and Health Act, all other applicable health and safety laws and regulations, and of the Erickson Construction Safety Program. Hard hats, thick soled shoes (not sneakers), full length pants and shirts are to be worn by all personnel employed on the job by this Subcontractor at all times. Payments may be withheld in the form of fines for violations. Accidents to personnel of this Subcontractor, no matter how minor, will be promptly reported in detail to the Project Superintendent and/or Site Safety Officer within twenty four (24) hours of the incident. Photographs must be taken by the Subcontractor of the accident location and copies of those and all applicable hospital reports must be submitted. Fines levied by Erickson Construction, LLC. Due to the acts of this Subcontractor for failure to comply with the safety regulations and requirements of OSHA and all other applicable health and safety laws and regulations, will be paid by this Subcontractor or deducted from its Subcontract amount as described elsewhere in the Subcontract. This Subcontractor and its Sub-Subcontractors will be required to provide a copy of its Safety Program to the Project superintendent prior to commencing work at the project site. This program will include a listing, with names and phone numbers, of no less than three persons who will be designated competent persons for the duration of subcontractors work. No cost extras or time extensions will be recognized for failure to meet the requirement.
2. The Subcontractor is responsible for the safe stocking of materials to ensure that structural components of the facility being constructed are not overloaded. Subcontractor is responsible for any damage caused by improper stacking.
3. The Contractor shall provide general lighting and temporary power and wiring throughout the structure. Subcontractor shall provide specific task lighting and cords required to complete their work. All cords and lighting to be in accordance with OSHA standards.
4. The Subcontractor shall furnish trained and certified lift operators for all lift work. Lift includes, but is not limited to, forklifts, boom lifts, scissor lifts, cranes and mechanical hoists.

**D. Close Out Documentation:**

1. Subcontractor to furnish all warranty and certification inspections for receipt of warranties and certifications prior to owner acceptance.
2. Final payment will not be processed until all applicable close-out documents and materials are received.

3. Subcontractor shall furnish three (3) copies of closeout documentation for submission to the Owner/Architect for approval. Upon approval by the Owner/Architect, the Subcontractor shall furnish three (3) corrected copies of close-out documents to the Contractor for inclusion in the Master O&M to the Owner.
4. Subcontractor agrees to submit all O & M Manuals and Record documents no later than 45 days prior to substantial completion.

**E. General Requirements:**

1. Work hours for all trades will only be permitted on Monday thru Friday from 7:00 AM to 4:00 PM. All Saturday, Sunday and work after 4:00 PM must be pre-approved by Erickson Construction during the week prior to when the work is to be performed.
2. Subcontractor must have an English speaking foreman onsite at all time when their work is taking place.
3. Subcontractor will not be permitted to play music.
4. Smoking, eating and drinking are prohibited in buildings.
5. Subcontractor is responsible for keeping all of its operations, storage, trailers, materials, etc. within designated staging areas. No equipment, materials, trailers, etc. can be stored outside the storage area without specific permission of Erickson Construction.
6. Subcontractor shall not install signs, or other advertising, on fencing or buildings around the project except those specifically required for safety or traffic purposes. Subcontractor is limited to one sign on their construction trailer; this sign shall be reasonably sized and shall not project above such trailer. Any and all signs are subject to Erickson Construction's approval.
7. Includes all applicable local, state, and federal sales tax.
8. Subcontractor shall be responsible for hoisting, lifting, unloading and distribution of materials necessary for the completion of Subcontractor's work, including materials provided by others for installation by the Subcontractor.
9. All submittals to be submitted in a quantity of eight (8) sets each.
10. The subcontractor shall coordinate all work performed under this agreement with work performed by the MEP Subcontractors and Finish Subcontractors to ensure all system are fully compatible and operational. Special attention to be given to floor and drains to assure proper slope to the drain is obtained, provided the drains are set by others to the proper elevations.

**F. Plumbing and Mechanical Piping Specific Issues:**

1. The Mechanical, Electrical, and Fire Protection Subcontractors agree that there is a complete mechanical/electrical/plumbing/sprinkler system for the project and that the systems interface not only technically but also in installation. The total system is compatible and complete and this Subcontractor, collectively with the Mechanical and Fire Protection Subcontractors, agrees that all interconnection and interfacing is included in this Agreement.
2. Perform all layout required for the work. Correct any errors arising from improper layout at no extra cost to the Contractor, unless error is caused by incorrect information in the contract documents.
3. Furnish sleeve layout drawings for coordination with the post tension slab system and other MEP trades. Layout for sleeves to accommodate pipe and equipment penetrations. Drawings are to show dimensions from the column lines.
4. Furnish coordinated mechanical and plumbing rough-in drawings in accordance with contract documents.
5. Scope includes ASME certified welding and certification documents for all certified welders.
6. When soldering, or using torches, around finish walls, drywall, or combustible materials use reflective heat shields to protect the finished product, or combustible materials, from damage due to the torches.
7. Perform any required excavation for trenches and do so in a safe manner. Provide any shoring, cages, or other devices required to protect the work men. Provide barricades or barriers required protecting the public and other workers. Perform all backfill operations required around pipe or structures using only suitable materials. Backfill shall be brought up in lifts specified, not exceeding 8", and shall be compacted to the specified density and in no case in buildings or under paved areas shall this be less than 95% standard proctor. After the area is backfilled, re-grade the area to the specified contours +/- .2 feet. Dispose of any excess materials on site as directed by the Contractor. All ditch excavation spoils that are to be used for backfill shall be protected from inclement weather. If the material is not protected, and becomes water saturated, provide any required select backfill material and dispose of the unsuitable material at no extra cost to the Contractor.
8. All excavation shall be unclassified. If rock is encountered, the subcontractor shall notify the Contractor prior to removal of the rock. In reference to this clause, rock shall be defined as material that cannot be excavated/ripped with a Case 580 backhoe or equivalent machine. The subcontractor shall be paid extra compensation for excavation of rock. This extra payment shall cover all excavation backfill, drilling and shooting, select material, bedding and any other cost incurred due to rock.
9. Plumbing services (5'-0" outside building in accordance with the contract documents; (sanitary & storm/condensate).

10. All underground pipelines shall be laid to a uniform grade. Any leakage infiltration, or exfiltration, shall not exceed limits set out in the contract documents, or local governing authority, whichever is the most stringent. Perform any testing required to ascertain the amount of leakage occurring.
11. Furnish and install condensate lines to the back water valve pit. (Back water valve pit is by others).
12. Furnish and install elevator sump pump piping.
13. Furnish and install all areaway, floor drains, and trench drains.
14. Furnish and install backflow preventer valves in accordance with the contract documents.
15. Furnish and install water hammer arrestors as in accordance with the code and contract documents.
16. Furnish and install all sleeves for all penetrations in drywall walls, floor deck, roofs, slab on grade, etc. as required by the work of the subcontractor and the contract documents. Sleeves in concrete floors shall be the same height as the finished floor unless otherwise directed by the Contractor.
17. Furnish and install any and all firestopping and fire safing of subcontractor's penetrations as required by the contract documents. Firestopping and "safing" of penetrations shall be completed on a timely basis as directed by the Contractor.
18. Furnish and install all necessary supplemental supports, hangers, isolation, etc. as required for proper installation of this Scope of Work. Coordinate installation of supports and hangers with structural framing of decks.
19. Provide drawings showing dimensional data and load requirements for the proper support of any equipment mounted on structural steel or building structure supplied by others.
20. Furnish and install all vibration isolation for equipment supplied in this scope of work in accordance with the contract documents.
21. Provide temporary water lines and faucets for use during construction as directed by the Contractor. Maintenance and protection by others.
22. Furnish and install all water, sewer, condensate, gas, etc. in accordance with all applicable codes and ordinances of complete plumbing work. Make final connection to all site utilities.
23. Furnish and install all pipe fittings in accordance with the contract documents.



24. Install temporary covers or plugs in all stub ups to preclude foreign materials from entering piping systems during construction. Furnish all plugs, caps, etc. necessary to obtain partial floor by floor building occupancy.
25. Connect sub slab condensate drains to Heat Pump/condensate system.
26. Furnish and install temperature blending or mixing valves in accordance with the contract documents.
27. Furnish and install vent caps.
28. Furnish and install wall hydrants & hose bibs in accordance with the contract documents.
29. Furnish and install roof flashing required for vent stacks.
30. Furnish and install all plumbing fixtures as specified and shown on the contract drawings and make connections of same.
31. Furnish and install escutcheon plates around all kitchen and bath plumbing piping and as required by the work.
32. Furnish and install plastic or fiberglass tub and shower protectors. Plastic to be heavy mil on the entire surface of tubs and showers. Place cardboard inside the shower over the threshold and down the face as possible. Subcontractor will provide and maintain tub/shower protectors as possible, but it shall be the contractor's responsibility to police and rectify the continued removal and/or abuse of such protectors by other trades, etc. The Subcontractor shall likewise notify the Contractor of all observed instances of protection removal or abuse.
33. Furnish and install drip pans in accordance with the contract documents.
34. Furnish and install handicap plumbing fixtures in accordance with the contract documents.
35. Furnish and install ice maker rough-in connections.
36. Connect and furnish; valves, air gaps, and trim only for equipment furnished and set in place by others to include:
  - i. Vanities
  - ii. Dishwashers
  - iii. Clothes washers / dryers
  - iv. Kitchen sinks
  - v. Ice makers in refrigerators
  - vi. Disposers

37. Plumbing fixtures with trim to include:

- i. Kitchen sinks – trim only; (install garbage disposal provided by others)
- ii. Vanity bowls – trim only
- iii. Clothes washer / dryers – hose connection outlet only (hoses and hookup by others)
- iv. Tubs with tub/shower diverters
- v. Lavatories
- vi. Miscellaneous sinks
- vii. Water closets
- viii. Showers & Tubs

38. This subcontract includes the connection of equipment furnished and set in place by others. Subcontractor shall connect equipment in a manner as to preclude damage to the connections and/or piping.
39. Furnish and install water heaters as indicated in accordance with the contract documents.
40. Furnish and install all inserts and other items necessary to incorporate the mechanical work in the facility.
41. Furnish and install condenser water piping.
42. Furnish and install HVAC (Loop water) system. Subcontractor to coordinate connections to the loop water piping in adjacent buildings.
43. Furnish, install, and remove temporary construction strainers at Closed Loop Condenser Water Service piping to prevent foreign matter from entering the system in accordance with the contract documents.
44. Unit shutoff valves are to be located in the corridor above each unit entry door.
45. Furnish and install expansion compensators as indicated in the contract documents.
46. Furnish and install motor starters that are integral to equipment. Individual starters and disconnects are excluded from this Subcontract.
47. Furnish and install insulation of plumbing, equipment installed under this subcontract, and HVAC piping, etc. per code, and in accordance with the contract documents.
48. Furnish all access panels required by the work of this subcontractor in adequate size, type and fire rating for the intended use. Subcontractor to provide location of access panel placement and valves, etc. Access panels shall be placed such that they can reasonably be operated and/or serviced via the access provided. Installation by others.

