



## **Contractor Subcontractor Agreement**

On this day of \_\_\_\_\_, (“Date”) Security Lock Technologies, LLC (“Contractor”) and \_\_\_\_\_ (“Subcontractor”), HEREBY ENTER into the following Subcontract for work to be performed on behalf of Contractor by Subcontractor at the Work Site(s) identified in this Agreement.

**WHEREAS** Contractor desires to retain Subcontractor to perform certain contract Work as described in Section 1.1 for the Work Site(s) listed in Section 3.1;

**NOW THEREFORE** Contractor and Subcontractor agree as follows:

### **SECTION 1: SCOPE OF WORK**

**1.1** Subcontractor shall perform all work, labor, and services that the Contractor assigns or engages Subcontractor to perform (“Work”). Subcontractor agrees to fully and properly complete all assigned Work in a timely, professional manner and in compliance with all applicable laws, codes, and industry standards

**1.2 Standards** All Work shall be performed in accordance with:

- NFPA 70 (National Electrical Code);
- NFPA 72 (National Fire Alarm and Signaling Code);
- All applicable state and municipal fire codes and building codes; and
- Contractor’s project specifications, drawings, and written directives.

### **SECTION 2. Payment Terms**

**2.1 Compensation** In consideration of Subcontractor’s performance of this Subcontract Agreement, and subject to the terms and conditions hereinafter set forth, Contractor shall pay to Subcontractor the total sum of \_\_\_\_\_ **dollars (\$\_\_\_\_\_)**. This Subcontract price is dependent upon the Subcontractor completing the Work as agreed to in this Agreement. Should the Work not be completed as agreed, the Contractor possesses the right to modify the compensation accordingly.

#### **2.2 Payment Terms:**

- a. Subcontractor shall invoice monthly for work completed.
- b. Payments are subject to Contractor’s receipt of payment from the project owner or general contractor (“pay-when-paid” basis).
- c. Contractor may withhold retainage of up to ten percent (10%) until final completion and acceptance.
- d. Contractor may offset against amounts due any costs to correct defective or incomplete Work, discharge liens, or cover damages caused by Subcontractor.



e. All payments shall be made via ACH transfer to the Subcontractor's designated bank account. It is the Subcontractor's sole responsibility to maintain accurate and current ACH account information with the Contractor. Failure to update such information may result in delays in payments, which the Subcontractor expressly acknowledges and agrees shall not constitute a breach by the Contractor.

**2.3 Final Payment** Final payment shall be due within thirty (30) days after all Work is completed, accepted, and Contractor receives final payment from the owner, provided Subcontractor has submitted all required lien waivers, warranties, and close-out documents.

**2.4 W-9 Requirement** Prior to the commencement of Work or issuance of any payment, Subcontractor shall submit a completed and signed IRS Form W-9 to Contractor. No payments will be released until the W-9 has been received and verified by Contractor's accounting department.

**2.5 Payment Portal Registration** Subcontractor is required to register and maintain an active account in Contractor's designated online payment portal for processing ACH payments. Subcontractor shall ensure that its account information, including banking details and contact information, remains accurate and current at all times. Failure to maintain an active and accurate account may delay payment, and such delay shall not constitute a breach by Contractor.

### **SECTION 3. Performance**

**3.2 Time is of the essence** There shall be no extension of time for Subcontractor to perform the Work without a written amendment to this Agreement.

**3.3 Commencement of Agreement** The commencement date of this Agreement shall be the Effective Date written above. The Parties anticipate that the Work will be substantially completed by \_\_\_\_\_ [insert date or term], subject to any mutually agreed schedule adjustments.

**3.4 Commencement and Performance of Work** Subcontractor shall commence on-site Work on the start date established in writing by the Contractor and shall diligently proceed to completion unless otherwise directed by the Contractor. Subcontractor shall perform all Work promptly, efficiently, and in full compliance with Section 1.1 and any approved written modifications.

**3.5 Scheduling** Subcontractor agrees to cooperate with Contractor in scheduling Subcontractor's Work, and to avoid disruptions, interference, delays, conflicts, or other disturbances with respect to Contractor's Work at the Work Site(s). Subcontractor shall promptly notify Contractor upon discovery of any anticipated or actual conflict between Subcontractor's Work and others' work.

**3.6 Work Preparation** Subcontractor shall promptly submit any shop drawings, construction data, product information, material samples, and similar submittals upon Contractor's request.

