

902



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

FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
March 27, 2014

SUBJECT: Rancho Jurupa Regional Sports Park – Approval of Construction Agreement, District 2, [\$479,000], Jurupa Valley Redevelopment Capital Improvement Bond Proceeds

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman of the Board to execute the attached Construction Agreement between the Successor Agency to the Redevelopment Agency and Principles Contracting, Inc. in the amount of \$479,000; and
2. Submit the Construction Agreement to the Oversight Board for approval.

BACKGROUND:

Summary

(Commences on page 2)

Reviewed by
CIP TEAM

W. Douglas 4/1/2014

Alex Gann

Alex Gann
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 350,000	\$ 129,000	\$ 479,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Jurupa Valley Redevelopment Capital Improvement Bond Proceeds (previously approved budget)	Budget Adjustment: No
	For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE

BY: *George A. Johnson*
George A. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY**

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is tentatively approved pending final action by the oversight board.

Ayes: Jeffries, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: April 8, 2014
xc: RDA, EDA

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 4.5 of 2/26/08; 4.5 of 6/29/10; 4-1 of 12/10/13

District: 2/2

Agenda Number:

4-1

FORM APPROVED COUNTY COUNSEL
BY: *48 Victor* 3/27/14
DATE: 3/27/14
MARSHAL VICTOR

Robert Field
Robert Field, Assistant County Executive Officer/EDA
Riverside County Economic Development Agency/EDA

By: Positions Added Change Order
 A-30 4/5 Vote

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

Successor Agency to the Redevelopment Agency

FORM 11: Rancho Jurupa Regional Sports Park – Approval of Construction Agreement, District 2, [\$479,000], Jurupa Valley Redevelopment Capital Improvement Bond Proceeds

DATE: March 27, 2014

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BACKGROUND:

Summary

On February 26, 2008, the Board of Directors approved the Consulting Services Agreement with RHA Landscape Architects Planners, Inc. (RHA) to design the Rancho Jurupa Regional Sports Park (RJRSP). During design of the Park, the water supply was found to be insufficient and use of non-potable ground water from a well would be necessary to provide adequate water supply to the Park.

The well work consists of a new irrigation water well, pumping plant, irrigation water storage reservoir and irrigation booster station. The well project required completion in two separate phases; Phase 1, for the exploration to determine if the well site provided adequate amount of water volume and pressure, and Phase 2, to install the permanent pumping equipment and water storage reservoir.

On June 29, 2010, the Board approved the plans and specifications for the Rancho Jurupa Regional Sports Park (RJRSP) Well Pumping Equipment and Storage Reservoir project, Phase 1 (Phase 1) for the drilling of the well and authorized the Clerk of the Board to advertise for bids. On October 5, 2010, the Board of Directors awarded the construction of Phase 1 for the well to Bakersfield Well & Pump Company. Phase 1 was successfully completed and a Notice of Completion was filed on May 1, 2012.

On December 14, 2010, the Board of Directors awarded the construction contract for the Rancho Jurupa Sports Park to ASR Constructors, Inc. (ASR) in the amount of \$9,659,000. During construction, three change orders were issued in the total accumulated amount of \$69,399 for a revised contract amount of \$9,728,399.

On July 26, 2011, the Board approved the plans and specifications for Phase 2 of the Well Pumping Equipment Project for the installation of the permanent well pumping equipment and water storage reservoir and authorized the Clerk of the Board to advertise for bids. The advertisement for bidding was placed on hold for a short time due to the uncertain status of the Redevelopment Agency. Since the construction of the park was currently being performed by ASR, the Agency began negotiating with ASR on change order number 4 to complete the well work, as the well project is a critical component to the survival of the new park. Two change orders were issued to ASR for preparatory work for the permanent well while cost negotiations were ongoing for the main scope of the well work. The Agency was unable to complete those negotiations with ASR for the remaining work. ASR experienced financial difficulties and submitted a Voluntary Notice of Default, and assigned their rights to their surety, Federal Insurance Company (Federal). The Economic Development Agency (EDA), in their role as Successor Agency, began working with Federal and the surety's agent, Sage Associates, to bring the project to completion. Staff negotiated with Federal in an effort to have Phase II completed under the original construction contract and in accordance with the previous negotiations for change order number 4; however, difficulties in the transition of the role of the general contractor ultimately derailed that effort. The Agency therefore determined that in the best interests of the project, that the remaining well work should be rebid to obtain the best price for completion after ASR's departure.

On December 10, 2013 the Board approved the revised plans and specifications for the RJRSP Well Pumping Equipment and Storage Reservoir – Phase 2 for the completion of the well installation. A bidder's conference was held on January 7th and 4 bids were received on January 29th.

Counsel has reviewed the apparent low bid by Principles Contracting, Inc. and found to comply. Staff recommends that the Board approve the apparent low bid by Principles Contracting, Inc. in the amount of \$479,000.