49. In all piping systems, provide methods, means, valves, stoppers, etc. for testing isolated areas as the progress of the job requires so other work on the job may proceed concurrently. This particularly applies to individual floors and areas of the building.
50. Complete all necessary work and perform all tests and inspections required by the work and local governing authorities and prevailing local building codes. All tests and inspections shall be completed on a timely basis so as to maintain the schedule and allow time for other subcontractors to perform their work and inspections on a timely basis.
51. Test all piping in accordance with Specifications except that pneumatic testing is permissible for piping in freezing weather that cannot be completely drained.
52. Subcontractor shall flush piping prior to final hook-ups. Disinfect potable water lines prior to occupancy of building and provide certification of chlorination of water lines. Furnish flush and cleaning certification of the HVAC piping system in accordance with the contract documents.
53. Prior to covering or concealment of piping, the subcontractor shall make or mark up accurate "as built" drawings of his work and shall submit eight (8) complete sets of "as built" drawings at the completion of his work.
54. Furnish and install all pipe, valve, and equipment identification (i.e. Stenciling, pipe wrap, etc.) in accordance with the contract documents. This excludes painting of the pipe.
55. Provide necessary preparations and adjustments for final acceptance of all systems, including startup of systems, in accordance with the contract documents for final acceptance of the work.
56. This scope of work includes owner training for all equipment supplied by this scope of work, even when equipment is turned over to another Subcontractor for installation.
57. Included is a one (1) year warranty for this scope of work in accordance with the contract documents.
58. This scope excludes concrete pads.

END OF SECTION

**EXHIBIT "C"**  
**Schedule of Values**

| Description of Work                            | Scheduled Value |
|--|-----------------|
| Submittals                                     | \$5,000.00      |
| Permits  | \$16,000.00     |
| Bond   | \$18,000.00     |
| Parking Garage Plumbing - Plumbing Groundworks | \$38,000.00     |
| Parking Garage Plumbing - Trench Drains        | \$14,200.00     |
| 1 <sup>st</sup> Floor - Under Floor Rough-In   | \$59,961.08     |
| 1 <sup>st</sup> Floor - Above Floor Rough-In   | \$155,898.75    |
| 1 <sup>st</sup> Floor - Final                  | \$23,984.42     |
| 1 <sup>st</sup> Floor - Closed Loop Piping     | \$140,600.00    |
| 2 <sup>nd</sup> Floor - Under Floor Rough-In   | \$59,961.08     |
| 2 <sup>nd</sup> Floor - Above Floor Rough-In   | \$155,898.75    |
| 2 <sup>nd</sup> Floor - Final                  | \$23,984.42     |
| 2 <sup>nd</sup> Floor - Closed Loop Piping     | \$19,800.00     |
| 3 <sup>rd</sup> Floor - Under Floor Rough-In   | \$59,961.08     |
| 3 <sup>rd</sup> Floor - Above Floor Rough-In   | \$155,898.75    |
| 3 <sup>rd</sup> Floor - Final                  | \$23,984.42     |
| 3 <sup>rd</sup> Floor - Closed Loop Piping     | \$19,800.00     |
| 4 <sup>th</sup> Floor - Under Floor Rough-In   | \$59,961.08     |
| 4 <sup>th</sup> Floor - Above Floor Rough-In   | \$160,898.75    |
| 4 <sup>th</sup> Floor - Final                  | \$23,984.42     |
| 4 <sup>th</sup> Floor - Closed Loop Piping     | \$19,800.00     |
| Owner/Operating Manuals                        | \$5,000.00      |
| As Built Drawings                              | \$10,000.00     |
|  |                 |
| Total  | \$1,270,577.00  |

**Alternates**

**Unit Prices**

None

**END OF SECTION**

Sub: Panther Corporation  
Cost Code: 557RB15 - 48400-154000

**Exhibit "D.1"**  
**Instructions for "Exhibit D"**

Subcontractors/Suppliers shall submit attached Application and Certificate for Payment (Exhibit D) for payment processing to:

**ERICKSON CONSTRUCTION, L.L.C.**  
**21065 Cardinal Pond Terrace**  
**Ashburn, Va, 20147**

**ATTN: Project Manager, Michael Sights**

Your application for payment, using the attached Application and Certificate for Payment (Exhibit D) form, must be fully completed, and must be in our office at the above address *no later than the 20<sup>th</sup> of the month.*

If your Application and Certificate for Payment is not fully completed and received in our office, at the above address *by the 20<sup>th</sup> of the month*, your payment will be delayed until the following months payment cycle.

EC:  Sub: 

Sub: Panther Corporation  
Cost Code: 557RB15 - 48400-154000

**EXHIBIT "D"**  
**APPLICATION AND CERTIFICATE FOR PAYMENT**

**TO:** ERICKSON CONSTRUCTION, LLC.  
703 Maiden Choice Lane  
Baltimore, MD 21228

**DATE:**

**PROJECT:** 557RB15  
**JOB:** Wood framed residential building  
**APPLICANT NO.:**  
**PERIOD TO:**

**FROM:** Panther Corporation

|   |          |
|---|----------|
| 1. Original Contract Amount                         | \$ _____ |
| 2. Change Orders Issued to Date (Thru C.O. # _____) | \$ _____ |
| 3. Contract Sum to Date (Line 1+2)                  | \$ _____ |
| 4. Total Completed & Stored to Date                 | \$ _____ |
| 5. Less Retainage (_____ %)                         | \$ _____ |
| 6. Total Earned to Date Less Retainage (Line 4-5)   | \$ _____ |
| 7. Less Previous Requisitions                       | \$ _____ |
| 8. Payment Due This Period (Line 6-7)               | \$ _____ |

**SUBCONTRACTORS AFFIDAVIT & RELEASE OF LIEN:**

The undersigned Subcontractor certifies; (i) that the work for which this payment request is being submitted has been completed in accordance with the Contract Documents; (ii) that it has paid its employees, sub-subcontractors, and material suppliers for all work and material for which Erickson Construction has paid previous requests for payment; (iii) that the amount of this invoice is due.

**CONTRACTOR: By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Officer, General Partner, or Owner)

**Note:** Payment will be made for only those costs which are included as part of the Original Contract amount or for which a Change Order has been issued by Erickson Construction L.L.C. Please provide a list of any outstanding claims for additional costs or pending extras.

**NOTES:**

**TO BE COMPLETED BY PROJECT MANAGER**

|                   |              |
|-------------------|--------------|
| RETAINAGE RELEASE | \$ _____     |
| PROGRESS BILLING  | \$ _____     |
| RETAINAGE HELD    | \$ _____     |
| TOTAL AMOUNT DUE  | \$ _____     |
| PROJECT NUMBER    | 557RB15      |
| COST CODE #       | 48400-154000 |
| APPROVED BY       | _____        |
| APPROVED DATE     | _____        |

| FINAL PAYMENT           |  |
|-------------------------|--|
| PUNCH LIST COMPLETED    | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| WARRANTY COMPLETED      | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| ATTIC STOCK DELIVERED   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| O&M (CLOSEOUT BOOK-DEL) | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| CHANGE ORDERS COMPLETED | <input type="checkbox"/> YES <input type="checkbox"/> NO |

| FOR ACCOUNTING USE ONLY |       |
|-------------------------|-------|
| DATE RECEIVED           | _____ |
| REVIEWED BY             | _____ |

EC Sub: EW

Sub: Panther Corporation  
Cost Code: 557RB15 - 48400-154000

**EXHIBIT "E1" & "F1"**  
**Instructions for Exhibits E & F**

Subcontractors/Suppliers shall submit attached Partial Release of Liens (Exhibit E) and Final Release of Liens (Exhibit F) for payment processing to:

**ERICKSON CONSTRUCTION, LLC.**  
**Corporate Office**  
**991 Corporate Blvd.**  
**Linthicum, Maryland 21090**  
**Attn: Contract Administrator**

**EXHIBIT E – PARTIAL RELEASE OF LIENS**

The attached Partial Release of Liens (Exhibit E) form must be fully completed, properly executed by a authorized Corporate Officer or Owner/Proprietor with Original Signatures, Notarized, and must be in our office at the above address no later than the last day of the month.

If your Partial Release of Liens (Exhibit E) is not fully executed and received on a timely basis, i.e. no later than the last day of the month, previous payment not covered by a current waiver of lien will be deducted from your expected payment.

**EXHIBIT F – FINAL RELEASE OF LIENS**

The attached Final Release of Liens (Exhibit F) form must be fully completed, properly executed by a authorized Corporate Officers or Owner/Proprietary with original signatures, Notarized, and must be in our office at the above address no later than the last day of the month or at issuance of Final Payment.

**NO FINAL PAYMENTS WILL BE ISSUED UNTIL FINAL RELEASE OF LIENS IS IN HAND.**

BC Sub: EW

**EXHIBIT "E"**  
**CONTRACTORS, SUBCONTRACTORS AND SUPPLIER**  
**PARTIAL RELEASE OF LIENS**

STATE OF:  
  
COUNTY OF:

Original Contract Amount: \$ \_\_\_\_\_  
Approved Change Orders: \$ \_\_\_\_\_  
Adjusted Contract Amount: \$ \_\_\_\_\_  
Completed to Date: \$ \_\_\_\_\_  
Retention: \$ \_\_\_\_\_  
Total Earned (Less Retention): \$ \_\_\_\_\_  
Previous Payments: \$ \_\_\_\_\_  
Current Payment: \$ \_\_\_\_\_  
Contract Balance: \$ \_\_\_\_\_

TO: CHICAGO TITLE INSURANCE COMPANY (Title Insurer)  
\_\_\_\_ (Lender)  
\_\_\_\_ (Owner)  
\_\_\_\_ (Contractor)

The UNDERSIGNED being duly sworn states that he is the \_\_\_\_\_ (title)  
of \_\_\_\_\_ (firm) who has a contract with \_\_\_\_\_  
for furnishing \_\_\_\_\_ for the improvements being erected on  
real estate known and identified as Ashby Ponds Independent Living Building 1.5 located in \_\_\_\_\_  
County, State of \_\_\_\_\_ and owned by \_\_\_\_\_.

The UNDERSIGNED, for and in consideration of the sum of \_\_\_\_\_  
(\$ \_\_\_\_\_) in payment of invoice or application dated \_\_\_\_\_ and other good and  
valuable consideration, the receipt of which is hereby acknowledged, does hereby waive and release any and all liens or  
claims of right of lien on the aforementioned property and improvements thereon, and on monies or other consideration due or  
to become due on account of labor or services, materials, fixtures or apparatus heretofore furnished, prior to  
\_\_\_\_\_, 20\_\_\_\_, except for the retention stated above.

