

HATHAWAY DINWIDDIE CONSTRUCTION COMPANY
EXHIBIT "B"
SUBCONTRACT AGREEMENT
CONDITIONS OF INSURANCE
Southern California Division

THESE CONDITIONS OF INSURANCE shall modify, by addition at the end of Article 5, INSURANCE as follows:

Client, Owner, etc... and Hathaway Dinwiddie Construction Company and its Parent Company and/or Corporations and Owned, Controlled, Associated, Affiliated and Subsidiary Companies and/or Corporations and each of their Directors, Officers, Agents, Consultants, Servants and Employees, and all other interests as may be reasonably required by Hathaway Dinwiddie Construction Company, shall be named as additional insured under all other policies of insurance required by this Exhibit "B" except for Workers' Compensation and Professional Liability, including products and completed operations as required by statute, by use of Insurance Services Office Form CG 20 10 11 85 or its equivalent and such policy(ies) shall be endorsed to provide that they shall be primary and neither the Owner's nor Contractor's policies will be called upon to contribute with the Subcontractor's policy(ies). All insurance policies, including Workers' Compensation, shall include a Waiver of Subrogation Endorsement for each policy from each of the insurers affording coverage, waiving the rights of subrogation against Contractor and Owner.

Subcontractor shall provide insurance to the following minimum limits of liability, or such higher limits of liability as required by the Contract Documents:

<u>Workers' Compensation:</u>	Statutory	Where formally approved by the Department of Self-Insured Plans for the State of California coverage will be deemed acceptable but only where proof of Consent to Self Insure is issued by the Department of Self-Insured Plans. Waiver of Subrogation under self-insurance must be provided by Subcontractor.
<u>Employer's Liability:</u>	\$1,000,000 \$1,000,000 \$1,000,000	each accident for bodily injury each employee for bodily injury by disease policy limit for bodily injury by disease
<u>General Liability:</u>	\$2,000,000 \$2,000,000 \$2,000,000 \$2,000,000	combined single limits for bodily injury and property damage, each occurrence products and completed operations aggregate personal injury general injury aggregate (if Commercial General Liability form)
		General Liability form to be an occurrence basis and to include premises and operations; products and completed operations; contractual liability for obligations assumed under this Agreement; broad form property damage including completed operations; explosion, collapse and underground hazards; and personal injury liability.
		If such General Liability insurance policy contains a general aggregate limit, it shall be endorsed to have the General Aggregate apply to this Work only. If either defense costs are included in the General Aggregate limit or the General Aggregate limit does not apply separately to this project, then the General Aggregate limit shall be at least \$5,000,000.
<u>Automobile Liability:</u>	Including coverage for all owned, non-owned and hired automobiles with combined single limits of: \$1,000,000	each accident for bodily injury and property damage
		Where hazardous or regulated substances, or hazardous or regulated wastes, are being transported by Subcontractor the limits of liability shall be \$5,000,000 Combined Single Limit and the policy shall include Endorsement MCS-90. Said insurance shall name Owner and Contractor, and their respective officers, directors, and employees as additional insureds.
<u>Umbrella/Excess Liability:</u>		Where Umbrella and/or Excess policies are used to satisfy increasing limits of liability, such policies must not reduce or restrict coverage otherwise required for General or Automobile liability coverage. If excess/umbrella policies are used to meet the limits of liability requirement, said policies shall be "following" form of the underlying primary policy and meet the aforesaid additional insured and primary insurance requirements.
<u>Property Insurance:</u>		Contractor and/or Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the Work, except such rights as they may have to the proceeds of such insurance. Where Builder's Risk insurance purchased by Owner or Contractor contains deductibles, or the deductibles as identified within the Contract Documents, Subcontractor shall be responsible for such deductible applicable to damage to Subcontractor's Work and/or damage to other work caused by Subcontractor.

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Where Builder's Risk insurance is not purchased by Owner or Contractor, Subcontractor shall be fully responsible for all loss or damage to its Work.

In the event of a loss insured under Builder's Risk insurance provided by Contractor or Owner and such insurance provides coverage for loss or damage to Subcontractor's Work, Subcontractor shall be bound by any adjustment which shall be made between Contractor or Owner and the insurance company or companies. Loss, if any, shall be made payable to Contractor and/or Owner, as their interest may appear, for the account of whom it may concern.

