



RE: Master Subcontract Agreement Number#

Dear Madame/Sir,

HBW Properties, Inc. dba HBW, HBW Construction and HBW Services (HBW) has a standardized Master Subcontract Agreement that is mandatory for participation on our projects. Most projects require prompt execution of the work after award of the job. Consequently, it is important to streamline the contractual process. To that end, we are requesting that you **review the attached Master Subcontract Agreement and execute and return both copies to HBW. Once fully executed by HBW a copy will be forward to you. You will not be paid until you fully execute and return this contract.**

As specific projects arise within our organization, we will request bid pricing from our Select Bidder's List. After bidding and selection for a specific project, your organization will be forwarded the Abbreviated Subcontract Agreement. **The Abbreviated Subcontract Agreement supplements, but does not alter, this Master Subcontract Agreement.** By executing the attached Master Subcontract Agreement, it is expressly understood that your organization submits to the terms and conditions of this agreement for all work performed with HBW **without exception.**

It will be important that Certificates of Insurance, Release of Liens, and Requisitions for Payment are turned in on a timely basis in order to ensure smooth performance of each project and payment to your organization.

If you have questions or comments, please feel free to contact me. We look forward to a continued, mutually beneficial, working relationship.

Sincerely,

*John Leach*

John Leach  
President, Partner

JL/

Attachment

Reviewed & Accepted

\_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Name                      Title

## MASTER SUBCONTRACT AGREEMENT

SUBCONTRACTOR:

DATE:

HBW Properties, Inc. dba HBW, HBW Construction and HBW Services ("Contractor") and Subcontractor agree as follows:

1. **SCOPE OF WORK.** Subcontractor will perform all work and furnish all supervision, labor, materials, tools, equipment, supplies, scaffolding, hoisting, transportation, storage, plant/facilities, services, clean up, administration, notices and permits, and all other things necessary to fully construct and complete in place in a workmanlike manner the scope of work set forth in the Abbreviated Subcontract Agreement (hereafter the "Work"). Subcontractor will perform the Work (a) in strict compliance with the Contract Documents and (b) to the full satisfaction of the Owner and the Architect for the Project, and Contractor. Subcontractor agrees that the Abbreviated Subcontract Agreement and the Contract Documents are incorporated into this Master Subcontract Agreement by reference with the same force and effect as if they were set forth in full here.

2. The term "Project" as used in this Agreement means the project identified in the Abbreviated Subcontract Agreement.

3. The term "Contract Documents" as used in this Agreement means and includes the documents identified in the Abbreviated Subcontract Agreement, which include, but are not limited to (a) the Contract between Contractor and the Owner for the Project, including all exhibits, attachments, or other documents which are referenced by and/or part of said Contract, (b) the Drawings, Plans, and Specifications for the Project, (c) all General and Special Conditions, and (d) any amendments and modifications to the Contract Documents.

4. Subcontractor agrees to assume toward Contractor all obligations that Contractor assumes towards the Owner under the Contract Documents. Subcontractor agrees to have sufficient workers on the Project at all times to execute the Work to avoid delaying the Project. Subcontractor agrees that it is familiar with the site of the Work and the Contract Documents, including, but not limited to, the provisions of the Drawings, Plans, Specifications, and the Contract between Contractor and the Owner, and it is assumed that Subcontractor has familiarized and satisfied itself as to the conditions and obstacles to be encountered at the site, as to the character, quality, and quantities of the Work to be performed and materials to be furnished, and that Subcontractor is prepared to execute the Work without any extra charge whatsoever, except as may be specifically provided for elsewhere in this Agreement and the Contract Documents, and that Subcontractor will furnish a sufficient number of properly skilled workers, materials of the proper quantities and qualities, and that Subcontractor will prosecute the Work diligently and with all speed consistent with good workmanship and in a manner which will not delay Contractor or others. The Work will be performed by Subcontractor to reflect the highest standards of workmanship in the industry. If, at any time, Subcontractor sees or believes there is a conflict between plans, drawings, or specifications, which will affect performance of any part of the Work, Subcontractor will bring such conflict to Contractor's attention by letter before the Work is started. In the event Subcontractor fails to provide such notice, Subcontractor will be responsible for full guaranteed performance of the Work.

