

Ship To

Corporate Office  
Attn: Shipping & Receiving Department  
1355 Capital Boulevard  
Reno, NV 89502

Bill To

Truckee Meadows Water Authority  
Post Office Box 30013  
Reno, NV 89520  
(775) 834-8000

**Purchase Order**  
No. 2011-00000202

DATE 01/28/2011

VENDOR NO. 2644

PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, SHIPPERS, BILL OF LADING AND CORRESPONDENCE

Vendor

Arizona Pipeline Company  
P.O. Box 401865  
Hesperia, CA 92340

DELIVER BY  
SHIP VIA  
FREIGHT TERMS  
PAGE 1 of 1

1011-175

ORIGINATOR: Justine Chambers

REFERENCE #

QUANTITY	UNIT	DESCRIPTION	UNIT COST	TOTAL COST
1.0000	Each	TMWA Lewis St Gould St Prosperity St & W First Main Replacement This PO is issued in accordance with NRS 338. The project was formally bid. This recommendation for award is to the lowest responsive and responsible bidder. The documents are filed in Contract No. 1011-175 . The contact person for this project is Kelly McGlynn and can be reached at 775-834-8293. Please direct all progress payments/ invoices with the Purchase Order Number indicated to: TMWA, Accounts Payable, P.O. Box 30013, Reno, NV 89520-3013. 1-2-30-300-7050 - Contract services - construction 298,401.20 04-201	298,401.2000	\$298,401.20
TOTAL DUE				\$298,401.20

Special Instructions

*Mark Foree*  
Mark Foree  
General Manager

e-mailed  
1-28-11

Contract No. 1011-175  
**Lewis St., Gould St., Prosperity St., & W. First St Main  
Replacements  
PWP #WA-2011-81**

THIS CONTRACT FOR CONSTRUCTION, made and entered into this 7<sup>th</sup> day of February, 2011, by and between **Arizona Pipeline Company, 1745 Sampson Avenue, Corona, CA 92879** hereinafter referred to as "Contractor", and Truckee Meadows Water Authority, P.O. Box 30013, Reno Nevada 89520-3013 hereinafter referred to as "Owner".

**WITNESSETH:**

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Owner and the Contractor agree as follows:

1. **Scope of Work.** The Contractor will furnish all labor, materials, equipment, tools, transportation, services, appliances, and appurtenances for the construction of the **Lewis St., Gould St., Prosperity St., & W. First St Main Replacements** in accordance with the Contract Provisions, Plans, and Specifications therefore, adopted by the Owner as prepared by Owner and all work incidental or reasonably inferable which is necessary to produce the results intended by the Contract Documents (the "Work"). The Contractor represents and agrees that it has carefully examined and understands this Agreement and the other Contract Documents, has investigated the nature, locality and site of the Work and the conditions and difficulties under which it is to be performed, and that it enters into this Agreement on the basis of its own examination, investigation and evaluation of all such matters and not in reliance upon any opinions or representations of the Owner, or any of their respective officers, agents, servants, or employees.
2. **Contract Sum.** Owner shall pay the Contractor, as full and complete compensation for Contractor's timely performance of all the Work in accordance with the Contract Documents and to the satisfaction of Owner, the lump sum amount of **Two Hundred Ninety Eight Thousand Four Hundred and One Dollars and Twenty Cents (\$298,401.20)**. The amount set forth above includes the aggregate amount of all allowances and unit price items to be furnished or installed.
3. **Progress Payments.** The Owner will pay the Contractor progress payments and the final payment in accordance with the provisions set forth in the Specifications computed from the actual quantities of work performed and accepted, and the materials furnished, at the unit and lump sum prices shown in the Proposal, as bid in conformance with the Contract Documents defined hereinafter. Owner will retain from such estimated value of the work done the amounts specified in the General Conditions. Owner shall pay to Contractor, at the end of each quarter this Agreement is in effect, interest for the quarter on the amount withheld at a rate to be determined by Owner in accordance with NRS 338.515. Except with respect to any payment withheld pursuant to NRS 338.525, the amount of payments withheld as provided herein shall be retained for a period of 30 days from the date of project Completion and acceptance. Contractor shall pay the subcontractors progress payments and pay interest on amounts retained from said progress payments in accordance with the provisions of NRS 338.510 through NRS 338.535.
4. **Time of Completion.** Contractor shall promptly commence and diligently prosecute the Work to be performed under this Agreement and achieve 100 percent completion by **April 22, 2011** to the entire satisfaction of the Owner before final payment is made. All times stated in the Contract Documents, including interim milestones and those for the delivery and installation of materials and equipment, are of the essence of this Agreement
5. **Liquidated Damages.** Owner and Contractor recognize Owner will suffer extensive damages if the Work is not completed within the time specified above, the exact amount of which is difficult to ascertain. Accordingly, if Contractor fails to achieve 100 percent completion of the Work within the time specified above, Owner shall be entitled to retain or recover from Contractor, as liquidated damages for delay (but not as a penalty) the sum of **\$1,200** per day commencing on the expiration of the time specified above and continuing until the actual date of 100 percent completion. Owner may deduct liquidated damages from any unpaid amounts then or thereafter due the Contractor under this Agreement