The UNDERSIGNED, respectfully warrants that the contract status set forth above is an accurate statement, and no  
other sums are claimed, that all laborers, subcontractors, and suppliers employed by him have been paid all sums previously  
due and all current sums due out of this payment and that none of such laborers, subcontractors or suppliers is or will be  
entitled to claim or assert any claim against the above described real estate or the improvements thereon for labor or materials  
furnished to or for the account of the undersigned. (Upon request, the undersigned shall list the name of each of his  
subcontractors, and suppliers, with contract and payment status, on CFI form F-3926 - Contractors and Subcontractors  
Affidavit, attach same hereto and upon request furnish waivers from said parties).

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_  
\_\_\_\_\_  
By: \_\_\_\_\_ Contractor/Supplier/Subcontractor  
\_\_\_\_\_  
Signature & Title (Must be an Officer)

Signed and sworn to before me this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Notary Public Signature

EC Sub: EW



**EXHIBIT "F"**  
**CONTRACTORS, SUBCONTRACTORS AND SUPPLIER**  
**FINAL RELEASE OF LIENS**

|            |        |                                |    |       |
|------------|--------|--------------------------------|----|-------|
| STATE OF:  | )      | Original Contract Amount:      | \$ | _____ |
|            | ) S.S. | Approved Change Orders:        | \$ | _____ |
| COUNTY OF: | )      | Adjusted Contract Amount:      | \$ | _____ |
|            |        | Completed to Date:             | \$ | _____ |
|            |        | Retention:                     | \$ | _____ |
|            |        | Total Earned (Less Retention): | \$ | _____ |
|            |        | Previous Payments:             | \$ | _____ |
|            |        | Current Payment:               | \$ | _____ |
|            |        | Contract Balance:              | \$ | _____ |

TO: CHICAGO TITLE INSURANCE COMPANY (Title Insurer)  
\_\_\_\_ (Lender)  
\_\_\_\_ (Owner)  
\_\_\_\_ (Contractor)

The UNDERSIGNED being duly sworn states that he is the \_\_\_\_\_ (title)  
of \_\_\_\_\_ (firm) who has a contract with \_\_\_\_\_  
for furnishing \_\_\_\_\_ for the improvements being erected on real  
estate known and identified as Ashby Ponds Independent Living Building 1.5 located in  
\_\_\_\_\_  
County, State of \_\_\_\_\_ and owned by \_\_\_\_\_.

The UNDERSIGNED, for and in consideration of the sum of \_\_\_\_\_  
(\$ \_\_\_\_\_) in payment of invoice or application dated \_\_\_\_\_ and other good and  
valuable consideration, the receipt of which is hereby acknowledged, does hereby waive and release any and all liens or  
claims of right of lien on the aforementioned property and improvements thereon, and on monies or other consideration due or  
to become due on account of labor or services, materials, fixtures or apparatus heretofore furnished, prior to  
\_\_\_\_\_, 20\_\_\_\_, except for the retention stated above.

The UNDERSIGNED, respectfully warrants that the contract status set forth above is an accurate statement, and no  
other sums are claimed, that all laborers, subcontractors, and suppliers employed by him have been paid all sums previously  
due and all current sums due out of this payment and that none of such laborers, subcontractors or suppliers is or will be  
entitled to claim or assert any claim against the above described real estate or the improvements thereon for labor or materials  
furnished to or for the account of the undersigned. (Upon request, the undersigned shall list the name of each of his  
subcontractors, and suppliers, with contract and payment status, on CTI's form F-3926 - Contractors and Subcontractors  
Affidavit, attach same hereto and upon request furnish waivers from said parties).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_ Contractor/Supplier/Subcontractor  
\_\_\_\_\_  
(Title)

Signed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Sub: Panther Corporation  
Cost Code: 557RB15 - 48400-154000

**EXHIBIT "G1"**  
**Instructions for Exhibit "G"**

**ERICKSON CONSTRUCTION, LLC.**  
**Corporate Office**  
**991 Corporate Blvd.**  
**Linthicum, Maryland 21090**  
**Attn: Accounts Payable Clerk**

**EXHIBIT G - VENDOR/TEIR SUBCONTRACTOR LIST**

The attached Vendor/Tier Subcontractor List (Exhibit G) from must be fully completed, properly executed by authorized Corporate Officer or Owner/Proprietor with Original Signatures, Notarized and must be in our office at the above address no later than the 20<sup>th</sup> day of the month.

If you Vendor/Tier Subcontractor list (Exhibit G) is not fully executed and received on a timely basis, i.e no later that the 20<sup>th</sup> day of the month, previous payment not covered by a current waiver of lien will be deducted from your expected payment.

 Sub: GW

# EXHIBIT "H" Schedule B INSURANCE

Subcontractor shall obtain insurance of the types and in the amounts described below:

| TYPE OF COVERAGE  | AMOUNT OF COVERAGE (LIMITS)   |
|---|---|
| <u>AD.1 Worker's Compensation</u><br><br><u>Employer's Liability</u>  | Statutory Limits (set by states)<br><br>Bodily Injury by Accident = \$100,000. Ea. Accident<br>Bodily Injury by Disease = \$500,000. Policy Limit<br>Bodily Injury by Disease = \$100,000. Ea. Employee   |
| <u>AD.2 Commercial General Liability:</u> written on ISO occurrence form and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).<br><br><u>The policy must not be limited by Residential construction exclusions that are applicable to the work performed under this agreement.</u> | <u>Occurrence Form, minimum required limits:</u><br><br>General Aggregate Limit (other than Products/Completed Operations): \$1,000,000.<br><br>Products/Completed Operations Aggregate Limit: \$1,000,000.<br><br>Each Occurrence Limit: \$1,000,000.<br><br>Personal Injury & Advertising Injury Limit: \$1,000,000.<br><br>Contractual Liability: \$1,000,000. |
| <u>AD.3 Business Auto Liability:</u> covering any automobile, including hired and non-owned auto's  | Minimum required limits:<br><br>Bodily Injury Each Person: \$1,000,000.<br>Bodily Injury Each Accident: \$1,000,000.<br>Property Damage Each Accident: \$1,000,000.<br><br>Or, \$1,000,000. combined bodily injury and property damage each accident limit for all of the above   |
| <u>AD.4 Commercial Umbrella Insurance Policy:</u> or Excess Liability coverage applicable to Employers Liability, General Liability, and Automobile Liability and meeting at least the same coverage requirements under each as stated above.   | <u>Occurrence Form, minimum required limits:</u><br><br>\$4,000,000. each occurrence<br>\$4,000,000. aggregate  |
| <u>AD.5 Property Insurance:</u> covering all personal property including rented, leased or borrowed tools and equipment brought on site by Subcontractor. Subcontractor hereby waives all right of recovery against Contractor, its parent company, Owner, and Operator for loss or damage to such property however caused.   | Replacement Cost or Actual Cash Value   |

(\*Refer to Article 12.1.2 for additional insured requirements.)

## EXHIBIT "T"

### Payment Bond

#### AIA Document A312 – Electronic Format

- Subcontractor must include the name of the Owner and Lender as Dual Oblige.
- Subcontractor may provide this information in the form of a Dual Oblige Rider.
- Two original copies of all bonds are required and should be forwarded to the Corporate Office located at: 991 Corporate Blvd., Linthicum, MD 21090.

## EXHIBIT "J"

### Performance Bond

#### AIA Document A312 – Electronic Format

- Subcontractor must include the name of the Owner and Lender as Dual Oblige.
- Subcontractor may provide this information in the form of a Dual Oblige Rider.
- Two original copies of all bonds are required and should be forwarded to the Corporate Office located at: 991 Corporate Blvd., Linthicum, MD 21090.

**EXHIBIT "K"**  
**Rider to**  
**Subcontract Agreement**  
**Between**  
**Erickson Construction and Panther Corporation**

- 8.2.2 Delete sentence three (3) – "Termination for default, if wrongfully made, shall be treated as a termination for convenience."
- 11.5 Delete paragraph in its entirety.
- 13.3 Change the first sentence to read, "... and Subcontractor shall, at Contractor's or Subcontractor's option, be decided by litigation."

END OF SECTION

# EXHIBIT 2

Bond No. 1813631

Payment Bond

**CONTRACTOR (Name and Address):**  
Panther Corporation  
11325 Industrial Road  
Manassas VA 20109

**SURETY (Name and Principal Place of Business):**  
Hanover Insurance Company  
7130 Glen Forest Drive  
Richmond VA 23285

**OWNER (Name and Address):**  
Erickson Construction, LLC  
703 Maiden Choice Road  
Baltimore MD 21228

**CONSTRUCTION CONTRACT**

Date: September 1, 2007 \$1,316,000.00  
Amount: One Million, Three Hundred Sixteen Thousand and 00/100 Dollars  
Description (Name and Location): Ashby Ponds Independent Living Building Site Package

**BOND**

Date (Not earlier than Construction Contract Date): November 28, 2007  
Amount: One Million, Three Hundred Sixteen Thousand & 00/100 Dollars  
Modifications to this Bond: ☐ None ☐ See Last Page \$1,316,000.00  
Modifications to this Bond: ☒ None ☐ See Last Page

**CONTRACTOR AS PRINCIPAL**  
Company: (Corporate Seal)  
Panther Corporation

**SURETY**  
Company: (Corporate Seal)  
Hanover Insurance Company

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
(Any additional signatures appear on the last page)

Signature: \_\_\_\_\_  
Name and Title: Anthony J. Pung  
Attorney-In-Fact

(FOR INFORMATION ONLY - Name, Address and Telephone)

**AGENT or BROKER:**  
Centennial Surety Assoc., Inc.  
1514 Jabez Run, Suite 100  
Millersville MD 21108

**OWNER'S REPRESENTATIVE (Architect, Engineer or other party):**  
Marks, Thomas Architects, Inc.  
1410 Key Highway  
Baltimore MD 21230



§ 1 The Contractor and the Surety, jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 With respect to the Owner, this obligation shall be null and void if the Contractor:

§ 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

§ 2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Section 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

§ 3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

§ 4 The Surety shall have no obligation to Claimants under this Bond until:

§ 4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

§ 4.2 Claimants who do not have a direct contract with the Contractor:

- 1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim, stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
- 2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and
- 3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

§ 5 If a notice required by Section 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

§ 6 When the Claimant has satisfied the conditions of Section 4, the Surety shall promptly and at the Surety's expense take the following actions:

§ 6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

§ 6.2 Pay or arrange for payment of any undisputed amounts.

