

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

420



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

October 5, 2011

**SUBJECT:** French Valley Airport – North Apron Rehabilitation Project AIP 03-06-0338-25-2011

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Accept the low bid and award the contract to Southwest Construction in the amount of \$178,653;
2. Authorize the Chairman of the Board to sign the contract documents on behalf of the County; and delegate change order authority to the Assistant County Executive Officer/EDA, or designee, in amounts that are in accordance with Board Policy B-11; and
3. Approve and direct the Auditor-Controller to increase appropriations and estimated revenue as shown on Schedule A, attached.

**BACKGROUND:** (Commences on Page 2)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 178,653	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

**SOURCE OF FUNDS:** Federal Aviation Administration Airport Improvement Program (AIP) Grant Funds (95%) and Airport Funds (5%)

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Jennifer L. Sargent*  
County Executive Office Signature

Policy ☒

Policy ☒

Consent ☐

Consent ☐

ATTACHMENT DELIVERED TO THE CLERK OF THE BOARD WITH THE CLERK OF THE BOARD

Per Exec. Ofc.: ☐

Prev. Agn. Ref.: 3.30 of 7/26/11

District: 3

Agenda Number:

3.14

**BACKGROUND:**

On July 26, 2011, the Board authorized the Clerk of the board to advertise the Notice of Inviting Bids for the project.

This project is consistent with the airport's master plan. Specific improvements include applying asphalt rejuvenating seal to tie-down and apron areas, and reapplying airfield markings to keep current with general aviation facilities guidelines. The project documents have been reviewed and approved by the Federal Aviation Administration (FAA), County Counsel, and are consistent with current guidelines for general Aviation facilities.

On September 6, 2011, two bids were submitted for the FVA North Apron Rehab Project which consisted of a base bid only.

Following is a summary of the base bid award:

<u>Contractor</u>	<u>Base Bid</u>
Southwest Construction	\$178,653
All American Asphalt	\$302,153

Staff recommends that the Board of Supervisors accept the bid of Southwest Construction and award the contract in the amount of \$178,653. The Federal Aviation Administration has reviewed the foregoing and concurs with staff's recommendations. County Counsel has approved as to form.

SCHEDULE A

**Increase Estimated Revenues:**

22350-1910600000-767060 Fed-Airports Improvements	\$169,720
22350-1910600000-778200 Interfund-Miscellaneous	<u>\$ 8,933</u>
Total	\$178,653

**Increase Appropriations:**

22350-1910600000-542040 Buildings-Capital Projects	\$178,653
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PERFORMANCE BOND

RECITALS:

1. Southwest Construction Co., Inc. (CONTRACTOR) has entered into an Agreement dated \_\_\_\_\_ with the COUNTY OF RIVERSIDE (COUNTY) for construction of public work known as FRENCH VALLEY AIRPORT NORTHERN APRON REHABILITATION PROJECT
2. Safeco Insurance Company of America, a Washington corporation (Surety), is the Surety under this Bond.

AGREEMENT:

We, CONTRACTOR, as Principal, and Surety, jointly and severally agree, state, and are bound unto County

1. The amount of the obligation of this Bond is one hundred percent (100%) of the estimated CONTRACT price for the PROJECT of \$ 178,653.10 and inures to the benefit of COUNTY.
2. This Bond is exonerated by CONTRACTOR doing all things to be kept and performed by it in strict conformance with the Contract Documents for the PROJECT; otherwise it remains in full force and effect for the recovery of loss, damage, and expense of COUNTY resulting from failure of CONTRACTOR to so act. All of said Contract Documents are incorporated herein.
3. This obligation is binding on our successors and assigns.
4. For value received, Surety stipulates and agrees that no change, time extension, prepayment to CONTRACTOR, alteration, or addition to the terms and requirements of the Contract Documents or the work to be performed thereunder shall affect its obligations hereunder and waives notice as to such matters, except the total CONTRACT PRICE cannot be increased by more than twenty-five percent (25%) without approval of Surety.