5. **FLOW-DOWN RELATIONSHIP.** Subcontractor is bound to Contractor in the same way and to the same extent Contractor is bound to the Owner by the terms of the Contract Documents and will bear all rights and liabilities with respect to Contractor as Contractor has with respect to the Owner, except that the terms of this Agreement will govern any inconsistent provision herein and in the Contract Documents. Subcontractor will not deal directly with or work directly for the Owner, Architect, or Engineers.

6. **PRICE AND PAYMENT.** Contractor agrees to pay Subcontractor for performance of the Work, subject to the provisions of this Agreement, the sum set forth in the Abbreviated Subcontract Agreement (the "Subcontract price"), which includes all applicable sales tax and freight, subject to additions and deductions for changes agreed Subcontract Agreement

upon or determined by the terms of this Agreement. Partial payments will be made to Subcontractor each month in an amount equal to 90% percent of the value of the Work in place, computed on the basis of the Subcontract price, of the quantity, as estimated by the Architect and Contractor, of the Work performed hereunder, less the aggregate of previous payments, but such partial payments will not become due to Subcontractor until Contractor receives payment for such Work from the Owner. It is specifically understood and agreed that the payment of any partial payments to Subcontractor is dependent, as a condition precedent, upon Contractor receiving such partial payment for the Work from the Owner. Subcontractor will provide upon request, a complete itemized breakdown of the Subcontract price, which meets the approval of Contractor and the Owner and will form the basis for establishing the value of the Work completed for partial payment purposes. Payment for stored materials will be as governed by the Contract Documents.

No partial payment to Subcontractor will operate as approval or acceptance of the Work. Upon Subcontractor's complete performance of its obligations under this Agreement and the Abbreviated Subcontract Agreement, and the final approval and acceptance of the Work by the Owner, Contractor will make final payment to Subcontractor of the balance due Subcontractor under this Agreement within 10 days after Contractor's receipt of full payment for the Work from the Owner. It is specifically understood and agreed that the payment of final payment to Subcontractor is dependent, as a condition precedent, upon Contractor receiving full payment for the Work from the Owner.

Retainage will be withheld from each partial payment to Subcontractor at the percentage set forth in the Abbreviated Subcontract Agreement. If at any time before Contractor's final payment to Subcontractor under this Agreement, the Owner reduces the amount of retainage withheld from Contractor, Contractor with the consent of Subcontractor's surety, if any, may, but is not obligated to, reduce accordingly the retained percentage withheld from Subcontractor.

Contractor may deduct from any amounts due or to become due to Subcontractor under this Agreement or any other subcontract between Contractor and Subcontractor any sum or sums owed by Subcontractor to Contractor in the event of any breach by Subcontractor of any provision or obligation of this Agreement or assertion by other parties of any claim or lien against Contractor or the premises arising out of Subcontractor's performance of the Work. Contractor will have the right to retain out of any payments due or to become due to Subcontractor an amount sufficient to protect Contractor in full from any and all loss, damage, or expense therefrom, until the situation is satisfactorily remedied or adjusted by Subcontractor.

Subcontractor's requests for partial payments will be on the AIA G702 form prescribed by Contractor and must be received by Contractor no later than the 22<sup>nd</sup> day of the month for the Work performed thru the 30<sup>th</sup> day of the current month. Contractor is entitled, upon demand, to proof of payment for labor, material, and services used by Subcontractor before any payment is due; and, Subcontractor will submit to Contractor monthly release of liens from Subcontractor's suppliers and subcontractors, before any payment is due. Subcontractor will furnish all permits, guarantees, and other documents required in the Contract Documents for the Work, including complete and final release of liens, as a condition precedent for final payment. Material paid for will belong to Contractor but will remain in the care, custody, and control of Subcontractor and stored and held at Subcontractor's risk. All invoices must be originals and marked with the job name, address, and job number provided by Contractor.

7. TIME OF ESSENCE; SCHEDULING. Time is of the Essence. Subcontractor will commence the Work when notified to do so by Contractor and will diligently and continuously prosecute and complete the Work and coordinate the Work with the other work being performed on the Project, in accordance with the Project Schedule and other scheduling requirements listed in this Agreement, so as not to delay the commencement, progress, or completion of the whole or any part of the Work or other work on the Project. The work start and completion date are as set forth in the Abbreviated Subcontract Agreement.