**Contract No. 1011-175**  
**Lewis St., Gould St., Prosperity St., & W. First St Main**  
**Replacements**  
**PWP #WA-2011-81**

6. **Prevailing Wage.** Contractor will pay, and will require all subcontractors to pay, unless otherwise exempt there from, all employees on said work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, as contained in or referenced by the Contract Provisions for this work. Contractor shall forfeit to the Owner, as a penalty, not less than \$20 nor more than \$50 for each calendar day and portion thereof that each workman employed on the public work: (a) is paid less than the designated rate for work done under the contract by the Contractor or any subcontractor under him (b) is not reported to the public body awarding as required pursuant to NRS 338.070. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the Contractor shall not require more than (8) hours of labor in a day from any person employed by him hereunder. Contractor shall keep accurate records showing the name, occupation and actual per diem wages and benefits paid to each workman employed by him in connection with this project. The records shall be open to inspection by Owner, its officers and agents and at all reasonable hours.

7. **Acceptance and Final Payment.** As soon as practical following the completion of all phases of the Work, the Contractor shall make request by letter to Owner for a final inspection and acceptance of the Work, and if, in Owner's opinion, all provisions of the Contract Documents and Agreement have been satisfied, Owner will cause a Notice of Completion to be completed by the Project Manager and sent to the Labor Commissioner. Final payment, constituting the entire unpaid balance of the contract sum, shall be made by Owner to Contractor when the Contract has been fully performed by Contractor except for Contractor's responsibility to satisfy requirements, if any, which necessarily survive final payment; and the Notice of Completion has been sent to the Labor Commissioner. Final payment shall be made by Owner not more than 30 calendar days following the Notice of Completion, as specified in the General Conditions. Final payment is further subject to Owner's prior receipt from Contractor of all as-built drawings, certifications, prevailing wages, maintenance manuals, operating instructions, written guarantees, warranties, and bonds relating to the Work, and assignments of all guarantees and warranties from subcontractors, vendors, suppliers, or manufacturers, all as required by the Contract Documents. Acceptance of final payment by the Contractor shall constitute a full waiver and release by the Contractor of all claims against Owner arising out of or relating to this Agreement.

8. **Insurance.** The Contractor shall purchase and maintain prior to performing any Work on the Project, at its sole expense, from a company or companies authorized to do business in the State of Nevada, insurance policies containing the types of coverages and minimum limits of liability described in the General Conditions protecting from claims which may arise out of or result from the performance or non-performance of services under this Contract by the Contractor or by anyone directly or indirectly employed by it, or by anyone for whose acts it may be liable, including without limitation subcontractors, independent contractors, and agents. Contractor shall procure and maintain at a minimum the insurance as required in the General Conditions, and shall require all subcontractors to procure and maintain at a minimum the insurance as required in the General Conditions, including but not limited to industrial insurance as required by the Nevada Industrial Insurance Act and the Nevada Occupational Diseases Act. Contractor or his subcontractor(s) failure to pay premiums will automatically authorize Owner to, at its option, terminate this Agreement or withhold amounts from funds due the Contractor and make insurance premium payments on behalf of the Contractor and/or his subcontractors.

9. **Performance and Payment Bonds.** The Contractor shall, prior to the execution of the Contract, furnish two bonds on the forms bound herein approved by the Owner, one in the amount of One Hundred Percent (100%) of the Contract price, to guarantee the faithful performance of the work, and one in the amount of One Hundred Percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contractor shall not begin work until such bonds are supplied to and approved by the Owner.

10. **Contract Documents.** Contract Documents include, but are not limited to the Invitation to Bid Book including the: Invitation to Bid, Instructions to Bidders, Bid Bond, Bid Schedule, Contract Award Instructions, Contract Performance Bond, Payment Bond, General Conditions, Permits, Supplementary Conditions, Standard Specifications,

Contract No. 1011-175  
**Lewis St., Gould St., Prosperity St., & W. First St Main**  
**Replacements**  
PWP #WA-2011-81

Technical Specifications, Plans, details, Addenda, if any, Executed Change Orders, if any, Notice of Award, Notice to Proceed Plans, and any other document that is incorporated into the contract is hereinafter referred to as EXHIBIT "A" and located at the Owner's office for public inspection.

11. **Nondiscrimination.** In accordance with NRS 338.125, in connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or age. Such agreements shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Any violation of such provision by the Contractor shall constitute a material breach of the Contract. Further, Contractor agrees to insert this nondiscrimination provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

12. **Veteran's Preference.** Contractor agrees to give preference as provided in NRS 338.130. If this provision is not complied with, the Contract shall be void, and any failure or refusal to comply with this provision shall render the Contract void.

13. **Warranty.** In addition to any other warranties provided by law or in the General conditions, Contractor warrants the Work under this Contract to be free from all defects for a period of one year from the date of final acceptance by Owner. Any defects found during this period shall be repaired by the Contractor at no cost to Owner in accordance with the requirements of the Contract Documents.

