



## SUBCONTRACTOR MASTER AGREEMENT FOR SECURITY SERVICES

THIS SUBCONTRACTOR MASTER AGREEMENT FOR SECURITY SERVICES ("Agreement") is made by and between NATIONWIDE SECURITY SERVICE, Inc., a Massachusetts corporation with its principal offices at 208 Broadway, Malden, MA 02148 (hereinafter "General Contractor" or "NATIONWIDE SECURITY SERVICE"),

and \_\_\_\_\_ (hereinafter "Subcontractor")

with its principal location at \_\_\_\_\_.

WHEREAS General Contractor is a Massachusetts based firm, providing uniformed security guard and related services (individually or collectively "Security Services") to Clients, directly and through third-party subcontractors, to reduce the risk of loss and promote a safe environment for invitees at General Contractor's Clients' stores, restaurants, hotels, construction sites, corporate offices, distribution centers, and/or other residential or commercial locations (individually or collectively "Premises"); and

WHEREAS Subcontractor is a direct provider of private, uniformed, security guard or investigative services in an area or areas where General Contractor now has, or may have, a need to subcontract Security Services; and

WHEREAS General Contractor and Subcontractor desire to enter into an agreement whereby Subcontractor shall provide Security Services to General Contractor at Premises as may be mutually agreed upon from time to time hereafter;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby mutually acknowledged, the parties do hereby agree as follows:

1. Purchase Order/Work Order. In the event General Contractor elects to have Subcontractor perform Security Services pursuant to this Agreement, the parties will utilize a purchase order or work order to initiate and document any and all such Security Services requested by General Contractor. The understanding and agreement of the parties shall be governed by this Agreement and any subsequent Purchase Order(s) that may be agreed upon by the parties, which shall be incorporated herein by reference. In the event of any conflict or inconsistency between this Agreement and any Purchase Order, this Agreement shall govern.

2. Responsibilities of Subcontractor. Subcontractor shall have the following responsibilities:

- a) Adhere to, and provide Security Services in compliance with, all the terms and conditions of this Agreement, and any Purchase Order(s) that may be mutually agreed upon from time to time hereafter; and
- b) Manage the performance of Security Services hereunder, including but not limited to (i) ensuring qualified personnel are ready, willing and able to work Posts as agreed upon, and (ii) supervising Security Services to ensure guards are on site, on time, adhere to Post Orders, Work Orders, Written Instructions, Clock In/Out Protocol, Maintenance of Timecards or Logs, Report Writing, and any other specific instructions outlined in the Post Order.
- c) Have each and every person who is or will be working a post on behalf of General Contractor receive and acknowledge site-specific Post Orders and Call-in Protocol, and maintain such proof of acknowledgement as part of the employee's personal file.
- d) Ensure that every site where Security Services are to be provided has sufficient Sign-in Sheets available (where applicable) and that they (i) reflect actual hours worked on site, (ii) are signed by a manager on duty (where applicable), and (iii) are sent to General Contractor on a weekly basis on Mondays, but in no event more than ten (10) business days after the date service.
- e) Immediately notify NATIONWIDE SECURITY SERVICE verbally or via email of any incident or accident at any Premises where Security Services are being provided providing a full description of the incident and individuals involved, and providing General Contractor with a written report of the same within 24 hours via email. Incidents should be reported in real-time to NATIONWIDE SECURITY SERVICE's on-duty Dispatcher as well as documenting such incident by filing a report using the Remote Monitoring Device/Protocol furnished by NATIONWIDE SECURITY SERVICE (where applicable).
- f) Communicate directly and solely with NATIONWIDE SECURITY SERVICE regarding any and all issues pertaining to Security Services being provided pursuant to this Agreement; and not communicate with any of NATIONWIDE SECURITY SERVICE's Clients regarding rates, payment terms or issues, scheduling or personnel.