(Continued)

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

Successor Agency to the Redevelopment Agency

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Jurupa Valley Redevelopment Capital Improvement Bond Proceeds

DATE: March 27, 2014

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Impact on Residents and Businesses

The Park is heavily utilized by the surrounding community and soccer clubs throughout the area. To maintain the viability of this thriving park, it is imperative to have the permanent water supply and service.

Additional Fiscal Information

Expenditures for FY 2013/14 are estimated at \$350,000; expenditures for FY 2014/15 are estimated at \$129,000 for a combined total of \$479,000. All costs associated with this agreement have been included on the ROPS 14-15A and are within the overall approved budget for the project. The EDA/Successor Agency will obtain approval from the Oversight Board and the Department of Finance prior to commencing work under this agreement. The costs will be fully funded through Jurupa Valley Redevelopment Capital Improvement Bond Proceeds, thus no net county costs will be incurred and no budget adjustment is required at this time.

Attachments:

Construction Agreement with Principles Contracting, Inc.

**Riverside County Board of Supervisors
Request to Speak**

Submit request to Clerk of Board (right of podium),
Speakers are entitled to three (3) minutes, subject
to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: GARRY GRANT

Address: _____
(only if follow-up mail response requested)

City: _____ **Zip:** _____

Phone #: _____

Date: BTW APRIL 2014 **Agenda #** 4-1

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ **Support** * _____ **Oppose** _____ **Neutral**

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

_____ **Support** _____ **Oppose** _____ **Neutral**

I give my 3 minutes to: _____

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.



**STANDARD FORM OF CONSTRUCTION CONTRACT BETWEEN
AGENCY AND CONTRACTOR**

by and between

PRINCIPLES CONTRACTING, INC.

(the "Contractor")

And

**THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE**

(the "Agency")

FOR:

**RANCHO JURUPA SPORTS PARK
WELL PUMPING PLANT AND STORAGE RESERVOIR**

5249 CRESTMORE ROAD, JURUPA VALLEY

04.08.14 4-1

STANDARD FORM OF CONSTRUCTION CONTRACT
BETWEEN AGENCY AND CONTRACTOR

THIS STANDARD FORM OF CONSTRUCTION CONTRACT BETWEEN THE AGENCY AND CONTRACTOR ("Agreement") is entered into on this _____ day of _____, 2014 by and between THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("Agency") and PRINCIPLES CONTRACTING, INC., ("Contractor") whose principal place of business is located at 1760 Marlborough Ave, in the city of Riverside, California.

ARTICLE 1
DEFINITIONS

Capitalized terms used in the Contract Documents shall have the meanings assigned to them in the General Conditions. If not defined in the General Conditions, they shall have the meanings assigned to them elsewhere in the Contract Documents. If not defined in the General Conditions or elsewhere, they shall have the meanings reasonably understood to apply to them by the context in which they are used.

ARTICLE 2
PERFORMANCE OF WORK

2.1 SCOPE OF WORK

Contractor shall execute the entire Work called for by the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

2.2 STANDARD OF PERFORMANCE

In addition to and without limiting Contractor's other obligations under the Contract Documents, Contractor shall at all times in its performance of its obligations under the Contract Documents conform to the following general standards of performance:

2.2.1 the requirements of the Contract Documents;

2.2.2 the requirements and conditions of Applicable Laws;

2.2.3 the standard of care applicable to those who provide construction of the type called for by this Construction Contract for projects of a scope and complexity comparable to the Project;

2.2.4 Contractor shall furnish efficient business administration of the Work, utilizing sufficient senior level management and other qualified personnel to manage the Work; and

2.2.5 Contractor shall apply its best and highest skill and attention to completing the Work in an expeditious and economical manner, consistent with the expressed best interests of the Agency and within the limitations of the Contract Price and Contract Time.

ARTICLE 3
CONTRACT TIME

3.1 CONTRACT TIME

3.1.1 **Substantial Completion.** Subject to Contract Adjustments permitted by the Contract Documents, Contractor shall achieve Substantial Completion of the entire Work not later than one hundred twenty (120) Days after the Date of Commencement.

3.1.2 Final Completion. Subject to Contract Adjustments permitted by the Contract Documents, Contractor shall achieve Final Completion of the Work not later than thirty (30) Days after the actual occurrence of Substantial Completion.

3.1.3 Contract Adjustments. The Contract Time shall be extended or shortened only in accordance with the provisions of the Contract Documents governing Contract Adjustments to the Contract Time.

3.2 LIQUIDATED DAMAGES TO AGENCY

3.2.1 Agency's Right. Agency and Contractor acknowledge that if Contractor fails to Substantially Complete the Work within the Contract Time for Substantial Completion, Agency will suffer substantial Losses, which would be both extremely difficult and impracticable to ascertain. On that basis they agree, as a reasonable estimate of those Losses and not a penalty, to the assessment and recovery by Agency of liquidated damages under this Section 3.2.

