

HATHAWAY DINWIDDIE CONSTRUCTION COMPANY

Exhibit B

Subcontract Agreement – Conditions of Insurance

Please reference HDCCO Job #, Job Name & Job Location on all Certificates of Insurance

These Conditions of Insurance shall modify, by addition, the Subcontractor's Insurance requirements referenced in Article 5, Insurance, as follows. Subcontractor further agrees that the obligations set forth and arising under this Article 5 are separate and independent of the obligations set forth and arising under Article 6, Indemnity.

Additional Insured Endorsement: Subcontractor shall name 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 (individually referred to as "Additional Insured"; collectively referred to as "Additional Insureds"), as additional insured under all policies of insurance required by this Exhibit "B", including those providing coverage for products and completed operations, but excluding Workers' Compensation policies and Professional Liability insurance policies. All additional insured endorsements shall provide for the insurer's "Duty to Defend" ALL additional insured's. Additional Insured policy forms shall be subject to the approval of the Contractor, and they shall use Insurance Services Office (ISO) Form CG 20 10 11 85 if available, otherwise, they shall use (ISO) CG 20 10 10 01 (ongoing operations) and (ISO) CG 20 37 10 01 (completed operations), or their broad form coverage equivalent. Subcontractor may limit endorsements that waive subrogation or provide primary coverage to such Additional Insureds, to exclude an Additional Insured's Sole or Active Negligence, but Subcontractor shall not be relieved in providing defense or indemnity where Subcontractor is at fault. Subcontractor shall, at its own expense, maintain at minimum the following coverages and limits of insurance, or greater, if required by the Contract Documents.

Workers' Compensation and Employer's Liability: Workers' Compensation insurance shall meet statutory requirements. Self-insured plans that have been 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 has been issued by the Department of Self-Insured Plans. Waiver of Subrogation under self-insurance must be provided by Subcontractor. Subcontractor shall provide Employer's Liability insurance with minimum limits listed below:

\$1,000,000	each accident for bodily injury
\$1,000,000	each employee for bodily injury by disease
\$1,000,000	policy limit for bodily injury by disease

General Liability: General Liability form to be on an occurrence basis and to include premises and operations, products and completed operations, contractual liability for obligations assumed under the Subcontract Agreement, independent contractors, construction defect, broad form property damage including, but not limited to, completed operations, explosion, collapse and underground hazards, and personal injury liability. Subcontractor agrees to maintain products and completed operations liability insurance coverage, including endorsements, during the entire ten (10) year statute of repose period following completion of the Project. If such General Liability insurance policy contains a general aggregate limit, it shall be endorsed to have the general aggregate apply on a per project basis. Defense limits shall be outside the limits of the policy. Subcontractor shall provide Commercial General Liability insurance with minimum limits listed below:

\$2,000,000	combined single limits for bodily injury and property damage, each occurrence
\$2,000,000	products and completed operations aggregate
\$2,000,000	personal injury
\$2,000,000	general aggregate

Automobile Liability: Automobile Liability insurance shall include coverage for all owned, non-owned, and hired automobiles. Said insurance shall name the Additional Insureds as additional insureds via policy endorsement providing coverage as broad as CA 2048 as published by the ISO. Subcontractor shall provide Automobile Liability insurance with minimum limits listed below:

\$1,000,000	combined single limit
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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.

Umbrella/Excess Liability: Umbrella and/or Excess policies shall provide coverage on an occurrence and aggregate basis. Umbrella and/or Excess policies shall provide the limits of liability, stated below in the subsection "Trade Specific Umbrella/ Excess Liability Limits", at a minimum. Umbrella and/or Excess policies must not reduce or restrict coverage otherwise required for General or Automobile liability coverage. Said policies shall be "following" form of the underlying primary policy and meet the aforesaid additional insured and primary insurance requirements, and so state on the Certificate of Insurance.

