

JOINT CHECK PROVISION

_____ does hereby agree that Hoar Construction, LLC may issue checks made jointly to _____ and its subcontractors and/or vendors for any materials and/or labor on this project. If issued, joint checks will be issued in the following manner:

1. A fully executed "Personal Guaranty" (form attached) shall be submitted to Hoar Construction LLC prior to the subcontractor's first pay request.
2. In addition, prior to Subcontractor's first pay request submittal, Subcontractor shall prepare the attached Subcontractor's Request for Payment and Sworn Statement (2 pages) and submit to Hoar Construction, LLC for approval.
3. Subcontractor's **monthly** pay application must include:
 - a. Subcontractor's Request for Payment;
 - b. Sworn Statement (2 pages);
 - c. Executed Partial Release of Lien, conditional upon receipt of the amount listed, from each company listed on page 2 of the Sworn Statement; and
 - d. Executed Final Waiver of Lien, if no further amounts are due, from each company listed on page 2 of the Sworn Statement and an updated Final Waiver of Lien will be required from all before retainage is released.
4. Hoar Construction, LLC will review the percentages requested from the Subcontractor and its subcontractors and/or vendors on the Application.
5. Hoar Construction, LLC will issue checks made jointly to Subcontractor and its subcontractors and/or vendors in the appropriate amounts and in accordance with the terms of the Subcontract, and will issue checks made singly to Subcontractor for the remaining amount. In no event will Subcontractor's total payment, including any payments made jointly to Subcontractor and/or its subcontractors or vendors, exceed the approved amount of the Pay Application after it has been reviewed by the Owner, Architect and Hoar Construction, LLC.

Hoar Construction shall determine, in its sole discretion, when and if payments are to be made jointly as provided herein. This Joint Check Provision is not intended to and shall not be construed as (a) conferring any benefits upon any of Subcontractor's subcontractors or vendors; (b) creating any contractual relationship between Hoar Construction, LLC and any of Subcontractor's subcontractors or vendors; or (c) guaranteeing any obligation of Subcontractor to its subcontractors or vendors, including, without limitation, any payment obligation.

[Subcontractor]

WITNESS

By: _____

Its: _____

**JOINT CHECK PROVISION
EXAMPLE**

_____ [Subcontractor] _____ does hereby agree that Hoar Construction, LLC may issue checks made jointly to _____ [Subcontractor] _____ and its subcontractors and/or vendors for any materials and/or labor on this project. If issued, joint checks will be issued in the following manner:

1. A fully executed "Personal Guaranty" (form attached) shall be submitted to Hoar Construction LLC prior to the subcontractor's first pay request.
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3. Subcontractor's **monthly** pay application must include:
 - a. Subcontractor's Request for Payment;
 - b. Sworn Statement (2 pages);
 - c. Executed Partial Release of Lien, conditional upon receipt of the amount listed, from each company listed on page 2 of the Sworn Statement; and
 - d. Executed Final Waiver of Lien, if no further amounts are due, from each company listed on page 2 of the Sworn Statement and an updated Final Waiver of Lien will be required from all before retainage is released.
4. Hoar Construction, LLC will review the percentages requested from the Subcontractor and its subcontractors and/or vendors on the Application.
5. Hoar Construction, LLC will issue checks made jointly to Subcontractor and its subcontractors and/or vendors in the appropriate amounts and in accordance with the terms of the Subcontract, and will issue checks made singly to Subcontractor for the remaining amount. In no event will Subcontractor's total payment, including any payments made jointly to Subcontractor and/or its subcontractors or vendors, exceed the approved amount of the Pay Application after it has been reviewed by the Owner, Architect and Hoar Construction, LLC.

Hoar Construction shall determine, in its sole discretion, when and if payments are to be made jointly as provided herein. This Joint Check Provision is not intended to and shall not be construed as (a) conferring any benefits upon any of Subcontractor's subcontractors or vendors; (b) creating any contractual relationship between Hoar Construction, LLC and any of Subcontractor's subcontractors or vendors; or (c) guaranteeing any obligation of Subcontractor to its subcontractors or vendors, including, without limitation, any payment obligation.

[Subcontractor]

WITNESS

By: _____

Its: _____

FOR JOINT CHECKS SWORN STATEMENT

Page 1 of 2

The below signed, being duly sworn, deposes and says that _____ is the subcontractor for improvement of the _____ located in the city of _____, county of _____, and state of _____.

