

**JOINT CHECK AGREEMENT**

This AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2010, among **aaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaa INC.**, hereinafter called GENERAL CONTRACTOR; **BBBBBBBBBBBBBBBBBBBBBBBBBBBBBBB**, hereinafter called SUBCONTRACTOR, and **ccccccccccccccccccccccccccc, INC.**, hereinafter called, SUPPLIER:

WHEREAS,

- (A) A certain job described as \_\_\_\_\_ is being constructed by GENERAL CONTRACTOR,
- (B) GENERAL CONTRACTOR has entered into subcontract agreement with SUBCONTRACTOR in the amount of \$\_\_\_\_\_ for the above described job. SUPPLIER is to provide certain material to the SUBCONTRACTOR for installation and use in the above described job, for the maximum amount of \$\_\_\_\_\_.00.
- (C) SUPPLIER is not a party to the aforementioned subcontract agreement between GENERAL CONTRACTOR and SUBCONTRACTOR.

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

- (1) All checks, drafts, and other forms of payments **if** made to SUBCONTRACTOR by the GENERAL CONTRACTOR for payment of the sums due under the subcontract agreement (Paragraph B above) for Material shall be made payable to the SUBCONTRACTOR and to SUPPLIER, in such manners as to require the signatures of both payees for negotiation.
- (2) Should the payments exceed the total amount then due SUPPLIER, from the SUBCONTRACTOR, the SUBCONTRACTOR shall endorse said payments to

SUPPLIER, who shall refund (as soon as the payment instruments have been paid), to the SUBCONTRACTOR, any excess sum above that due and owing.

- (3) Upon negotiation by SUPPLIER of a payment instrument (Paragraphs 1 and 2, above), SUPPLIER shall release all mechanics' liens, stop notice rights, bonds' rights and other rights and remedies under the California Mechanics' Lien Law, Federal Law, Miller Act, and any other similar laws, without limitation, in connection with the work of improvement, for that portion of the equipment and/or material encompassed in said payment.
- (4) Nothing in this agreement shall be construed to make SUPPLIER a party to the aforementioned contract existing between the GENERAL CONTRACTOR and the SUBCONTRACTOR, nor to infer responsibility to SUPPLIER for the whole or partial performance thereof.
- (5) GENERAL CONTRACTOR has the **right to offset and back charge** any obligation of SUBCONTRACTOR to GENERAL CONTRACTOR prior to issuance of any joint check.
- (6) Terms of Subcontract agreement between GENERAL CONTRACTOR and SUBCONTRACTOR are incorporated by reference herein, made part hereof and shall govern as to any payment obligation under this joint check agreement.
- (7) Any joint check payment is subject to written approval of invoices and receipt of fund from owner for said invoices.
- (8) SUPPLIER agrees to advise GENERAL CONTRACTOR in writing if the value of the materials supplied exceeds the maximum amount given in Paragraph (B) above. Said notice shall be given prior to any delivery to the project, which will exceed the

agreed maximum amount. GENERAL CONTRACTOR does not have any obligation to make any further joint check to SUPPLIER and SUBCONTRACTOR if the total amount of joint checks issued is in excess of the SUPPLIER's 20 days Preliminary Notice or a revised written Notice as to the maximum amount of the materials supplied.

(9) SUPPLIER acknowledges that the GENERAL CONTRACTOR is relying on SUPPLIER's information as to the maximum amount of the material supplied.

This Agreement shall not be construed as a waiver of any of the GENERAL CONTRACTOR's right or remedies against SUBCONTRACTOR and/or SUPPLIER.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures the day and year above written.

GENERAL CONTRACTOR:

aaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaa, INC.

BY \_\_\_\_\_  
AUTHORIZED SIGNATURE/TITLE

SUBCONTRACTOR:

BBBBBBBBBBBBBBBBBBBBBBBBBBBBBBBBBBBB

BY \_\_\_\_\_  
AUTHORIZED SIGNATURE/TITLE

SUPPLIER:

cccccccccccccccccccccccccccccccc, INC.

BY \_\_\_\_\_  
AUTHORIZED SIGNATURE/TITLE