14. **Indemnification/Hold Harmless.** Owner has established specific indemnification and insurance requirements for agreements with Contractors which are fully set forth in the General Conditions, which Contractor has examined, understands and agrees to perform. Indemnification and hold harmless clauses are intended to assure that Contractors accept responsibility to pay for the loss liability and any and all costs and expenses arising out of their activities and Work.

15. **Termination.** In addition to other provisions of this Agreement, Owner has the right to terminate the Agreement without cause at any time upon giving Contractor seven days notice in writing. In the event the Agreement is terminated by Owner in accordance with this provision, Owner agrees to pay Contractor for all work satisfactorily completed and for materials installed prior to the date of termination.

16. **Governing Law.** This Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Nevada, with venue in the County of Washoe. Each party acknowledges and agrees that the laws of the State of Nevada and the selection of venue were freely chosen.

17. **Compliance with Laws.** Pursuant to NRS 338.153, Contractor shall comply, and shall insure each subcontractor and other person who provides labor, equipment, materials, supplies or services for the Project complies, with the requirements of all applicable state and local laws, including without limitation, any applicable licensing requirements and requirements for the payment of sales and use taxes on equipment, materials and supplies provided for the Project.

18. **Confidentiality.** Contractor acknowledges and agrees the Drawings and Technical Specifications reveal critical infrastructure of facilities used for storing, transporting or transmitting water as contemplated by Nevada's Homeland Security Act, and that the disclosure or release of the Drawings and Technical Specifications to any unauthorized person would create a substantial likelihood of compromising, jeopardizing or otherwise threatening the public health, safety or welfare. Contractor shall not, and shall ensure its Subcontractors, employees and agents shall not, knowingly disclose such documents or information or assist, solicit or conspire with another person to disclose such documents or information Contract Documents without the express prior written consent of Owner.

Contract No. 1011-175  
Lewis St., Gould St., Prosperity St., & W. First St Main  
Replacements  
PWP #WA-2011-81

Owner and Contractor hereby enter into this agreement as of the date and year first written above.

"Owner"  
TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority  
By: Mark Force Date: 1/28/11  
TMWA, General Manager

STATE OF California )  
County of Reverside ) ss

John W. Gulzow being first duly sworn, deposes and says: That he is the Contractor, or authorized agent of the Contractor, for whom the aforesaid described work is to be performed by; that he has read the foregoing Contract and understands the terms, conditions, and requirements thereof.

**CONTRACTOR:**

By: John W. Gulzow  
Title: Vice-President  
Firm: Arizona Pipeline Company  
Address: 1745 Sampson Avenue  
City/State & Zip: Corona, CA 92879  
Telephone: 951-270-3100  
Fax: 951-270-3101  
E-mail: jgulzow@arizonapipeline.com

[Signature]  
(Signature Of Contractor)

DATED this 27<sup>th</sup> day of January, 2011.

**ATTEST:**

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2011, before me, \_\_\_\_\_ /Notary Public, personally appeared John W. Gulzow personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.  
WITNESS my hand and official seal.

[Signature]  
Notary's Signature  
S.S.

**PLEASE SEE ATTACHED CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT.**  
[Signature]  
**SHARON KAY DUGAN-DOMINGUEZ,**  
**NOTARY PUBLIC**

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Bexerside

On Jan. 27, 2011  
Date

before me,

Sharon Kay Dugan - Dominguez Notary Public  
Here Insert Name and Title of the Officer

personally appeared

John W. Galbraith  
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

Sharon Kay Dugan - Dominguez  
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: \_\_\_\_\_

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: \_\_\_\_\_

# PERFORMANCE BOND

Bond # 929515297

**KNOW ALL MEN BY THESE PRESENTS**, that I/we **Arizona Pipeline Company, 1745 Sampson Avenue, Corona, CA 92879** as Principal, hereinafter called Contractor, and

Western Surety Company

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a corporation duly organized or authorized to do business under the laws of the State of Nevada, as Surety, hereinafter called the Surety, are held and firmly bound unto Truckee Meadows Water Authority, a joint powers authority created pursuant to NRS Chapter 277, for the Sum **Two Hundred Ninety Eight Thousand Four Hundred and One Dollars and Twenty Cents (\$298,401.20)** for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. This bond shall be governed by the laws of the State of Nevada.