§ 7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Section 4.1 or Section 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

#### § 15 DEFINITIONS:

§ 15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

§ 15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

§ 16 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

*(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)*

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corporate Seal)

Company: (Corporate Seal)

Signature:  
Name and Title:  
Address:

Signature:  
Name and Title:  
Address:

Certified Copy Void Without Hanover Watermark

This Power of Attorney may not be used to execute any bond with an inception date after December 1, 2008

THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY  
CITIZENS INSURANCE COMPANY OF AMERICA

POWERS OF ATTORNEY  
CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, do hereby constitute and appoint

Michael E. Schendel, Debra L. Stewart and/or Anthony J. Pung

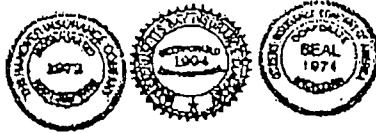
of Millersville, MD and each is a true and lawful Attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, or, if the following line be filled in, only within the area therein designated

any and all bonds, recognizances, undertakings, contracts of Indemnity or other writings obligatory in the nature thereof, as follows:  
Any such obligations in the United States, not to exceed Twenty Million and No/100 (\$20,000,000) in any single instance.

and said companies hereby ratify and confirm all and whatsoever said Attorney(s)-in-fact may lawfully do in the premises by virtue of these presents. These appointments are made under and by authority of the following Resolution passed by the Board of Directors of said Companies which resolutions are still in effect:

"RESOLVED, That the President or any Vice President, in conjunction with any Assistant Vice President, be and they are hereby authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as its acts, to execute and acknowledge for and on its behalf as Surety any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons;" (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 - Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America)

IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by a Vice President and an Assistant Vice President, this 26th day of July, 2007.



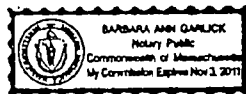
THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY  
CITIZENS INSURANCE COMPANY OF AMERICA

*Richard J. Van Slobin*  
Richard J. Van Slobin, Vice President

*Robert K. Grennan*  
Robert K. Grennan, Assistant Vice President

THE COMMONWEALTH OF MASSACHUSETTS )  
COUNTY OF WORCESTER ) ss.

On this 26th day of July 2007, before me came the above named Vice President and Assistant Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.



*Barbara A. Garlick*  
Notary Public

My commission expires on November 3, 2011

I, the undersigned Assistant Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

This Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America.

"RESOLVED, That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or any Vice President in conjunction with any Assistant Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile." (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America)

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this 28th day of November, 20 07

THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY  
CITIZENS INSURANCE COMPANY OF AMERICA

*Stephen L. Brault*  
Stephen L. Brault, Assistant Vice President

Certified Copy Void Without Hanover Watermark

K 4565

Bond No. 1813632

Payment Bond

CONTRACTOR (Name and Address):  
Panther Corporation  
11325 Industrial Road  
Manassas VA 20109

SURETY (Name and Principal Place of  
Business): Hanover Insurance Company  
7130 Glen Forest Drive  
Richmond VA 23265

OWNER (Name and Address):  
Erickson Construction, LLC  
703 Maiden Choice Road  
Baltimore MD 21228

CONSTRUCTION CONTRACT

Date: September 1, 2007

Amount: One Million, Two Hundred Eighty Eight Thousand & 00/100 Dollars

Description (Name and Location): Ashby Ponds Independent Living Building, Plumbing  
& Mechanical Work

\$1,288,000.00

BOND  
Date (Not earlier than Construction Contract Date): November 28, 2007

Amount: One Million, Two Hundred Eighty Eight Thousand & 00/100 Dollars

\$1,288,000.00

Modifications to this Bond:

☐ None  
☒ None

☐ See Last Page  
☐ See Last Page

CONTRACTOR AS PRINCIPAL  
Company: (Corporate Seal)  
Panther Corporation

SURETY  
Company: (Corporate Seal)  
Hanover Insurance Company

Signature:  
Name and Title:  
(Any additional signatures appear on the last page)

Signature: Anthony J. Pung, Attorney-In-Fact  
Name and Title:

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER  
Centennial Surety Assoc., Inc. Engineer or other agent:  
1514 Jabez Run, Suite 100  
Millersville MD 21108

OWNER'S REPRESENTATIVE (Architect,  
Marks, Thomas Architects, Inc.  
1410 Key Highway  
Baltimore MD 21230

§ 1 The Contractor and the Surety, jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 With respect to the Owner, this obligation shall be null and void if the Contractor:  
§ 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

§ 2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Section 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

§ 3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

§ 4 The Surety shall have no obligation to Claimants under this Bond until:

§ 4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

§ 4.2 Claimants who do not have a direct contract with the Contractor:

1. Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
2. Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and
3. Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

§ 5 If a notice required by Section 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

✓ § 6 When the Claimant has satisfied the conditions of Section 4, the Surety shall promptly and at the Surety's expense take the following actions:

§ 6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

§ 6.2 Pay or arrange for payment of any undisputed amounts.

§ 7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Section 4.1 or Section 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

#### § 15 DEFINITIONS

§ 15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

§ 15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

§ 16 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

*(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)*

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

SURETY

Company: (Corporate Seal)

Signature:

Name and Title:

Address:

Signature:

Name and Title:

Address:

Certified Copy Void Without Hanover Watermark

date after December 1, 2008

This Power of Attorney may not be used to execute any bond with an inception date after December 1, 2008

THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY  
CITIZENS INSURANCE COMPANY OF AMERICA

POWERS OF ATTORNEY  
CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, do hereby constitute and appoint Michael E. Schendel, Debra L. Stewart and/or Anthony J. Pung

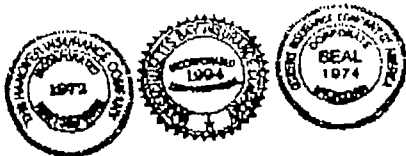
of Millersville, MD and each is a true and lawful Attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, or, if the following line be filled in, only within the area therein designated

any and all bonds, recognizances, undertakings, contracts of indemnity or other writings obligatory in the nature thereof, as follows:  
Any such obligations in the United States, not to exceed Twenty Million and No/100 (\$20,000,000) in any single instance

and said companies hereby ratify and confirm all and whatsoever said Attorney(s)-in-fact may lawfully do in the premises by virtue of these presents. These appointments are made under and by authority of the following Resolution passed by the Board of Directors of said Companies which resolutions are still in effect:

"RESOLVED, That the President or any Vice President, in conjunction with any Assistant Vice President, be and they are hereby authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as its acts, to execute and acknowledge for and on its behalf as Surety any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons." (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 - Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America)

IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by a Vice President and an Assistant Vice President, this 26th day of July, 2007.



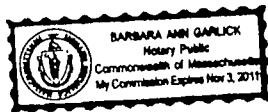
THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY  
CITIZENS INSURANCE COMPANY OF AMERICA

Richard M. Van Sienburg, Vice President

Robert K. Crennan, Assistant Vice President

THE COMMONWEALTH OF MASSACHUSETTS )  
COUNTY OF WORCESTER ) ss.

On this 26th day of July 2007, before me came the above named Vice President and Assistant Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.



Barbara A. Garlick  
Notary Public

My commission expires on November 3, 2011

I, the undersigned Assistant Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

This Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America.

"RESOLVED, That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or any Vice President in conjunction with any Assistant Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile." (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America)

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this 28th day of November, 2007

THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY  
CITIZENS INSURANCE COMPANY OF AMERICA

Michael E. Schendel, Assistant Vice President

# **EXHIBIT 3**





ALLMERICA FINANCIAL  
CITIZENS INSURANCE  
HANOVER INSURANCE\*

The Hanover Insurance Company  
Massachusetts Bay Insurance Company  
440 Lincoln Street  
Worcester, MA 01653

Citizens Insurance Company  
of America  
645 West Grand River  
Howell, MI 48843

### AGREEMENT OF INDEMNITY

WHEREAS, at the request of the undersigned, for themselves, their heirs, executors, administrators, successors and assigns (hereafter referred to as "Indemnitors"), and upon the express understanding that this Agreement be executed, The Hanover Insurance Company, Massachusetts Bay Insurance Company and/or Citizens Insurance Company of America and their affiliates, successors, assigns and any subsidiary companies (hereafter individually and collectively referred to as "Surety") has executed, or may in its discretion hereafter execute certain surety contracts, undertakings, and/or other instruments of guarantee or indemnity, and any continuation, extension, amendment, alteration, renewal or substitution thereof (hereafter collectively referred to as "bond" or "bonds") on behalf of the Indemnitors or any one or more of the Indemnitors, in which bonds the Indemnitors hereby affirm they have a substantial, material and beneficial interest.

NOW, THEREFORE, in consideration of the premises, and of the execution or continuance of such bonds, the Indemnitors, jointly and severally, hereby covenant and agree in favor of the Surety as follows.

1. The Indemnitors will promptly pay or cause to be paid in cash to the Surety in advance, or if not in advance, in such manner as may be agreed upon, all premiums and charges of the Surety for such bonds at the rates and times specified by the Surety, and will continue to pay the same where such bonds are continued until the Indemnitors shall serve evidence satisfactory to the Surety of its discharge or release from such bonds and all liability by reason thereof.

2. The Indemnitors shall exonerate, indemnify, and save harmless the Surety from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Surety may pay or incur, including, but not limited to, loss, interest, court costs and consultant and attorney fees:

- (a) by having executed or procured the execution of the bonds; or
- (b) in making an independent investigation of any claim, demand, or suit; or
- (c) in defending any suit, action, mediation, arbitration or any other proceeding to obtain release from liability whether the Surety, in its sole discretion, elects to employ its own attorney or permits or requires Indemnitors to defend the Surety; or
- (d) in enforcing any of the covenants, terms and conditions of this Agreement.

3. Payment shall be made to the Surety by the Indemnitors as soon as liability exists or is asserted against the Surety, whether or not the Surety shall have made any payment therefor. Such payment to the Surety shall be: a) if the amount asserted as a claim, demand or suit is an ascertainable or liquidated amount, the amount of the claim, demand, or suit asserted against the bond or bonds by any claimant or obligee, plus the amount the Surety deems sufficient, in its sole discretion, to indemnify and hold it harmless from and against any loss, cost, interest, and expense necessary to defend, investigate, or adjust the claim, demand, or suit; or b) if the amount asserted as a claim, demand, or suit is an unascertainable or unliquidated amount, the amount the Surety deems sufficient, in its sole discretion, to indemnify and hold it harmless from and against any loss, cost, interest, and expense necessary to defend, investigate, or adjust the claim, demand, or suit. The Surety shall have the right to hold such funds as collateral (without any obligation to earn interest on the collateral for the Indemnitors) until the Indemnitors serve evidence satisfactory to the Surety of its discharge from all bonds and all liability by reason thereof, and to use such funds or any part thereof, at any time, in payment or settlement of any judgment, claim, liability, loss, damage, fees, or any other expense.