3.2.2 Per Diem Rate. If Contractor fails to actually achieve Substantial Completion of the entire Work within the Contract Time for Substantial Completion, Contractor shall pay to Agency as liquidated damages the amount of One Thousand Dollars (\$1,000) per Day for each Day occurring after the expiration of the Contract Time for Substantial Completion until Contractor achieves Substantial Completion of the entire Work.

3.2.3 Adjustment for Extensions of Time. Subject to the provisions of Paragraph 8.2.8 of the General Conditions dealing with concurrency of Delays, liquidated damages shall not be charged to Contractor for a period of time for which the Contractor is entitled under the Contract Documents to a Contract Adjustment to the Contract Time for Substantial Completion.

3.2.4 Partial Completion. The liquidated damages provided for under this Section 3.2 shall not be reduced or apportioned: (1) for Substantial Completion of portions of the Work prior to Substantial Completion of the entirety of the Work; or (2) if portions of the Work are deleted pursuant to (a) the Agency's right to order Deleted Work; or (b) a termination by Agency of a portion of the Construction Contract or a deletion of portion of Work for the convenience of the Agency or due to an Event of Contractor Default.

3.2.5 Remedies. Agency may deduct any liquidated damages payable under this Section 3.2 from money due or to become due to Contractor under the Contract Documents, or pursue any other legal remedy to collect such liquidated damages from Contractor and/or its Surety.

3.2.6 Not a Limitation. Agency's rights under this Section 3.2 shall not be interpreted as precluding or limiting: (1) any right or remedy of Agency arising from an Event of Contractor Default other than a failure to achieve Substantial Completion of the Work within the Contract Time for Substantial Completion; or (2) Agency's right to order an acceleration, at Contractor's Own Expense, of performance of the Work to overcome Delay, including, without limitation, a Delay for which Agency has the right to assess liquidated damages under this Section 3.2.

3.3. LIQUIDATED DAMAGES TO CONTRACTOR

3.3.1 Contractor's Right. Agency and Contractor acknowledge and agree that if Contractor is unable due to Compensable Delay to actually achieve Substantial Completion of the Work within the Contract Time for Substantial Completion, Contractor and its affected Subcontractors will suffer Losses that would be both extremely difficult and impracticable to ascertain. On that basis they agree, as a reasonable estimate of those Losses and not a penalty, to the payment by Agency to Contractor of liquidated damages under this Section 3.3.

3.3.2 Daily Rate. Subject to the provisions of Paragraph 8.2.8 of the General Conditions dealing with concurrency of Delays, the Contract Price shall be increased by Change Order or Unilateral Change Order in the amount of five hundred Dollars (\$500) per Day as liquidated damages for each Day for which Contractor is entitled under the Contract Documents to a Contract Adjustment extending the Contract Time for Substantial Completion due to Compensable Delay, with no additional amount added thereto or calculated thereon for Allowable Markup or any other markup for overhead or profit to Contractor or any Subcontractor, of any Tier.

3.3.3 Payment by Agency. A Change Order or Unilateral Change Order setting forth a Contract Adjustment to the Contract Price for liquidated damages permitted by this Section 3.3 shall be executed following, and not before, actual Substantial Completion and prior to or contemporaneously with Final Completion. Notwithstanding any other provision of the Contract Documents to the contrary and without limitation to the Agency's rights of withholding payment to Contractor as permitted elsewhere in the Contract Documents or under Applicable Laws, any amounts due to the Contractor under this Section 3.3 shall be payable as part of, and not prior to the due date for payment of, Final Payment to Contractor.

3.3.4 Deleted Work. A Contract Adjustment shall be made pursuant to Subparagraph 8.2.6.2 of the General Conditions reducing the Contract Price and Contract Time in the event that the Contract Time is shortened due to (1) Deleted Work; or (2) a termination by Agency of a portion of the Construction Contract for convenience or due to an Event of Contractor Default.

3.3.5 Termination. Agency shall have no liability to Contractor to pay any liquidated damages under this Section 3.3, nor shall Agency have any other liability to Contractor or any Subcontractor for any Loss due to Delay (including, without limitation, Compensable Delay) in the event the Construction Contract is wholly terminated (whether such termination is a termination for cause by Agency or Contractor or a termination for convenience by Agency) at any time prior to expiration of the Contract Time for Substantial Completion set forth in Paragraph 3.1.1, above.

3.3.6 Exclusive Remedy. Liquidated damages payable by Agency under this Section 3.3 constitute the Contractor's sole and exclusive right and remedy for recovery from Agency of Losses to Contractor and its Subcontractors, of every Tier, that are attributable to Compensable Delay, regardless of the cause, duration or timing of the Compensable Delay and no other Contract Adjustment, or other form of compensation or reimbursement, of any kind, shall be made to Contractor or any Subcontractor, of any Tier, for any Loss resulting, directly or indirectly, from, or attributable to, any of the following: (1) Unexcused Delay or acceleration to overcome Unexcused Delay; (2) Excusable Delay or any acceleration not authorized by Agency in writing to overcome Excusable Delay; or (3) concurrency of a Compensable Delay with any different type or class of Unexcused Delay or Excusable Delay, whether such concurrency is a concurrency in cause or in effect.