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**WHEREAS**, Contractor has by written agreement dated February 7<sup>th</sup>, 2011 entered into a contract with Truckee Meadows Water Authority for **BID #1011-175** and titled "**Lewis St., Gould St., Prosperity St., & W. First St Main Replacements**" in accordance with drawings and specifications prepared by Truckee Meadows Water Authority and which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

**NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION** is such that, if Contractor shall promptly and faithfully perform said Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect. The Surety hereby waives notice of any alteration or extension of time made by Truckee Meadows Water Authority and its obligation is not affected by any such alteration or extension provided the same is within the scope of the contract. Whenever Contractor shall be, and is declared by Truckee Meadows Water Authority to be in default under the Contract, Truckee Meadows Water Authority having performed Truckee Meadows Water Authority's obligations thereunder, the Surety may promptly remedy the default or shall promptly:

- 1) Complete the Contract in accordance with its terms and conditions; or
- 2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Truckee Meadows Water Authority and the Surety jointly of the lowest responsive, responsible bidder, arrange for a contract between such bidder and Truckee Meadows Water Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price", as used in this paragraph, shall mean the total amount payable by Truckee Meadows Water Authority to Contractor under the Contract and any amendments thereto, less the amount properly paid by Truckee Meadows Water Authority to Contractor. No right of action shall accrue on this bond to or for the use of any person or corporation other than Truckee Meadows Water Authority or successors of Truckee Meadows Water Authority.

# PERFORMANCE BOND

Continued for BID #1011-175 and titled "Lewis St., Gould St., Prosperity St., & W. First St Main Replacements"

BY: [Signature] (signature of Principle)

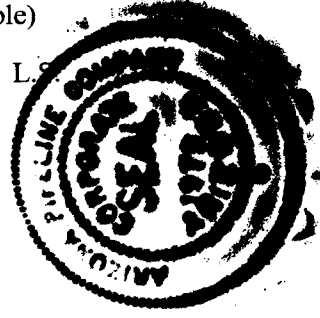
TITLE: Vice President

FIRM: Arizona Pipeline Company

Address: 1745 Sampson Avenue

City, State, Zip: Corona, CA 92879

Phone: 951-270-3100



Printed Principal's Name: John W. Gulzow

Attest by: [Signature] (signature of Notary)

Subscribed and Sworn before me this 15 day of February

Notary public for the State of Arizona  
Sharon Kay Dugan - Dominguez  
Notary Public

CLAIMS UNDER THIS BOND MAY BE ADDRESSED TO:	Nevada Agent Information
Name of Surety Western Surety Company	Name of Nevada Licensed Agent The Harris Agency, LLC
Address 333 S. Wabash Ave.	Address 3480 W. Hacienda Ave.
City Chicago	City Las Vegas
State/Zip Code IL. 60604	State/Zip Code NV. 89118
Name	Agent's Name Wendy Crowell
Title	Agent's Title CSR
Telephone 312-822-5000	Agent's Telephone 702-202-6611

Surety's Acknowledgment: By: [Signature]  
Gregory J Harris, Attorney-In-Fact

Nevada Agent's Acknowledgment: By: [Signature]  
Wendy Crowell

**NOTICE:**

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in the State of Nevada. Certified copy of Power of Attorney must be attached.

# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

**Rose M Creighton, James A Harris, Gregory J Harris, Dianna Curry, Kelly M Lamb, Individually**

of Las Vegas, NV, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

### - In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 25th day of March, 2010.

WESTERN SURETY COMPANY



*Paul T. Bruflat*

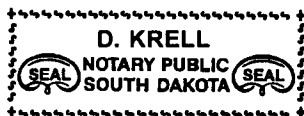
Paul T. Bruflat, Senior Vice President

State of South Dakota }  
County of Minnehaha } ss

On this 25th day of March, 2010, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



*D. Krell*

D. Krell, Notary Public

### CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 13th day of January 2011.



WESTERN SURETY COMPANY

*L. Nelson*

L. Nelson, Assistant Secretary

# CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

1 \_\_\_\_\_  
2 \_\_\_\_\_  
3 \_\_\_\_\_  
4 \_\_\_\_\_  
5 \_\_\_\_\_  
6 \_\_\_\_\_

Signature of Document Signer No. 1 \_\_\_\_\_ Signature of Document Signer No. 2 (if any) \_\_\_\_\_

State of California

County of Riverside

Subscribed and sworn to (~~by returned~~) before me on this  
18<sup>th</sup> day of January, 2011, by  
Date Month Year

(1) John W. Subzou  
Name of Signer

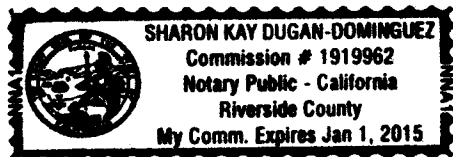
proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(and

(2) \_\_\_\_\_  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature Sharon Kay Dugan-Dominguez  
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.

### Further Description of Any Attached Document

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

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

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

RIGHT THUMBPRINT OF SIGNER #1
Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here

# LABOR AND MATERIAL PAYMENT BOND

Bond #929515297

KNOW ALL MEN BY THESE PRESENTS, that I/we **Arizona Pipeline Company, 1745 Sampson Avenue, Corona, CA 92879** as Principal, hereinafter called Contractor, and

Western Surety Company

a corporation duly organized or authorized to do business under the laws of the State of Nevada, as Surety, hereinafter called the Surety, are held and firmly bound unto Truckee Meadows Water Authority, a joint powers authority created pursuant to NRS Chapter 277, for the sum of **Two Hundred Ninety Eight Thousand Four Hundred and One Dollars and Twenty Cents (\$298,401.20)** for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. This bond shall be governed by the laws of the State of Nevada.

