SUBCONTRACTOR AGREEMENT

This agreement by and between *Bay Property Management Group Austin* ("Contractor") and

_____ ("Subcontractor") is effective as of _____.

SUBCONTRACTOR RESPONSIBILITIES

In consideration for Contractor's agreement to engage Subcontractor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Subcontractor agrees that the requirements in this agreement apply to ALL work performed by Subcontractor for Contractor regardless of when or where the work is performed and regardless of the specific project on which the work is performed. In addition, Subcontractor also agrees that the terms of any other agreement(s) between the parties do not extinguish or supersede the requirements of this agreement.

Specifically, Subcontractor agrees with Contractor as follows:

Terms and Conditions of Work

1. Subcontractor will use all means necessary to discover any defects in the work of other contractors if its work depends on the proper, workmanlike or accurate performance of any work by another contractor. Subcontractor must report any defects to Contractor, in writing, before proceeding with its work. If necessary or applicable, Subcontractor must allow Contractor a reasonable time to remedy any defects. If Subcontractor's work is delayed by Contractor's requirement of time to remedy defects, the work completion date may be extended pursuant to Section 25 of this agreement.
2. Subcontractor will not claim additional work unless pursuant to a written order from Contractor. Subcontractor will notify Contractor of these claims in writing before requesting payment. Unreported additional work claims will be considered as abandoned.
3. Subcontractor will not alter any work or materials shown or described in the drawings and specifications, unless pursuant to a written order from Contractor. Contractor will determine the value of work and materials added, omitted or altered and adjust the contract price accordingly.
4. Subcontractor must supply an adequate and sufficient number of skilled workers and materials of proper quality and quantity for the completion of its work. If, at any time, Subcontractor refuses or neglects to supply a sufficient number of workers or adequate materials, fails in any way to deliver work with promptness and diligence or violates any provision of this agreement, Contractor has the right, after 30 days of written notice to Subcontractor, to provide any labor and/or materials and to deduct these costs from any money due or that may become due to Subcontractor. In addition, Contractor will be at liberty to terminate Subcontractor's right to complete the work, to enter the premises and take possession of all materials and appliances on them and to contract with another party or employ other persons to finish the work and/or provide materials for it. Subcontractor will not be entitled to receive any payment under this contract if its right to complete the work is terminated until the work is completed by Contractor or a third party. Once the work is complete, Subcontractor may receive the balance of the payment specified above, less any expenses Contractor incurred to complete the work without Subcontractor. Subcontractor must reimburse Contractor for any expenses that exceed the balance of Subcontractor's outstanding payment balance.
5. Subcontractor will execute a written guaranty for its work before receiving final payment. The guaranty must agree to make good, without cost to owner or Contractor, any and all defects in Subcontractor's work due to imperfect workmanship on materials, which may appear during a 12-month period from the time of completion.

6. Subcontractor may not assign or transfer this contract, in full or in part, without Contractor's written consent.

Safety

1. Subcontractor agrees that the safety of workers engaged in the work under this agreement is solely its responsibility. Subcontractor specifically agrees to take appropriate precautions to ensure the safety of all persons, including, but not limited to, its own employees and other contractors and subcontractors and their employees, whose safety might otherwise by jeopardized by any risk of harm relating to or arising out of the work.
2. Subcontractor must comply with all applicable safety federal, state and local laws, rules, regulations, statutes, ordinances and directives ("laws") that are in force or that may come into force during the work as they relate to Subcontractor's operations, materials and personnel.
3. Subcontractor will apply to obtain all necessary permits at its own cost and expense and conform strictly to laws and ordinances in force in the locality where its work must be performed.
4. Subcontractor also agrees to comply with any and all applicable safety standards. If Subcontractor has five (5) or more employees, it will establish and implement a safety program for its work. If requested, Subcontractor will submit to Contractor its safety program for review. Contractor's review of Subcontractor's safety program does not in any way release or decrease Subcontractor's liability by way of indemnity or otherwise, under this Agreement.
5. At all times, Subcontractor will provide sufficient, safe and proper facilities to allow Contractor, or an authorized representative, to inspect Subcontractor's work and performance. Upon request, Subcontractor will also produce all the documents necessary to evaluate the quality of the materials used in its work.
6. Subcontractor must submit copies of all accidents or injury reports to Contractor as soon as practicable or prescribed by law.

Indemnity

7. The work performed by Subcontractor shall be at its exclusive risk. To the fullest extent permitted by law, Subcontractor will defend, indemnify and hold harmless all indemnified parties from any and all claims for bodily injury and property damage (other than damage to the work itself), including the loss of use of property resulting therefrom, which arise or are in any way connected with the work performed, materials furnished or services provided by Subcontractor, Subcontractor's subcontractors or anyone employed directly or indirectly by any of them under this agreement.

   Indemnified parties includes the Contractor, Owner (if different from Contractor), affiliated companies, partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors and their assigns.

   Claims include any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorneys' fees and consultants' fees).
8. Subcontractor is not obligated to indemnify and defend Contractor or owner for claims due to the sole negligence or willful misconduct of indemnified parties. Any obligations assumed pursuant to this agreement will not be construed to negate, abridge or reduce other rights or obligations of indemnity, which otherwise exist as to a party or person described in this agreement.
9. Subcontractor's indemnification and defense obligations under this contract extend to claims occurring after this agreement is terminated as well as while it is in force and continue until it is finally adjudicated that any and all actions against the indemnified parties for such matters which are indemnified hereunder are fully and finally barred by applicable laws.