3.3.7 WAIVER BY CONTRACTOR.

CONTRACTOR WAIVES THE RIGHT TO FURTHER RECOURSE OR RECOVERY OF COSTS OR DAMAGES BY REASON OF OR RELATED TO ANY DELAY (INCLUDING, WITHOUT LIMITATION, COMPENSABLE DELAY) THAT IS IN EXCESS OF OR NOT RECOVERED BY CONTRACTOR AS PART OF THE LIQUIDATED DAMAGES PAYABLE TO CONTRACTOR UNDER THIS SECTION 3.3.

**ARTICLE 4
CONTRACTOR COMPENSATION**

4.1 CONTRACT PRICE

4.1.1 Contract Price. Agency shall pay the Contractor in current funds for the Contractor's performance of the Work in accordance with the Contract Documents the Contract Price, exclusive of Contract Adjustments, of **Four Hundred Seventy Nine Thousand Dollars (\$479,000)**.

4.1.2 Basis. The Contract Price set forth in Paragraph 4.1.1, above, is based on the Bid submitted by Contractor as adjusted for Alternates accepted by Agency as set forth in Section 4.2, below.

4.1.3 Adjustments. The Contract Price is only subject to adjustment as permitted by the General Conditions for Contract Adjustments due to Compensable Changes, Deleted Work or Compensable Delay.

4.1.4 All-Inclusive Price. The Contract Price as adjusted for Contract Adjustment permitted by the Contract Documents is the total amount payable by Agency to Contractor for performance of the Work under the Contract Documents and is deemed to cover all Losses, foreseeable or unforeseeable, arising out of or related to past, present or future circumstances within or outside the control of the Contractor or its Subcontractors affecting the time or cost of performing the Work, including, without limitation, the effects of natural elements upon the Work, unforeseen difficulties or obstructions affecting the performance of the Work (including, without limitation, unforeseen conditions at the Site that do

not constitute Differing Site Conditions) and unforeseen fluctuations in market conditions and price escalations (whether occurring locally, nationally or internationally).

4.2 ALTERNATES

The Contract Price includes the following Alternates, which are described in the Contract Documents and are hereby accepted by Agency:

Number	Description	Dollar Amount

4.3 UNIT PRICES

Unit prices agreed to by Agency and Contractor are as follows:

Description	Measurement Unit	Dollar Amount

**ARTICLE 5
ENUMERATION OF CONTRACT DOCUMENTS**

5.1 LIST OF CONTRACT DOCUMENTS

The Contract Documents include, without limitation, the following:

5.1.1 Construction Contract. The Contract Documents include this executed Standard Form of Construction Contract Between Agency and Contractor.

5.1.2 General Conditions. The Contract Documents include the General Conditions of the Standard Form of Construction Contract Between Agency and Contractor (Long Form) or General Conditions of the Standard Form of Construction Contract Between Agency and Contractor (Short Form).

5.1.3 Specifications. The Contract Documents include the following Specifications:

Title	Date	Divisions
SEE EXHIBIT 'A ' WITH TABLE OF CONTENTS FOR SPECIFICATIONS AS APPROVED BY BOARD OF SUPERVISORS ON NOVEMBER 26, 2013 AND INCORPORATED HEREIN.		

5.1.4 Drawings. The Contract Documents include the following Drawings dated September 25, 2012, unless a different date is shown below:

Sheet Number	Title	Date	Pages
SEE EXHIBIT 'B' WITH LIST OF DRAWINGS INCLUDED IN SPECIFICATIONS APPROVED BY BOARD OF SUPERVISORS ON NOVEMBER 26, 2013 AND INCORPORATED HEREIN.			

5.1.5 Addenda. The Contract Documents include the following Addenda:

Addendum Number	Title	Date	Pages
1	ADDENDUM NO. 001	1/23/2014	5

5.1.6 Reference Documents. The Contract Documents include the following Reference Documents:

Title	Author	Date	Pages

**ARTICLE 6
SPECIAL REQUIREMENTS**

6.1 LABOR CODE SECTION 1861 CERTIFICATION

By signing below, Contractor certifies that he/she/it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the California Labor Code, and that he/she/it will comply with such provisions before commencing the performance of the Work.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR YEARS OF THE DATE OF THE ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSION PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN 10 YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS' STATE LICENSE BOARD, P.O. BOX 26000, SACRAMENTO, CALIFORNIA, 95826.

IN WITNESS WHEREOF, the parties hereto have made and executed four (4) originals of this Construction Contract, on _____ [to be filled in by Clerk of the Board].