3. Responsibilities of General Contractor. General Contractor shall have the following responsibilities:

a) Make payment to Subcontractor for Security Services performed in accordance with the terms and conditions this Agreement and any Purchase Order(s) that may be mutually agreed upon in writing from time to time hereafter. Payment shall be made by check payable to Subcontractor on a net thirty (30) days from the receipt of the Invoice (unless specifically agreed upon otherwise in writing by an authorized representative of both parties); and

b) Adhere to and comply with all the terms and conditions of this Agreement, and any Purchase Orders that may be mutually agreed upon from time to time hereafter.

4. Pricing & Payment Terms. The cost of Security Services, and terms of payment therefore, shall be as described in any Purchase Order(s) or Post Order which the parties may mutually agree to hereafter. Any and all such Purchase Order(s) or Post Orders are hereby incorporated herein by reference, and are subject to the terms and conditions stated herein, including that:

a) Subcontractor must submit accurate, completed Sign-in Sheets, signed by a Site Manager, to General Contractor (NATIONWIDE SECURITY SERVICE) as soon as possible, but not later than ten (10) business days, from each date of service; and

b) Services rendered pursuant to this Agreement are not considered complete, nor are they due and payable, unless and until the Sign-in Sheets and/or Site Specific Reports are received by General Contractor, which must be within the time period indicated above.

c) All billable hourly rates agreed to by the parties; paid to the Subcontractor; and listed on the purchase orders or post orders will be "all inclusive." All inclusive meaning that the hourly rate includes overtime costs; holiday costs; state service sales taxes; state/local taxes of any kind or description; and any other cost particular to the work site, city, town or state where services are being provided. Nationwide Security Service agrees to pay Subcontractor's premium rate of 1.5 times the regular scheduled rate for services provided on the following holidays only: New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

5. Term. The term of this Agreement shall be for one (1) year commencing on the date first written above (the "Initial Term"). At the end of the Initial term, this Agreement shall automatically renew and continue on a month-to-month basis (the "Renewal Term") unless and until terminated by either party in accordance with the termination provisions set forth below.

6. Events of Default; Termination. Notwithstanding the term of this Agreement as provided above, either party may terminate this Agreement without cause on thirty (30) days prior written notice.

The foregoing notwithstanding, either party may terminate this Agreement for cause on not less than fifteen (15) days prior written notice to the other if:

a) The other party fails to perform any material obligation hereunder, and such failure to perform is not remedied (or diligent efforts to remedy this have not commenced), within a reasonable time following notice thereof to the party in default; or

b) If a proceeding concerning bankruptcy, insolvency, dissolution, cessation of operations, reorganization of indebtedness or the like is filed by the other party, or such a proceeding is filed against the other party and such proceedings are not dissolved within (30) days of the date such proceedings are initiated.

A material obligation shall include, but is not limited to, nonpayment of invoices by General Contractor, and nonperformance of any responsibilities, warranties or obligations by Subcontractor, including but not limited to failure of Subcontractor to provide Security Services in full compliance with this Agreement and any applicable Post Orders. Subcontractor understands and agrees that time is of the essence as to security guards arrival at posts, communication of any incident(s) and submission of sign-in sheets, and failure to arrive on time or communicate incidents or submit sign-in sheets or failure to adhere to NATIONWIDE SECURITY SERVICE's Remote Monitoring protocol including but not limited to report writing and general on-site activity shall be considered a material breach of this Agreement.

The foregoing notwithstanding, General Contractor may require, at its sole discretion, that Subcontractor cease performance of Security Services at any Premises, or remove or replace any security officer(s), immediately upon receipt of such request by General Contractor, subject to payment for Security Services rendered in accordance with Post Orders prior to such notice. General Contractor requires this flexibility as a condition of entering into this Agreement with Subcontractor due to the nature of security work, and without which General Contractor would not hire Subcontractor to provide Security Services hereunder. In addition, General

Contractor may remove Subcontractor from a site immediately if Subcontractor fails to maintain its business and/or security license or registration in good standing with the appropriate government agency in the state in which it is operating.

