

## ***MASTER SUBCONTRACT AGREEMENT***

GENERAL CONTRACTOR: PARKER BROWN, INC.

SUBCONTRACTOR: Company Inc, 123, Rosewood Drive, Pleasanton, CA.

General Contractor and Subcontractor hereby enter into this Master Subcontract Agreement effective 1<sup>st</sup> May, 2018. This agreement is entered into by the parties in Canoga Park, California, at Contractor's place of business.

### **RECITALS**

General Contractor has utilized the services of Subcontractor for various projects. To facilitate that business relationship, expedite contract execution and reduce paper consumption, the parties desire to enter into a Master Subcontract Agreement ("MSA") that will be applicable to all future projects where General Contractor contracts with Subcontractor for services on projects and works of construction for which General Contractor has been retained to perform by a Property Owner.

Accordingly, General Contractor and Subcontractor agree that the terms and conditions of this MSA shall be applicable to and binding on the parties for all future construction projects for which the services of Subcontractor are retained by the General Contractor.

### **AGREEMENT**

1. Subcontracting of Projects: By execution of this Agreement, General Contractor does not guaranty or represent that it will in fact subcontract with Subcontractor for any particular projects. General Contractor expressly reserves the right to competitively bid all subcontract projects.
2. Scope of Work: The scope of work for future projects (the "Work") will be specified and authorized pursuant to a separately executed Master Subcontract Purchase Order ("MSPO") which will specify the project name and address, name of owner, name of bank (if applicable), Scope of Work, contract price and other information and terms applicable to the particular project.
3. General Terms and Conditions: The General Terms and Conditions applicable to this MSA and to each MSPO are attached hereto as Exhibit "A" and incorporated herein.
4. Subcontractor's Insurance: Prior to commencement of work under any MSPO, for each project, General Contractor must have received and have in General Contractor's possession a copy of Subcontractor's Certificate of Insurance covering Subcontractor's operation, including insurance coverage specified in this MSA and the MSPO as well as Subcontractor's automobile liability certificate for owned, non-owned and hired vehicles, and Worker's Compensation certificates and Waiver of Subrogation against Worker's Compensation and General Liability policies. Subcontractor's insurance shall apply first and a Certificate evidencing that General Contractor, Owner and such other persons as may be identified in the MSPO have been identified as additional insured on all Subcontractor's

insurance policies, with right of not less than thirty (30) days written notice of cancellation of any such policy must be provided to the General Contractor. Subcontractor is not to do any work pursuant to any MSPO and no funds will be released until compliance with this section. Subcontractors insurance shall include:

Worker's Compensation – Statutory Limits

General Liability - \$1,000,000.00 per occurrence/\$3,000,000.00 annual general aggregate.

Products – Completed Operations Aggregate - \$1,000,000.00

Personal Injury - \$1,000,000.00 per occurrence.

Fire Damage - \$100,000.00

Such other and further insurance as specified in the MSPO.

Business Auto - \$1,000,000.00

5. Subcontractor may not retain the services of any third party (e.g. a sub-subcontractor or other independent contractor or person other than an employee of Subcontractor) to perform any portion of the MSPO without General Contractors prior written consent, which shall not be unreasonably withheld but will be conditioned upon being provided with all information, proof of licensure, insurance and other obligations imposed upon Subcontractor under this MSA or the particular MSPO.
6. Subcontractor certifies and agrees that Subcontractor is fully familiar with all terms, conditions and obligations of this MSA. Subcontractor represents that it will, prior to execution of any MSPO, take all steps necessary so Subcontractor shall be fully familiar the location of the job site, and knowledgeable of the conditions under which the work identified in any MSPO is to be performed. All work performed by Subcontractor under this MSA or any MSPO will be performed and materials furnished shall be in strict conformity with plans and specifications for the same, which plans and specifications Subcontractor will have examined and thoroughly understand prior to execution of any MSPO and prior commencement of any project.
7. This MSA and the MSPO for each project shall constitute the entire understanding between the parties hereto and fully supersedes any and all other agreements, representations, and understandings, written or oral.
8. The general contract between the Owner and General Contractor for each project that subject of any MSPO is on file in the General Contractor's office and available for review by the Subcontractor. This Agreement is to be performed in accordance with said general contract. The Subcontractor agrees that whenever the general contract between General Contractor and Owner requires the performance of any act by the General Contractor in connection with performance of any of the work required to be performed by the Subcontractor such obligation of the General Contractor is hereby also assumed by the Subcontractor.

WHEREFORE, the parties hereto have read the foregoing and had the full opportunity to seek and obtain legal advice concerning the terms and provisions of this Master Subcontract Agreement, and therefore execute this agreement agreeing to all the terms and provisions hereof and all documents referred to and incorporated herein.