The Surety shall have the exclusive right to adjust, settle, or compromise any claim, demand, suit or any other proceeding arising out of any bond against the Surety and/or the Indemnitors, take whatever action it deems appropriate in response thereto, and its determination of whether to defend or settle the same shall be binding and conclusive upon the Indemnitors. In the event of any payment or disbursement by the Surety, the Indemnitors agree to immediately reimburse the Surety for any and all payments and disbursements made (including, but not limited to, interest from the date of the Surety's payments at the maximum rate allowable) under the Surety's belief that liability for the payments existed or that payment was necessary or expedient, whether or not such liability, necessity or expediency existed. Vouchers or other evidence of payment by the Surety shall be conclusive evidence of the fact and amount of such liability, necessity, or expediency and of the Indemnitors' liability to the Surety therefor.

4. With respect to each bond executed by the Surety in connection with a contract, the Surety is hereby authorized, in its sole discretion, to make or guarantee advances or loans for the purpose of the contract without the necessity of seeing to the application thereof, and the Indemnitors agree both that all such loans and advances, unless repaid with legal interest by the Indemnitors to the Surety when due, shall be conclusively presumed to be an indemnity obligation of the Indemnitors to the Surety, and that the Surety shall have the absolute right to cease making or guaranteeing advances or loans at any time and without notice to the Indemnitors.

5. With respect to each bond executed by the Surety in connection with a contract, the Indemnitors hereby assign, transfer, convey and set over to the Surety:

- (a) all right, title and interest of the Indemnitors in and to all tools, plants, equipment and materials of every nature and description that may now or hereafter be upon the site of the contracted work or elsewhere for the purpose of the contract; and
- (b) all right, title and interest of the Indemnitors in and to the contract including all rights in and to all subcontracts or purchase orders let or to be let in connection therewith; and
- (c) all monies retained, due, or due in the future on account of any contract, whether bonded or unbonded, in which any or all the Indemnitors have an interest; and
- (d) all right, title and interest, or use of any license, patent, trademark or copyright held by Indemnitors in connection with contracted work or required for the completion of any contract.

The assignments shall be effective as of the execution dates of the bonds, but only enforceable upon the occurrence of one or more of the events described in Paragraph 6(a-f).

6. In the event the Indemnitors, or any one or more of them, shall: (a) whether actually or allegedly (as declared by the obligee or owner), delay, default, abandon, forfeit or breach any contract secured by a bond, or (b) fail, neglect, or refuse in any manner to timely pay for any labor or material used in the prosecution of any contract secured by a bond, or (c) change its character, identity, control, beneficial ownership, or existence, or (d) fail to perform, or comply with any of the terms, covenants, or obligations of this Agreement, including, but not limited to, prompt payment of any amount due under this Agreement, or (e) make an assignment for the benefit of creditors, or have any proceedings instituted against them, or any one or more of them, alleging insolvency or involving the appointment of a receiver or trustee whether such Indemnitor(s) is/are insolvent or not, or (f) have proceedings instituted against any of the Indemnitors which have the effect of depriving any of them of the use of any part of the equipment used in connection with any contract work so as to hinder, delay, or impede the normal and satisfactory progress of the work, then the Surety, in its sole discretion, shall have the right, but not the obligation, to take possession of the work under the contract and any other contract, in connection with which the Surety has issued a bond or bond(s) and, at the expense of the Indemnitors, to complete, to arrange for completion, or to agree to the re-letting or completion by the obligee or owner of the contract work.

7. The Indemnitors covenant and agree that all funds due or to become due under any contract secured by a bond, whether in the possession of any Indemnitor or others, are held in trust for the benefit and payment of all obligations incurred in the completion of said contract for which the Surety would be obligated under the bond. The trust shall inure for the benefit of the Surety for any liability or loss under any bond, and this Agreement shall constitute notice of such trust.

8. The Surety, or its designated agents, shall have full and free access to the Indemnitors' books and records at any and all reasonable times until the liability of the Surety under any bond is completely terminated and the claims of the Surety against any Indemnitor are fully satisfied.

9. The Indemnitors irrevocably appoint the Surety as their attorney-in-fact with the power, authority and right to exercise all of the rights of the Indemnitors, or any of one or more of them, which are assigned, transferred and set over to the Surety under this Agreement, or otherwise, including, but not limited to: (a) the right to take possession of all funds due or to become due under any contract and to endorse, in the name of the Indemnitors, or any one or more of them, any check, draft, warrant, or other instruments made or issued in payment of such funds, and to disburse the proceeds thereof for the purposes of the trust provided in Paragraph 7, or in such manner which exonerates, holds harmless, and indemnifies the Surety, (b) the right to execute any other agreements or documents which the Surety, in its sole discretion, deems necessary to vest it in the title, property, and/or funds assigned by the Agreement, or otherwise, and (c) the right in its name or in the name of the Indemnitor(s), but not the obligation, to pursue, prosecute, compromise, release, or otherwise resolve any of the claims, causes of action or other rights assigned, upon such terms as the Surety, in its sole discretion, shall deem appropriate.

10. This Agreement shall constitute a Security Agreement of the Surety and also a Financing Statement, both in accordance with the provisions of the Uniform Commercial Code of every jurisdiction wherein such Code is in effect, and may be so used by the Surety without in any way abrogating, restricting or limiting the rights of the Surety under this Agreement, or under law, or in equity. A copy or reproduction of this Agreement may be filed as a Financing Statement.

11. The Surety may decline to execute any bond (including those for which any application was submitted, any bid or proposal bond was issued by the Surety, or otherwise) without impairing the validity of this Agreement, and the Indemnitors hereby waive any and all claims against the Surety due to its refusal or failure to so execute.

12. The Surety may reduce the amount of the Indemnitors' liability to the Surety under this Agreement by applying as a set off any monies due the Indemnitors by the Surety as a result of any claim any of the Indemnitors, or any entity bonded or insured by the Surety, may have against the Surety.

13. The Indemnitors waive, to the extent permitted by law, so far as their respective obligations under this Agreement are concerned, all rights to claim any property, including their respective homesteads, as exempt from levy, execution, sale or other legal process under the laws of any state, territory, or possession of the United States.

14. The Indemnitors agree to keep themselves fully informed as to the business and financial affairs of each of the other Indemnitors so that the Indemnitors are aware of the risks and hazards of continuing as Indemnitors. The Indemnitors waive notice from the Surety of any act, fact, or information coming to the notice or knowledge of the Surety concerning its rights or liabilities under any bonds executed by the Surety on behalf of Indemnitors, or any one or more of them, or the rights or liabilities of the Indemnitors, whether the Surety has such knowledge or notice before or after the execution of this Agreement.

15. The Surety, in its sole discretion, may agree or refuse to agree to any alteration, amendment, change, modification, limitation, or extension of any bond, and any renewal or other obligation in place or in lieu thereof, or of any contract (or any plans and specifications relating thereto) secured by any bond, and in any such case the Indemnitors shall be liable to the Surety as fully and to the same extent on account of any such altered, amended, changed, modified, limited or extended bond or renewal or substitution thereof, or contract, whenever and as often as made, even though such action does or might substantially increase the liability of the Indemnitors.

16. In the event the Surety procures the execution of the bonds by other sureties, or executes the bonds with co-sureties, or reinsures any portion of said bonds with reinsuring sureties, then all the terms and conditions of this Agreement shall inure for the benefit of such other sureties, co-sureties and reinsuring sureties.

17. No remedy conferred upon or reserved to the Surety by this Agreement is intended to be exclusive of any other remedy or remedies, and each and every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every right, power and remedy given by this Agreement to the Surety shall be concurrent and may be pursued separately, successively or together against any Indemnitor, or any one or more of them; and every right, power and remedy given by this Agreement to the Surety may be exercised from time to time as often as may be deemed expedient by the Surety in its sole discretion.

18. The liability of the Indemnitors under this Agreement shall not be affected by the failure of the Indemnitors to sign any bond, nor by the failure of any Indemnitor to receive notice of the execution of any bond, nor by any claim that any other indemnity or security was to be obtained, nor by the release of any indemnity, nor by the return or exchange of any collateral. If any Indemnitor to this Agreement is deemed for any reason (including, but not limited to, any defect in the execution of this Agreement by any Indemnitor) not bound thereby, the Agreement shall still be binding upon each and every other Indemnitor.

19. If any provision or provisions of this Agreement are deemed void or unenforceable under any jurisdiction governing its construction, this Agreement shall not be deemed void or unenforceable thereby, but shall continue in effect and be enforced as though the void or unenforceable provisions are omitted.

20. The Indemnitors waive and subordinate all rights of indemnity, subrogation and contribution each against the other until all obligations to the Surety have been first satisfied in full.

21. This Agreement may be terminated as to any Indemnitor upon 20 days' written notice sent by registered or certified mail to the Surety at its principal bond office, The Hanover Insurance Company, Attention: Bond Department, 440 Lincoln Street, Worcester, Massachusetts, 01653, but any such notice of termination shall not operate to modify, bar, or discharge the Indemnitors as to the bonds that may have been executed prior to such termination.

22. This Agreement may not be changed or modified orally. No change or modification shall be effective unless made by written endorsement executed to form a part hereof.

23. This Agreement applies to bonds written by the Surety at the request of or on behalf of the Indemnitors and any of their wholly or partially owned subsidiary companies, subsidiaries of subsidiaries, divisions or affiliates, partnerships, joint ventures or co-ventures in which any of the Indemnitors, their wholly or partially owned subsidiary companies, subsidiaries of subsidiaries, divisions or affiliates have an interest or participation, whether open or silent; jointly, severally, or in any combination with each other; now in existence or which may hereafter be created or acquired.

IN WITNESS WHEREOF, the Indemnitors who are individuals have hereunder set their hands and seals, and the Indemnitors which are partnerships, corporations or unincorporated associations have caused the Agreement to be duly executed by their authorized representatives on this 30th day of August, in the year of 2005.