**3.7 Clean Workspace** Subcontractor shall perform appropriate clean-up during all phases of the Work to keep its work area and surrounding areas free of waste and trash caused by its operations and shall leave the premises in a reasonably clean, swept or raked condition. If Subcontractor fails to comply, Contractor may perform clean-up and charge Subcontractor the reasonable cost. Subcontractor is not required to clean up conditions caused by others.



**3.8 Maintain Safe Workspace** Subcontractor shall protect Work Site property and others' work from damage caused by Subcontractor's performance and is liable for loss or damage to work in place or to equipment/materials at the Work Site caused by Subcontractor or its agents/employees.

**3.9 Change Orders** No extra work, modification, or deviation shall be made except upon a written Change Order signed by Contractor. Subcontractor shall not suspend Work pending approval of any Change Order.

#### **SECTION 4: Communication and Notice**

**4.1** Subcontractor shall be deemed to have received notice when it or its Work Site supervisor is notified orally or in writing, or four (4) days after written notice is sent by registered or certified mail to Subcontractor's last known business address, whichever is sooner.

**4.2** Contractor shall be deemed to have received notice when it or its Work Site supervisor is notified orally or in writing, or four (4) days after written notice is sent by registered or certified mail addressed to:

Security Lock Technologies, 3855 County Farm Road, Hanover Park, IL 60133, whichever is sooner.

#### **SECTION 5: Compliance**

**5.1 Authority having Jurisdiction** The validity, interpretation, and performance of this Subcontract Agreement shall be governed by the laws of the jurisdiction where the Work Site is located.

**5.2 Licensing and Permits** Subcontractor shall obtain and maintain all licenses, registrations, and permits required to perform the Work, and shall furnish copies upon request. If designated by Contractor to hold the installation permit, Subcontractor shall coordinate directly with the AHJ for inspections and approvals.

**5.3 Contractor Law** Subcontractor agrees to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations, including but not limited to OSHA, NEC, and, for fire alarm work, NFPA 72. Where Contractor's safety rules exceed governing regulations, Contractor's rules shall be followed. This shall not create joint responsibility; Subcontractor retains sole responsibility for the safety of its employees and compliance with all such laws and regulations. Subcontractor shall obtain and pay for all required fees, licenses, permits, deposits, and taxes (including sales and use taxes) and shall hold Contractor harmless from any loss, damage, or liability arising from Subcontractor's failure to comply.

**5.4 Drug-Free Policy** Subcontractor shall maintain and enforce a drug-free workplace in compliance with all applicable federal and state laws. Subcontractor shall ensure that all employees, agents, and lower-tier subcontractors assigned to perform Work under this Agreement are fit for duty and free from the influence of alcohol, controlled substances, or impairing medications while on or near the Work Site. Any violation of this provision shall be deemed a material breach of this Agreement and may result in immediate termination for cause. In addition, Subcontractor shall review, acknowledge, and sign Contractor's Drug-Free Workplace Statement, attached hereto as Exhibit A, as a condition of performing Work under this Agreement.



5.5 If any term or provision is determined invalid, it shall not affect the validity and enforcement of the remaining terms

#### **SECTION 6: Amendment**

6.1 This Subcontract Agreement may only be amended by a written document executed by Contractor and Subcontractor. This Agreement supersedes all prior representations made by Contractor.

#### **SECTION 7: Indemnification**

7.1 Work covered by this Subcontract Agreement done at the site of construction or in preparing or delivering materials or equipment to the site shall be at the risk of Subcontractor exclusively. Subcontractor shall, with respect to all work covered by or incidental to this Agreement, indemnify, directly defend and hold Contractor, and its agents and employees, harmless from and against all of the following to the fullest extent permitted by law:

- A. Any claim, liability, loss, damage, cost, expense, costs of defense including reasonable attorneys' fees, awards, fines, or judgments, provided that said loss arises from death or bodily injury, illness, disease, or damage to or destruction of property, or other loss, damage or expense, including those resulting from the alleged or actual negligent act or omission (active or passive) by Subcontractor or its agents, employees, sub-subcontractors, or anyone else for whose acts Subcontractor may be liable.
- B. Any claim, liability, loss, damage, cost, expense, costs of defense including reasonable attorneys' fees, awards, fines, or judgments arising by reason of any obligation of indemnity which Contractor has to a purchaser or project owner arising out of the work or operations of the Subcontractor or parties for whom Subcontractor is responsible.
- C. Each indemnity is independent and shall be given effect. Subcontractor shall not be obligated to indemnify Contractor for Contractor's sole negligence, joint negligence, or willful misconduct.