That the following is a complete statement of each contractor, subcontractor, supplier, laborer, lessor, etc. with whom the below signed subcontractor has contracted for performance under its subcontract with Hoar Construction, LLC (Hoar) and that the amounts due to said entities as of the date hereof are correctly and fully set forth opposite their names.

That he has not employed or purchased material from, contracted or subcontracted with, any person or persons, firms, or corporations other than those set forth below and owes no monies for the said improvements other than the sums set forth below.

That he makes the foregoing statement for the purpose of representing to Hoar that the aforementioned property is free from claims of construction or material liens or the possibility thereof except as specifically set forth below.

Subcontractor

Signed By

Title

_____/_____/_____
Date

Subscribed and sworn to before me this _____ day of _____ 19 _____. Notary Public, State of _____ At Large:

My commission expires:

Notary Seal

INSTRUCTIONS: FORM MUST BE SUBMITTED MONTHLY WITH EACH PAY APPLICATION.

SWORN STATEMENT

Page 1 of 2

The below signed, being duly sworn, deposes and says that ABC Electric is the subcontractor for improvement of the Shopping Mall located in the city of Birmingham, county of Jefferson, and state of Alabama.

That the following is a complete statement of each contractor, subcontractor, supplier, laborer, lessor, etc. with whom the below signed subcontractor has contracted for performance under its subcontract with Hoar Construction, LLC (Hoar) and that the amounts due to said entities as of the date hereof are correctly and fully set forth opposite their names.

That he has not employed or purchased material from, contracted or subcontracted with, any person or persons, firms, or corporations other than those set forth below and owes no monies for the said improvements other than the sums set forth below.

That he makes the foregoing statement for the purpose of representing to Hoar LLC that the aforementioned property is free from claims of construction or material liens or the possibility thereof except as specifically set forth below.

ABC Electric
Subcontractor

Signed By _____

Vice President
Title

1 / 25 / 97
Date

GUARANTY

THIS GUARANTY is given by _____ an individual (the "Guarantor"), to Hoar Construction, LLC ("Hoar").

(a) The Guarantor is an officer and principal shareholder of _____ ("Subcontractor"). The Guarantor is anxious to induce Hoar to enter into a subcontract with the Subcontractor for _____ at _____ (the "Subcontract"). Hoar is willing to enter into the Subcontract only if the Guarantor guarantees the faithful performance of all the terms thereof.

(b) The Guarantor hereby guarantees the prompt and complete performance by the Subcontractor of all the covenants and conditions contained in the Subcontract between the Subcontractor and Hoar dated _____, a copy of which is annexed hereto as Exhibit "A." The Guarantor waives notice of any changes, additions or deletions to the Subcontract.

(c) This Guaranty shall continue until all the terms of the Subcontract have been satisfactorily performed or otherwise discharged by the Subcontractor; and the Guarantor shall not be released of its obligations hereunder so long as any claim of Hoar against the Subcontractor arising out of the Subcontract is not settled or discharged in full.

(d) Liability of the Guarantor is direct, immediate, absolute, continuing, unconditional and unlimited. Hoar shall not be required to pursue any remedy it may have against the Subcontractor as a condition to enforce this Guaranty. The Guarantor shall not be discharged or released by reason of the discharge or release of Subcontractor for any reason, including discharge in bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Subcontract by trustee, custodian or other representative in bankruptcy, a stay or other enforcement restriction, or any other reduction, modification, impairment or limitations of the liability of the Subcontractor or any remedy of Hoar against the Subcontractor.

(e) This Guaranty is binding upon the Guarantor, his legal representatives and assigns, and shall ensure to the benefit of Hoar, its successors and assigns. No assignment or delegation by the Guarantor shall release the Guarantor of his obligations under this Guaranty.

(f) This Guaranty may not be modified orally, but only by writing signed by both the Guarantor and Hoar. Modifications include any waiver, change, discharge, modification or termination.

(g) As further inducement to Hoar to enter into the Subcontract with the Subcontractor, the Guarantor has provided Hoar with a financial statement of the Guarantor, a copy of which is annexed hereto as Exhibit "B." The Guarantor represents and warrants that said financial statement is accurate and fairly represents the financial condition of the Guarantor as of the date of this Guaranty. The Guarantor further represents and warrants that the personal net worth of the Guarantor is in excess of the amount of the Subcontract, and that the Guarantor will not incur any additional indebtedness or assume any additional contingent liabilities which would result in the Guarantor's net worth, less any contingent liabilities, being an amount less than the amount of the Subcontract.

(h) This Guaranty is made in Alabama and shall be construed in accordance with the laws of the State of Alabama. The provisions of the Subcontract relative to venue and jurisdiction shall apply to any litigation involving this Guaranty.