Address: 11325 Industrial Road  
Manassas VA 20109

SS# or Fed. Tax ID #: \_\_\_\_\_

Address: 10610 Vale

Oakton VA 22124

SS# or Fed. Tax ID #: \_\_\_\_\_

Address: 10610 Vale

Oakton VA 22124

SS# or Fed. Tax ID #: \_\_\_\_\_

Address: \_\_\_\_\_

SS# or Fed. Tax ID #: \_\_\_\_\_

Address: \_\_\_\_\_

SS# or Fed. Tax ID #: \_\_\_\_\_

Indemnitor: Panther Corporation

(Full Name of Indemnitor) \_\_\_\_\_

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

(Signature and Title) Alena Wisenbaker, President

Date of Birth (if individual): 1/1/80

Indemnitor: Alena Wisenbaker, Individually

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

Date of Birth: \_\_\_\_\_

Indemnitor: Emory Wisenbaker, Individually

By: Emory Wisenbaker

Date of Birth: \_\_\_\_\_

Indemnitor: \_\_\_\_\_

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

Date of Birth: \_\_\_\_\_

Indemnitor: \_\_\_\_\_

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

Date of Birth: \_\_\_\_\_

**Instructions:** If the Indemnitor is an individual, type full name, sign on next line, and fill in address, SS #, and DOB. If the Indemnitor is a corporation, type full name, impress with seal, sign on next line along with capacity of officer signing, and fill in corporate address and Fed. Tax ID #. A corporate resolution authorizing the officer to execute this Agreement should also be attached. If partnership, type firm name, with signature of the partner signing on behalf, and fill in firm address and Fed. Tax ID #. Each partner should sign as an Indemnitor.

This instrument should be dated, each signature block filled out completely, and all signatures must be properly acknowledged in the presence of a Notary Public. Attach additional signature blocks and acknowledgement forms if necessary.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Virginia  
COUNTY OF Anne Arundel SS

On this 30 day of August, in the year 2005, before me personally came Alena Wisenbaker & Emory Wisenbaker, to me known and known to me to be the individual who executed the foregoing instrument and who duly acknowledged to me that ....he executed the same.

Notary Public: [Signature]  
Address and telephone no.: 1901 Sandy Spring Rd. Suite 515  
Laurel MD 20707 301-225-1855 Ext. 205  
Commission expires: 6/1/08

INDIVIDUAL ACKNOWLEDGMENT

STATE OF .....  
COUNTY OF ..... SS

On this ..... day of ....., in the year ....., before me personally came ....., to me known and known to me to be the individual who executed the foregoing instrument and who duly acknowledged to me that ....he executed the same.

Notary Public: .....  
Address and telephone no.: .....  
Commission expires: .....

PARTNERSHIP ACKNOWLEDGMENT

STATE OF .....  
COUNTY OF ..... SS

On this ..... day of ....., in the year ....., before me personally came ....., to me known and known to me to be one of the firm of ..... and acknowledged to me that ....he executed the foregoing instrument as the act of said firm.

Notary Public: .....  
Address and telephone no.: .....  
Commission expires: .....

CORPORATE ACKNOWLEDGMENT

STATE OF Virginia  
COUNTY OF Anne Arundel SS

On this 30 day of August, in the year 2005, before me personally came Alena Wisenbaker, to me known, who, being by me duly sworn, deposes and says that ..she resides in VA that ..she is the President of Panther Corporation the corporation described in and which executed the foregoing instrument; that ....he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation, and that ....he signed h.... name thereto by like order.

Notary Public: [Signature]  
Address and telephone no.: 1901 Sandy Spring Rd. Suite 515  
Laurel MD 20707 301-225-1855 Ext. 205  
Commission expires: 6/1/08

**THE HANOVER INSURANCE COMPANY  
MASSACHUSETTS BAY INSURANCE COMPANY**

**RESOLUTION**

**Ratifying/Execution of General Indemnity Agreement**

At a Special meeting of the Board of Directors of the Panther  
Corporation (hereinafter called Company), duly called  
and held on the 30 day of August 2005, a quorum being present, the following Preambles and  
Resolutions were adopted:

"Whereas, this Company is materially interested through ownership

in transactions in connection with which Panther Corporation  
(hereafter call the Principal) has applied or may hereafter apply to The Hanover Insurance Company and/or the Massachusetts  
Bay Insurance Company, (hereinafter called Surety) for bonds or undertakings; and

WHEREAS, the Surety is not willing to execute such bonds or undertakings as surety unless it receives the written  
indemnity of this Company;

RESOLVED, that this Company hereby has requested/intends to request the Surety to execute or procure to be  
executed such bonds, undertakings and instruments of guarantee as said Principal may require in connection with its business  
and to renew or continue the same from time to time.

RESOLVED FURTHER, that officers authorized to execute documents on behalf of this Company, be and hereby  
are authorized and empowered to execute and/or ratify the execution and indemnity agreement or agreements required by the  
Surety as consideration for the execution by it of any bond or undertaking on behalf of said Principal.

RESOLVED FURTHER, that the said officers be and hereby are authorized and empowered, at any time prior or  
subsequent to the execution by said Surety of any such bonds or undertakings, to execute any and all amendments to said  
indemnity agreement or agreements and to execute any other or further agreements relating to any such bonds or undertakings  
or to any collateral that may have been deposited with the Surety in connection therewith; and to take any and all other actions  
that may be requested or required by the Surety in the premises."

I, Emory Wisenbaker, Secretary

of the Panther Corporation

have compared the foregoing preambles and resolutions with the original thereof, as recorded in the Minute Book of said  
Company, and do certify that the same are correct and true transcripts therefrom, and the whole of said original preambles and  
resolutions.

Given under my hand and the seal of the Company, in

the City of Virginia State of Virginia

this 30 day of August 2005

Emory Wisenbaker  
Secretary  
Emory Wisenbaker

# **EXHIBIT 4**

MAIL THIS APPLICATION TO:

**APPLICATION FOR COMMERCIAL CREDIT****HAJOCA CORPORATION** ( ) division

|  |                    |   |  |  |                          |
|--|--------------------|---|--|--|--------------------------|
| Applicant Business or Corporate Name:<br><b>Panther Corporation</b>  |                    |   | Application Date<br><b>02/14/2006</b>  |  |                          |
| Business Street Address<br><b>11325 Industrial Rd</b>  |                    |   | Billing Address<br><b>11325 Industrial Rd</b>  |  |                          |
| City<br><b>Manassas</b>  | State<br><b>VA</b> | Zip Code<br><b>20109</b>                | City<br><b>Manassas</b>  | State<br><b>VA</b>                           | Zip Code<br><b>20109</b> |
| Business Telephone No.<br><b>703-393-7511</b>  |                    | Business Fax No.<br><b>703-393-7512</b> |  | Year Business Was Established<br><b>2000</b> |                          |
| Business Email Address<br><b>panthercorp@bop.net</b>   |                    |   | Contractor's License No.<br><b>2705059501A</b>   |  |                          |
| Applicant Is Engaged in the Business of<br><b>Site Development, Plumbing</b>   |                    |   | Amount of Monthly Credit Desired<br><b>\$ 30,000</b>   |  |                          |
| Sales Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Yes, Please Attach a Copy of Valid Exemption Certificate                             |                    |   |  |  |                          |
| Type of Business <input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> LLC |                    |   |  |  |                          |
| Business Building is <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Rented/Leased  |                    |   | Monthly Statement Required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>If Yes, Send by <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Fax <input type="checkbox"/> E-mail |  |                          |

**PLEASE ATTACH A COPY OF APPLICANT'S MOST RECENT FINANCIAL STATEMENT****BANK OR SAVINGS AND LOAN ASSOCIATION:**

|                                    |                                     |  |   |
|------------------------------------|-------------------------------------|--|---|
| Name<br><b>BBIT / Freedom Bank</b> | Branch Address<br><b>Vienna, VA</b> | Account No.<br><b>5236304606/120003075</b> | Phone No.<br><b>703-242-1050/703-242-5300</b> |
|------------------------------------|-------------------------------------|--|---|

**TRADE REFERENCES:**

| Name                              | Address                                      | Phone No.           | Fax No. |
|-----------------------------------|--|---------------------|---------|
| <b>United Foundations</b>         | <b>1460 Shepard Dr., Sterling, VA 20164</b>  | <b>571-434-7007</b> |         |
| <b>Concrete + Asphalt Service</b> | <b>P.O. Box 1226, College Park, MD 20741</b> | <b>301-883-3300</b> |         |
| <b>L&amp;K Stone</b>              | <b>P.O. Box 23671, VA 22242</b>              | <b>804-784-8290</b> |         |
| <b>Vulcan Materials</b>           | <b>P.O. Box 4239, Winston, NC 27115</b>      | <b>336-767-4600</b> |         |

Have You Done Business with Other Hajoca Locations? ☐ Yes ☒ No If Yes, Please List:Has a Tax Lien or Civil Suit Been Filed Against Applicant or Any of Its Principals, Partners, Officers or Directors Within the Past Six Years? ☐ Yes ☒ NoHas Applicant or Any of Its Owners, Principals, Partners, Officers or Directors Ever Filed a Voluntary Petition in Bankruptcy or Been Adjudged Bankrupt? ☐ Yes ☒ NoIs Applicant or Any of Its Owners, Principals, Partners, Officers or Directors a Guarantor or Endorser of Debts or Notes Owed by Other? ☐ Yes ☒ NoAre There Any Past Due Taxes Owed by Applicant? ☐ Yes ☒ No

The Applicant acknowledges that Applicant is furnishing the information requested herein, including the attached financial statement, for the purpose of procuring credit from time to time with Hajoca Corporation ("Hajoca"). Applicant represents and warrants said information is true and correct and a true and complete statement of its financial condition. In consideration of Hajoca extending credit to Applicant, Applicant agrees to pay for all items delivered to or at the request of Applicant by Hajoca within thirty (30) days from the date of Hajoca's invoice for said item unless otherwise provided in writing. All accounts are due and payable at the remittance address shown on the Hajoca invoice. Applicant agrees that each of the terms and conditions of sale stated on the Hajoca invoice or delivery ticket shall be in addition to those set out herein. Applicant hereby agrees to be bound by such terms and conditions. The terms and conditions of this Application for Commercial Credit ("Application") and the Hajoca invoices and delivery tickets referenced above shall supersede any purchase order submitted to Hajoca by an applicant. Applicant hereby agrees that the terms and conditions of any purchase order other than the identity of and quantity of the item(s) being purchased are null and void and of no legal effect. Applicant acknowledges and agrees that it will be charged one percent (1%) per month as a service charge plus interest on the maximum interest allowed by law on any unpaid balance that has not been paid within thirty (30) days from the invoice date, and Applicant agrees to promptly pay said service charge and interest. A part of the month is treated as a full month for the purpose of calculating service charge and interest. The service charge and interest will be due and payable on the thirty-first (31<sup>st</sup>) day after the original invoice date, and additional service charge and interest, computed on the same basis, will be due and payable every thirty (30) days thereafter. Waiver of any service charge and/or interest for any one month shall not be deemed a waiver of future charges. Applicant further agrees that with regard to such charges, Applicant and Hajoca are parties to a written contract. Any dispute arising out of this Application shall be resolved by litigation or binding arbitration at Hajoca's option. The litigation or arbitration shall be conducted in a venue selected by Hajoca and in the event of binding arbitration, by an arbitration service selected by Hajoca. A single arbitrator shall preside over the arbitration; if the parties cannot agree upon a single arbitrator, the procedure of the arbitration service selected by Hajoca shall be used to select an arbitrator. If Hajoca retains or employs attorneys or other agencies in order to secure payment of any sums due from Applicant, including the filing of foreclosure actions on liens filed due to Applicant's failure to make payment, the Applicant agrees to pay attorney and/or

collection fees, costs, and other related expenses in addition to all sums due. If this Application is approved, the Applicant may receive a credit limit which may or may not be in excess of the credit limit requested by Applicant. Should the credit limit be exceeded, Applicant acknowledges sole liability for the full amount due and owing, even if in excess of the credit limit, and further acknowledges that Hajoca will have no liability arising out of a credit limit being exceeded. The person(s) executing this Application for Credit on behalf of Applicant hereby represents that he/she has authority to execute this Application for Credit on behalf of the Applicant and acknowledges that if no such authority exists that he/she, by executing this document, becomes personally liable under its terms. The Applicant agrees that it will not factor, sell or in any way assign the debt related to the credit given under the terms of this Application. Applicant authorizes Hajoca to obtain, create and financial information concerning the Applicant at any time and from any source. In addition, by signing this application the Applicant also authorizes Hajoca to contact the credit references listed and hereby gives permission to those references listed to release information about the undersigned's credit experience with them.