The Subcontractor will participate and cooperate in the development of the Project Schedule, providing information for the scheduling of the times and sequence of operations required for the Work to meet Contractor's overall schedule requirements; will continuously monitor the Project Schedule so as to be fully familiar with the timing, phasing, and sequence of operations of the Work and other work on the Project; and will execute the Work in accordance with the requirements of the Project Schedule, including any revisions to the Project Schedule.

Should the progress of the Work or the Project be delayed by any fault, neglect, or act or failure to act of

Subcontractor, or any of its officers, agents, servants, employees, subcontractors, or suppliers, so as to cause additional costs or expenses, liability, or damage to Contractor or the Owner, or any damages or additional expenses for which Contractor or the Owner may or will become liable, Subcontractor will and does hereby agree to compensate Contractor and the Owner for, and indemnify them against, all such costs, expenses, damages and liability. Assessment of liquidated damages by the Owner against Contractor will be assessed against Subcontractor for delay attributable to Subcontractor.

Contractor, if it deems necessary, may direct Subcontractor to work overtime and if so directed, Subcontractor will work said overtime and, provided Subcontractor is not responsible for delay or in breach of any terms or provisions of this Agreement or the Contract Documents, Contractor will pay Subcontractor for actual additional wages paid, if any, at rates which have been approved by Contractor, plus taxes imposed by law on such additional wages, plus workers compensation insurance, liability insurance, and levies on such additional wages if required to be paid by Subcontractor.

If, however, the progress of the Work or the Project is delayed by any fault, neglect, or act or failure to act of Subcontractor, or any of its officers, agents, servants, employees, subcontractors, or suppliers, then Subcontractor will, in addition to the other obligations imposed by this Agreement upon Subcontractor, and at its own expense, work such overtime as may be necessary to make up for all time lost in completion of the Work and the Project due to such delay. Should Subcontractor fail to make up for lost time by reason of such delay, Contractor will have the right to cause other subcontractors to work overtime and to take whatever other action Contractor deems necessary to avoid delay in completion of the Work and the Project, and the cost and expense of such overtime and/or such other action will be borne by Subcontractor.

8. DAMAGES FOR DELAY. Contractor will not be liable to Subcontractor for any damages for delay. Subcontractor will be entitled to an extension of time for performing and completing the Work upon the same terms and conditions that an extension of time is allowable to Contractor under the Contract between Contractor and the Owner and only to the extent that an extension of time is granted to Contractor by the Owner. Contractor will not be liable to Subcontractor for unforeseeable delay occurring beyond Contractor's control or for delay caused by the Owner, other subcontractors, or other contractors. Subcontractor will only be entitled to reimbursement for damages for delay that Contractor recovers from the Owner on Subcontractor's behalf. A time extension only will be granted to Subcontractor for delays which are the responsibility of Contractor.

9. INDEMNITY; INSURANCE REQUIREMENTS. To the fullest extent permitted by law, Subcontractor specifically obligates itself to Contractor and the Owner, jointly and severally, in the following respects: (a) to indemnify them against and save them harmless from any use or infringements of patents; (b) to protect, defend, and indemnify them against and save them harmless from any and all claims, costs, expenses (including attorney fees), suits, or liability for damage to property, injuries to persons, including death, and from any other claims, suits or liability on account of any act or omission of Subcontractor, or any of its officers, agents, employees, or servants and subcontractors or suppliers, and from any and all loss, damages, costs, expenses and attorney fees arising therefrom; (c) to pay for all materials furnished and work and labor performed under this Agreement, and to satisfy Contractor and the Owner whenever demand is made, and to protect, defend and indemnify Contractor and the Owner against and save them and the premises harmless from any and all claims, suits or liens therefor by other than the Subcontractor; (d) to protect, defend, and indemnify them against and save them harmless from any and all claims, costs, expenses (including attorney fees), damages, penalties, suits, or liability relating to any claims arising from any violation, or alleged violation, of any employment or wage laws by Subcontractor or Subcontractor's lower-tiered subcontractors or suppliers; (e) to obtain and pay for all trade permits, licenses, and official inspections made necessary by the Work, and to comply with all laws, ordinances, and regulations bearing on the Work and the conduct thereof; and (f) to protect, defend, and indemnify Contractor and the Owner against and save them harmless from any losses, damages, costs, expenses, and attorney fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provisions or covenant of Subcontractor.