7. Force Majeure. Neither party shall be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its reasonable control, including but not limited to, acts of God, natural disasters, acts of terrorism, and strikes or other labor disturbances, provided prompt notice is provided to the other party as to the reason for non-performance.

8. Warranties. The parties hereto mutually warrant and represent as follows:

a) That each is duly organized, validly existing and in good standing under the laws of the state of its formation and is qualified to conduct its business therein;

b) The persons signing this Agreement on behalf of each party are duly and lawfully authorized to enter into agreements of this kind and nature;

In addition, Subcontractor warrants and represents as follows:

c) That Subcontractor, and any and all employees assigned to any Premises, meet all the business and security training, certification, registration and/or licensing requirements for the state, county and city in which Security Services are being provided, and shall maintain the same throughout the term of this Agreement.

d) That Subcontractor has conducted all reasonable and necessary background and security checks, including but not limited to criminal background check in all states where a person has resided and been employed, at least three year work history, and drug testing in compliance with any applicable state law, in connection with any and all person(s) who will be performing Security Services at any Premises; and further that based upon such information, Subcontractor has determined that such persons are qualified to perform any such Security Services.

e) That Subcontractor has read, understands and agrees to comply with the NATIONWIDE SECURITY SERVICE Subcontractor Disclosure Package, incorporated herein by reference.

f) That Subcontractor understands and agrees that the hourly wage paid to the Security Officer working General Contractor sites will be truthfully disclosed to the General Contractor and will be subject to audit provision in (h) below.

g) Subcontractor understands and agrees that where General Contractor does not provide services of any kind or description in Subcontractor's state or municipality of service. General Contractor is not subject to licensing, organization, registration of any kind or description in Subcontractor's state or municipality. Accordingly Subcontractor is responsible for any and all taxes, fees or dues of any kind or description that are the result of security services for General Contractor at the location of service named on the purchase order.

h) In the event General Contractor deems necessary and where General Contractor provides written notice of a need to audit Subcontractor for any issue regarding General Contractor sites that are serviced--Subcontractor will submit complete and authentic copies of documents that General Contractor requests pursuant to such audit.

9. Insurance. Upon the execution of this Agreement, Subcontractor shall provide General Contractor with a Certificate of Insurance evidencing the existence of a valid and enforceable policy of insurance with at least the following coverage to fund its indemnity obligations herein, and naming Nationwide Security Service as an Additional Insured certificate holder with a blanket waiver of subrogation; and the coverage afforded under Subcontractor's insurance policies shall be primary to any insurance carried by General Contractor or General Contractor's Clients, whose insurance, shall be excess and non-contributory for claims and losses arising out of Subcontractor's performance hereunder.

a) Commercial General Liability, written on an occurrence basis, with limits of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and covering all operations for injury to or death of persons and damage to or loss of property, including Fire Legal Liability, Completed Operations and Contractual Liability coverage; and

b) Workers Compensation in limits not less than ONE MILLION DOLLARS (\$1,000,000) per accident, per employee and per policy limit (\$1,000,000/ \$1,000,000/ \$1,000,000).

c) Automobile/Vehicle Liability Coverage containing limits for bodily injury of not less than a Combined Single Limit of ONE MILLION DOLLARS (\$1,000,000) per person/ONE MILLION DOLLARS (\$1,000,000) per occurrence, if applicable to the Security Services being provided.

d) Umbrella / Excess Liability: Subcontractor is encouraged to maintain an Umbrella/Excess Liability policy, with coverage extending over General Liability, Commercial Auto and Workers Compensation. While there is no required amount, a policy limit of at least FIVE MILLION DOLLARS (5,000,000) is preferred.

All insurance required to be carried by the Subcontractor pursuant to this section shall be issued by insurers of recognized responsibility whose "Best" rating is "A" or better. Subcontractor shall keep the aforementioned policies in force throughout the term of this Agreement. As an Additional Insured, General Contractor and General Contractor's Clients will be covered for Subcontractor's & Subcontractor's employee's acts or omissions.