THIS BOND is executed as of September 15, 2011

By: [Signature]  
(Authorized Signature)

Type Name Margareta T. Thorsen  
Its Attorney in Fact

Safeco Insurance Company of America  
Name of Surety

Southwest Construction Co., Inc.

By:

Title: [Signature]  
"Contractor"

NOTE: This Bond must be executed by both parties with corporate seal affixed. All signatures must be acknowledged.

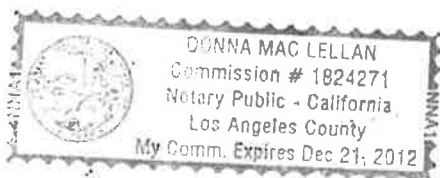
# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On 9/15/11 before me, Donna Mac Lellan, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Margareta T. Thorsen  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature Donna Mac Lellan  
Signature of Notary Public

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☒ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

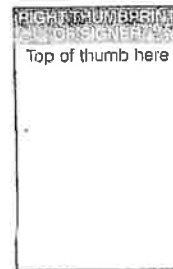
Signer Is Representing: \_\_\_\_\_



Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Diego

On Sept 16, 2011 before me, Carla Covarrubias, Notary Public

personally appeared David L Simon  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Carla Covarrubias  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Description of Attached Document

Title or Type of Document: Performance Bond

Document Date: Sept 15, 2011 Number of Pages: 1

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: David L Simon

☒ Corporate Officer — Title(s): President

- ☐ Individual
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

- ☐ Individual
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

PAYMENT BOND

(Public Works Civil Code 3247 et seq.)

The makers of this Bond are Southwest Construction Co., Inc. as Principal and Original CONTRACTOR, and Safeco Insurance Company \*\*, a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract dated on/about 9/15/11, between Principal and COUNTY OF RIVERSIDE, a public entity, as OWNER, for \$178,653.10, the total amount Payable. THE AMOUNT OF THIS BOND IS 100 PERCENT (100%) OF SAID SUM. Said CONTRACT is for public work generally consisting of airport improvements at FRENCH VALLEY AIRPORT.

\*\*of America

The beneficiaries of this Bond are as stated in 3248 of the Civil Code and the requirements and conditions of this Bond are as set forth in 3248, 3249, 3250, and 3252 of said Code. Without notice, Surety consents to the extension of time for performance, change in requirements, amount of compensation, or prepayment under said CONTRACT.

Dated: September 15, 2011

Southwest Construction Co., Inc.

Original Contractor

Safeco Insurance Company of America

By: [Signature]

By: [Signature]  
Its Attorney in Fact  
Margareta T. Thorsen

Title: PRESIDENT  
(If corporation, affix seal)

STATE OF CALIFORNIA )

) ss.

COUNTY OF \_\_\_\_\_ )

SURETY'S

ACKNOWLEDGEMENT

On \_\_\_\_\_, before me personally appeared person whose name is subscribed the name of said corporation thereto, and acknowledged that he subscribed the name of said corporation thereto, and his name as its attorney in fact.

Notary Public

(SEAL)

NOTE: All signatures must be notarized.

DIVISION I

Payment Bond

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On 9/15/11 before me, Donna Mac Lellan, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Margareta T. Thorsen  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Donna Mac Lellan  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

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Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☒ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Diego

On Sept. 16, 2011 before me, Carla Covarrubias, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared David L Simon  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Carla Covarrubias  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

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### Description of Attached Document

Title or Type of Document: Payment Bond

Document Date: Sept. 15, 2011 Number of Pages: 1

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: David L Simon

☒ Corporate Officer — Title(s): President

- ☐ Individual  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

- ☐ Individual  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

4673298

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

SAFECO INSURANCE COMPANY OF AMERICA  
SEATTLE, WASHINGTON  
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Safeco Insurance Company of America (the "Company"), a Washington stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint MARGARETA T. THORSEN, OF THE CITY OF PASADENA, STATE OF CALIFORNIA

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding FIFTY MILLION AND 00/100 DOLLARS (\$ 50,000,000.00) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE IV - Officers: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitations as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article IV, Section 12 of the By-laws, David M. Carey, Assistant Secretary of Safeco Insurance Company of America, is authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Safeco Insurance Company of America has been affixed thereto in Plymouth Meeting, Pennsylvania this 30th day of June 2011.