Without otherwise affecting or reducing the aforesaid indemnity obligation, Subcontractor will insure said indemnity and all its work by comprehensive liability insurance policies, naming Contractor as an additional insured (except on workers compensation), from an insurance carrier with a minimum A.M. Best rating of A. Subcontractor will provide Contractor with a certificate(s) of insurance prior to the commencement of Subcontractor's work evidencing the following coverage:

A. Comprehensive General Liability: Coverage should include \$1,000,000 combined single limit of liability for bodily injury and property damage per occurrence with a \$2,000,000 aggregate limit. Coverage is to be written Subcontract Agreement

on an occurrence basis, not claims made. Coverage will include contractual liability, broad form property damage, ongoing and completed operations, and no exclusion for explosion, collapse or underground work performed. Coverage will apply on a per project basis and provide primary and noncontributory coverage. Contractor will be covered as an additional insured and will include a waiver of subrogation in favor of Contractor. Contractor will be covered as an additional insured and will include a waiver of subrogation in favor of Contractor. Contractor will be covered as an additional insured for ongoing and completed operations (ISO Form CG2010 07/04 and CG 2037 07/04 or substitute forms providing equivalent coverage) and will include a waiver of subrogation in favor of Contractor.

B. Comprehensive Auto Liability: Coverage will be provided with a \$1,000,000 combined single limit of liability for bodily injury and property damage for all owned, non-owned and hired autos used by Subcontractor, its employees, agents, subcontractors and suppliers on the Project. Contractor will be covered as an additional insured and will include a waiver of subrogation in favor of Contractor.

C. Excess/Umbrella: \$2,000,000 limit per occurrence and \$2,000,000 aggregate limit. Coverage should be written on a per occurrence basis, include Contractor as an additional insured, and provide a waiver of subrogation in favor of Contractor. The retention should be no greater than \$10,000. Contractor will be covered as an additional insured and will include a waiver of subrogation in favor of Contractor.

D. Worker's Compensation and Employers Liability: Statutory coverage including Employers Liability with limits of at least \$500,000 each accident, \$500,000 disease for each employee, and \$500,000 disease policy limit. Coverage will include a waiver of subrogation in favor of Contractor.

E. The terms, parties covered and amounts of coverage listed above are to be considered minimum coverage, subject to requirements of the Contract Documents. Policies may not be canceled without adequate substitution before cancellation. Contractor will be listed as additional insured under the general liability, auto liability and excess liability coverages with respect to work done by Subcontractor on their behalf as required by written contract or agreement. All coverages must provide primary and non-contributory coverage and waiver of subrogation in favor of Contractor.

10. SHOP DRAWINGS; SUBMITTALS. All submittals, such as shop drawings, schedules, catalogs, samples and material lists, which are required by the Contract Documents and pertain to the Work, will be furnished by Subcontractor complete and timely. Subcontractor will be responsible for delays because of failure to do so and for any deviations from plans and specifications. Subcontractor will submit a material delivery schedule and a shop drawing schedule for Contractor's approval by the dates set forth in the Abbreviated Subcontract Agreement. Subcontractor will submit via email MSDS Sheets, Shop Drawings, Specification Sheets, and four (4) samples of materials for the Architect's approval by the dates set forth in the Abbreviated Subcontract Agreement.

Review and/or approval of shop drawings by Contractor and the Architect will not relieve Subcontractor of its obligations to perform the Work in strict accordance with the drawings, plans, specifications, and other Contract Documents, nor of its responsibility for the proper matching and fitting of the Work.

11. CHANGES. Changes ordered by the Owner will be performed and paid for in accordance with the terms of the Contract Documents, including all rights of dispute and appeal, provided reservation and exercise of said rights do not interfere with the progress of the Work. If requested by Contractor, Subcontractor will within two (2) days submit a reasonable price quotation and request for time extension, if any, for proposed changes. Subcontractor agrees to continue with the Work notwithstanding any dispute regarding a change to the Work.