**WHEREAS**, Contractor has by written agreement dated February 7<sup>th</sup>, 2011 entered into a contract with Truckee Meadows Water Authority for **BID #1011-175** and titled "**Lewis St., Gould St., Prosperity St., & W. First St Main Replacements**" in accordance with drawings and specifications prepared by Truckee Meadows Water Authority and which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

**NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION** is such that, if Contractor shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- 1) A claimant is defined as one having a direct contract with the Contractor or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental of equipment directly applicable to the Contract.
- 2) The above-named Principal and Surety hereby jointly and severally agree with Truckee Meadows Water Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. Truckee Meadows Water Authority shall not be liable for the payment of any costs or expenses of any such suit.
- 3) No suit or action shall be commenced hereunder by any claimant:
  - a) Unless claimant, other than one having a direct contract with the Contractor, shall have given written notice to any two of the following: the Contractor, Truckee Meadows Water Authority, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served or served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal at any place the Principal maintains an office or conducts its business.
  - b) After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.
  - c) Other than in a court of competent jurisdiction for the county or district in which the construction contract was to be performed.

# LABOR AND MATERIAL PAYMENT BOND

Continued for BID # 1011-175 and titled "Lewis St., Gould St., Prosperity St., & W. First St Main Replacements"

4) The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

BY: \_\_\_\_\_ (signature of Principle)

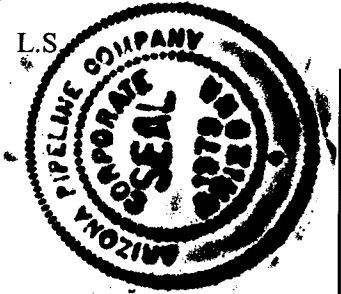
TITLE: Vice President

FIRM: Arizona Pipeline Company

Address: 1745 Sampson Avenue

City, State, Zip: Corona, CA 92879

Phone: 951-270-3100



Printed Principal's Name: John W. Gulzow

Attest by: *Pls. see attached CA Jurat w/affidavit* (signature of Notary)

Subscribed and Sworn before me this \_\_\_\_\_ day of *statement attached*

Notary public for the State of *Sharon Kay Jager - Dominguez, Notary Public*

### CLAIMS UNDER THIS BOND MAY BE ADDRESSED TO:

### Nevada Agent Information

<b>Name of Surety</b> Western Surety Company	<b>Name of Nevada Licensed Agent</b> The Harris Agency, LLC
<b>Address</b> 333 S. Wabash Ave.	<b>Address</b> 3480 W. Hacienda Ave.
<b>City</b> Chicago	<b>City</b> Las Vegas
<b>State/Zip Code</b> IL. 60604	<b>State/Zip Code</b> NV. 89118
<b>Name</b>	<b>Agent's Name</b> Wendy Crowell
<b>Title</b>	<b>Agent's Title</b> CSR
<b>Telephone</b> 312-822-5000	<b>Agent's Telephone</b> 702-202-6611

### Surety's Acknowledgment:

By: *[Signature]*  
Gregory J Harris, Attorney-in-Fact

### Nevada Licensed Agent's Acknowledgment:

By: *[Signature]*  
Wendy Crowell

### NOTICE:

No substitution or revision to this bond form will be accepted. Sureties must be authorized have an agent for service of process in the State of Nevada. Certified copy of Power of Attorney n



# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

**Rose M Creighton, James A Harris, Gregory J Harris, Dianna Curry, Kelly M Lamb, Individually**

of Las Vegas, NV, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

### - In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 25th day of March, 2010.



WESTERN SURETY COMPANY

*Paul T. Bruflat*

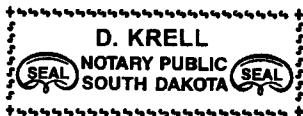
Paul T. Bruflat, Senior Vice President

State of South Dakota }  
County of Minnehaha } ss

On this 25th day of March, 2010, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



*D. Krell*

D. Krell, Notary Public

### CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 13th day of January, 2011.



WESTERN SURETY COMPANY

*L. Nelson*

L. Nelson, Assistant Secretary

# CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)  
 See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

1  
2  
3  
4  
5  
6

Signature of Document Signer No. 1 \_\_\_\_\_ Signature of Document Signer No. 2 (if any) \_\_\_\_\_

State of California

County of Riverside

Subscribed and sworn to (or affirmed) before me on this  
18<sup>th</sup> day of January, 2011, by

(1) John W. Sulzow,  
Name of Signer

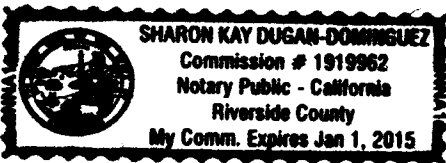
proved to me on the basis of satisfactory evidence  
to be the person who appeared before me (.) (.)

(and

(2) \_\_\_\_\_,  
Name of Signer

proved to me on the basis of satisfactory evidence  
to be the person who appeared before me.)