Reissued in Three (3) Originals

Project No. ED1206005012

Bond No. CDGP100662

PERFORMANCE BOND

(Public Work – Public Contract Code Section 20129 (b))

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Successor Agency to the Redevelopment Agency for the County of Riverside ("Agency") by action of the Board of Supervisors on _____, 20¹⁴, has awarded Construction Contract Number _____ ("Contract") to the undersigned Principles Contracting, Inc. as Principal ("Principal") to perform the work ("Work") for the Rancho Jurupa Sports Park Well Pumping Plant and Storage Reservoir Project, which Contract is by this reference hereby incorporated herein and made a part hereof;

AND, WHEREAS, said Principal is required by the Contract and/or by California Public Contract Code, Section 20129 (b) to furnish a performance bond for the faithful performance of the Contract;

State National Insurance Company, Inc. administered by:
Contractor Managing General Insurance Agency, Inc.

NOW THEREFORE, we, the Principal and _____ ("Surety"), an admitted surety insurer pursuant to Code of Civil Procedure, Section 995.120, are held and firmly bound unto Agency in the penal sum of Four hundred seventy-nine thousand and 00/100ths dollars Dollars (\$ 479,000.00), this amount being not less than one hundred percent (100%) of the total sum payable by Agency under the Contract at the time the Contract is awarded by Agency to the Principal, lawful money of the United States of America, for the payment of which sum well and truly to be made, we, Principal and Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Principal, its heirs, executors, administrators, successors or assigns approved by Agency, shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the Contract, including, without limitation, all obligations during the original term and any extensions thereof as may be granted by Agency, with or without notice to Surety thereof (including, without limitation, the obligation for Principal to pay liquidated damages), all obligations during the period of any warranties and guarantees required under the Contract and all other obligations otherwise arising under the terms of the Contract (such as, but not limited to, obligations of indemnification), all within the time and in the manner therein designated in all respects according to their true intent and meaning, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

Whenever Principal shall be, and is declared by Agency to be, in default under the Contract, the Surety shall promptly either remedy the default, or, if the Contract is terminated by Agency or the

Surety is not released from liability to those for whose benefit this bond has been given, by reason of any breach of the Contract by Agency or Principal.

Surety's obligations hereunder are independent of the obligations of any other surety for the performance of the Contract, and suit may be brought against Surety and such other sureties, joint and severally, or against any one or more of them or against less than all of them, without impairing Agency's rights against the others.

Affix Seal if Corporation

Principles Contracting, Inc.
(Firm Name – Principal)

1760 Marlborough Avenue
Riverside CA 92507

(Business Address)

By 
(Original Signature)

Jeff Signor, Vice President
(Title)

State National Insurance Company, Inc. administered by:
Contractor Managing General Insurance Agency, Inc.

(Corporation Name – Surety)

Affix Corporate Seal

20335 Ventura Blvd, Suite 426
Woodland Hills, CA 91364

(Business Address)

By 
(Signature – Attached Notary's Acknowledgment)

ATTORNEY-IN-FACT Stephanie Hope Shear
(Title-Attach Power of Attorney)

Note: Notary acknowledgment of signatures of Bidder and Surety, and Surety's Power of Attorney, must be included or attached

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Bernardino

On 3-27-14 before me, Cindy Hutton, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Jeff Signor
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 Cindy Hutton
Signature of Notary Public
Cindy Hutton, 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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

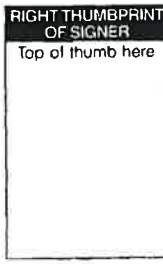
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



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: _____

State National Insurance Company, Inc. Administered by:
CONTRACTOR MANAGING GENERAL INSURANCE AGENCY, INC.

POWER OF ATTORNEY

KNOW BY ALL THESE PRESENTS That STATE NATIONAL INSURANCE COMPANY, INC. a corporation organized and existing under the laws of the State of Texas, having its principal office in Bedford, Texas does hereby constitute and appoint

Stephanie Hope Shear

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, the following bond described as:

Rancho Jurupa Sports Park Well Pumping Plant and Storage Reservoir Project. Project No. ED1206005012

for: Three Million and 00/100 Dollars (\$3,000,000)

and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

The execution of such instrument(s) in pursuance of these present, shall be as binding upon STATE NATIONAL INSURANCE COMPANY, INC. as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at the principal office.

RESOLVED that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, contracts of indemnity and other writings obligatory in the nature thereof, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, STATE NATIONAL INSURANCE COMPANY, INC. has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 11th day of June, 2012.

STATE NATIONAL INSURANCE COMPANY, INC.

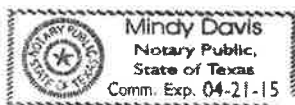
Terry L. Ledbetter, President

Wyatt D. Blackburn, Secretary

STATE OF TEXAS
County of Tarrant

On this 11th day of June, 2011 before me came the individuals who executed the preceding instrument, to me personally known, and being by me duly sworn, said that each of the herein described and authorized officer of STATE NATIONAL INSURANCE COMPANY, INC.; that the seal affixed to said instrument is the Corporate Seal of said Company; that the Corporate Seal and each signature were duly affixed by order of the Board of Directors of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand at Bedford, Texas the day and year above written.