12. EXTRA WORK. No additional or extra work of any kind will be performed by Subcontractor except upon prior written authorization by Contractor. In the event Subcontractor proceeds without such written authorization, Subcontractor is deemed to have waived any and all claims for additional payment for the extra work. In the event Subcontractor encounters circumstances giving rise to a claim for extra work, it will, within two (2) days, give written notice of same to Contractor in sufficient detail for Contractor to provide notice to the Owner as prescribed in the Contract Documents. The notice will include a proposal for costs and time extensions, if any, to perform any extra work. Subcontractor's failure to give such written notice within the two-day notice period, or failure to give such written notice in sufficient time for Contractor to provide to the Owner as required in the Contract Documents will constitute a waiver of any and all claims.

13. DEFAULT AND TERMINATION FOR DEFAULT. In the event Subcontractor, in Contractor's judgment, (i) becomes unable to fulfill its financial obligations, becomes insolvent, or files or has filed against it any petition in bankruptcy, makes an assignment for the benefit of creditors, or has a receiver asked or appointed for it; (ii) changes, alters or transfers the ownership of its organization; (iii) fails to supply enough properly skilled supervisors or workers or proper materials; (iv) fails to pay, when due, for materials, supplies, labor, payroll taxes or Subcontract Agreement

contributions, or other items purchased or used in connection with the Work; (v) fails to observe and comply with applicable laws, regulations, or ordinances, or instructions of Contractor; (vi) fails to diligently prosecute the Work; (vii) interferes with or disrupts, or threatens to interfere with or disrupt the work of others; or (viii) otherwise fails in the performance of any of its obligations under this Agreement or the Contract Documents, Subcontractor will be in default. Contractor may give Subcontractor written notice of default and if Subcontractor fails to cure the default within forty-eight (48) hours of its receipt of said written notice, Contractor may terminate this Agreement for default and take control over all of Subcontractor's materials and equipment on site and take all steps reasonably required to complete the Work at Subcontractor's cost. Costs, which will be charged against Subcontractor, will include, without limitation, all reasonably necessary materials, labor and supervision, equipment, rentals, transportation and lodging, indirect field, and general and administration costs reasonably related to the Work, including, without limitation, engineering fees, accounting fees, attorney fees, liquidated damages, and field and home office overhead. Contractor's failure to exercise its rights under this provision will not waive its right to do so in the future or sanction or excuse Subcontractor's contractual breach. In the case of a default termination, Subcontractor will not be entitled to receive further payments under this Agreement until the Work is fully completed and accepted by the Owner and the Architect. At such time, if the unpaid balance under this Agreement exceeds the expenses incurred by Contractor (including all damages of any nature, overhead, and attorney fees related to the termination or Subcontractor's default) in completing the Work, then the difference will be paid to Subcontractor. If the expenses incurred by Contractor exceed the unpaid balance, then Subcontractor will promptly pay such amount to Contractor. If Contractor wrongfully exercises its Termination for Default option under this paragraph, Subcontractor's remedy will be limited to that provided for a Termination for Convenience under this Agreement. It is specifically understood and agreed that the payment of any payment to Subcontractor under this paragraph is dependent, as a condition precedent, upon Contractor receiving corresponding payment from the Owner.

14. **TERMINATION FOR CONVENIENCE.** Contractor reserves the right to terminate this Agreement at any time for its own convenience effective immediately upon notice to Subcontractor. If this Agreement is terminated for Contractor's convenience, Subcontractor will be entitled to be paid a portion of the Subcontract price calculated on the percentage of the Work performed (not to exceed the amount received by Contractor from the Owner for the Work). Subcontractor will not be entitled to payment of anticipated profits or overhead allocations on portions of the Work not performed. It is specifically understood and agreed that the payment of any payment to Subcontractor under this paragraph is dependent, as a condition precedent, upon Contractor receiving corresponding payment from the Owner.