IN WITNESS WHEREOF, the Guarantor has duly signed this Guaranty on the date first above written.

WITNESS:

GUARANTOR:

(Must be Owner/Manager/Officer)

FOR JOINT CHECKS SWORN STATEMENT PAGE 2 OF 2

Sub Subcontractor Or Supplier with Contact Name & Phone #	Description Work or Material	Contract Value	Percent Completed	Completed Work	Stored Material	Amount Requested to Date	Less Amount Previously Requested	Amount Requested This Period	Retainage Withheld			Joint Check Amount Requested
									Total to Date	Previously Withheld	Withheld this Period	
TOTALS												

INSTRUCTIONS: FORM MUST BE SUBMITTED MONTHLY WITH EACH PAY APPLICATION

Subcontractor's Name

Job #

FOR JOINT CHECKS SWORN STATEMENT PAGE 2 OF 2

Sub Subcontractor Or Supplier with Contact Name & Phone #	Description Work or Material	Contract Value	Percent Completed	Completed Work	Stored Material	Amount Requested to Date	Less Amount Previously Requested	Amount Requested This Period	Retainage Withheld			Joint Check Amount Requested
									Total to Date	Previously Withheld	Withheld this Period	
Electrical Supply Inc. R. Smith – Credit Mgr. 205/911-3000	Conduit	13,700	25.0	3,425	-	3,425	0	3,425	-	-	-	3,425
Rainbow Supply Co. E. Doe – Credit Mgr. 214/811-8000	Fixtures	70,600	0	0	-	0	0	0	-	-	-	0
Gears Inc. Jim Smith – Owner 205/889-2111	Switch Gear	20,000	50.0	0	10,000	10,000	0	10,000	1,000	0	1,000	9,000
TOTALS		120,800	-	3,425	10,000	13,425	0	13,425	1,000	0	1,000	12,425

INSTRUCTIONS: FORM MUST BE SUBMITTED MONTHLY WITH EACH PAY APPLICATION

**SUBCONTRACTOR/SUPPLIER
PARTIAL RELEASE OF LIEN AND AFFIDAVIT**

Hoar Job # _____
 Project Name: _____
 This Pay Request #: _____
 Period Ending Date: _____

(Subcontractor/Supplier Name) _____
 ("Subcontractor/Supplier"), by the undersigned duly authorized officer or representative, does hereby waive, release, remise, quit claim, and relinquish the right to claim, demand or impose a lien for work done or for materials furnish to date on the construction project named above in exchange for receipt of \$_____. Payment of this amount is the total sum due for labor, services and/or materials furnished or performed for this project through the date of the above pay request. The Subcontractor/Supplier hereby releases Hoar Construction, LLC ("Hoar") from any and all claims, demands and causes of action which the Subcontractor/Supplier has, might have or could have against Hoar by reason of or arising out of the work performed or material furnished by the Subcontractor/Supplier through the date of the above pay request, except as otherwise expressly provided below or on the attached sheet.

This agreement is a partial release of lien and shall not be construed to release any lien in excess of this partial release for retainage or for labor, services and/or materials to be furnished after this date. The Subcontractor/Supplier further certifies, warrants and represents that previously received payments under this subcontract or purchase order have been used to pay in full all bills owed by the Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work performed under this subcontract or purchase order through the date of the last pay request. The Subcontractor/Supplier further certifies, warrants and represents that the payment received for this current pay request will be used to pay in full all bills owed by Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work under this subcontract or purchase order and pursuant to this pay request. Subcontractor/Supplier agrees to defend, indemnify and hold Hoar harmless from any lien or claim of lien filed by any laborer, materialman or subcontractor against the Project or any part thereof for work performed or materials supplied pursuant to this pay request or any prior pay request. A complete list of all unresolved and pending changes and/or extras is attached.