[Notary Stamp]

Signature of Notary

I, Wyatt D. Blackburn, Secretary of STATE NATIONAL INSURANCE COMPANY, INC., do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by STATE NATIONAL INSURANCE COMPANY, INC., which is still in full force and effect.

IN WITNESS WHEREOF, I have thereunto set my hand and attested the seal of said Company this 26th day of March, 2014.

Wyatt D. Blackburn, Secretary

CALIFORNIA ALL - PURPOSE ACKNOWLEDGEMENT

State of California

County of Los Angeles

MAR 26 2014

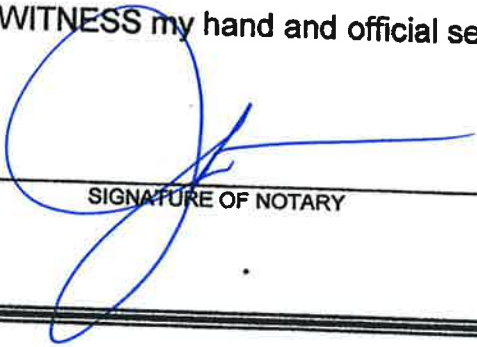
On _____ before me, JAN MICHELLE RIVERA, **NOTARY PUBLIC**
DATE NAME, TITLE OF OFFICER

Personally appeared _____
STEPHANIE HOPE SHEAR
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 OF NOTARY



NOTARY SEAL

Reissued in Three (3) Originals

Project No. ED1206005012

Bond No. CDGP100662

PAYMENT BOND

(Public Work - Civil Code Sections 9550 et seq.)

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Successor Agency to the Redevelopment Agency for the County of Riverside ("Agency") by action of the Board of Supervisors on _____, 20¹⁴, has awarded Construction Contract Number _____ ("Contract") to the undersigned Principles Contracting, Inc. as Principal ("Principal") to perform the work ("Work") for the Rancho Jurupa Sports Park Well Pumping Plant and Storage Reservoir Project;

AND, WHEREAS, said Principal is required by the Contract and/or by Division 3, Part IV, Title XV, Chapter 7 (commencing at Section 9550) of the California Civil Code to furnish a payment bond in connection with the Contract;

State National Insurance Company, Inc. administered by:
Contractor Managing General Insurance Agency, Inc.

NOW THEREFORE, we, the Principal and _____ ("Surety"), an admitted surety insurer pursuant to Code of Civil Procedure, Section 995.120, are held and firmly bound unto Agency in the penal sum of Four hundred seventy-nine thousand and 00/100ths dollars Dollars (\$ 479,000.00), this amount being not less than one hundred percent (100%) of the total sum payable by Agency under the Contract at the time the Contract is awarded by Agency to the Principal, lawful money of the United States of America, for the payment of which sum well and truly to be made, we, Principal and Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Principal, its heirs, executors, administrators, successors, or assigns approved by Agency, or its subcontractors, of any contracting tier, shall fail to pay any person or persons named in California Civil Code, Section 9554, then Surety will pay for the same, in or to an amount not exceeding the penal amount hereinabove set forth, and also will pay to the prevailing party if suit is brought upon this bond, reasonable attorney's fees as provided in California Civil Code, Section 9564.

Surety, for value received, agrees that no change, extension of time, alteration or addition to the terms of the Contract, or to the Work to be performed thereunder, nor any rescission or attempted rescission of the Contract or this bond, nor any conditions precedent or subsequent in the bond or Contract attempting to limit the right of recovery of any claimant otherwise entitled to recover under the Contract or this bond shall in any way impair or affect Surety's obligation under this bond, and Surety does hereby waive notice of any such changes, extensions of time, alterations or additions.

Surety is not released from liability to those for whose benefit this bond has been given, by reason of any breach of the Contract by Agency or Principal.

Surety's obligations hereunder are independent of the obligations of any other surety for the performance of the Contract, and suit may be brought against Surety and such other sureties, joint and severally, or against any one or more of them or against less than all of them, without impairing Agency's rights against the others.

Affix Seal If Corporation

Principles Contracting, Inc.
(Firm Name – Principal)

1760 Marlborough Avenue
Riverside CA 92507

(Business Address)

By 
(Original Signature)

Jeff Signor, Vice President
(Title)

State National Insurance Company, Inc. administered by:
Contractor Managing General Insurance Agency, Inc.

