



Master Subcontract Agreement

This Agreement is made this _____ day of _____ between Modular Building Systems International (hereafter known as Contractor) and _____.

This agreement will be referenced by Contractor Purchase Order and will provide a scope of work, project location, pricing and any other relevant information for the project to included but not limited to job safety, certified payroll and other site or specific work conditions.

SECTION 1

PRICE AND PAYMENT: Contractor agrees to pay Subcontractor for the strict performance of their work per the purchase order or as set out in the Contractor's Purchase Order subject to adjustments for changes in the work as may be directed in writing by Contractor.

Subcontractor agrees to furnish, when required by Contractor, confirmation of background checks, drug and alcohol testing, payroll affidavits, receipts, vouchers, releases of claims for labor, and material and agrees to furnish same from its subcontractors, suppliers and or material in a form satisfactory to Contractor prior to receipt of any payment Contractor may make.

If the Subcontractor asserts a claim which involves, in whole or in part, acts or omissions which are the responsibility of the Owner or another party, including but not limited to claims for failure to pay, an extension of time, delay damages, or extra work, Contractor will present the Subcontractor's claim to the Owner or other responsible party. The Subcontractor shall cooperate fully with the Contractor in all steps taken in prosecuting such a claim and shall hold harmless and reimburse the Contractor for all expense, including legal expense, incurred by Contractor which arise out of Contractor's submission of Subcontractor's claim to Owner or other responsible parties. Subcontractor shall be bound by any adjudication or award in any action or proceeding resolving such a claim.

SECTION 2

ENTIRE AGREEMENT: This Agreement represents the entire agreement between Contractor and the Subcontractor and supersedes any prior written or oral representations.

Subcontractor, its subcontractors, suppliers and/or material are bound by the prime contract and any contract documents incorporated therein insofar as they relate in any way, directly or indirectly, to the work covered by this Agreement.

SECTION 3

TIME: Time is of the essence of this Agreement. Subcontractor shall provide Contractor with scheduling information in a form acceptable to Contractor and shall conform to Contractor's

**Modular Building Systems International, LLC
Master Subcontract Agreement**

progress schedules, including any changes made by Contractor in the scheduling of work. Subcontractor shall coordinate its work with that of all other contractors, subcontractors, suppliers and/or material so as not to delay or damage their performance.

SECTION 4

DELAY: Should Subcontractor delay Contractor, any other Subcontractor, or anyone else on the Project, Subcontractor will indemnify Contractor and hold Contractor harmless for any damages, claims, demands, liens, stop notices, lawsuits, attorneys' fees, and other costs or liabilities imposed on Contractor connected with said delay by Subcontractor.

SECTION 5

CHANGES IN WORK: Subcontractor shall make no changes in the work covered by this Agreement without written direction from the Contractor. Subcontractor shall not be compensated for any change which is made without such written direction. No changes in the work covered by this Agreement shall exonerate any surety or any bond provided with this Agreement.

SECTION 6

CLAIMS: If any dispute shall arise between Contractor and Subcontractor regarding performance of the work or any alleged change in the work, Subcontractor shall timely perform the disputed work and shall give written notice of a claim for additional compensation for the work prior to commencement of the disputed work Subcontractor's failure to give written notice prior to commencement constitutes an agreement by Subcontractor that it will receive no extra compensation for the disputed work.

SECTION 7

INSPECTION AND PROTECTION OF WORK: Subcontractor shall make the work accessible at all reasonable times for inspection by the Contractor. Subcontractor shall at the first opportunity inspect all material and equipment delivered to the job site by others to be used or incorporated in the Subcontractor's work and give prompt notice of any defect therein. Subcontractor assumes full responsibility to protect the work done hereunder until final acceptance by the Owner and Contractor.

SECTION 8

SAFETY, OSHA, ACCIDENTS: Subcontractor, Subcontractor's employees, Subcontractor's subcontractors, and their employees, agents, and invitees shall comply with the letter and intent of Contractor's Safety Program Manual and all other applicable safety and health standards, Orders, rules or regulations. Subcontractor shall bear full financial responsibility for compliance. Should Subcontractor, Subcontractor's employees, Subcontractor's subcontractors and their employees fail to comply, within 24 hours of the time Contractor issues Subcontractor a written notice of non-compliance, or within the time of an abatement period of specified by any government agency, whichever period is shorter, than Contractor

Modular Building Systems International, LLC
Master Subcontract Agreement

may give notice of default to Subcontractor. In a life threatening situation, Subcontractor shall act immediately.