Trade-Specific Umbrella/ Excess Liability Limits

Subcontractors performing the scopes of Work including, but not limited to, Site Remediation, Demolition, Excavation, Curtain Wall, Hazardous Material Removal, Storage Tanks, Concrete, Masonry, Metals, Roofing, Waterproofing, Thermal Protection, Moisture Protection, Elevators, Escalators, Scaffolding, Fire Protection or Suppression, Plumbing, HVAC/ Mechanical, Electrical, Data, Earthwork, Soil Stabilization, Shoring and/or Underpinning, Structural Excavation, Tunneling, Boring and Jacking, Exterior Insulation and Finish Systems (EIFS), Exterior Improvements, Paving, Retaining Walls, Hoisting, Utilities, or Underground Pipelines shall provide, at a minimum, the following Umbrella/ Excess limits of liability:

\$5,000,000	each occurrence and in the annual aggregate
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Subcontractors performing the scopes of Work including, but not limited to, Carpentry, DFH, Glazing, Plaster, Gypsum Board, Tile, Acoustical Ceilings, Flooring, Wall Finishes, Painting, Coating, Specialties, Equipment, Furnishings, Window Treatments, Casework, Fences and/or Gates, or Landscaping shall provide, at a minimum, the following Umbrella/ Excess limits of liability:

\$3,000,000	each occurrence and in the annual aggregate
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Professional Liability: If a Subcontractor or sub-subcontractor of any tier is providing professional services, including but not limited to design, design/build, design/assist, architecture, engineering, testing, or surveying services, Subcontractor shall provide Professional Liability insurance with the minimum limits as listed below:

\$2,000,000	per claim and in the annual aggregate.
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Claims-made policy form is acceptable with Extended Reporting period maintained for a minimum of five (5) years from date of completion of the Project. Retroactive date must be before the Subcontract date and any professional services provided thereunder. Professional services involving Hazardous Materials shall not be excluded from coverage. Coverage to include Contractual Liability unless otherwise approved by Contractor.

Contractor's Pollution Liability: Any subcontractor whose operations cause a potential exposure to chemicals, mold, fungus, silica, or materials or substances subject to federal, state and local regulation as a hazardous material, hazardous substance, toxic substance, mold, fungus, silica or otherwise, or who are required to perform remediation of hazardous materials as defined in federal, state or local law, shall provide contractor's Pollution Liability coverage with the limits listed below.

Subcontractor's performing the following scopes of Work including, but not limited to, Demolition, Roofing, Waterproofing, Wall Finishes, Painting, Coatings, Plumbing, HVAC/ Mechanical, Electrical, Shoring and/or Underpinning, or whose operations create potential exposures as listed in the above paragraph and who are not specifically identified in the succeeding paragraph as required to provide higher limits, shall provide Pollution Liability insurance with minimum limits listed below.

\$2,000,000	each occurrence and in the annual aggregate
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Subcontractors performing the following scopes of Work including, but not limited to, Site Remediation (including asbestos, lead paint, any other pollutants), Excavation, Hazardous Material Removal, Storage Tanks, Earthwork, Soil Stabilization, Utilities, or Underground Pipelines, shall provide Pollution Liability insurance with minimum limits listed below:

\$5,000,000	each occurrence and in the annual aggregate
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Contractor reserves the right to require Pollution Liability insurance covering other scopes of work not included above and/or higher limits of liability for Pollution Liability exposures. Claims-made or occurrence policy forms 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 Project.

Please submit all insurance documents to insurance@hdcco.com with HDCCO job # in the subject line

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Aviation Liability: Aviation liability insurance is required from all Subcontractors whose Work involves the use of Aircraft whether owned, leased or rented by Subcontractor or second-tier subcontractors, including coverage for unmanned aircraft, and shall include coverage for subcontractor employees who operate the aircraft, or unmanned aircraft, Passenger Liability, a minimum limit of \$250,000 for "hook" coverage as well as Additional Insured status in favor of the Additional Insureds listed above. Subcontractor shall provide Aviation Liability insurance with minimum limits listed below:

\$5,000,000 per claim and in the annual aggregate.

Crane Services Liability: Providers of Cranes, Crane Erection and Dismantling services, or Crane Operators shall provide Crane Liability coverage under their general and Umbrella/Excess liability insurance. If not provided by a separate policy, the coverage shall include Rigger's Liability coverage for not less than the maximum value of property being lifted at a single time. The policy shall include a "Per Project General Aggregate". Subcontractor or providers, as listed above, shall provide Crane Liability insurance with minimum limits listed below:

\$10,000,000 per claim and in the annual aggregate.