In the event of cancellation of any insurance required to be carried by Subcontractor under this Agreement, Subcontractor shall notify General Contractor at least thirty (30) days prior to cancellation of same. Additionally in the event Subcontractor's insurance is canceled, General Contractor shall have the immediate right to terminate this Agreement.

10. Limitation of Liability; Indemnification. It is understood and agreed by the parties that in the event of a failure in the Security Services, it is impractical and extremely difficult to affix actual damages due to (i) the uncertain value of General Contractor's Client(s) assets, or the person or property of others on any Premises which may be lost, stolen, injured or otherwise damaged by occurrences which the Security Services are designed to deter, and (ii) the difficulty in establishing a causal connection between the failure of the Security Services and General Contractor's and General Contractor's Client(s) possible loss. Therefore, absent negligence or willful misconduct, if any liability is imposed on Subcontractor such liability shall be limited to an amount equal to the charge for the Security Services delivered hereunder, as provided in any applicable Purchase Orders. This sum shall be paid and received as liquidated damages and not as a penalty. The payment of this amount shall be Subcontractor's sole and exclusive liability unless the loss or damage is caused by the negligence or willful misconduct of Subcontractor, or Subcontractor's employees, agents or representatives.

The foregoing notwithstanding, Subcontractor agrees to indemnify, defend, and hold harmless General Contractor and any and all of General Contractor's Client(s), their parent, affiliate and/or subsidiary companies and respective officers, directors, employees, agents and/or representatives (collectively referred to as "General Contractor Entities") from and against any and all claims, actions, demands, liabilities, losses, costs and expenses, including without limitation reasonable attorneys' fees, asserted against or incurred by any of the General Contractor Entities or all of them to the extent any of these result from or are caused by the alleged or actual negligence or willful misconduct of Subcontractor, its officers, directors, employees, agents and/or representatives.

The Subcontractor shall name NATIONWIDE SECURITY SERVICE, INC., and its officers and directors, as well as all related subsidiaries, entities, and operations on the Subcontractor's General Liability and Automobile Liability and excess/ umbrella policies. Said policies shall be endorsed to be primary and non-contributory as to the additional insureds over any other insurance carried by the additional insured. As respects the additional insureds, there shall be a severability of interest for all coverage provided under said policies. The additional insured endorsement shall cover all liability, indemnifications and hold harmless agreements arising out of the Subcontractor's work and shall be on ISO Form CG 20 10 1185 or its equivalent. Subcontractor waives all subrogation rights against General Contractor. If such waiver is not blanket on the Subcontractor's policies, the Subcontractor must provide to General Contractor a copy of the waiver endorsement scheduling NATIONWIDE SECURITY SERVICE on the policy.

11. Confidentiality. The parties understand and agree to treat as confidential and proprietary, any and all information they receive from the other party in connection with this Agreement. The parties further agree that they shall not reproduce, copy, disclose or disseminate in any manner whatsoever, to any other individual, organization, entity or agency, whether public, private or governmental, any information, whether in written, verbal, electronic or other format, and whether labeled or otherwise treated as confidential or proprietary or not, contained in or derived from information collected, received, or transferred between the parties, including but not limited to this Agreement, and any Purchase Order(s) / Post Orders. The parties may disclose confidential information pursuant to a valid and enforceable judicial or administrative order or other requirement of law, provided that the party subject to such order or law provides prompt prior notice to the party whose information may be disclosed to provide the party the opportunity to contest such disclosure. Subcontractor further agrees that any and all information obtained in connection with the performance of Security Services at any Premises that has the potential to cause, or has caused, loss, harm or damage to General Contractor, General Contractor's Clients, or any Premises, merchandise, employees, invitees or other assets, shall be reported to General Contractor within twenty-four (24) hours in writing. The foregoing notwithstanding, General Contractor may disclose basic operational or personnel information to its Clients as needed to comply with Client requests for Security Services.