A true and correct summary of the contract and payments received to this date is as follows:

CONTRACT:	
ORIGINAL CONTRACT AMOUNT	\$ _____
CHANGE ORDERS TO DATE	\$ _____
CONTRACT VALUE TO DATE	\$ _____
PAYMENTS:	
PAYMENTS PREVIOUSLY RECEIVED	\$ _____
PAYMENTS CURRENTLY DUE	\$ _____
TOTAL PAYMENTS	\$ _____
TOTAL RETAINAGE TO DATE	\$ _____
TOTAL AMOUNT REQUESTED TO DATE	\$ _____

 Name of Subcontractor/Supplier _____
 Date

 Authorized Signature & Title

Subscribed and sworn to before me this _____ day of _____, 19_____. Notary Public,
 State of _____ At Large:

 My commission expires:
 (Notary Seal)

**SUBCONTRACTOR/SUPPLIER
PARTIAL RELEASE OF LIEN AND AFFIDAVIT**

Hoar Job # 1019
 Project Name: Shopping Mall
 This Pay Request # 1
 Period Ending: 1/25/97

Hoar's Subcontractor ABC ELECTRIC

(Subcontractor/Supplier Name) Electrical Supply Inc.
 ("Subcontractor/Supplier"), by the undersigned duly authorized officer or representative, does hereby waive, release, remise, quit claim and relinquish the right to claim, demand or impose a lien for work done or for materials furnished to date on the construction project named above in exchange for receipt of \$ 3,425. Payment of this amount is the total sum due for labor, services and/or materials furnished or performed for this project through the date of the above pay request. The Subcontractor/Supplier hereby releases Hoar Construction, LLC ("Hoar") from any and all claims, demands and causes of action which the Subcontractor/Supplier has, might have or could have against Hoar by reason of or arising out of the work performed or material furnished by the Subcontractor/Supplier through the date of the above pay request, except as otherwise expressly provided below or on the attached sheet.

This agreement is a partial release of lien and shall not be construed to release any lien in excess of this partial release for retainage or for labor, services and/or materials to be furnished after this date. The Subcontractor/Supplier further certifies, warrants and represents that previously received payments under this subcontract or purchase order have been used to pay in full all bills owed by the Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work performed under this subcontract or purchase order through the date of the last pay request. The Subcontractor/Supplier further certifies, warrants and represents that the payment received for this current pay request will be used to pay in full all bills owed by Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work under this subcontract or purchase order and pursuant to this pay request. Subcontractor/Supplier agrees to defend, indemnify and hold Hoar harmless from any lien or claim of lien filed by any laborer, materialman or subcontractor against the Project or any part thereof for work performed or materials supplied pursuant to this pay request or any prior pay request. A complete list of all unresolved and pending changes and/or extras is attached.

A true and correct summary of the contract and payments received to this date is as follows:

CONTRACT:	
ORIGINAL CONTRACT AMOUNT	\$ 13,700
CHANGE ORDERS TO DATE	\$ <u>0</u>
CONTRACT VALUE TO DATE	\$ <u><u>13,700</u></u>
PAYMENTS:	
PAYMENTS PREVIOUSLY RECEIVED	\$ 0
PAYMENTS CURRENTLY DUE	\$ <u>3,425</u>
TOTAL PAYMENTS	\$ <u>3,425</u>
TOTAL RETAINAGE TO DATE	\$ 0
TOTAL AMOUNT REQUESTED TO DATE	\$ <u><u>3,425</u></u>

<u>ELECTRICAL SUPPLY, INC.</u>	<u>1/25/97</u>
NAME OF SUBCONTRACTOR/SUPPLIER	DATE

Authorized Signature & Title

Subscribed and sworn to before me this 25th day of January, 19 97.
 Notary Public, State of Alabama At Large:

My commission expires: 11/18/99
 (Notary Seal)

**SUBCONTRACTOR/SUPPLIER
PARTIAL RELEASE OF LIEN AND AFFIDAVIT**

Hoar Job # 1019
 Project Name: Shopping Mall
 This Pay Request # 1
 Period Ending: 1/25/97

Hoar's Subcontractor ABC ELECTRIC

(Subcontractor/Supplier Name) Rainbow Supply Company
 ("Subcontractor/Supplier"), by the undersigned duly authorized officer or representative, does hereby waive, release, remise, quit claim and relinquish the right to claim, demand or impose a lien for work done or for materials furnished to date on the construction project named above in exchange for receipt of \$ 0. Payment of this amount is the total sum due for labor, services and/or materials furnished or performed for this project through the date of the above pay request. The Subcontractor/Supplier hereby releases Hoar Construction, LLC ("Hoar") from any and all claims, demands and causes of action which the Subcontractor/Supplier has, might have or could have against Hoar by reason of or arising out of the work performed or material furnished by the Subcontractor/Supplier through the date of the above pay request, except as otherwise expressly provided below or on the attached sheet.