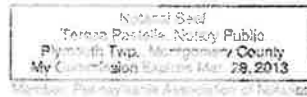
SAFECO INSURANCE COMPANY OF AMERICA

By David M. Carey  
David M. Carey, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 30th day of June, 2011, before me, a Notary Public, personally came David M. Carey, to me known, and acknowledged that he is an Assistant Secretary of Safeco Insurance Company of America; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Safeco Insurance Company of America thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



By Teresa Pastella  
Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Vice President of Safeco Insurance Company of America, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Officer specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article IV, Section 12 of the By-laws of Safeco Insurance Company of America.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Safeco Insurance Company of America at a meeting duly called and held on the 18th day of September, 2009.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 15th day of September, 2011.



Gregory W. Davenport  
Gregory W. Davenport, Vice President

To confirm the validity of this Power of Attorney call  
1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

NOT VALID FOR INVESTMENT, NOTE, BOND, LETTER OF CREDIT, BANK DEPOSIT,  
currency rate, interest rate or residual value guarantees.

**CONTRACT AGREEMENT**  
**FRENCH VALLEY AIRPORT "NORTHERN APRON REHABILITATION PROJECT"**  
**COUNTY OF RIVERSIDE**  
**CONSTRUCTION OF AIRPORT IMPROVEMENTS**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the COUNTY OF RIVERSIDE (the COUNTY), organized and existing under and by virtue of the laws of the State of California, hereinafter designated the OWNER, and Southwest Construction Co. Inc of the City of Fallbrook, County of San Diego, State of California, hereinafter designated the CONTRACTOR.

**WITNESSETH:**

That the said CONTRACTOR has covenanted and agreed, for and in consideration of the payments made as provided for in the Proposal, Project Specifications, and Contract Documents, to the CONTRACTOR by the said OWNER, and under the penalty expressed in the bond hereto attached, at his proper cost and expense, to do all the work and furnish all materials, tools, labor, and all appliance and appurtenances called for by the Agreement, free from all claims, liens, and charges whatsoever, in the manner and under the conditions hereinafter specified, that are necessary for the construction of: **NORTHERN APRON REHABILITATION PROJECT.**

The work done and materials and equipment furnished shall be strictly pursuant to and in conformity with the Plans, Project Specifications, and Contract Documents. The Project Specifications and Contract Documents and Drawings furnished by the CONTRACTOR with his proposal and the additional drawings or prints and other information to be furnished by the CONTRACTOR in accordance with the Project Specifications and Contract Documents are made a part of this Agreement when and as approved by the COUNTY OF RIVERSIDE, are intended to be complementary, and all Project Specifications and Contract Documents, Plans, Drawings, or prints furnished by the CONTRACTOR and approved by the COUNTY OF RIVERSIDE shall be complementary therewith. Any work appearing in or upon the one and not mentioned in the others shall be executed according to the true intent and meaning of the said Plans, Project Specifications, and Contract Documents, Drawings, or prints the same as though the said work were contained and described in all.

The Notice Inviting Bids, Instruction to Bidders, FAA-Required Provisions, Riverside County Provisions, General, and Special Provisions, Proposal, Bid Bond, Payment Bond, Performance Bond, Certificate of Insurance, CONTRACTOR's Affidavit, Technical Provisions, Appendix, Plans, Addenda Nos. 0, General Wage Decisions, any change orders issued, and any additional or supplemental specifications, notices, instructions, and drawings issued in accordance with the provisions of the Contract Documents are hereby understood to be a part of this CONTRACT. The Bid Bond is exonerated upon execution of this Agreement, the Payment Bond, Faithful Performance Bond, and the submission of proof of insurance.

It is further covenanted and agreed that the work shall be executed under the direction and supervision of the COUNTY OF RIVERSIDE, California, or properly authorized agents, on whose inspection all work shall be accepted or rejected.

The COUNTY shall have full power to reject or condemn all materials furnished or work performed under this CONTRACT which do not conform to the terms and conditions herein expressed.