7.2 Subcontractor shall indemnify and hold Contractor harmless against all liability for claims and liens for labor performed or materials used or furnished to be used on the job, including costs and attorneys' fees and incidental/consequential damages. If litigation or proceedings are brought on such claim or lien, Subcontractor shall defend at its expense and satisfy any lien/judgment. Subcontractor may litigate provided it removes the effect of the lien from the premises in advance. Subcontractor shall remove the effect of any suit, claim, or lien within ten (10) days after written demand. If it fails to do so, Contractor may remove or bond off the lien and charge Subcontractor all costs including attorneys' fees.

7.3 Subcontractor's indemnity obligations are **not limited** by the limits, terms, or conditions of any insurance coverage obtained by Subcontractor, or by any limitation on the amount or type of damages, or benefits under workers' compensation or similar laws.

7.4 **Duty to Defend** Subcontractor's duty to defend Contractor arises immediately upon written tender of any claim, action, or proceeding arising out of Subcontractor's work, regardless of whether liability has been determined, provided such claim is not caused by Contractor's sole negligence or willful misconduct

#### **SECTION 8. Insurance and Waiver of Subrogation**



**8.1 Required Coverage** Before starting Work, Subcontractor shall provide certificates of insurance showing the following minimum coverages:

Coverage	Minimum Limit
Commercial General Liability	\$1,000,000 per occurrence / \$2,000,000 aggregate
Automobile Liability (owned, hired, non-owned)	\$1,000,000 combined single limit
Workers 'Compensation	Statutory
Employer's Liability	\$500,000 each accident

**8.2 Additional Insured** Subcontractor shall name Contractor as an Additional Insured for both ongoing and completed operations using ISO Forms CG 20 10 04 13 and CG 20 37 04 13, or equivalent forms providing equal or broader coverage.

**8.3 Primary and Non-Contributory** All required insurance coverage shall be primary and non-contributory with respect to any insurance maintained by Contractor.

**8.4 Waiver of Subrogation** All insurance policies shall include a waiver of subrogation in favor of Contractor and its agents, employees, and representatives.

**8.5 Maintenance** Insurance coverage required under this Agreement shall remain in full force and effect for the duration of the Work and for not less than thirty-six (36) months following completion with respect to completed operations.

**8.6 Proof of Maintenance of Insurance** Subcontractor shall furnish Contractor with valid certificates of insurance and all required endorsements prior to commencing Work. Subcontractor shall maintain continuous coverage for the full duration of this Agreement and for at least twelve (12) months following final completion. Failure to maintain current insurance coverage or to provide proof thereof within five (5) business days of Contractor's request shall constitute a material breach of this Agreement, entitling Contractor to withhold payment or suspend performance until compliance is achieved.

## **SECTION 9: Warranty**

Subcontractor warrants that all Work and materials shall be free from defects in workmanship and materials for a period of one (1) year from final completion or for such longer period as required by the project specifications or manufacturer warranties. Subcontractor shall promptly repair or replace, at its own expense, any defective Work.

## **SECTION 10. Arbitration**

10.1 Any and all disputes or claims between Contractor and Subcontractor arising out of this Subcontract Agreement shall be resolved by binding arbitration under the then-current Construction Industry Arbitration Rules of the AAA. The parties waive the right to a jury trial. The arbitrator's award shall be final and enforceable in any court with jurisdiction.



10.2 If legal action is required to enforce this arbitration clause or to recover damages for breach thereof, the prevailing party shall be entitled to court costs and reasonable attorneys' fees.

10.3 Where the prime contract with the project owner provides for arbitration, the same rights and procedures shall extend to and bind Subcontractor to the extent applicable to its Work.

#### **SECTION 11. Default and Termination**

**11.1 Default.** Failure to maintain insurance, follow schedule, perform Work properly, or comply with any material term constitutes default.

**11.2 Contractor Remedies.** Upon default, Contractor may:

- (a) suspend or terminate Subcontractor's Work;
- (b) complete the Work using others and deduct all resulting costs from unpaid amounts; and/or
- (c) recover damages caused by Subcontractor's breach.