15. **DISPUTES.** Disputes arising out of the Owner's acts, omissions, or responsibilities will be resolved in accordance with the disputes procedures in the Contract Documents governing disputes between the Owner and Contractor. At Contractor's option, Subcontractor will have the right to exercise those rights at its sole cost and will be bound thereby. Contractor will have no direct liability except to give Subcontractor the opportunity to exercise its rights under the Contract Documents. Where the claim in dispute includes more than just Subcontractor's Work, Contractor will reasonably pursue the claim, including Subcontractor's portion, and Subcontractor will have full responsibility for preparation and presentation of its elements of the claim and will bear all expenses thereof, including attorney fees allocable to its portion of the claim. Subcontractor will not be entitled to receive any greater amount from Contractor than Contractor receives from the Owner on account of Subcontractor's Work, less costs and attorney fees incurred by Contractor in pursuing the claim and markups to which Contractor is entitled; and, Subcontractor will accept such amount, if any, received by Contractor from Owner as full satisfaction and discharge of its portion of the claim. Disputes arising out of or relating to this Agreement, which do not arise from the Owner's acts, omissions, or responsibilities, will be filed in a state court of competent jurisdiction in Montgomery County, Maryland. Contractor and Subcontractor waive trial by jury. Subcontractor will proceed diligently with the Work as directed by Contractor regardless of any disputes.

16. **SUPERVISION.** Subcontractor agrees to furnish a fit, experienced, English speaking, and competent supervisor, acceptable to Contractor and authorized by Subcontractor to act on its behalf on all job matters at all times when the Work is in progress.

17. **COMPLIANCE WITH LAW.** Subcontractor will comply with all federal, state and local laws, statutes, ordinances, rules and regulations, including but not limited to, OSHA and its state or local equivalent standards, immigration laws, employment laws, and patent laws, at its sole expense, and will indemnify Contractor from any failure to do so, including fines and abatement costs and delays in completion of the Work.

18. SAFETY. Subcontractor will adequately and properly protect its workers, Work, materials, and equipment by providing appropriate protective and safety apparatuses, and will establish, implement, and maintain safety measures, policies, provisions, and standards conforming to those safety programs as required for the Project, and will adhere to Contractor's direction and all safety/health regulations and requirements, so as to avoid injury or damage to persons or property, and will be directly responsible for damage to persons or property resulting from failure to do so. Subcontractors will wear proper safety equipment at all times.

19. COORDINATION OF WORK. Subcontractor will coordinate its Work with all other trades, including providing to other trades affected, as required, all necessary templates, patterns, setting and placement plans, shop details, equipment criteria, designs, list of components, apparatuses, accessories, and other related requirements. Subcontractor will check all work performed by others necessary to receive Subcontractor's Work and provide written notice to Contractor of any discrepancies therein. Subcontractor's failure to provide said written notice will relieve Contractor of any responsibilities to Subcontractor arising from said discrepancies. Subcontractor will be responsible for all field measurements and will check all elevations, grades, and dimensions to insure proper fitting of its Work. Subcontractor will seal or encase all openings created by its operations.

20. CLEAN UP. Subcontractor will remove and dispose to jobsite dumpster, daily and at its expense, all rubbish and dirt created by the Work. Subcontractor will clean all mud/earth from its vehicles and from public roadways soiled by its operations. The jobsite at all times will be maintained in an orderly and clean condition and Subcontractor will leave the jobsite at the completion of the Work broom clean and free of all dirt and rubbish created by the Work and will remove all of its equipment and material used in prosecution of the Work. In the event Subcontractor fails to perform in accordance with this paragraph, Contractor may perform the cleanup and back charge Subcontractor for any resulting costs.

21. GUARANTEE. Subcontractor hereby guarantees and warrants that the Work will be completed in strict accordance with the requirements of the Contract Documents and that for a period of one year after acceptance of the Work (or for such longer period as may be provided in the Contract Documents), the Work will be free from defects in workmanship, materials, and equipment. Subcontractor agrees to make good, at its expense, any defect in workmanship, materials, and/or equipment, which may occur or develop before the expiration of its guarantee and warranty. Neither interim nor final payment by Contractor will constitute acceptance of defective or improper workmanship, materials, or equipment.