To prevent all disputes and litigation, it is further agreed by and between the COUNTY OF RIVERSIDE, California and said CONTRACTOR, that the Aviation Division of the COUNTY OF RIVERSIDE, Eco-

conomic Development Agency, shall determine all questions in relation to the work and the construction thereof, and it shall in all cases decide all questions may arise relative to the execution of the work under this CONTRACT on the part of the said CONTRACTOR, and its estimates and decisions, in case any questions may arise, shall be a condition precedent to the right of said CONTRACTOR to receive any money or compensation for anything done or furnished under this CONTRACT.

Any violation or breach of the terms of this CONTRACT on the part of CONTRACTOR/ Subcontractor may result in the suspension or termination of this CONTRACT, or such other action which may be necessary to enforce the rights of the parties of this Agreement.

IN WITNESS WHEREOF, five (5) identical counterparts of this CONTRACT, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the date and year first herein written.

Contract Price: \$178,653.10

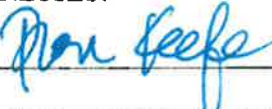
SEAL (ATTEST)

COUNTY OF RIVERSIDE, CALIFORNIA  
(OWNER)

APPROVED (AS TO FORM):

County Counsel

WITNESSES:



Southwest Construction Co Inc.

Address: 2909 Rainbow Valley Blvd

Fallbrook Ca 92028

Phone: 760-728-4460

Contractor's License No. 465118

Classification and Expiration Date: A B 11-30-12

Chairman, Board of Supervisors

 President 9-14-11

(CONTRACTOR)

Title: David L Simon President

Title: Ron Keefe Project Manager

(CORPORATE SEAL)



# CERTIFICATE OF LIABILITY INSURANCE

OP ID: KO

DATE (MM/DD/YYYY)

09/14/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Schell & Associates Insurance Agency - License #0E75909 7901 Raytheon Road San Diego, CA 92111 Craig W. Schell, Pres.	<b>858-541-7177</b> <b>858-541-7821</b>	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> <b>E-MAIL ADDRESS:</b> <b>PRODUCER CUSTOMER ID #:</b> SOUTH-1	<b>FAX (A/C, No):</b>
<b>INSURED</b> Southwest Construction Co. Inc 2909 Rainbow Valley Blvd. Fallbrook, CA 92028	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> Everest National Insurance Co.		
	<b>INSURER B:</b>		
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
	<b>INSURER F:</b>		

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b>						
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY						<b>EACH OCCURRENCE</b> \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						<b>DAMAGE TO RENTED PREMISES (Ea occurrence)</b> \$
							<b>MED EXP (Any one person)</b> \$
							<b>PERSONAL &amp; ADV INJURY</b> \$
							<b>GENERAL AGGREGATE</b> \$
	<b>GEN'L AGGREGATE LIMIT APPLIES PER:</b>						<b>PRODUCTS - COM/OP AGG</b> \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						\$
	<b>AUTOMOBILE LIABILITY</b>						<b>COMBINED SINGLE LIMIT (Ea accident)</b> \$
	<input type="checkbox"/> ANY AUTO						<b>BODILY INJURY (Per person)</b> \$
	<input type="checkbox"/> ALL OWNED AUTOS						<b>BODILY INJURY (Per accident)</b> \$
	<input type="checkbox"/> SCHEDULED AUTOS						<b>PROPERTY DAMAGE (Per accident)</b> \$
	<input type="checkbox"/> HIRED AUTOS						\$
	<input type="checkbox"/> NON-OWNED AUTOS						\$
	<b>UMBRELLA LIAB</b>	<input type="checkbox"/> OCCUR					<b>EACH OCCURRENCE</b> \$
	<b>EXCESS LIAB</b>	<input type="checkbox"/> CLAIMS-MADE					<b>AGGREGATE</b> \$
	<b>DEDUCTIBLE</b>						\$
	<b>RETENTION \$</b>						\$
<b>A</b>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	<input type="checkbox"/> Y/N	<b>N/A</b>	<b>7600002875111</b>	<b>07/13/11</b>	<b>07/13/12</b>	<input checked="" type="checkbox"/> <b>WC STATUTORY LIMITS</b> <input type="checkbox"/> <b>OTH-ER</b>
	<b>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)</b>	<input type="checkbox"/>					<b>E.L. EACH ACCIDENT</b> \$ <b>1,000,000</b>
	<b>If yes, describe under DESCRIPTION OF OPERATIONS below</b>						<b>E.L. DISEASE - EA EMPLOYEE</b> \$ <b>1,000,000</b>
							<b>E.L. DISEASE - POLICY LIMIT</b> \$ <b>1,000,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Job: French Valley Airport - North Apron Rehabilitation Project AIP  
03-06-0338-25-2011