SUBCONTRACTOR:

GENERAL CONTRACTOR

Company Inc

Parker Brown, Inc.

By Tom Cruise

By: John M. Parker

Print Name: Tom Cruise

Print Name: John M. Parker

Print Title: VP, IT Services

Print Title: C.F.O.

Lic. No. \_\_\_\_\_

Lic. No. B#689613

Tax ID No. \_\_\_\_\_

Address: 6727 Variel Ave.  
Canoga Park, Ca. 91303

City Lic. No. \_\_\_\_\_

Phone No. 818-999-5078

Address: 123, Rosewood Drive, Pleasanton, CA.

Fax. No. 818-999-0554

Phone No. +1 123456789

Email: Info@parkerbrowninc.com

Fax. No. \_\_\_\_\_

Date Signed: 08-APR-2018

Email: abc@companyinc.com

Date Signed: 08-APR-2018

## EXHIBIT "A"

### GENERAL TERMS AND CONDITIONS OF SUBCONTRACT

THIS MASTER SUBCONTRACT AGREEMENT ("MSA"), is entered into by and between General Contractor, and Subcontractor, as of the date written in the MSA.

#### RECITALS

General Contractor will enter into a Construction Contract with a property owner that will be identified in a Master Subcontract Purchase Order ("MSPO") which will set forth and describe the work to be performed by Subcontractor (the "Project").

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. Terms of General Contract Incorporated. This Agreement is totally and completely controlling with respect to the relationship between Contractor and Subcontractor, except that Subcontractor agrees to be bound to the Contractor by the terms of the General Contract and to assume toward Contractor all obligations and responsibilities that Contractor assumes toward Owner and Architect under the General Contract with respect to the performance and completion of the Work, including all representations, definitions, conditions, requirements, indemnities, warranties, guarantees, and plans and specifications relating to the Work.

Section 2. Subcontractor agrees to perform all of the Work provided herein and as set forth in the MSPO fully and completely in accordance with plans, specifications, laws, regulations, ordinances, building codes, and in a good, substantial and workmanlike manner.

Section 3. Whether or not shown by the plans or mentioned in the specifications, the Work includes the following: (A) Any item of labor, service and/or material reasonably inferred by the plans and/or specifications or customarily furnished by a Subcontractor performing such Work; (B) Any item of labor, service, or material required to make the Work comply with any ordinance or regulation; (C) All plans, drawings, permits and fees required by law, regulations, ordinances or building codes; (D) All scaffolding necessary or required for the performance of the Work; (E) All other items, materials, labor and service required to perform the Work and the MSPO.

Section 4. Employment and labor by Subcontractor shall be effected under conditions which are satisfactory to General Contractor. Subcontractor shall keep a representative at the job site during all the time when Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the Work. Prior to commencement of the Work, Subcontractor shall notify General Contractor who the new representative is to be prior to such change becoming effective.

Section 5. Compliance with Law; Fees and Taxes. Subcontractor shall give all notices and comply with all codes, laws, ordinances, rules, regulations, and orders of any public authority bearing on the performance of the Work under this Subcontract. Subcontractor shall secure and

pay for all permits, fees, and licenses necessary for the execution of the work, and shall pay all Federal, State, and local taxes in connection with the work, and agrees that all costs of such fees and taxes are included in the MSA and MSPO Amount. When required by General Contractor, Subcontractor will furnish satisfactory evidence showing that all such payments have been made. Subcontractor shall promptly review all documents of this related to this MSA and any MSPO and report in writing to General Contractor any variance with codes, laws, ordinances, rules, and regulations. Without having given such notice to General Contractor, Subcontractor shall assume full responsibility for that variance, and shall bear all costs and damages attributable to that variance.

Section 6. As a condition to receiving or requesting any payment on account of the contract price, Subcontractor agrees to furnish and deliver to General Contractor a duplicate copy of all plans, drawings, diagrams or applications, if any, required by any law, regulation or ordinance as a condition for obtaining a permit if part of Work.

Section 7. Subcontractor agrees to furnish 3 days in advance of any payment request, in form and text satisfactory to General Contractor, receipts and lien waivers (or conditional lien waivers conditioned only upon lien holder's receipt of payment) showing that all labor and materials have been paid for in full. No payments shall be considered due until the foregoing has been complied with. In the event that conditional lien waivers are provided, General Contractor is authorized to issue payment jointly to the Subcontractor and the vendor or Subcontractor's approved subcontractor.

Section 8. Subcontractor agrees not to make claim for any extras unless the extras have been approved by the General Contractor as reflected in a written change order signed by General Contractor. Any extras furnished by Subcontractor except in accordance with the foregoing will be so done at Subcontractor's sole cost and expense. General Contractor shall be entitled to omit from the Work such portions of the Work as General Contractor may see fit. General Contractor shall be entitled to deduct from any subsequent payment due on account of the Contract Price an amount equal to the reasonable value of such Work omitted.

