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## CONTRACTUAL AGREEMENT BETWEEN SUBCONTRACTOR & PRIME CONTRACTOR

### AGREEMENT

made of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

BETWEEN the **SUBCONTRACTOR**: \_\_\_\_\_ and

**CRAYTON COMMUNICATIONS, LLC,**

as \_\_\_\_\_, hereinafter referred

to as **PRIME CONTRACTOR**.

Recitals:

**(A.)** For the following

Project: \_\_\_\_\_

hereinafter referred to as **THE PROJECT**.

**(B.)** In the event that the above-described contract is awarded to Prime Contractor, the parties wish, by this agreement, to establish a Prime Contractor-Subcontractor relationship and to arrange for the performance of a portion of the underlying contract by Subcontractor.

### AGREEMENT

The **SUBCONTRACTOR** shall provide the following Services, Product and Equipment that is identified below and subject to the terms and conditions of this agreement.

#### **1. Contingency**

**1.1** This contract shall be null and void unless Prime Contractor is awarded the underlying contract described above. If Prime Contractor is awarded said underlying contract, this contract shall be effective immediately without further act of the parties.

#### **2. Schedule**

**2.1** The schedule for this project shall be as set forth on Exhibit (C) schedule, attached hereto and incorporated herein by reference. If change order is submitted, the schedule of completion shall be as modified by the change order.

#### **3. Project Approval**

**3.1** Subcontractor shall not be required to commence any phase of the project until it has received written or oral approval of the previous phase from Prime Contractor. Such written approval shall be binding unless it is induced by misrepresentations, or unless Client disapproves such phase in accordance with

the underlying contract. Written approval of a phase by Prime Contractor to Subcontractor shall be in substantially the same form as the attached Exhibit (C) schedule.

#### **4. Payment**

**4.1** Prime Contractor shall pay Subcontractor the total sum of \$\_\_\_\_\_ for the project, payable as follows:

.1 The total sum within \_\_\_\_ days following Prime Contractor's receipt of payment from Client for completion and approval of that specify phase in conjunction to the delivery date as indicated in Exhibit (C) schedule.

.2 Prime Contractor shall pay Subcontractor a finance charge of \_\_\_\_\_% per annum on past due accounts.

.3 Notwithstanding any other provision of this contract, no payment shall be due from Prime Contractor to Subcontractor unless and until Prime Contractor receives payment on the underlying contract, unless the failure to receive such payment is attributable solely to the fault of Prime Contractor. If, for any reason, Prime Contractor receives only partial payments due under the underlying contract, payments to Subcontractor shall be correspondingly reduced, unless such reduction in payment is due solely to the fault of Prime Contractor.

#### **5. Changes Orders**

**5.1** At any time during the production of the project, Prime Contractor may request that changes to the project be made. All such requests for changes shall be in writing, shall specifically list the changes requested, and shall, if applicable, contain revised completion and payment amounts and/or schedules. Except to the extent specifically provided by the terms of a change order, the terms of this contract shall remain in full force and effect. Change orders shall be effective only when each of the parties has executed one or more counterparts and each has delivered an executed counterpart to the other party.

#### **6. Use of Project**

**6.1** Subcontractor agrees that the project produced for Prime Contractor, unless otherwise agreed in writing, belongs to Prime Contractor wholly and will not require usage or licensing consents. Prime Contractor agrees, however, to allow Subcontractor to use said property for demonstration and/or promotional activities so long as such activities do not include the sale of such properties, comply with all provisions of the underlying contract, and further provided that such use does not violate or infringe any rights of Client or any other person or entity to the project.

#### **7. Contract Documents**

**7.1** Subcontractor acknowledges receipt of the underlying contract, \_\_\_\_\_, together with all contract documents described or referred to therein, and together with Prime Contractor's proposal dated \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ in response to the request for proposal. All such documents are hereby incorporated by reference into this contract and the parties each agree to comply with all provisions of such documents which are applicable to that party, except as modified herein.

#### **8. Subcontractor Employee Responsibilities**

**8.1** Subcontractor expressly assumes all obligations to pay any necessary Workers' Compensation Insurance claims or payments and unemployment claims or payment for any of its agents, employees, subcontractors or independent contractors, to the extent that such payments are required by law. Subcontractor further agrees to abide by all state and federal laws and regulations, including law requiring Subcontractor to withhold federal or state income taxes from payments made to its agents, employees, subcontractors or independent contractors.

**9. Indemnification**

9.1 Each party shall defend, indemnify and hold harmless the other party, its assigns, officers, agents and employees, from any and all liabilities, actions, or other claims arising out of that party's nonperformance of any of the provisions of this contract, or the actions of that party, its assigns, officers, agents or employees, including, but not limited to, actions for patent, trademark, or copyright infringement, or unfair competition.

**10. Assignment**

10.1 Neither party to this agreement shall assign any rights or obligations arising out of this agreement without the written consent of the other party.

**11. Arbitration**

11.1 Any dispute between the parties as to the interpretation, application or validity of this agreement shall be submitted to arbitration. There shall be one neutral arbitrator selected and compensated in accordance with the procedures and rules of the arbitration program of the \_\_\_\_\_ County Circuit Court.

**12. Attorney's Fees**

12.1 In the event that a dispute arises between the parties which is submitted to arbitration or litigation, the prevailing party shall be entitled to recover reasonable attorney's fees, costs and disbursements at arbitration, at trial and on appeal.

**13. Authority to Execute**

13.1 The undersigned, by their signatures henceforth, represent and personally warrant that they are authorized by their respective companies to enter into this agreement on behalf of such companies.

SUBCONTRACTOR: \_\_\_\_\_

Signed by: \_\_\_\_\_

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

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

PRIME CONTRACTOR: \_\_\_\_\_

Signed by: \_\_\_\_\_

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

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