**ECOA NOTICE:** THE EQUAL CREDIT OPPORTUNITY ACT (ECOA) PROHIBITS CREDIT GRANTORS FROM DISCRIMINATING AGAINST CREDIT APPLICANTS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS OR AGE. THE FEDERAL TRADE COMMISSION ADMINISTERS COMPLIANCE WITH THE ECOA.

**FCRA NOTICE:** THE UNDERSIGNED HEREBY CONSENT(S) TO HAJOCA'S USE OF A CONSUMER CREDIT REPORT ON EACH OF THE UNDERSIGNED INDIVIDUALS IN ORDER TO FURTHER EVALUATE THE CREDIT WORTHINESS OF THE APPLICANT IN CONNECTION WITH THE EXTENSION OF BUSINESS CREDIT AS CONTEMPLATED BY THIS APPLICATION. THE UNDERSIGNED HEREBY AUTHORIZES(S) HAJOCA TO UTILIZE A CONSUMER CREDIT REPORT ON THE UNDERSIGNED FROM TIME TO TIME IN CONNECTION WITH THE EXTENSION OR CONTINUATION OF THE BUSINESS CREDIT REPRESENTED BY THIS CREDIT APPLICATION. THE UNDERSIGNED AS (AN) INDIVIDUAL(S) HEREBY ACKNOWLEDGE CONSENT TO THE USE OF SUCH CREDIT REPORT CONSISTENT WITH THE FAIR CREDIT REPORTING ACT.

**OWNERS (IF APPLICANT IS A SOLE PROPRIETORSHIP OR PARTNERSHIP)  
OFFICERS (IF A CORPORATION) MEMBERS (IF LLC)**

|                     |                         |  |                     |
|---------------------|-------------------------|--|---------------------|
| Social Security No. | Name                    | Home Address                           | Home Phone No.      |
|                     | <u>Alena Wisenbaker</u> | <u>10610 Vole Rd, Oakton, VA 22124</u> | <u>571-237-6358</u> |
| Social Security No. | Name                    | Home Address                           | Home Phone No.      |
|                     |                         |  |                     |
| Social Security No. | Name                    | Home Address                           | Home Phone No.      |
|                     |                         |  |                     |

Are Principals Involved with Affiliated Companies? ☐ Yes ☒ No If Yes, Please List:

By signing here, the undersigned warrants the above Application for Commercial Credit has been carefully read and the Applicant understands the same.

Alena Wisenbaker [Signature] President Oscar Arteta  
Name of Applicant Signature of Authorized Individual Title Please Print Name of Authorized Individual

### PERSONAL GUARANTY

For value received and to induce Hajoca Corporation ("Hajoca") to extend credit to the Applicant, the undersigned Guarantor (even if more than one) hereby warrants and unconditionally guarantees to Hajoca the full and prompt payment when due (including any accelerated or extended maturity) of all indebtedness, obligations and liabilities of Applicant to Hajoca, as described in this Application for Commercial Credit, now existing or hereafter created or arising, even if such indebtedness is in excess of the amount applied for by Applicant or the established credit line. If Hajoca retains or employs attorneys or other agencies in order to secure payment of any sums due from Applicant or Guarantor, including the filing of foreclosure actions on liens filed due to Applicant's Guarantor's failure to make payment, the Guarantor agrees to pay attorney or collection fees, costs, and other related expenses in addition to all sums due not otherwise paid by Applicant. Guarantor waives all notices and demands of any kind, and hereby consents to any agreement or arrangement whatever with Applicant, including without limitation agreements and arrangements for payment, extension, subordination, composition, arrangement, discharge or release of the whole or any part of the indebtedness, and the same shall in no way impair the Guarantor's liability hereunder. Hajoca may release or relinquish any security now or hereafter held for any indebtedness hereby guaranteed or any guarantees or sureties, without the same discharging, releasing or in any manner affecting the liability of Guarantor hereunder. This Guaranty shall be enforceable before or after proceeding against Applicant or simultaneously therewith, and without resort to any security. The incorporation, merger, reorganization or sale of the Applicant's business shall not operate as termination of this Guaranty, and the Guaranty shall continue as to credit extended to such other entity. This Guaranty shall continue in force until notice in writing of termination is sent by registered or certified mail, return receipt requested, is received by Hajoca, Attention: Credit Manager. This notice is to specify the date on which the Guaranty is to be terminated, said date to be not less than seven (7) days after the described notice is received and shall not affect transactions with Applicant entered into prior to the termination date. Guarantor authorizes Hajoca to obtain credit and financial information concerning the Guarantor at any time and from any source. The Guarantor acknowledges that he/she is also bound by the terms set out in this Application relating to the obligations of the Applicant.

**ECOA NOTICE:** THE EQUAL CREDIT OPPORTUNITY ACT (ECOA) PROHIBITS CREDIT GRANTORS FROM DISCRIMINATING AGAINST CREDIT APPLICANTS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, OR AGE. THE FEDERAL TRADE COMMISSION ADMINISTERS COMPLIANCE WITH THE ECOA.

**FCRA NOTICE:** THE UNDERSIGNED HEREBY CONSENT(S) TO HAJOCA'S USE OF A CONSUMER CREDIT REPORT ON EACH OF THE UNDERSIGNED INDIVIDUALS IN ORDER TO FURTHER EVALUATE THE CREDIT WORTHINESS OF THE APPLICANT'S GUARANTOR IN CONNECTION WITH THE EXTENSION OF BUSINESS CREDIT AS CONTEMPLATED BY THIS APPLICATION. THE UNDERSIGNED HEREBY AUTHORIZES(S) HAJOCA TO UTILIZE A CONSUMER CREDIT REPORT ON THE UNDERSIGNED FROM TIME TO TIME IN CONNECTION WITH THE EXTENSION OR CONTINUATION OF THE BUSINESS CREDIT REPRESENTED BY THIS CREDIT APPLICATION. THE UNDERSIGNED AS (AN) INDIVIDUAL(S) HEREBY ACKNOWLEDGE CONSENT TO THE USE OF SUCH CREDIT REPORT CONSISTENT WITH THE FAIR CREDIT REPORTING ACT.

By signing here the undersigned warrants the above Application for Commercial Credit has been carefully read and the Guarantor understands the same.

02/14/06 [Signature] Alena Wisenbaker  
Social Security No. Date Guarantor

Social Security No. Date Guarantor

|  |                     |                 |
|--|---------------------|-----------------|
| SPACES BELOW ARE FOR HAJOCA CORPORATION USE ONLY |                     |                 |
| PC No.   | PC Manager Approval | Credit Approval |



# **EXHIBIT 5**

## JOINT PAYMENT AGREEMENT

THIS AGREEMENT is entered into this 25 day of August 2008, between Frederick Construction Co. (hereinafter referred to as "General Contractor"), Panther Corp. (hereinafter referred to as "Subcontractor") and HAJOCA CORPORATION, (hereinafter referred to as "Hajoca").

## WHEREAS,

- A. Certain improvements located at 21045 CARDINAL TERR. are being erected by the General Contractor, and Ashburn, VA. 20147
- B. A contract exists between the General Contractor and the Subcontractor, providing for the provision and installation of certain plumbing and/or heating supplies and/or equipment (hereinafter referred to as "Materials") by the Subcontractor on behalf of the General Contractor, and PANTHER CORP.
- C. Hajoca is to provide certain Materials to the Subcontractor for installation by the Subcontractor in the above described improvements in accordance with the terms of the aforementioned Contract, and
- D. Hajoca is not a party to the aforementioned Contract but requires assurance of payment for said Materials and equipment.

NOW, THEREFORE, the parties hereto, in consideration of their mutual promises, agree as follows:

1. In consideration for this Joint Payment Agreement, Hajoca agrees to provide certain Materials to the Subcontractor for installation by the Subcontractor for the benefit of the General Contractor in the above-described job in accordance with the terms of the aforementioned Contract.
2. But for the execution of this Agreement by the undersigned, Hajoca would not provide the Materials referenced in paragraph 1 above.
3. In consideration for Hajoca's agreement to provide certain Materials, the General Contractor agrees as follows:
  - a) General Contractor will accept the obligation and hereby specifically agrees to pay Hajoca in full if for any reason Subcontractor fails to make payment for said Materials within 30 days of the date Hajoca provides said Materials.
  - b) Prior to making a progress or final payment to the Subcontractor, the General Contractor will contact Hajoca to determine the amount owing for the Materials on the job. The General Contractor will thereafter issue a check for the said amount jointly payable to Hajoca and the Subcontractor. Any amount in excess of the Materials bill shall be paid directly to the Subcontractor.

4. The Subcontractor will promptly endorse and deliver to Hajoca all joint checks or vouchers issued by the General Contractor in accordance with the aforementioned provisions.
5. Upon receipt of such payment Hajoca shall release all equipment and material lien rights for that portion of the equipment and/or Materials encompassed in said payment.
6. If any party is required to retain counsel to collect under this Agreement or to enforce this Agreement, the prevailing party may collect reasonable costs and expenses, including attorney fees, from the party against which the collection is made or against which this Agreement is enforced.
7. Nothing in this agreement shall be construed to make Hajoca a party to the aforementioned Contract existing between the General Contractor and the Subcontractor, or to infer responsibility for the whole or partial performance thereof.

IN WITNESS THEREOF, the parties hereto have affixed their signatures.

ERIKSON CONSTRUCTION LLC.  
(Name of General Contractor)

BY: [Signature]  
(Authorized Signature)

Printed or typed name and title

KIRK J. GAYMON  
Director of Construction  
@ Ashby Roads

BY: [Signature]  
(Authorized Signature)

Printed or typed name and title

Emery Wisenbaker, D.P.