**11.3 Termination for Convenience** Contractor may terminate this Agreement or any portion of the Work for convenience upon written notice. Subcontractor shall be paid for properly completed Work to the termination date, less prior payments. No claim for lost profits or consequential damages shall be allowed.

#### **SECTION 12: Liens**

**12.1** Subcontractor waives any right to file a mechanic's or materialman's lien against the project or Contractor's customer and shall indemnify and defend Contractor from any lien or claim by Subcontractor's employees, suppliers, or lower-tier subcontractors. Subcontractor shall furnish partial and final lien waivers as a condition of payment.

#### **SECTION 13: Confidentiality**

**13.1** Subcontractor shall not disclose or use project drawings, layouts, access codes, or client security information for any purpose other than performance of this Agreement and shall return all such information upon completion of the Work.

#### **SECTION 14: Independent Contractor**

**14.1** Subcontractor is an independent contractor and is solely responsible for its employees, taxes, and insurance. Nothing herein shall be construed as creating an employment, partnership, or agency relationship.

#### **SECTION 15: Dispute Resolution**

**15.1** Any dispute arising under this Agreement that cannot be resolved by negotiation shall be submitted to binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, conducted in DuPage County, Illinois. Judgment on the award may be entered into in any court of competent jurisdiction.

#### **SECTION 15: Governing Law**



This Agreement shall be governed by and construed under the laws of the State of Illinois. Venue for any action, claim, or arbitration shall be in DuPage County, Illinois.

**SECTION 16: Miscellaneous**

**16.1 Entire Agreement** This document, including all exhibits, constitutes the entire agreement between the Parties.

**16.2 Amendments** No modification is valid unless in writing and signed by both Parties.

**16.3 Severability** If any provision is found invalid, the remainder shall remain in effect.

**16.4 Counterparts / Electronic Signatures** This Agreement may be executed in counterparts and by electronic signature, each of which shall be deemed an original.

**By signing below, the Subcontractor acknowledges and agrees to the terms  
of the Contractor Subcontractor agreement:**

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**Name**

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**Company Name**

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**Signature**

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**Date Signed**



## **EXHIBIT A: Drug-Free Policy Statement**

Security Lock Technologies, LLC (“Contractor”) is committed to maintaining a safe, productive, and drug-free work environment at all job sites and company facilities. In accordance with federal (SAMHSA) and state law (Illinois), and as a condition of performing work under any subcontract or agreement with Contractor, each subcontractor must comply with the following Drug-Free Workplace Policy.

### **1. Policy Statement**

It is the policy of Security Lock Technologies, LLC to provide a work environment free from the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances or alcohol. The use, possession, or being under the influence of illegal drugs, controlled substances, or alcohol while performing work on any project or while representing Contractor is strictly prohibited.

### **2. Scope**

This policy applies to all subcontractors, their employees, agents, and lower-tier subcontractors who perform work for or on behalf of Contractor, whether on-site or off-site.

### **3. Prohibited Conduct**

Subcontractor and its employees shall not:

- a. Report to any job site or perform any work while under the influence of alcohol, illegal drugs, or any controlled substance not lawfully prescribed;
- b. Possess, use, distribute, or sell alcohol or illegal drugs while performing work;  
or
- c. Misuse prescription or over-the-counter medications in a manner that impairs the ability to safely perform job duties.

### **4. Testing and Enforcement**

Contractor reserves the right to require proof of compliance or to deny site access to any individual suspected of violating this policy. Subcontractor is responsible for enforcing and maintaining its own drug and alcohol testing policies for its personnel consistent with this statement and applicable law.

### **5. Violations**

Any violation of this policy constitutes a material breach of contract and may result in:

- a. Immediate removal from the project site;
- b. Termination of the Subcontract Agreement for cause; and/or





- c. Reporting of the violation to appropriate authorities, where required by law.

6. **Acknowledgment**

By signing below, the undersigned Subcontractor acknowledges receipt of this Drug-Free Workplace Statement, understands its contents, and agrees to comply with its terms as a condition of performing work under contract with Security Lock Technologies, LLC.

**Subcontractor Acknowledgement**

**Subcontractor Company Name:** \_\_\_\_\_

**Authorized Representative Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Project Name (if applicable):** \_\_\_\_\_