(Corporation Name – Surety)

Affix Corporate Seal

20335 Ventura Blvd, Suite 426
Woodland Hills, CA 91364

(Business Address)

By 
(Signature – Attached Notary's Acknowledgment)

ATTORNEY-IN-FACT Stephanie Hope Shear
(Title-Attach Power of Attorney)

Note: Notary acknowledgment of signatures of Bidder and Surety, and Surety's Power of Attorney, must be included or attached

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Bernardino

On 3-27-14 before me, Cindy Hutton, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Jeff Signor
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 Cindy Hutton
Signature of Notary Public
Cindy Hutton, 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: _____

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: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

**State National Insurance Company, Inc. Administered by:
CONTRACTOR MANAGING GENERAL INSURANCE AGENCY, INC.**

POWER OF ATTORNEY

KNOW BY ALL THESE PRESENTS That **STATE NATIONAL INSURANCE COMPANY, INC.** a corporation organized and existing under the laws of the State of Texas, having its principal office in Bedford, Texas does hereby constitute and appoint

Stephanie Hope Shear

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, the following bond described as:

Rancho Jurupa Sports Park Well Pumping Plant and Storage Reservoir Project. Project No. ED1206005012

for: Three Million and 00/100 Dollars (\$3,000,000)

and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

The execution of such instrument(s) in pursuance of these present, shall be as binding upon **STATE NATIONAL INSURANCE COMPANY, INC.** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at the principal office.

RESOLVED that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, contracts of indemnity and other writings obligatory in the nature thereof, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, **STATE NATIONAL INSURANCE COMPANY, INC.** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 11th day of June, 2012.

STATE NATIONAL INSURANCE COMPANY, INC.

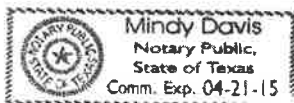
Terry L. Ledbetter, President

Wyatt D. Blackburn, Secretary

**STATE OF TEXAS
County of Tarrant**

On this 11th day of June, 2011 before me came the individuals who executed the preceding instrument, to me personally known, and being by me duly sworn, said that each of the herein described and authorized officer of **STATE NATIONAL INSURANCE COMPANY, INC.**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the Corporate Seal and each signature were duly affixed by order of the Board of Directors of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand at Bedford, Texas the day and year above written.



[Notary Stamp]

Signature of Notary

I, Wyatt D. Blackburn, Secretary of **STATE NATIONAL INSURANCE COMPANY, INC.**, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by **STATE NATIONAL INSURANCE COMPANY, INC.**, which is still in full force and effect.

IN WITNESS WHEREOF, I have thereunto set my hand and attested the seal of said Company this 26th day of March, 2014.

Wyatt D. Blackburn, Secretary

CALIFORNIA ALL - PURPOSE ACKNOWLEDGEMENT

State of California

County of Los Angeles

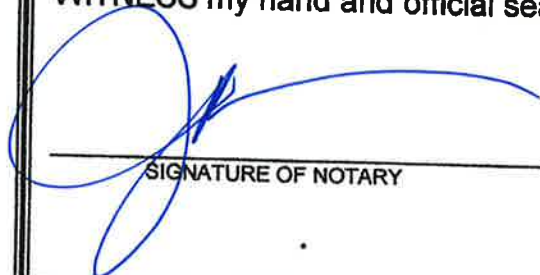
On MAR 26 2014 before me, JAN MICHELLE RIVERA, NOTARY PUBLIC
DATE NAME, TITLE OF OFFICER

Personally appeared STEPHANIE HOPE SHEAR
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 OF NOTARY



NOTARY SEAL

Policy Number:

MGL0178249

Principles Contracting Inc.
Nature Tech Landscaping, Inc.

3/21/2014

Mt. Hawley Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS (FORM C)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

(If no entry appears below, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

To the extent required under contract, this policy will apply as primary insurance to additional insureds scheduled below and other insurance which may be available to such additional insureds will be non-contributory.

Section IV., Condition 4., of this policy is amended accordingly.

SCHEDULE

Name of Person or Organization:

All persons or organizations where required by written contract.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Principles Contracting Inc.
Nature Tech Landscaping, Inc.

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO AMENDMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The BUSINESS AUTO COVERAGE FORM is amended to include the following clarifications and extensions of coverage. With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. BLANKET ADDITIONAL INSURED

SECTION II – LIABILITY COVERAGE, A.1. Who Is An Insured is amended by adding the following:

- d. Any person or organization who is a party to a written agreement or contract with you in which you agree to provide the type of insurance afforded under this Business Auto Coverage Form.

This provision applies to claims for "bodily injury" or "property damage" which occur after the execution of any written agreement or contract.

B. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

SECTION II – LIABILITY COVERAGE, A.1. Who Is An Insured is amended by adding the following:

- e. Any organization which you acquire or form after the effective date of this policy in which you maintain ownership or majority interest. However:

- (1) Coverage under this provision is afforded only up to 180 days after you acquire or form the organization, or to the end of the policy period, whichever is earlier.

- (2) Any organization you acquire or form will not be considered an "insured" if:

A. The organization is a partnership or a joint venture; or

B. That organization is covered under other similar insurance.

- (3) Coverage under this provision does not apply to any claim for "bodily injury" or "property damage" resulting from an "accident" that occurred before you formed or acquired the organization.

C. SUBSIDIARIES AS INSURED

SECTION II – LIABILITY COVERAGE, A.1. Who Is An Insured is amended by adding the following:

- f. Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of this policy. However, "insured" does not include any subsidiary that is an "insured" under any other automobile liability policy or was an "insured" under such a policy but for termination of that policy or the exhaustion of the policy's limits of liability.