Riggers Liability: Should Subcontractor's Work involve the rigging of property, Subcontractor shall provide "Riggers Liability Insurance", with minimum limits as stated below, but not less than the maximum value of the property lifted.

\$2,000,000 to insure against physical loss or damage to the property being lifted.

Property Insurance: Contractor and Subcontractor waive all rights against each other, the Owner, and against all other subcontractors 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 each may have to the proceeds of such insurance.

Where Builder's Risk insurance purchased by Owner or Contractor contains deductibles, or where the deductibles are identified within the Contract Documents, then Subcontractor shall be responsible for such deductible applicable to damage to Subcontractor's Work and damage to other work caused by Subcontractor.

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

In the event of a loss that is insured under Builder's Risk insurance provided by Contractor or Owner, and if such insurance provides coverage for loss or damage to Subcontractor's Work, then Subcontractor shall be bound by any adjustment that shall be made between Contractor or Owner and the insurance company or companies. Payment for such loss, if any, shall be made to Contractor or Owner, as their interest may appear within the policy, for the account of those who may have an insurable interest.

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. Subcontractor is responsible for insurance to cover all loss and damage to Subcontractor's machinery, tools, equipment, and other personal property owned by Subcontractor or anyone employed by it in the performance of the Work.

All Policies:

Primary and Non-contributory Insurance Clause and Waivers of Subrogation: The Additional Insured policy forms shall be endorsed to provide that such policy(ies) shall be primary and none of the Additional Insureds' own policies will be called upon to contribute with the Subcontractor's policy(ies). The intent of this provision is to specifically require that the Subcontractor's primary and excess layer of insurance shall respond first and completely, prior to any other insurance responding that is carried by, or for, the benefit of the Additional Insureds. 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 the Additional Insureds.

Subcontractor shall furnish evidence of insurance coverage for all of the provisions of Article 5, Conditions of Insurance, and this Exhibit B, upon execution of Subcontract Agreement and prior to starting any work on the Project. Upon request, Subcontractor must provide certified copies of policies, including endorsements, within ten (10) days. Failure of the Subcontractor to provide evidence of insurance as required per Article 5 and this Exhibit B shall neither limit nor reduce the Subcontractor's duties and responsibilities under the Subcontract Agreement. Failure of the Subcontractor to maintain the required insurance shall be deemed a material breach of the Subcontract, and allow Contractor to terminate for default, withhold payment, and/or purchase the required insurance and charge the Subcontractor all costs for procuring and maintaining such policies. Any delay in the Work resulting from the Subcontractor not providing the required insurance shall be considered a material breach of Subcontractor's obligations under the Subcontract Agreement.

Subcontractor shall, either by a Certificate of Insurance or an Endorsement to the policy, provide evidence there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to Contractor, and such evidence of insurance may not limit the insurer's liability for failure to notify within the thirty (30) day time frame. Contractor may withhold payment until such acceptable certificate or endorsement has been furnished. Contractor may also withhold payment upon receipt of a cancellation or reduction in coverage notice on a policy, until withdrawal of the notice or the reinstatement of the policy.

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 under the Subcontract Agreement. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor shall comply with such requirements. Any deductibles or self-insured retentions shall be borne by Subcontractor and shall not be the responsibility of Contractor or Owner. The evidence of insurance/Certificates of Insurance shall indicate the amount of all deductibles and self-insured retentions in excess of twenty-five thousand dollars (\$25,000). Subcontractor shall request approval of Contractor prior to commencing Work if deductibles or self-insured retention exceeds one hundred thousand dollars (\$100,000); additionally, these amounts shall be disclosed on the Certificates of Insurance. Where deductible or self-insured retention provisions of policies of insurance specify that only the named insured's costs trigger coverage, the language shall be broadened to include within the named insured's costs, all costs of defense and settlement obligations to any Additional Insured party.

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

The policy limits described above are minimums only. Subcontractor shall have the obligation to provide the minimum coverages stated in this Exhibit B or such greater limits, if available in the Subcontractor's policies, or where required by either the Owner or the Contractor due to the nature of the work being performed.

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.

Controlled Insurance Programs: If the Contract Documents require participation in an Owner Controlled Insurance Program (OCIP) or Contractor Controlled Insurance Program (CCIP), then Subcontractor shall fully participate and cooperate with the Contractor and Insurance Program Administrator in order to comply with the program requirements.

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