**CERTIFICATE HOLDER****CANCELLATION****COURIVS**

County of Riverside Economic  
Development Agency  
555 Arlington Road  
Riverside, CA 92514

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
Craig W. Schell, Pres.

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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
9/14/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Alliant Insurance Services, Inc. 701 B Street, 6th floor San Diego CA 92101	<b>CONTACT</b> NAME: Wella Campbell PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: wcampbell@alliantinsurance.com ADDRESS: wcampbell@alliantinsurance.com PRODUCER CUSTOMER ID #:														
<b>INSURED</b> Southwest Construction Co., Inc. 2909 Rainbow Valley Blvd. Fallbrook CA 92028	<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: Travelers Ind Co of CT</td><td>25682</td></tr><tr><td>INSURER B: Travelers Property Casualty Co</td><td>25674</td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Travelers Ind Co of CT	25682	INSURER B: Travelers Property Casualty Co	25674	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER D:															
INSURER E:															
INSURER F:															

**COVERAGES**

CERTIFICATE NUMBER: 760290944

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> X, C, U GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		C04763R085	7/13/2011	7/13/2012	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 Ded. PD. \$15,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		B10763R085	7/13/2011	7/13/2012	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
B	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE RETENTION \$		CUP4673R065	7/13/2011	7/13/2012	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

E:112, French Valley Airport, North Apron Rehabilitation Project AIP 03-06-0338-25-2011.  
Certificate holder, Mead & Hunt, Inc., and their officers, employees, and agents are named additional insured with respect to the operations of the name insured.

**CERTIFICATE HOLDER****CANCELLATION**

County of Riverside  
Economic Development Agency  
P.O. Box 1180  
Riverside CA 92502

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## DESIGNATED PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

#### Designated Project(s):

EACH "PROJECT" FOR WHICH YOU HAVE AGREED, IN A WRITTEN CONTRACT WHICH IS IN EFFECT DURING THIS POLICY PERIOD, TO PROVIDE A SEPARATE GENERAL AGGREGATE LIMIT; PROVIDED THAT, THE CONTRACT IS SIGNED AND EXECUTED BY YOU BEFORE THE "BODILY INJURY" OR "PROPERTY DAMAGE" OCCURS.

#### Designated Project

#### General Aggregate(s):

GENERAL AGGREGATE  
LIMIT SHOWN ON THE  
DECLARATIONS

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A. (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to operations at a single designated "project" shown in the Schedule above:
1. A separate Designated Project General Aggregate Limit applies to each designated "project", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations, unless separate Designated Project General Aggregate(s) are scheduled above.
  2. The Designated Project General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A.**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C**, regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  3. Any payments made under **COVERAGE A.** for damages or under **COVERAGE C.** for medical expenses shall reduce the Designated Project General Aggregate Limit for that designated "project". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Project General Aggregate Limit for any other designated "project" shown in the Schedule above.
  4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Project General Aggregate Limit.
- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A. (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C. (SECTION I)**, which cannot be attributed only to operations at a single designated "project" shown in the Schedule above:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONTRACTORS XTEND ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**GENERAL DESCRIPTION OF COVERAGE** – Provisions **A.-H.** and **J.-N.** of this endorsement broaden coverage, and provision **I.** of this endorsement may limit coverage. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the **PROVISIONS** of this endorsement carefully to determine rights, duties, and what is and is not covered.