Signature Sharon Kay Dugan-Domiguez  
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.*

### Further Description of Any Attached Document

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

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

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

RIGHT THUMBPRINT  
OF SIGNER #1  
Top of thumb here

RIGHT THUMBPRINT  
OF SIGNER #2  
Top of thumb here

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE** DATE (MM/DD/YYYY)  
1/12/2011

**PRODUCER** (702)368-1144 FAX: (702)368-1155  
**The Harris Agency, LLC**  
 5105 S. Durango Drive  
 Suite 100  
 Las Vegas NV 89113

**INSURED**  
 Arizona Pipeline Company  
 PO Box 401865  
 Hesperia CA 92340

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Travelers Prop Cas Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

**COVERAGES**  
 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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS			
A	X		GENERAL LIABILITY	VTJEXGL5643B14ATIL10	4/1/2010	4/1/2011	EACH OCCURRENCE \$ 1,000,000			
			<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000			
A			AUTOMOBILE LIABILITY	VTC2JCAP5643B151TIL10	4/1/2010	4/1/2011	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000			
			<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$			
			GARAGE LIABILITY							AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
			<input type="checkbox"/> ANY AUTO						EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$	EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A			WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	VTJUB5643B29210	4/1/2010	4/1/2011	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input checked="" type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000			
			OTHER							

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**  
 Re: Contract #1011-175 Lewis St, Gould St, Prosperity St & W First St Main Replacements. Certificate holder is included as additional insured with respect to general liability per attached form EXG373 0106 and automobile per attached CA2048 0299 subject to policy terms and conditions. Waiver of subrogation applies to general liability per attached EXG374 0106, automobile per attached CAT353 0104 and workers compensation per WC990376. \*Except 10 days notice of cancellation for non payment of premium.

**CERTIFICATE HOLDER**  
 Truckee Meadows Water Authority  
 PO Box 30013  
 Reno, NV 89520-3013

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30\* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE *Amy Thompson*

## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**BLANKET ADDITIONAL INSURED  
(CONTRACTORS)**

This endorsement modifies insurance provided under the following:

**SELF-INSURED EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

1. WHO IS AN INSURED - (Section II) is amended to include any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:
  - a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
  - b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.
2. The insurance provided to the additional insured by this endorsement is limited as follows:
  - a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III - Limits Of Insurance.
  - b) The insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:
    - i. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
    - ii. Supervisory, inspection, architectural or engineering activities.
  - a) The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.
3. Subparagraph (1)(a) of the Pollution exclusion under Paragraph 2., Exclusions of Coverage A. Bodily Injury and Property Damage Liability (Section I - Coverages) does not apply to you if the "bodily injury" or "property damage" is caused by "your work" performed at any premises, site or location which is owned by, or rented to, the additional insured at the time "your work" is performed there.
4. The insurance provided to the additional insured by this endorsement is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if the "written contract requiring insurance" specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis, this insurance will apply as if "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss does not exist, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".
5. As a condition of coverage provided to the additional insured by this endorsement:

SELF-INSURED EXCESS

- a) The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim under this insurance. To the extent possible, such notice should include:
  - i. How, when and where the "occurrence" or offense took place;
  - ii. The names and addresses of any injured persons and witnesses; and
  - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b) If a claim is made or "suit" is brought against the additional insured which may result in a claim against this insurance, the additional insured must:
  - i. Immediately record the specifics of the claim or "suit" and the date received; and
  - ii. Notify us as soon as practicable.

The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c) If a claim is made or "suit" is brought against the additional insured which may result in a claim against this insurance, the additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d) The additional insured must tender the defense and indemnity of any claim or "suit" to any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether, as described in paragraph 4. above, the insurance provided to the additional insured by this endorsement will apply as if "other insurance" available to the additional insured which covers that person or organization as a named insured does not exist.

6. The following definition is added to SECTION V. - DEFINITIONS:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

POLICY NUMBER: VTC2JCAP5643B151TIL10

COMMERCIAL AUTO  
ISSUE DATE: 4/1/20

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

## **DESIGNATED INSURED**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

### **SCHEDULE**

**Name of Person(s) or Organization(s):**

ANY PERSON OR ORGANIZATION THAT YOU ARE  
REQUIRED TO INCLUDE AS AN ADDITIONAL  
INSURED ON THIS COVERAGE FORM IN A  
WRITTEN CONTRACT OR AGREEMENT THAT IS  
SIGNED AND EXECUTED BY YOU BEFORE THE  
"BODILY INJURY" OR "PROPERTY DAMAGE"  
OCCURS AND THAT IS IN EFFECT DURING  
THE POLICY PERIOD.