Contractor shall not be responsible for any loss or damage to Subcontractor's Work, however caused, until after final acceptance by Contractor and Owner. Contractor shall not be responsible for loss of or damage to materials, tools, equipment or other personal property owned, rented or used by Subcontractor or anyone employed by Subcontractor in the performance of the Work, however caused. Insurance for any loss or damage to Subcontractor's machinery, tools, equipment or other personal property owned by Subcontractor or anyone employed by it in the performance of the Work, shall be the responsibility of Subcontractor.

Professional Liability for Architects and Engineers; Aviation Liability, Riggers Liability, and Pollution Liability:

When applicable to the Work, Subcontractor shall provide or shall require its engineer/consultant to provide the following limits of liability for the exposures associated with Design-Build; Aircraft, and/or Pollution exposures:

Professional Liability for Architects and Engineers: \$1,000,000 per claim and in the annual aggregate. Claims made policy form. Extended Reporting period shall be maintained for a minimum of five (5) years from date of completion of work.

Pollution Liability (including asbestos and lead paint): \$1,000,000 per claim and in the annual aggregate. Claims-made and occurrence policy form are acceptable. Where claims-made form is used Completed Operation and Extended Reporting period shall be maintained for a minimum of ten (10) years from date of completion of work.

Note: Where Work involves remediation of asbestos, lead or other pollutants the limits shall be increased to \$5,000,000 per claim and in the annual aggregate.

Aviation Liability: \$5,000,000 per claim and in the annual aggregate

Riggers Liability: Should Subcontractor's work involve the rigging of property, Subcontractor shall carry "Riggers Liability Insurance", with minimum limits of liability of \$1,000,000, to insure against physical loss or damage to the property being lifted.

All Policies:

Evidence of insurance coverage is required to be furnished upon execution of Subcontract Agreement and prior to starting any work on the Project and must evidence all of the provisions of Article 5 and this Exhibit "B", CONDITIONS OF INSURANCE. Such evidence of insurance may not limit the insurer's liability for failure to notify certificate holder of cancellation within the thirty (30) day time frame required where the insurer has provided an endorsement to the required policies that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to Contractor. Payment may be withheld, at the option of the Contractor, until such acceptable certificates have been furnished, or if upon receipt of a cancellation notice on a policy, until withdrawal of the notice or the reinstatement of the canceled policy.

The Certificates of Insurance shall provide that there will be no cancellation of insurance policies or reduction of coverage without (30) days prior written notice to the Contractor by either the Subcontractor or its' insurance agent or broker. Upon the written request of the Contractor, Subcontractor shall provide an endorsement to required policies that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to Contractor.

The required insurance shall be subject to the approval of Contractor, but any acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of its duties and responsibilities in this Agreement. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor will comply with such requirements. Any deductible(s) or self-insured retention(s) shall be borne by Subcontractor and not for the account of Contractor or Owner. Where deductibles or self-insured retentions exceed ten thousand dollars (\$10,000) they must be shown on evidence of insurance/certificates of insurance. Where deductibles or self-insured retention exceed one hundred thousand dollars (\$100,000) they shall be submitted for approval to Contractor prior to commencing work and shall be disclosed within certificates of insurance.

Unless otherwise agreed to by Contractor, General Liability and Excess/Umbrella Liability policies must not contain exclusions regarding "subsidence", "mold, fungus, etc.", "Exterior Insulation Finish Systems [EIFS]", "Silica", or "hoisting or erection of men and material". Where exclusions are contained within General Liability and/or Excess/Umbrella liability policies, Subcontractor must assure exposures are covered within other policies of insurance (such as Contractor's Pollution Liability policy, Owner's and Contractor's Protective Liability policy, etc.) and must submit such evidence of that insurance to Contractor for approval prior to commencing work.

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Insurance coverage shall be written with a minimum of an "A- VIII" Best rated insurance company, unless otherwise approved by Contractor. The California State Compensation Insurance Fund [SCIF] shall be an acceptable insurer for Workers' Compensation coverage unless disapproved by Owner.

Subcontractor shall be relieved of including in any endorsements that waive subrogation, provide primary coverage, or include Contract Owner or Contractor as Additional Insureds, any indemnified parties' Sole Negligence but shall not be relieved in providing indemnity where Subcontractor is negligent.

Controlled Insurance Programs

Should the Contract Documents require insurance coverages, limits, terms and conditions beyond the Insurance Requirements herein, Subcontractor shall procure and maintain insurance to satisfy said requirements. Furthermore, if the Contract Documents require participation in an Owner Controlled Insurance Program (OCIP) or Contractor Controlled Insurance Program (CCIP), Subcontractor shall fully participate and cooperate with Contractor and Insurance Program Administrator in compliance of the program requirements.