- |  |   |
|--|---|
| <p><b>A.</b> Broadened Named Insured</p> <p><b>B.</b> Extension of Coverage – Damage To Premises Rented To You</p> <ul style="list-style-type: none"> <li>• Perils of fire, explosion, lightning, smoke, water</li> <li>• Limit increased to \$300,000</li> </ul> <p><b>C.</b> Blanket Waiver of Subrogation</p> <p><b>D.</b> Blanket Additional Insured – Managers or Lessors of Premises</p> <p><b>E.</b> Incidental Medical Malpractice</p> <p><b>F.</b> Extension of Coverage – Bodily Injury</p> <p><b>G.</b> Contractual Liability – Railroads</p> | <p><b>H.</b> Additional Insured – State or Political Subdivisions</p> <p><b>I.</b> Other Insurance Condition</p> <p><b>J.</b> Increased Supplementary Payments</p> <ul style="list-style-type: none"> <li>• Cost of bail bonds increased to \$2,500</li> <li>• Loss of earnings increased to \$500 per day</li> </ul> <p><b>K.</b> Knowledge and Notice of Occurrence or Offense</p> <p><b>L.</b> Unintentional Omission</p> <p><b>M.</b> Personal Injury – Assumed by Contract</p> <p><b>N.</b> Blanket Additional Insured –Lessor of Leased Equipment</p> |
|--|---|

### **PROVISIONS**

#### **A. BROADENED NAMED INSURED**

1. The Named Insured in Item 1. of the Declarations is as follows:

The person or organization named in Item 1. of the Declarations and any organization, other than a partnership, joint venture or limited liability company, of which you maintain ownership or in which you maintain the majority interest on the effective date of the policy. However, coverage for any such additional organization will cease as of the date, if any, during the policy period, that you no longer maintain ownership of, or the majority interest in, such organization.

2. WHO IS AN INSURED (Section II) Item 4.a. is deleted and replaced by the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

3. This Provision **A.** does not apply to any person or organization for which coverage is excluded by endorsement.

#### **B. EXTENSION OF COVERAGE – DAMAGE TO PREMISES RENTED TO YOU**

1. The last paragraph of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is deleted and replaced by the following:

Exclusions c. through n. do not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Fire;
- b. Explosion;
- c. Lightning;
- d. Smoke resulting from such fire, explosion, or lightning; or
- e. Water.

A separate limit of insurance applies to this coverage as described in Section III Limits Of Insurance.

## COMMERCIAL GENERAL LIABILITY

2. This insurance does not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Rupture, bursting, or operation of pressure relief devices;
- b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water;
- c. Explosion of steam boilers, steam pipes, steam engines, or steam turbines.

3. Paragraph 6. of LIMITS OF INSURANCE (Section III) is deleted and replaced by the following:

Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under COVERAGE A. for the sum of all damages because of "property damage" to any one premises while rented to you, or temporarily occupied by you with permission of the owner, caused by: fire; explosion; lightning; smoke resulting from such fire, explosion, or lightning; or water. The Damage To Premises Rented To You Limit will apply to all "property damage" proximately caused by the same "occurrence", whether such damage results from: fire; explosion; lightning; smoke resulting from such fire, explosion, or lightning; or water; or any combination of any of these causes.

The Damage To Premises Rented To You Limit will be the higher of:

- a. \$300,000; or
- b. The amount shown on the Declarations for Damage To Premises Rented To You Limit.

4. Paragraph a. of the definition of "insured contract" (DEFINITIONS – Section V) is deleted and replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by: fire; explosion; lightning; smoke resulting from such fire, explosion, or lightning; or water, is not an "insured contract";

5. This Provision B. does not apply if coverage for Damage To Premises Rented To You of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is excluded by endorsement.

### C. BLANKET WAIVER OF SUBROGATION

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of: premises owned or occupied by or rented or loaned to you; ongoing operations performed by you or on your behalf, done under a contract with that person or organization; "your work"; or "your products". We waive this right where you have agreed to do so as part of a written contract, executed by you before the "bodily injury" or "property damage" occurs or the "personal injury" or "advertising injury" offense is committed.