22. CONTRACTOR'S INSPECTION; DAMAGE TO WORK. Subcontractor will provide safe facilities at all times for the inspection of the Work by Contractor. Subcontractor will, within twenty-four (24) hours after receiving notice from Contractor to that effect, proceed to remove all work or material condemned by Contractor, whether worked or unworked, and will take down or remove all portions of the Work which Contractor will, by notice, condemn as unsound, improper, or in any way failing to conform to the Contract Documents, and Subcontractor will at once make good all work damaged or destroyed thereby. Damage to the work and/or materials of others resulting from Subcontractor's Work or caused by Subcontractor's employees, agents, subcontractors, or suppliers, will be made good by Subcontractor at its expense.

23. BONDING. This paragraph applies only to projects that require a performance bond and/or payment bond and Contractor will bring these to Subcontractor's attention during the bidding process. Subcontractor will furnish performance and payment bonds, in form and substance satisfactory to Contractor, which bonds will carry the surety's consent to changes in price and time of performance necessary to conform to the Contract Documents requirements. The cost of Subcontractor's bonds will be part of the cost of the Work. Subcontractor will provide the bonds required by this paragraph before commencement of the Work.

24. CONTRACT INTERPRETATION. Contractor's interpretation of the requirements of this Agreement and the Contract Documents will be conclusively binding upon Subcontractor unless Subcontractor objects in writing within forty-eight (48) hours after being advised of Contractor's interpretation and Subcontractor has not otherwise breached the terms and conditions of this Agreement.

25. WORK STOPPAGES. Subcontractor will employ workers skilled in their trades and will be responsible for timely completion of the Work regardless of any interference of any trades, counsel, or other labor or union organization. Any work stoppage by Subcontractor's employees or subcontractors, which will delay the Work, will be a breach of this Agreement.

26. **BACKCHARGES.** All charges and back charges assessed by Contractor against Subcontractor will be deemed accepted by Subcontractor unless Subcontractor objects to them in writing within two (2) days of receipt.

27. **OWNER'S APPROVAL.** This Agreement is wholly contingent upon the Owner's approval of Subcontractor and the terms of this Agreement. If either Subcontractor or this Agreement is not approved by the Owner, Contractor may declare this Agreement null and void by written notice thereof to Subcontractor.

28. **EQUAL OPPORTUNITY.** Subcontractor will not discriminate against any employee or applicant for employment, advancement, transfer, layoff or termination because of race, color, religion, sex, sexual orientation, gender identity, or national origin. Subcontractor will comply with all provisions Executive Order No. 11246, dated September 24, 1965, and all rules, regulations and orders pertaining thereto.

**Contractor and Subcontractor will abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identify, national origin, protected veteran status or disability.**

29. **SUBCONTRACTOR'S EQUIPMENT.** All equipment, protection, and hoisting required or desired by Subcontractor for the execution of the Work and safety of Subcontractor's employees and subcontractors will be provided wholly by Subcontractor at its expense. Subcontractor will be solely answerable for the safety, proper and lawful construction, maintenance and use of all equipment, hoists, scaffolds, ways, and tools used by Subcontractor, its employees, and its subcontractors.

30. **TAXES.** Contractor or Subcontractor may be under obligation for the payment of local, state, or federal taxes on the labor or materials or both, or the transportation of either or both, required to be furnished under this Agreement, by virtue of existing or future legislation, whatever be the name or designation applied to such taxing enactment. It is the intention of Contractor and Subcontractor that all such taxes will be assumed and paid for by Subcontractor irrespective of any existing or future law which may require the payment of said taxes by Contractor. It being expressly understood that Subcontractor hereby agrees to and does indemnify Contractor and the Owner against any and all loss and liability arising out of the requirement for payment of such taxes. The term "materials" will include equipment rentals, trucking, or any item not specifically mentioned herein on which such taxes may be payable.

31. **ASSIGNMENT.** Subcontractor will not, in whole or in part, assign, sublet, or subcontract this Agreement, or the proceeds thereof, without Contractor's written consent. Contractor's consent to any assignment, subletting, or subcontracting will not relieve Subcontractor of any of its agreements, duties, responsibilities, or obligations under this Agreement and the Contract Documents, and Subcontractor will be and remain as fully responsible and liable for the defaults, neglects, acts, or omissions of its assignees and subcontractors, and all persons directly or indirectly employed by them, as it is for its own defaults, neglects, acts, or omissions, and those of its officers, agents, servants, and employees. Subcontractor will bind each of its subcontracts to all of the terms, provisions, and covenants of this Agreement and the Contract Documents with respect to the sublet Work. All proposed subcontracts will be submitted to Contractor for approval. A copy of such subcontracts will be supplied to Contractor before any such subcontractor of Subcontractor begins performance. Contractor's consent to any subletting or subcontracting will not be deemed to create any contractual relationship between Contractor and subcontractor to whom the Work or any portion thereof is subcontracted and will not vest any right or right of action in such subcontractor against Contractor.