Section 8a. In the event General Contractor elects to add to or deduct from the Work to be performed by Subcontractor, and unit prices are set forth on the face of this Agreement, then the addition or deduction to the Contract Price shall be based on the unit prices so set forth.

Section 9. Subcontractor agrees to commence the Work within 24 hours after notice by General Contractor to do so, to keep sufficient workmen, supplies of material, tools and equipment on the job, to prosecute the Work diligently to completion, and Subcontractor agrees not to hinder or delay the other trades in the performance of their work. General Contractor shall be the judge as to the sufficiency of the workmen, supplies of material, tools and equipment furnished by Subcontractor.

Section 10. If, in the judgment of General Contractor, the Work of Subcontractor is not proceeding in accordance with Article 7 hereof, or Subcontractor has breached any other provision of this Agreement, General Contractor may, after giving 24 hours notice to Subcontractor of his breach, proceed to have the Work done in the manner most expedient to General Contractor and charge the cost (including any incidental expenses) thereof to

Subcontractor and General Contractor shall be entitled to take possession of and use any materials, tools, equipment, plans, permits and diagrams on the job site or intended for the Work and use the same for the performance of the Work.

Section 11. Subcontractor waives any claim, demand or cause of action against General Contractor for the loss, use, misuse or conversion of tools, materials, equipment, plans, permits or diagrams taken or used by General Contractor in accordance with Article 8 hereof.

Section 12. In the event General Contractor is required to complete the Work of Subcontractor in accordance with the provisions in this Agreement, Subcontractor agrees to reimburse General Contractor for all his costs and expenses plus an additional twenty percent of his costs and expenses as overhead, in addition to the sum allowed elsewhere in this Agreement.

Section 13. It is understood and agreed that no payment on account to Subcontractor shall constitute an acceptance or approval of any labor or material theretofore performed or furnished by Subcontractor.

Section 14. General Contractor shall be entitled to withhold from Subcontractor any payments due or to become due for Work previously performed in addition to any other remedies General Contractor may have under the following conditions: (a) Subcontractor's failure to correct improper or defective Work; (b) Claims or liens filed or notice given to General Contractor of claims or liens to be filed against Subcontractor and/or the property on account of failure or Subcontractor to pay for labor and/or materials; (c) A reasonable doubt that Subcontractor can complete the Work for the balance then unpaid; (d) Damage to General Contractor and/or to another Subcontractor or his Work; (e) Failure of Subcontractor's Work to pass any official inspections; (f) Installation or attempted installation of an item different from that specified by the contract, unless ordered in writing by General Contractor; (g) Information or belief that material has been delivered direct to the jobsite or designated for the job by an independent supplier at the instance or request of Subcontractor.

Section 15. Upon request by General Contractor, Subcontractor agrees to furnish a bond with a bonding company suitable to General Contractor in an amount equal to contract price and in form and content satisfactory to General Contractor guaranteeing the faithful performance of this Agreement by Subcontractor. Said bond shall be paid for by General Contractor providing the cost thereof does not exceed 1-1/2% of the contract price. Subcontractor agrees to pay any costs of said bond in excess of the 1-1/2% mentioned herein. Subcontractor's failure to furnish or qualify for said bond shall give General Contractor the option of canceling this Agreement forthwith and General Contractor shall be relieved of any further obligation under this Agreement.

Section 16. Subcontractor's failure to promptly report in writing to the General Contractor any alleged defects in any Work of another person or persons on the Project or to which Subcontractor is to install his Work or to which the Work to be performed by Subcontractor will be attached will be deemed an acknowledgement by Subcontractor that such other Work is fit and proper for the reception, attachment, or covering by Subcontractor, and no claimed justification for alleged defects caused by any Work so covered or attached will be recognized as

valid or may be asserted by Subcontractor to justify any failure of Subcontractor to perform under this agreement or failure of Subcontractors installed systems to perform.