Contractor's Safety Program includes these requirements, among others:

1. Accidents shall be reported Immediately to Contractor.
2. Personal Protective Equipment {PPE} is to be worn always while on the job site per the latest OSHA standards.
3. Subcontractor shall hold weekly safety meetings with its employees.
4. No alcohol or drugs, their use, or being under their influence is allowed on the job site.
5. No smoking on site unless Contractor approves in conjunction with the Owner/Client.
6. The Subcontractor must be fully aware of the Contractor's Safety Program Manual and must sign an acknowledgment that it has read and shall comply with the requirements of that Safety Program Manual.

SECTION 9

TERMINATION: In the event that Subcontractor fails to comply, becomes insolvent or otherwise disabled from complying through a petition of bankruptcy or appointment of a receiver, or fails to furnish where requested written assurance of its ability to comply, with any provisions of this Subcontract or timely or proper performance thereof, and the failure is not corrected within five calendar days after written notice by the Contractor to the Subcontractor, the Contractor, may without prejudice to any other right or remedy against Subcontractor or its surety, take over and complete the performance of this Subcontract, or any part of It, at the sole cost and expense of the Subcontractor, or without taking over the Work, may furnish the necessary materials and/or employ the workmen necessary to remedy the situation at the .sole cost and expense of Subcontractor. The expense referred to in the last sentence shall include expenses incurred by Contractor for furnishing materials, for finishing the Work, for attorney's fees, and any damages sustained by Contractor due to Subcontractor's default, plus a markup for overhead and reasonable profit on all expense. The notice referred to In this paragraph will be sufficient and complete when mailed to Subcontractor at Its address shown in this Agreement. If Contractor takes over Work pursuant to this paragraph, it is specifically agreed that Contractor may take possession of the premises and of all materials, tools, and equipment of Subcontractor at the site for the purpose of completing the Work of this Subcontract. Subcontractor shall be liable to Contractor for all costs, losses, damages and extra expense, including overhead, incurred by Contractor incident to such completion. In the event this Agreement is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the work undertaken by Contractor under the Prime Contract is finished. At that time, if the amounts earned but not paid Subcontractor before said termination exceed the expenses incurred by Contractor in finishing Subcontractor's Work, any excess shall be paid by Contractor to Subcontractor; but, if such expense shall exceed the said amount earned and unpaid, Subcontractor shall promptly pay to Contractor the amount by which the expense exceeds said sum. The expense incurred by Contractor, as just referred to, shall include Contractor's expense for furnishing materials, for finishing the work, for attorney's fees, and any other damages incurred by Contractor due to Subcontractor's default. Notwithstanding the preceding paragraph, Contractor reserves the absolute right to terminate this Agreement. In the event of termination without cause, Subcontractor shall be entitled to payment only as follows:

**Modular Building Systems International, LLC
Master Subcontract Agreement**

1. The reasonable value of the work completed in conformity with this agreement; plus 15% of the value referred to in Paragraph I above, for overhead and profit; plus
2. Other costs incurred by Subcontractor as specifically directed by Contractor, Incident to termination. There shall be deducted from such sums as provided in this paragraph the amount of any payments made to Subcontractor prior to the date of termination of this Agreement. Subcontractor shall not be entitled to any claim, or claim of lien, against Contractor or against Owner for any additional compensation or damages in the event of such termination and payment.

SECTION 11

INDEMNIFICATION: To the fullest extent permitted by law, Subcontractor shall Indemnify and hold harmless Owner and Contractor and their agents and employees from claims, demands, causes of actions and liabilities of every kind and nature whatsoever arising out of or in connection with subcontractor's operations performed under this Agreement. This indemnification shall extend to claims occurring after this Agreement is terminated as well as while it is in force. The indemnity shall apply regardless of any active and/or passive negligent act or omission of Owner or Contractor, or their agents or employees, but Subcontractor shall not be obligated to indemnify any party for claims arising from the sole negligence or willful misconduct of Owner or Contractor or their agent or employees or caused solely by the designs provided by such parties. The indemnity set forth in this Section shall not be limited by Insurance requirements or by any other provision of this Agreement. All work covered by this Agreement done at the site or In preparing or delivering materials or equipment to the site shall be at the sole risk of Subcontractor until the completed work is accepted by Contractor.