32. **ACCEPTANCE OF SUBCONTRACT.** This Agreement must be fully executed by Subcontractor and Contractor prior to the commencement of any Work. If this Agreement is retained by Subcontractor without executing and returning same within ten (10) days, it will be deemed accepted; in any event, however, acceptance in writing is a condition precedent to payment due hereunder.

33. **INDEPENDENT SUBCONTRACTOR.** Subcontractor specifically agrees that it is, prior to the start of the Work, and will remain, an Independent Contractor.



34. RECORDS. Subcontractor will preserve all shop drawings, plans, cutout sheets, field tickets, time cards, payroll records, or invoices, from persons or firms supplying labor or materials to Subcontractor for a minimum of three (3) years and will provide copies of the same to Contractor upon demand.

35. CONFIDENTIAL INFORMATION. Subcontractor will not divulge any information relating to the Project received from or supplied by the Owner, Architect, Engineer, and their consultants, or Contractor; will consider such information confidential and proprietary; and will not release or permit release of such information to other parties without the prior written permission of the Owner and Contractor.

36. PRIOR REPRESENTATIONS; ENTIRE AGREEMENT. Contractor assumes no responsibility for any understanding or representations made by any of its officers or agents before the execution of this Agreement. This Agreement and the Abbreviated Subcontract Agreement together constitute the entire agreement between Contractor and Subcontractor for the Project. If any provision herein is held to be invalid by a competent court, the remaining agreement will survive. In the event of conflicts, ambiguities, or inconsistencies between or among the terms, provisions, or conditions of this Agreement, the Abbreviated Subcontract Agreement, or the Contract Documents, the term, provision, or condition which imposes the higher standard or greater requirement for Subcontractor will govern.

37. CAPTIONS. The captions at the beginning of each numbered paragraph of this Agreement are for convenience only and are to be given no weight in construing the provisions of this Agreement.

38. PERFORMANCE AND PROCEDURES. Subcontractor agrees to schedule its Work as directed by Contractor to coincide with the work of all other trades to ensure the orderly progress of the Project. Contractor may from time to time adjust the Project Schedule as necessary. Subcontractor agrees to attend all progress meetings and to promptly furnish schedules and critical path analyses helpful in expeditiously completing the work. Subcontractor agrees to furnish sufficient labor, equipment, materials, and supervision including overtime necessary to ensure the completion of the Work according to the Project Schedule established by Contractor.

If Contractor determines Subcontractor has failed to meet the Project Schedule or fails to properly perform the Work in strict accordance with the Contract Documents after twenty-four (24) hours' notice, Contractor may (a) require Subcontractor to increase its forces, work overtime or take other measures to increase production; or (b) employ other forces to perform portions of the Work at Subcontractor's expense.

If Subcontractor fails to properly perform the Work in a timely manner as a result of which the completion of the Project is delayed, Subcontractor will reimburse Contractor all liquidated damages or other delay damages suffered by Contractor.

If Subcontractor fails to make full and timely payment of all monies due to its suppliers, subcontractors, employees, or creditors, Contractor may, at its option, issue joint checks to the appropriate parties.

39. MISCELLANEOUS. Contractor and Subcontractor agree that an electronic copy of this document will be deemed an original. This Agreement may be executed in counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the same agreement. This Agreement will be governed by the laws of Maryland. No changes, amendments, or modifications of this Agreement will be valid unless in writing and signed by Contractor and Subcontractor.

HBW Construction and/or HBW Services  
(GENERAL CONTRACTOR)

\_\_\_\_\_  
(SUBCONTRACTOR)

John Leach, President, Partner  
(NAME AND TITLE)

\_\_\_\_\_  
(NAME AND TITLE)

\_\_\_\_\_  
(SIGNATURE)

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(SIGNATURE)

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(DATE)

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(DATE)