Insurance

10. Prior to the beginning of the work, Subcontractor must provide to Contractor certificates of insurance showing that Subcontractor has coverage for itself and its employees, agents and subcontractors. Subcontractor's insurance must provide adequate coverage for any workers compensation obligations, employer's liability and automobile liability. If any of these policies is terminated, Subcontractor must provide to Contractor certificates of insurance showing replacement coverage.
11. All coverage must be placed with insurance companies duly admitted in the State of Texas and must be reasonably acceptable to Contractor.
12. All Subcontractor insurance carriers must maintain an A.M. Best rating of "A-" or better.
13. Subcontractor's policy must name Contractor as an additional insured. Coverage must be afforded to the Contractor as an additional insured whether or not a claim is in litigation. Additional insured coverage must apply as primary insurance with respect to any other insurance afforded to the owner and Contractor.
14. Each certificate of insurance must provide that the insurer must give to Contractor written notice of cancellation and termination of Contractor's coverage at least 30 days prior.
15. At least two weeks prior to the expiration, cancellation or termination of any policy required by this agreement, Subcontractor must give to Contractor new and replacement certificates of insurance and additional insured endorsements.
16. Subcontractor must provide Contractor with a waiver of subrogation from each of Subcontractor's insurers on commercial general liability in favor of Contractor with respect to losses arising out of or in connection with the work.
17. The insurance coverage required must be of sufficient type, scope and duration to ensure Contractor is covered for the liability related to any manifestation date within the applicable statutes of limitation and/or response to any work performed by or on behalf of Contractor in relation to the project. Subcontractor agrees to maintain the above insurance for the benefit of Contractor for the entire duration of this contract.
18. Subcontractor must secure a workers' compensation insurance policy. The workers' compensation policy must cover all of Subcontractor's work and performance and provide coverage for all employees, executive officers, sole proprietors, partners and members of a limited liability company, in the amounts required by all applicable laws.
19. Subcontractor must secure an employers' liability insurance policy to cover the damages that become due in case of bodily injury, occupational sickness or disease or death of Subcontractor employees. This policy must be written with limits of $500,000 for each accident policy, $500,000 for each disease policy and $500,000 per disease, per each employee.
20. Subcontractor must secure a commercial general liability insurance policy to cover the damages that become due in case of bodily injury, property damage and personal or advertising injury arising out of or related to:
    - All Subcontractor's operations and premises;
    - All Subcontractor's products and completed operations;
    - All liability or responsibility assumed by the Subcontractor in the Indemnity section of this agreement;
    - All liability assumed in a business contract;
    - Contractor as an additional insured; and
    - Defense expenses paid in addition to the policy limits.

    There will be no endorsement or modification of the commercial general liability form risks arising from pollution, explosion, collapse, underground property damage or work performed by Subcontractor.

In addition, Subcontractor must provide Contractor proof of insurance with a Certificate of Insurance and Additional Insured Endorsement on ISO form CG 2010 and CG 2037 (or substitute forms providing equivalent coverage). Subcontractor is responsible for maintaining this insurance policy.

The coverage available to Contractor, as additional insured, in the types of insurance policies mentioned above must be at least:

- $1,000,000 for each occurrence;
- $2,000,000 for general aggregate (subject to a per project general aggregate provision applicable to the project);
- $2,000,000 for products/completed operations aggregate; and
- $1,000,000 for personal and advertising injury limits.

21. Subcontractor must secure an automobile liability insurance policy to cover the damages that become due in case of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of any motor vehicle or trailer owned, hired, leased, used on behalf of or borrowed by Subcontractor. The policy must also include coverage for any equipment subject to motor vehicle laws, Contractor and Owner (if different than Contractor) and any Subcontractor liability or responsibility described in the Indemnity section. Business auto liability insurance must be written in the amount of not less than $1,000,000 for each accident.
22. Subcontractor must secure an umbrella liability insurance policy to cover the damages that become due in case of bodily injury, property damage and personal and advertising injury with, at least, the same terms and conditions as the policies mentioned above.

CONTRACTOR RESPONSIBILITIES

Contractor, in consideration of the provisions contained in this subcontractor agreement, agrees with Subcontractor as follows:

23. Contractor will engage Subcontractor to provide the materials and to do ALL work according to terms and conditions specified in this agreement.
24. Contractor will pay to Subcontractor the full payment agreed upon for Subcontractor's work if the work is completed to Contractor's satisfaction according to the terms and agreement.
25. No payments made under this contract will operate as Contractor's admission that Subcontractor has complied in full or in part with this contract if in fact the case shows otherwise. No payment made under this contract prevents Contractor from taking any action to recover damages from Subcontractor for any violation of this agreement or for substandard quality of work performed or materials used.

ADDITIONAL PROVISIONS:

26. The time requirements of this contract may be extended by agreement of the parties in the event that Subcontractor is delayed by acts of the owner or Contractor, required alterations or damage occurring from fire or other casualty.
27. No verbal order, objection, claim or notice of either party to the other will be of effect or binding and no evidence of such order, objection, claim or notice will ever be introduced in any legal or equity lawsuit. Both parties, Contractor and Subcontractor, agree to execute and deliver in writing all communications that affect and bind the other. Any verbal communication between the parties will be considered as immaterial and nonbinding.
28. No provision of this contract can be waived or interpreted by reason or any other act. A waiver from this contract or any of its provisions is valid only if it is an express waiver, definitely agreed to and interpreted by the parties in writing.

SIGNATURES

This agreement is entered into by the parties listed below, effective as of the date specified above.

CONTRACTOR:

Bay Property Management Group Austin

14050 Summit Dr (#113B)

Austin, TX 78728

SUBCONTRACTOR

Print Name: _____

Signature: _____

Print Name: _____

Signature: _____