Section 17. Time is of the essence with regard to Subcontractor's performance of its Work under this Agreement, and Subcontractor agrees to provide sufficient workers and materials to diligently and timely perform its Work in accordance with the schedule(s) and direction of General Contractor. However, in the event of delay to Subcontractor in performing the Work resulting from (i) the conduct or lack of conduct by General Contractor or any Project architect, engineer or consultant, or any of their officers, employees, agents or consultants, or (ii) delay or failure of General Contractor or Owner in making the site available, or in furnishing any items required to be furnished to Subcontractor pursuant to this Agreement, or (iii) changes to the Project ordered by General Contractor, or (iv) extraordinary conditions of weather for the area and time of year, war or national conflicts or priorities arising therefrom, fires beyond the reasonable control of Subcontractor, strikes or other labor disruptions or any other cause beyond Subcontractor's reasonable control (but not including delays caused by Subcontractor, subcontractors of any tier or suppliers); and for no other cause or causes, Subcontractor shall be entitled to an extension of time only with regard to the time for completion of the Work of this Agreement, and only by the amount of time Subcontractor is actually delayed thereby in the performance of this Agreement, provided written notice is given by Subcontractor within two (2) calendar days of the commencement of each such cause. Subcontractor shall not be entitled to recover from General Contractor or Owner, and hereby waives any and all claims against General Contractor and Owner for increased compensation or damages which Subcontractor may suffer from any of the above causes, or any other cause, and Subcontractor further waives any and all claims against General Contractor and Owner for increased compensation or damages for any other disruption, interference or loss of efficiency or production caused by General Contractor or Owner or the Project architect or engineers, or their officers, agents, employees or consultants, or by other subcontractors or contractors on the Project.

Section 18. Changes To Work. General Contractor reserves the right to require changes in, deviation from, additions to, and omissions from the Work covered by this Subcontract, and the Subcontract price shall be adjusted accordingly. Before proceeding with any changes, deviations, additions, or omissions, Subcontractor will first obtain written authorization from General Contractor, which authorization will state any changes in the amount due Subcontractor or in the date for completion of Subcontractor's Work.

Section 19. Notice of Proposed Changes. For changes in the Work that affect the MSPO Amount or construction time, Subcontractor shall notify General Contractor of the scope of any change in cost or time within three days after receipt of the proposed change and shall submit the actual Change Order Request within five days after receipt of the proposed change.

Section 20. Change Order Request. The Change Order Request shall consist of the detailed cost estimate outlining the changes in the Work and detailed documentation justifying proposed changes in time. This estimate shall be computed in accordance with accepted estimating procedures and in accordance with the terms of this Subcontract, and the costs for labor and materials shall be at prevailing rates in the area or in accordance with appropriate provisions of this Subcontract. As far as practicable, unit prices and any other feasible formula for use in the determination of cost changes in the Work shall be used.

Section 21. In the event that Subcontractor makes any changes to any Work or materials encountered in the field at the site, Subcontractor shall certify and warrant that any such change shall be "equivalent to" the all specifications contained in the approved building and/or design plans for the project, and where necessary or in accordance with prudent construction practices shall obtain the approval of the Project's designer's or engineers prior to making any such change.

Section 22. All defects in material used or Work performed under this MSA or a related MSPO as designated by the Project owner or its representative, city or quasi-government or county inspectors or General Contractor upon inspection and brought to the attention of Subcontractor shall immediately be corrected by Subcontractor to the satisfaction of General Contractor and the designating person, without cost to General Contractor. The Subcontractor, at Subcontractor's expense, shall pre-test and/or test and inspect the operations of all materials, components and systems during and after the installation of same. Subcontractor will confirm that components and systems to which Subcontractor will connect have been completed and perform in accordance with plans and specifications.

Section 23. Subcontractor agrees to protect his work, materials, tools and equipment against loss or damage by fire, theft, or accident and not to make any claim or demand upon General Contractor for any injury, loss or damage to Subcontractor, his agents or employees or work, materials, tools or equipment or on account of any act or omission of General Contractor or any third person or persons; but Subcontractor's rights shall be limited, so far as General Contractor is concerned, solely and exclusively to receipt by conditions herein contained.

Section 24. Subcontractor agrees to keep the premises, inside and outside, free and clean at all times, including upon completion of the work, of all excess material, debris and equipment. Subcontractor's failure to do so shall give General Contractor the option of removing said items at Subcontractor's own risk and expense.

Section 25. Subcontractor agrees at his own cost and expense to do all digging, backfilling, cutting, patching and fitting of every kind required to properly install his work and to do this in a proper and timely manner. Any expenses incurred by General Contractor due to failure of Subcontractor to install his work at the proper time will be paid for by Subcontractor.

Section 26. By the signing of this Agreement, Subcontractor acknowledges that he has read and understands this Agreement, has fully inspected the site where the Work is to be performed, has fully inspected all existing conditions at the job site concerning the Work to be performed, including but not limited to work or conditions previously performed by others and/or prior work to which Subcontractor is to complete and/or correct, has examined and understands the plans and specifications, is familiar with all the laws, regulations, codes, ordinances and rules pertinent to his work and agrees to install Work in the manner required by public or private authority, or public utility having jurisdiction thereof and in the location and manner required by public or private authority and the public utility for connection of service to his work, without any additional cost to General Contractor.

Section 27. Site Conditions Inspected. Subcontractor hereby represents and acknowledges that prior to execution of any MSPO, it will have reviewed and inspected all the documents