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

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CONTRACTORS EXTEND ENDORSEMENT

This endorsement modifies insurance provided under the following:  
**SELF-INSURED EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**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>A. Broadened Named Insured</p> <p>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>C. Blanket Waiver of Subrogation</p> <p>D. Blanket Additional Insured -- Managers or Lessors of Premises</p> <p>E. Incidental Medical Malpractice</p> <p>F. Extension of Coverage -- Bodily Injury</p> | <p>G. Contractual Liability -- Railroads</p> <p>H. Additional Insured -- State or Political Subdivisions</p> <p>I. Other Insurance Condition</p> <p>J. Knowledge and Notice of Occurrence or Offense</p> <p>K. Unintentional Omission</p> <p>L. Personal Injury - Assumed by Contract</p> <p>M. 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.

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   ers, steam pipes, steam engines, or steam   irblines.
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 shall be excess over any valid and collectible "other insurance" available to the additional insured unless you have agreed in a written contract for this insurance to apply before any valid and collectible "other insurance" available to the additional insured, in which case, any valid and collectible "other insurance" available to the additional insured for the coverage provided by this endorsement shall be noncontributory with and excess of both the:
  - a. "Retained limit" stated in the Declarations of the policy to which this endorsement is attached; and
  - b. The Limits Of Insurance provided in PROVISION D.1. above.

#### E. INCIDENTAL MEDICAL MALPRACTICE

1. The following is added to paragraph 1. Insuring Agreement of COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

"Bodily injury" arising out of the rendering of, or failure to render, the following will be deemed to be caused by an "occurrence":

- a. Medical, surgical, dental, laboratory, x-ray or nursing service, advice or instruction, or the related furnishing of food or beverages;
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances;
- c. First aid; or
- d. "Good Samaritan services." As used in this Provision E., "Good Samaritan services" are those medical services rendered or provided in an emergency and for which no remuneration is demanded or received.

2. Paragraph 2.a.(1)(d) of WHO IS AN INSURED (Section II) does not apply to any registered nurse, licensed practical nurse, emergency medical technician or paramedic employed by you, but only while performing the services described in paragraph 1. above and while acting within the scope of their employment by you. Any "employees" rendering "Good Samaritan services" will be deemed to be acting within the scope of their employment by you.

3. The following exclusion is added to paragraph 2. Exclusions of COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

(This insurance does not apply to:) "Bodily injury" or "property damage" arising out of the willful violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by or with the knowledge or consent of the insured.

4. For the purposes of determining the applicable limits of insurance, any act or omission together with all related acts or omissions in the furnishing of the services described in paragraph 1. above to any one person will be deemed one "occurrence".
5. This Provision E. does not apply if you are in the business or occupation of providing any of the services described in paragraph 1. above.
6. The insurance provided by this Provision E. shall be excess over any valid and collectible "other insurance" available to the insured, whether primary, excess, contingent or on any other basis, except for insurance that you bought specifically to apply in excess of the Limits of Insurance shown on the Declarations of this Coverage Part.

**F. EXTENSION OF COVERAGE - BODILY INJURY**

The definition of "bodily injury" (DEFINITIONS - Section V) is deleted and replaced by the following: "Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

**G. CONTRACTUAL LIABILITY - RAILROADS**

1. Paragraph c. of the definition of "insured contract" (DEFINITIONS - Section V) is deleted and replaced by the following:
  - c. Any easement or license agreement;
2. Paragraph f.(1) of the definition of "insured contract" (DEFINITIONS - Section V) is deleted.

**H. ADDITIONAL INSURED - STATE OR POLITICAL SUBDIVISIONS - PERMITS**

WHO IS AN INSURED (Section II) is amended to include as an insured any state or political subdivision, subject to the following provisions:

1. This insurance applies only when required to be provided by you by an ordinance, law or building code and only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
2. This insurance does not apply to:
  - a. "Bodily injury," "property damage," "personal injury" or "advertising injury" arising out of operations performed for the state or political subdivision; or
  - 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

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

This condition does not apply to insurance purchased specifically to be either quota share with this Coverage Part or excess of this Coverage Part.

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

"Other insurance" means insurance, or the funding of losses, that is provided by, through or on behalf of:

- a. Another insurance company;
- b. Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit section of Paragraph 5 of LIMITS OF INSURANCE (Section III) or the Non cumulation of Personal and Advertising Injury limit sections of Paragraph 4 of LIMITS OF INSURANCE (Section III) applies;
- c. Any risk retention group;
- d. Any self-insurance method or program, other than any funded by you and over which this Coverage Part applies; or
- e. Any similar risk transfer or risk management method.

## J. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

1. The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 2. (Duties In The Event of Occurrence, Offense, Claim or Suit):

Notice of an "occurrence" or of an offense which may result in a claim must be given as soon as practicable after knowledge of the "occurrence" or offense has been reported to you, one of your "executive officers" (if you are a corporation), one of your partners who is an individual (if you are a partnership), one of your managers (if you are a limited liability company), or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice.

Knowledge by any other "employee" of an "occurrence" or offense does not imply that you also have such knowledge.

2. Notice of an "occurrence" or of an offense which may result in a claim will be deemed to be given as soon as practicable to us if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice of the "occurrence" or offense to us as soon as practicable after you, one of your "executive officers" (if you are a corporation), one of your partners who is an individual (if you are a partnership), one of your managers (if you are a limited liability company), or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice discovers that the "occurrence" or offense may involve this policy.
3. This Provision J. does not apply as respects the specific number of days within which you are required to notify us in writing of the abrupt commencement of a discharge, release or escape of "pollutants" that causes "bodily injury" or "property damage" which may otherwise be covered under this policy.