SECTION 12

INSURANCE: Subcontractor shall, at its expense, procure and maintain insurance on all its operations, with carriers acceptable to Contractor, and in amounts acceptable to Contractor and as required by the prime contract, including the following coverages:

12.1 Casualty Insurance

1. Workers Compensation and Employer Liability Insurance,
2. Commercial General Liability Insurance (ISO Form CG 00 01) covering all operations and
3. Automobile Liability insurance, including coverage for all, owned, hired and non-owned automobiles.

All insurance coverages shall be in amounts and for durations acceptable to Contractor and as required by the prime contract. Subcontractor shall name Contractor as an additional Insured under the General Liability policy using ISO Form CG 20 10 Subcontractor shall provide certificates of insurance to Contractor prior to commencement of the work The certificates of insurance shall provide that there will be no cancellation nor reduction of coverage without thirty (30) days prior written notice to Contractor The certificate shall reflect all limiting or exclusionary endorsements amending the required ISO Form CG 00 01 The use of such

Modular Building Systems International, LLC
Master Subcontract Agreement

limiting or exclusionary endorsements will be subject to the approval of Contractor. The failure of Contractor to enforce in a timely manner any of the provisions of this Section 11 shall not act as a waiver to enforcement of any of these provisions later in the performance of this Agreement.

12.1 Property Insurance. All work covered by this Agreement done at the site, or in preparing or delivering materials or equipment to the site, shall be at the sole risk of Subcontractor until the completed work is accepted by Contractor.

12.1.1 Waiver of Subrogation. Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by any property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If any applicable policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

SECTION 13

DISPUTE RESOLUTION: Any dispute resolution procedure in the prime contract shall be deemed incorporated in this Agreement, and shall apply to any disputes arising hereunder, except disputes not involving the acts, omissions or otherwise the responsibility of the Owner under the prime contract, those which have been waived by the making or acceptance of final payment, and questions regarding the licensure of the subcontractor. Subject to compliance with all applicable laws including but not limited to those relating to false claims dispute and claim certifications and cost and pricing data requirements Contractor's sole obligation is to present any timely-filed claims by Subcontractor to the Owner under such procedure and, subject to the other provisions of this Agreement, to pay to Subcontractor the proportionate part of any sums paid by the Owner to which Subcontractor is entitled. For disputes not involving the acts, omissions or otherwise the responsibility of the Owner under the prime contract, the parties hereto shall submit all disputes arising under or relating to the terms and conditions of the Subcontract to arbitration in accordance with the Construction Industry Rules of the American Arbitration Association. No demand in arbitration shall be made after the date when the institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations. In any dispute resolution between the parties, the prevailing party shall be entitled in addition to any other relief granted to recover its costs of participation including attorneys and expert's fees. An award rendered by an arbitrator(s) shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction. Any legal disputes between Contractor and Subcontractor will be resolved by the judicial system in the County of Orange, State of Florida.

SECTION 14

WARRANTY: Subcontractor warrants for one year from the completion of work to Contractor that all materials and equipment furnished shall be new unless otherwise specified. All work under this Agreement will be performed in a good and workmanlike manner, shall be of good

**Modular Building Systems International, LLC
Master Subcontract Agreement**

quality, free from faults and defects and in conformance with the Contract Documents. All work not conforming to these requirements including substitutions not properly approved and authorized, may be considered defective. Any work found to be defective, improperly installed or fails in any way shall be repaired, replaced or corrected at no cost to the Contractor. Any damages resulting from Subcontractor's defective work will be repaired, replaced or corrected at no cost to the Contractor. The warranty provided In this Section 14 shall be In addition to and not In limitation of any other warranty or remedy required by law, the individual Equipment of Component Warranty or by the Contract Documents.

CONTRACTOR:

Signature	Date
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Name Typed or Printed	Company
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Address	License Number
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SUBCONTRACTOR:

Signature	Date
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Name Typed or Printed	Company
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Address	License Number
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