### D. BLANKET ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as "additional insured") with whom you have agreed in a written contract, executed before the "bodily injury" or "property damage" occurs or the "personal injury" or "advertising injury" offense is committed, to name as an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of any premises leased to you, subject to the following provisions:

1. Limits of Insurance. The limits of insurance afforded to the additional insured shall be the limits which you agreed to provide in the written contract, or the limits shown on the Declarations, whichever are less.
2. The insurance afforded to the additional insured does not apply to:
  - a. Any "bodily injury" or "property damage" that occurs, or "personal injury" or "advertising injury" caused by an offense which is committed, after you cease to be a tenant in that premises;
  - b. Any premises for which coverage is excluded by endorsement; or
  - c. Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.
3. The insurance afforded to the additional insured is excess over any valid and collectible

## COMMERCIAL GENERAL LIABILITY

- b. "Bodily injury" or "property damage" included in the "products-completed operations hazard".

### I. OTHER INSURANCE CONDITION

- A. COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 4. (Other Insurance) is deleted and replaced by the following:

#### 4. Other Insurance

If valid and collectible "other insurance" is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the "other insurance" is also primary. Then, we will share with all that "other insurance" by the method described in c. below.

##### b. Excess Insurance

This insurance is excess over any of the "other insurance", whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk, or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (3) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
- (4) If the loss arises out of the maintenance or use of aircraft, "autos", or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability; or
- (5) That is available to the insured when the insured is an additional

insured under any other policy, including any umbrella or excess policy.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any provider of "other insurance" has a duty to defend the insured against that "suit". If no provider of "other insurance" defends, we will undertake to do so, but we will be entitled to the insured's rights against all those providers of "other insurance".

When this insurance is excess over "other insurance", we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such "other insurance" would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under that "other insurance".

We will share the remaining loss, if any, with any "other insurance" that is not described in this Excess Insurance provision.

##### c. Method Of Sharing

If all of the "other insurance" permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the "other insurance" does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

- B. The following definition is added to DEFINITIONS (Section V):

"Other insurance":

- a. Means insurance, or the funding of losses, that is provided by, through or on behalf of:

## COMMERCIAL GENERAL LIABILITY

sumed in the same "insured contract"; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
- 2. Paragraph 2.d. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B (Section I – Coverages) is deleted and replaced by the following:
  - d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- 3. The third sentence of Paragraph 2 of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B (Section I – Coverages) is deleted and replaced by the following:

Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, or the provisions of Paragraph 2.e.(1) of Section I – Coverage B – Personal Injury, Advertising Injury And Web Site Injury Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage", or damages for "personal injury", and will not reduce the limits of insurance.
- 4. This provision **M.** does not apply if coverage for "personal injury" liability is excluded by endorsement.

## N. BLANKET ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as "additional insured") with whom you have agreed in a written contract, executed before the "bodily injury" or "property damage" occurs or the "personal injury" or "advertising injury" offense is committed, to name as an additional insured, but only with respect to their liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such additional insured, subject to the following provisions:

- 1. Limits of Insurance. The limits of insurance afforded to the additional insured shall be the limits which you agreed to provide in the written contract, or the limits shown on the Declarations, whichever are less.
- 2. The insurance afforded to the additional insured does not apply to any "bodily injury" or "property damage" that occurs, or "personal injury" or "advertising injury" caused by an offense which is committed, after the equipment lease expires.
- 3. The insurance afforded to the additional insured is excess over any valid and collectible "other insurance" available to such additional insured, unless you have agreed in the written contract that this insurance must be primary to, or non-contributory with, such "other insurance".

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at

the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

**F. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while

acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**G. Equipment Breakdown Equivalent to Boiler and Machinery**

On the Common Policy Declarations, the term Equipment Breakdown is understood to mean and include Boiler and Machinery and the term Boiler and Machinery is understood to mean and include Equipment Breakdown.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)

The Phoenix Insurance Company (PHX)

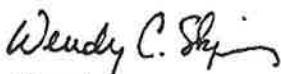
The Charter Oak Fire Insurance Company (COF)


Travelers Property Casualty Company of America (TIL)

The Travelers Indemnity Company of Connecticut (TCT)

The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)

  
Secretary

  
President