## K. UNINTENTIONAL OMISSION

The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 6. (Representations):

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy shall not prejudice your rights under this insurance. However, this Provision L. does not affect our right to collect additional premium or to exercise our right of cancellation or nonrenewal in accordance with applicable state insurance laws, codes or regulations.

## L. PERSONAL INJURY - ASSUMED BY CONTRACT

1. The following is added to Exclusion b. (1) of Paragraph 2., Exclusions of Coverage B. Personal Injury, Advertising Injury, and Web Site Injury Liability of the Web XTEND Liability endorsement:

Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "personal injury" provided:

- (a) Liability to such party for, or for the cost of, that party's defense is also been assumed in the same "insured contract".
- (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. This provision L. does not apply if coverage for "personal injury" liability is excluded by endorsement.

**M. 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".

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

## **BUSINESS AUTO COVERAGE EXTENSION FORM**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

#### **A. BROAD FORM NAMED INSURED**

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

- d. Any business entity newly acquired or formed by you during the policy period, provided you own 50% or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of 180 days following acquisition or formation of the business entity.

This provision does not apply to any person or organization for which coverage is excluded by endorsement.

#### **B. EMPLOYEES AS INSURED**

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

- e. If you are not a sole proprietor, any "employee" of yours is an "insured" while using, in the course and scope of your business at the time of an "accident", a covered "auto" you don't own, hire or borrow.

If you are a sole proprietor, any "employee" of yours is an "insured" while using, in the course and scope of your business or personal affairs at the time of an "accident", a covered "auto" that you don't own, hire or borrow.

#### **C. COVERAGE EXTENSIONS – SUPPLEMENTARY PAYMENTS**

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

- (2) Up to \$3,000 for 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 \$500 a day because of time off from work.

#### **D. HIRED CAR – WORLDWIDE COVERAGE**

**SECTION II – LIABILITY COVERAGE, A.2. Coverage Extensions** is amended by adding the following extension:

##### **c. Hired Car – Worldwide Coverage**

- (1) We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" which occurs outside the United States of America, the territories and possessions of the United States of America, Puerto Rico, and Canada resulting from the operation, maintenance, or use of any covered "auto" of the private passenger type you lease, hire, rent, or borrow without a driver for 30 days or less.
- (2) With respect to any claim made or "suit" instituted outside the United States of America, the territories and possessions of the United States of America, Puerto Rico, and Canada:
- (a) You shall undertake the investigation, settlement, and defense of such claims and "suits" and keep us advised of all proceedings and actions.
- (b) You will not make any settlement without our consent.
- (c) We will reimburse you:
- (i) For the amount of damages because of liability imposed upon you by law on account of "bodily injury" or "property damage" to which this policy applies, and
- (ii) For all reasonable expenses incurred with our consent in connec-

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to Personal Effects Coverage.

**H. NOTICE OF AND KNOWLEDGE OF OCCURRENCE**

**SECTION IV – BUSINESS AUTO CONDITIONS,**

**A. 2. Duties In The Event Of Accident, Claim, Suit Or Loss,** subparagraph a. is deleted and replaced by the following:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss" including:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) the "insured's" name and address; and
- (3) to the extent possible, the names and addresses of any injured persons and witnesses.

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership; or
3. An executive officer or insurance manager, if you are a corporation.

**I. BLANKET WAIVER OF SUBROGATION**

**SECTION IV – BUSINESS AUTO CONDITIONS,**

**A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us** is deleted and replaced by the following:

**5. Transfer Of Rights Of Recovery Against Others To Us**

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

**J. UNINTENTIONAL ERRORS OR OMISSIONS**

**SECTION IV – BUSINESS AUTO CONDITIONS,**

**B. General Conditions; 2. Concealment, Misrepresentation, Or Fraud** is amended by adding the following:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

**K. MENTAL ANGUISH**

**SECTION V – DEFINITIONS,** Definition C. is amended by adding the following:

"Bodily injury" also includes mental anguish but only when the mental anguish arises from other bodily injury, sickness, or disease.



**WORKERS COMPENSATION  
AND  
EMPLOYERS LIABILITY POLICY**

**ENDORSEMENT WC 99 03 76 (00) - 001**

**POLICY NUMBER: VTJUB5643B29210**

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS  
ENDORSEMENT - CALIFORNIA  
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5.000 % of the California workers' compensation premium otherwise due on such remuneration.

**Schedule**

**Person or Organization**

**Job Description**

**ANY PERSON OR ORGANIZATION FOR  
WHOM THE NAMED INSURED HAS  
AGREED BY WRITTEN CONTRACT  
EXECUTED PRIOR TO LOSS TO  
FURNISH THIS WAIVER**

**DATE OF ISSUE: 4/1/10 ST ASSIGN:**