BY: [Signature]  
(Authorized Signature)

Printed or typed name and title

Susan Diane Ches  
District Credit Mgr.

Panther Corporation  
(Name of Subcontractor)

HAJOCA CORPORATION



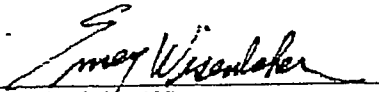
Panther Corporation  
11250 Industrial Rd.  
Manassas, VA 20109  
Office: 703-393-7511  
Fax: 703-393-7512

Dec. 15, 2008

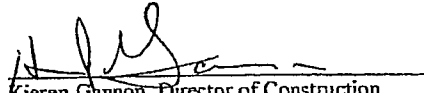
Project: Ashby Ponds  
Subject: Authorization to Issue Joint Checks

Panther Corporation hereby authorizes Erickson Construction to issue joint checks for future payments, to Panther Corporation and Hajoca Corporation. Joint checks are to be issued to Hajoca Corporation until all invoices for the Ashby Ponds project, due to Hajoca Corporation from Panther Corporation, are paid in full. Joint checks will be issued until all costs due to from Erickson Construction to Panther Corporation are paid in full.

Agreed To and Accepted By:

  
Emery Wisenbaker, V.P.  
Panther Corporation

12/15/08  
Date

  
Kieren Gannon, Director of Construction  
Erickson Construction

12-16-08  
Date

# **EXHIBIT 6**

Erickson Construction  
Panther Corporation - Contract Analysis - Summary

Balances Due

|         |           |
|---------|-----------|
| 557RB11 | 77,263.65 |
| 557RB12 | 65,683.06 |
| 557RB15 | 14,775.10 |

|                   |                          |
|-------------------|--------------------------|
| Total Balance Due | <u><b>157,721.81</b></u> |
|-------------------|--------------------------|

Erickson Construction  
Panther Corporation - Contract Analysis - 557RB11

Original Contract 1,316,000.00

Change Orders

|                     |                  |            |  |
|---------------------|------------------|------------|--|
| 001                 | 23,310.96        | 5/19/2008  | ASI No. 10.1 - Sanitary Riser Revisions                        |
| 002                 | 1,961.90         | 8/8/2008   | Sanitary Tie-in  |
| 003                 | (14,445.00)      | 12/15/2008 | Backcharge to repair elevator equipment ILB 1.1                |
| 004                 | (20,639.40)      | 12/15/2008 | CLS/CLR Permits, Inspections, and Repairs                      |
| 005                 | 35,000.00        | 12/15/2008 | Welder and Cutting Equipment                                   |
| 006                 | 4,020.40         | 12/15/2008 | ASI No. 16 - Core Drill and Drain                              |
| 007                 | 4,381.50         | 12/15/2008 | Plumbing Revisions to K31.5 Unit                               |
| 008                 | 45,443.26        | 12/15/2008 | ASI No. 28 - Fernco Expansion Joints                           |
| 009                 | 4,284.68         | 12/15/2008 | RFI No. 191 - Heat Pump Modifications                          |
|                     |                  |            | Backcharge for Adjustments to Water System 9/12 Thru           |
| 010                 | (15,460.29)      | 12/15/2008 | 9/24/08 by Krick Plumbing                                      |
| 011                 | (18,252.00)      | 12/15/2008 | New PRV Station and Adjustments                                |
|                     |                  |            | Backcharge for adjustments to water system for inspection      |
| 012                 | (12,396.00)      | 12/15/2008 | by Krick Plumbing, 9/5-9/12/08                                 |
|                     |                  |            | Credit for insulating hot water recirculation lines in         |
| 013                 | (4,432.00)       | 12/15/2008 | accordance with the specifications.                            |
| 014                 | (29,562.43)      | 12/15/2008 | Credit for drywall and painting throughout building.           |
| 015                 | (2,226.00)       | 12/15/2008 | Credit for installation of mop sink on first floor             |
| 016                 | (11,428.74)      | 12/15/2008 | Cost to correct piping and hangers in mechanical rm.           |
| 017                 | (4,791.27)       | 12/15/2008 | Credit for cost of valve tagging completed by Advanced         |
|                     |                  |            | ASI No. 23 - Furnish and install increased pipe size at        |
| 018                 | 39,389.73        | 12/15/2008 | bottom of washe/dryer stack from 2" to 3"                      |
|                     |                  |            | ASI No. 26 - Furnish and install new mixing valve and          |
| 019                 | 14,681.80        | 12/15/2008 | required piping revisions                                      |
|                     |                  |            | Furnish victaulic to brass terminator valve to copper through  |
| 020                 | 11,125.17        | 12/15/2008 | the corridor wall to CPVC                                      |
|                     |                  |            | Repair water damage in Unit 106 and cut out and patch          |
| 021                 | (9,250.00)       | 2/20/2009  | drywall for cross connect repairs in ILB 1.1.                  |
|                     |                  |            | YEM backcharge to come in on August 10, 2008 to                |
| 022                 | (792.50)         | 2/20/2009  | deactivate DP transmitter for Panther.                         |
|                     |                  |            | Furnish and install CLS/CLR lines from the mains located       |
| 023                 | 4,536.18         | 2/19/2009  | on the first floor to the Dectron on the fourth flr.           |
| 024                 | 3,011.30         | 2/19/2009  | Furnish and install grouting under all tubs and showers.       |
|                     |                  |            | Relocate seven (7) hose bibs piping from exterior walls to     |
| 025                 | 2,393.46         | 2/20/2009  | an interior wall.  |
|                     |                  |            | Furnish & install additional tie-ins to the HP unit created by |
| 026                 | 7,166.56         | 2/20/2009  | switching from the closet type unit to stacker unit.           |
| 027                 | 1,900.34         | 2/20/2009  | Relocate gas line in corridor at junction to link to CB 1.0    |
| Total Change Orders | <u>58,931.61</u> |            |  |

Revised Contract Amt 1,374,931.61

Payments

| Check Number | Amount     | Check Date | Notes                  |
|--------------|------------|------------|------------------------|
| 59245        | 129,581.23 | 1/20/2008  |                        |
| 60048        | 549,504.77 | 2/20/2008  |                        |
| 60953        | 362,809.80 | 3/20/2008  |                        |
| 62068        | 38,700.00  | 4/20/2008  |                        |
| 62342        | 60,033.10  | 4/20/2008  |                        |
| 63975        | 22,145.41  | 6/20/2008  |                        |
| 64706        | 18,936.92  | 7/15/2008  |                        |
| 67766        | 6,041.28   | 10/23/2008 | Joint check with Hilti |

Erickson Construction

Panther Corporation - Contract Analysis - 557RB11

|       |           |            |   |
|-------|-----------|------------|---|
| 67768 | 61,277.22 | 10/23/2008 | Joint check with Hajoca                   |
| 70072 | 878.16    | 1/28/2009  | Joint check with HD Supply Plumbing       |
| 70496 | 13,500.00 | 2/12/2009  | Joint check with Advanced Climate Control |
| 70497 | 1,125.00  | 2/12/2009  | Joint check with Waterchem                |
| 70498 | 5,576.00  | 2/12/2009  | Joint check with ARA Home Improvements    |
| 70590 | 27,559.07 | 2/20/2009  | Joint check with J&H Aitcheson            |

|                |              |
|----------------|--------------|
| Total Payments | 1,297,667.96 |
|----------------|--------------|

|             |           |
|-------------|-----------|
| Balance Due | 77,263.65 |
|-------------|-----------|



Erickson Construction  
Panther Corporation - Contract Analysis - 557RB12

Original Contract            1,288,000.00

Change Orders

|                     |                  |            |   |
|---------------------|------------------|------------|---|
| 01                  | 19,092.52        | 5/19/2008  | ASI No. 11 - Revisions to Sanitary Lines  |
| 02                  | (4,452.00)       | 12/15/2008 | Remove Mechanical Permits and Inspections |
| 03                  | 5,907.55         | 12/15/2008 | Welder and Equipment for Structural Fix   |
| 04                  | 2,513.00         | 12/15/2008 | ASI No. 10 - Sanitary Revision            |
| Total Change Orders | <u>23,061.07</u> |            |   |

Revised Contract Amt    1,311,061.07

Payments

| Check Number   | Amount              | Check Date | Notes                                       |
|----------------|---------------------|------------|---|
| 59277          | 86,940.00           | 1/20/2008  |   |
| 60106          | 79,614.90           | 2/20/2008  |   |
| 61132          | 12,316.68           | 3/20/2008  |   |
| 61958          | 738,979.02          | 4/20/2008  |   |
| 63244          | 165,807.89          | 5/20/2008  |   |
| 63952          | 34,762.89           | 6/20/2008  |   |
| 64707          | 13,613.50           | 7/15/2008  |   |
| 67771          | 14,796.66           | 10/23/2008 | Joint check with Hajoca                     |
| 67767          | 5,932.80            | 10/23/2008 | Joint check with Hilti                      |
| 70071          | 29,290.09           | 1/28/2009  | Joint check with HD Supply Plumbing         |
| 70499          | 13,500.00           | 2/12/2009  | Joint check with Advanced Climate Control   |
| 70500          | 16,442.00           | 2/12/2009  | Joint check with J. L. Renshaw              |
| 70501          | 1,125.00            | 2/12/2009  | Joint check with Waterchem                  |
| 70502          | 4,646.00            | 2/12/2009  | Joint check with Testing Technologies, Inc. |
| 70503          | 3,300.00            | 2/12/2009  | Joint check with ARA Home Improvements      |
| 70591          | 24,310.58           | 2/20/2009  | Joint check with J&H Aitcheson              |
| Total Payments | <u>1,245,378.01</u> |            |   |

Balance Due                65,683.06

Erickson Construction  
Panther Corporation - Contract Analysis - 557RB15

Original Contract            1,270,577.00

Change Orders

None                                 -  
Total Change Orders               -

Revised Contract Amt       1,270,577.00

Work Completed               147,750.96

Payments

| Check Number   | Amount     | Check Date | Notes                                  |
|----------------|------------|------------|--|
| 64705          | 78,471.24  | 7/15/2008  |  |
| 67770          | 16,883.41  | 10/23/2008 | Joint check with Hajoca                |
| 67765          | 17,193.18  | 10/23/2008 | Joint check with Hilti                 |
| 70506          | 6,124.00   | 2/13/2009  | Joint check with ARA Home Improvements |
| 70593          | 1,516.60   | 2/20/2009  | Joint check with J&H Aitcheson         |
| 70594          | 12,787.43  | 2/20/2009  | Joint check with J&H Aitcheson         |
| Total Payments | 132,975.86 |            |  |
| Balance Due    | 14,775.10  |            |  |