D. COVERAGE EXTENSIONS – SUPPLEMENTARY PAYMENTS

SECTION II – LIABILITY COVERAGE, A.2.a. Coverage Extensions, Supplementary Payments (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$350 a day because of time off from work.

E. PHYSICAL DAMAGE – TOWING

SECTION III – PHYSICAL DAMAGE COVERAGE, A.2. Towing is replaced with the following:

We will pay for towing and labor costs incurred, subject to the following:

- a. Up to \$100 each time a covered "auto" of the private passenger type is disabled; or
b. Up to \$500 each time a covered "auto" other than the private passenger type is disabled.

However, the labor must be performed at the place of disablement.

F. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES

SECTION III – PHYSICAL DAMAGE COVERAGE, A.4. Coverage Extensions subparagraph a. Transportation Expenses is replaced by the following:

- (1) We will pay up to \$75 per day to a maximum of \$1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Cause of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expirations, when the covered "auto" is returned to use or we pay for its "loss."

- (2) If the temporary transportation expenses you incur arise from your rental of an "auto" of the private passenger type, the most we will pay is the amount it costs to rent an "auto" of the private passenger type which is of the same like kind and quality as the stolen covered "auto."

G. HIRED AUTO PHYSICAL DAMAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A.4. Coverage Extensions is amended by adding the following:

- c. If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss, or Collision coverage is provided for any "auto" you own, then the Physical Damage coverages provided are extended to "autos" you hire, subject to the following limit and deductible:

- (1) The most we will pay for loss to any hired "auto" is the lesser of \$50,000 or Actual Cash Value or Cost of Repair, minus the deductible.
- (2) The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning.
- (3) Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

The insurance provided under this provision is excess over any other collectible insurance.

H. PERSONAL PROPERTY OF OTHERS

SECTION III – PHYSICAL DAMAGE COVERAGE, A.4. Coverage Extensions is amended by adding the following:

- d. We will pay up to \$500 for loss to personal property of others in or on your covered "auto."

This coverage applies only in the event of "loss" to your covered "auto" caused by fire, lightning, explosion, theft, mischief or vandalism, the covered "auto's" collision with another object, or the covered "auto's" overturn.

No deductibles apply to this coverage.

I. AIRBAG COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, B.3.a. Exclusions is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

J. LOSS TO TWO OR MORE COVERED AUTOS FROM ONE ACCIDENT

SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

If a Comprehensive, Specified Causes of Loss or Collision Coverage "loss" from one "accident" involves two or more covered "autos", only the highest deductible applicable to those coverages will be applied to the "accident".

This provision only applies if you carry Comprehensive, Collision or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any covered "autos" for which you do not carry such coverage.

K. WAIVER OF DEDUCTIBLE – GLASS REPAIR OR REPLACEMENT

SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

If a Comprehensive Coverage deductible is shown in the Declarations it does not apply to the cost of repairing or replacing damaged glass.

L. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS

SECTION IV – BUSINESS AUTO CONDITIONS, A.2. Duties in the Event of Accident, Claim, Suit or Loss is amended by adding the following:

- d. Your obligation to notify us promptly of an "accident," claim, "suit" or "loss" is satisfied if you send us the required notice as soon as practicable after your Insurance Administrator or anyone else designated by you to be responsible for insurance matters is notified, or in any manner made aware, of an "accident," claim, "suit" or "loss."

M. UNINTENTIONAL FAILURE TO DISCLOSE EXPOSURES

SECTION IV – BUSINESS AUTO CONDITIONS, B.2. Concealment, Misrepresentation, or Fraud is amended by adding the following:

If you unintentionally fail to disclose any exposures existing at the inception date of this policy, we will not deny coverage under this Coverage Part solely because of such failure to disclose. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

N. MENTAL ANGUISH

SECTION V – DEFINITIONS, C. is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from bodily injury, sickness or disease.

O. LIBERALIZATION

If we revise this endorsement to provide greater coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

Any person or organization when you and such person or organization have agreed in writing in a contract or agreement (signed prior to commencing work for such person or organization) that you will waive any right of recovery against such person or organization.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

**CONTRACTOR'S CERTIFICATE REGARDING WORKERS'
COMPENSATION**

Labor Code Section 3700 states:

"Every employer except the state shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this state.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employee.

(c) For any county, city, city and county, municipal corporation, public district, public agency, or any political subdivision of the state, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the state itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the director of ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the state which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of Section 3702.

For purposes of this section, 'state' shall include the superior courts of California."

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Principles Contracting, Inc.

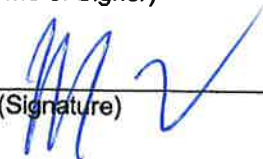
(Name of Contractor)

Vice President

By: _____

Jeff Signor

(Name of Signer)

(Signature) 

(In accordance with Article 5 (commencing at Section 1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this contract.)