This agreement is a partial release of lien and shall not be construed to release any lien in excess of this partial release for retainage or for labor, services and/or materials to be furnished after this date. The Subcontractor/Supplier further certifies, warrants and represents that previously received payments under this subcontract or purchase order have been used to pay in full all bills owed by the Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work performed under this subcontract or purchase order through the date of the last pay request. The Subcontractor/Supplier further certifies, warrants and represents that the payment received for this current pay request will be used to pay in full all bills owed by Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work under this subcontract or purchase order and pursuant to this pay request. Subcontractor/Supplier agrees to defend, indemnify and hold Hoar harmless from any lien or claim of lien filed by any laborer, materialman or subcontractor against the Project or any part thereof for work performed or materials supplied pursuant to this pay request or any prior pay request. A complete list of all unresolved and pending changes and/or extras is attached.

A true and correct summary of the contract and payments received to this date is as follows:

CONTRACT:	
ORIGINAL CONTRACT AMOUNT	\$ 70,600
CHANGE ORDERS TO DATE	\$ 0
CONTRACT VALUE TO DATE	\$ <u>70,600</u>
PAYMENTS:	
PAYMENTS PREVIOUSLY RECEIVED	\$ 0
PAYMENTS CURRENTLY DUE	\$ 0
TOTAL PAYMENTS	\$ 0
TOTAL RETAINAGE TO DATE	\$ 0
TOTAL AMOUNT REQUESTED TO DATE	\$ <u>0</u>

<u>RAINBOW SUPPLY CO.</u>	<u>1/25/97</u>
NAME OF SUBCONTRACTOR/SUPPLIER	DATE

 Authorized Signature & Title

Subscribed and sworn to before me this 25th day of January, 19 97.
 Notary Public, State of Alabama At Large:

 My commission expires: 11/18/99
 (Notary Seal)

**SUBCONTRACTOR/SUPPLIER
PARTIAL RELEASE OF LIEN AND AFFIDAVIT**

Hoar Job # 1019
 Project Name: Shopping Mall
 This Pay Request # 1
 Period Ending: 1/25/97

Hoar's Subcontractor ABC ELECTRIC

(Subcontractor/Supplier Name) Gears Inc.
 ("Subcontractor/Supplier"), by the undersigned duly authorized officer or representative, does hereby waive, release, remise, quit claim and relinquish the right to claim, demand or impose a lien for work done or for materials furnished to date on the construction project named above in exchange for receipt of \$ 9,000. Payment of this amount is the total sum due for labor, services and/or materials furnished or performed for this project through the date of the above pay request. The Subcontractor/Supplier hereby releases Hoar Construction, LLC ("Hoar") from any and all claims, demands and causes of action which the Subcontractor/Supplier has, might have or could have against Hoar by reason of or arising out of the work performed or material furnished by the Subcontractor/Supplier through the date of the above pay request, except as otherwise expressly provided below or on the attached sheet.

This agreement is a partial release of lien and shall not be construed to release any lien in excess of this partial release for retainage or for labor, services and/or materials to be furnished after this date. The Subcontractor/Supplier further certifies, warrants and represents that previously received payments under this subcontract or purchase order have been used to pay in full all bills owed by the Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work performed under this subcontract or purchase order through the date of the last pay request. The Subcontractor/Supplier further certifies, warrants and represents that the payment received for this current pay request will be used to pay in full all bills owed by Subcontractor/Supplier to others for labor performed and/or materials supplied in connection with the work under this subcontract or purchase order and pursuant to this pay request. Subcontractor/Supplier agrees to defend, indemnify and hold Hoar harmless from any lien or claim of lien filed by any laborer, materialman or subcontractor against the Project or any part thereof for work performed or materials supplied pursuant to this pay request or any prior pay request. A complete list of all unresolved and pending changes and/or extras is attached.

A true and correct summary of the contract and payments received to this date is as follows:

CONTRACT:	
ORIGINAL CONTRACT AMOUNT	\$ 20,000
CHANGE ORDERS TO DATE	\$ 0
CONTRACT VALUE TO DATE	\$ <u>20,000</u>
 PAYMENTS:	
PAYMENTS PREVIOUSLY RECEIVED	\$ 0
PAYMENTS CURRENTLY DUE	\$ <u>9,000</u>
TOTAL PAYMENTS	\$ 9,000
TOTAL RETAINAGE TO DATE	\$ 1,000
TOTAL AMOUNT REQUESTED TO DATE	\$ <u>10,000</u>

<u>GEARS INC.</u>	<u>1/25/97</u>
NAME OF SUBCONTRACTOR/SUPPLIER	DATE

Authorized Signature & Title

Subscribed and sworn to before me this 25th day of January, 19 97.
 Notary Public, State of Alabama At Large:

My commission expires: 11/18/99
 (Notary Seal)