12. Independent Contractor. The Security Services performed by Subcontractor hereunder shall be performed as an independent

contractor, and no person employed by Subcontractor shall be deemed to be an employee or agent of General Contractor. The parties intend that no agency, partnership, joint venture or other joint relationship be created hereby, and that neither party shall have any authority to bind the other in any respect or direct the actions of the other's employees except as specifically provided herein.

13. Subcontractors. Subcontractor understands and agrees that only Subcontractor and Subcontractor's employees are authorized to provide services hereunder, and that subcontracting of Security Services by Subcontractor is strictly prohibited. No other individual, group, entity, organization or association whatsoever shall provide Security Services or undertake any work in connection with this Agreement or any Purchase Order(s) that may be agreed upon hereafter. Neither the General Contractor nor the Subcontractor may assign this Agreement without prior written consent from the non-assigning party. This restriction is extended to the non-exclusive use of non-employee contractors. Subcontractor may only assign the duties described in the Task Order to actual employees of Subcontractor and may not contract these duties to non-employees or agents that may not be covered under the Subcontractor's relevant insurance policies in place or non-employees where such verification of certified payroll records cannot be obtained. All workers, employees, officers, guards, and agents of Subcontractor, must in-fact, be lawfully employed by Subcontractor and covered under relevant insurance policies including but not limited to Workers Compensation Insurance, if applicable in Subcontractor's jurisdiction and prescribed by law.

14. Subcontractor Responsible for Employee Conduct. General Contractor is acting as a free source of sales revenue to Subcontractor, in return for which Subcontractor agrees to be responsible for and provide high quality, dependable, licensed and trained security officers who strictly adhere to Post Orders, policies and procedures and all call-in and sign-in protocols, all of which are material to the performance of Security Services hereunder. Subcontractor agrees to manage and supervise Subcontractor's own workforce to ensure employees are on site, on time as scheduled in any assigned job sites, and adhere to the applicable instructions outlined in the Post Orders. Subcontractor shall make regular site visits to inspect the overall compliance and quality of work of its employees, herein referred to as a Compliance Inspection or Quality Assurance Check, both of which the results shall be shared directly with the General Contractor.

Further, Subcontractor understands and agrees that upon being notified of any employee involvement in criminal activity (e.g. theft, property damage, etc.) at any Premises, Subcontractor shall provide General Contractor with the full name, address and phone number of such employee(s) and obtain and provide General Contractor with a statement from said employee and/or any witnesses within forty- eight (48) hours of notification, and provide General Contractor with a copy of any police report as soon as it becomes available.

15. Employment of Authorized Workers. Subcontractor shall only allow persons who are lawfully permitted to work in the United States in compliance with all immigration and labor laws, including without limitation the Immigration and Nationality Act as amended ("INA"), to perform services on behalf of General Contractor at any Premises. Subcontractor shall perform any and all pre- and post-employment inquiry and investigations necessary to ensure compliance with this section, and shall immediately notify General Contractor of any noncompliance with this section, even if Subcontractor discovers it after the subject person has begun performing services on behalf of General Contractor. In addition, Subcontractor shall indemnify, defend and hold harmless, General Contractor, and General Contractor's Clients, from and against any and all loss, claim, damage, liability, costs and expenses (including reasonable attorneys' fees, costs and expenses) that may arise from a) any breach of the terms and conditions set forth in this section, or b) the performance of services by any person Subcontractor knew, or reasonably should have known, was in violation of the INA.

16. Non-Solicitation. Subcontractor hereby understands, agrees, warrants and represents that Subcontractor, and Subcontractor's employees, agents and representatives, shall not contact any General Contractor Clients (whether at the site/store level, district, regional or corporate level) for any reason and shall direct all questions, concerns and issues whatsoever to NATIONWIDE SECURITY SERVICE, and further that Subcontractor shall not solicit business from any of General Contractor's Clients, or provide services on a direct basis for or to any such Clients, for the duration of this Agreement, and a period of at least one (1) year after termination of this Agreement. Any communication or solicitation shall constitute a breach of this Agreement, gives General Contractor the right to terminate Subcontractor's services immediately, and any and all monies obtained by Subcontractor in contravention of this section shall be deemed to be compensable lost profits of General Contractor in any action for damages.

17. Assignment. This Agreement, and the rights and obligations hereunder, may not be assigned or transferred by either party without the prior written consent of the other, provided that such consent shall not be unreasonably withheld.

18. Notice. All notices required or permitted to be made under this Agreement shall be in writing and shall be deemed delivered upon the first to occur of (i) actual delivery by mail, facsimile or email to the person to whom it is addressed, with confirmation of

receipt, or (ii) the third (3rd) business day after deposit with the United States Postal Service, is sent via certified mail, return receipt requested and addressed to the party at the address listed first above, or to such other address as either party may designate in writing to the other party for this purpose.

19. Dispute Resolution/Negotiation. The parties shall first attempt to resolve any dispute relating to this Agreement promptly through good faith negotiations between executives with the authority to resolve such dispute. If the matter has not been resolved, or reasonable steps taken to resolve it, within fifteen (15) days of a party's request for negotiation, either party may pursue their claim(s) through mediation, arbitration or as otherwise permitted by law. The foregoing notwithstanding, if either party shall bring an action against the other by reason of breach of contract, or alleged violation of any covenant, term or obligation hereof, or for the enforcement of any provision hereof, the parties hereby understand and agree that the prevailing party in any such mediation, arbitration or litigation shall be entitled to full reimbursement of all costs and expenses, including reasonable attorneys' fees, which shall be payable whether such action is arbitrated or litigated to a final judgment or not.

20. Governing Law. This Agreement, all issues related to or arising from this Agreement, and the rights and obligations of the parties, shall be governed by, and interpreted, construed, and determined in accordance with the laws of the Commonwealth of Massachusetts. Jurisdiction and venue for any suit or proceeding related to or arising out of this Agreement shall be in the state or federal district courts of Massachusetts, and Subcontractor hereby consents to such jurisdiction, venue and choice of law. Any award or judgment may be entered and enforced in any other domestic or foreign court, and shall be awarded full faith and credit.

21. Compliance With Laws. Subcontractor shall comply with all federal, state and local laws applicable to the provision of Security Services hereunder, and Subcontractor shall procure at Subcontractor's own expense, all licenses, permits, and/or certifications required by law that are necessary for the fulfillment of its obligations pursuant to this Agreement. Subcontractor shall also be responsible for payment of any/all applicable state taxes.

22. Waiver. Actual or adjudicated waiver of a breach of any term or provision of this Agreement shall not be deemed a waiver of any other breach of the same or different term or provision. The failure to exercise any right or remedy hereunder shall not operate as a waiver of such right or remedy, and shall be without prejudice to the exercise by the party of that or any other right or remedy under this Agreement.

23. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, that provision will be enforced to the maximum extent possible and the remaining provisions of this Agreement shall remain in full force and effect. The invalidity of any provision of this Agreement shall not affect the validity of any other.

24. Facsimile Signature & Counterparts. This Agreement may be signed and then transmitted by facsimile and a facsimile copy shall have the same force and effect as an original. Further, this Agreement may be executed in counterparts, which when taken together have the same force and effect as if one Agreement were signed.

25. Recitals. The recitals on page one hereof are incorporated herein at length as if more fully set forth herein.

26. Entire Agreement. This Agreement, and any schedules attached hereto, constitutes the entire understanding and agreement of the parties. This Agreement supersedes any and all prior agreements or understandings of the parties regarding the subject matter herein and is intended to cover the provision of all present and future Security Services by Subcontractor. General Contractor reserves the right to make changes or amendments to this Agreement at any time as required to meet the safety and business needs of its Clients, provided any such changes or amendments will be provided in writing to Subcontractor and must be approved by Subcontractor either in writing or by conduct indicating acceptance of the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year below:

(Subcontractor)

(General Contractor)

Signed

Signed

Printed

Printed

Title

Date-1

Title

Date-2