

PO Accounting Date: 2/18/2015

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order # **PO-001293**

Delivery must be made within doors of specified destination.

BILL TO


Truckee Meadows Water Authority
 Accounts Payable
 PO Box 30013
 Reno NV 89520-3013

VENDOR

Gerhardt & Berry Construction Inc
 PO Box 7637
 Reno NV 89510

SHIP TO

Truckee Meadows Water Authority
 1355 Capital Blvd
 Reno NV 89502

Requester Contact Name		Requester Contact Phone Number		Vendor Number		
				000294		
Date Ordered	Date Requested	Freight Method/Terms				
2/18/2015	10/21/2015					
Line #	Description/Part No.	Qty	UOM	Unit Price	Discount Amount	Extended Price
1	Sutro #2 Pump Station - 338 Public Bid PWP#WA-2015-056 - S. Benedict Engineer (PWP - 338 Public Bid) 13-0014 - 1-7051-30-3010 PWP Construction Projects	768976.20	usd	1.00		\$768,976.20
 Mark Foree General Manager						

Truckee Meadows Water Authority's Terms and Conditions shall govern this and all related transactions, review them at http://tmwa.com/docs/po_terms_and_conditions.doc

This Purchase Order number must be indicated on all invoices, cartons and packing slips.

PO Total \$768,976.20

AGREEMENT FOR CONSTRUCTION
Sutro #2 Pump Station Rebuild
TMWA Capital Project No.: 13-0014
Public Works Project Number: WA-2015-056

THIS AGREEMENT FOR CONSTRUCTION (the "Agreement"), made and entered into this 30 day of January, 2015, by and between **Gerhardt & Berry Construction, Inc., P.O. Box 51749, Sparks, NV 89435**, a general contractor licensed by the State of Nevada (Nevada Contractor's License No.10813) (hereinafter referred to as "Contractor"), and Truckee Meadows Water Authority, P.O. Box 30013, Reno Nevada 89520-3013 (hereinafter referred to as "Owner").

RECITALS

WHEREAS, Owner intends to construct the Project and is engaging Contractor to perform certain labor, supervision and services and to provide certain equipment, goods and materials for the Project as described herein.

WHEREAS, Owner has engaged Contractor based on Contractor's representations that it (i) is experienced in the type of work for which it is being engaged; (ii) is duly licensed and qualified in the State of Nevada to perform the type of work for which it is being engaged; (iii) is qualified, willing and able to perform the work for the Project; and (iv) has the expertise and capability to perform the work which will meet Owner's objectives and which will comply with all applicable laws and ordinances.

WHEREAS, Contractor acknowledges it has reviewed and familiarized itself with this Agreement, including the documents enumerated in Article 1, and agrees to be bound by the terms and conditions contained therein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, TMWA and the Contractor agree as follows:

1. CONTRACT DOCUMENTS. The "Contract Documents" consist solely of the Bidding Documents, Bonds, this Agreement, the General Conditions, Supplementary Conditions, Technical Specifications, Addenda issued prior to execution, Amendments issued after execution, Drawings entitled Sutro #2 Pump Station Rebuild prepared by Truckee Meadows Water Authority, et al. and any other documents listed below:

These documents form the entire contract and are as fully a part of the Agreement as if attached to this Agreement or repeated herein. Contractor represents and agrees it has carefully examined and understands this Agreement and the Contract Documents.

2. SCOPE OF WORK. The Contractor shall furnish all work, labor, services, supplies, materials, equipment, tools, transportation, supervision, appliances, and appurtenances required for the prompt and efficient completion of the project described as the clearing/grubbing and site work, reinforced concrete masonry building, landscape, electrical, asphalt concrete pavement, pump-pipe installations, HVAC, demolition, water main and appurtenance installations ("Project") as described in the Contract Documents and in accordance with the contract provisions, Plans, and Specifications, together with all work incidental or reasonably inferable which is necessary to produce the results intended by the Contract Documents (collectively, the "Work"). Contractor shall be responsible for the supervision and coordination of the Work, including the construction means, methods, techniques, sequences and procedures utilized, unless the Contract Documents specifically provide otherwise. The Contractor represents and warrants that it has fully 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 is in no way relying upon any opinions or representations of the Owner, or any of their respective officers, agents, servants, or employees with respect thereto.

3. **TIME OF COMPLETION.** 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

3.1 **Commencement of Work.** Contractor shall promptly commence and diligently prosecute the Work to be performed under this Agreement on the date fixed in a Notice to Proceed and shall perform the Work diligently, expeditiously and with adequate resources so as to complete the Work on time.

3.2 **Completion of Work.** Contractor shall achieve Substantial Completion by **Two Hundred Ten (210) days from the date of the Notice to Proceed** and shall achieve 100 percent completion by **Two Hundred Forty (240) days from the date of the Notice to Proceed**. In addition, the Contractor shall achieve any critical intermediate project milestone dates as identified and defined in Article 7 of the Supplementary Conditions. Contractor shall reschedule or resequence the Work, to the extent possible, to avoid or minimize any delay to the contract time. Contractor agrees it included adequate costs in the Contract Sum to provide sufficient levels of labor and equipment (including overtime if required) to insure that the specified dates are met. The contract time set forth herein assumes **five (5) weather delay days** will occur during construction of the Project, and the Contract time will not be extended unless weather delay days exceed the days specified above. Should the Contractor fail to complete the Work in the time agreed upon, the Contractor will be subject to liquidated damages as provided herein.

3.3 **Liquidated Damages and Early Completion Incentive.** Owner and Contractor recognize time is of the essence and 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 as of the effective date of this Agreement. Accordingly, if Contractor fails to achieve Substantial 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 **\$1,900.00 (One Thousand Nine Hundred Dollars)** per day commencing on the expiration of the time specified above and continuing until the actual date of Substantial Completion is achieved; and 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 **\$1,000.00 (One Thousand Dollars)** 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. If TMWA terminates the Contractor for default, the resulting damage will consist of liquidated damages until such reasonable time as may be required for final completion of the work together with any increased cost occasioned by TMWA in completing the Work.

3.4 **Construction Schedule.** Contractor shall, not less than ten (10) calendar days after execution of this Agreement by TMWA, prepare and submit a proposed Construction Schedule to TMWA for review and acceptance in accordance with the General Conditions.

4. **CONTRACT SUM.**

4.1 **Construction Contract Price.** 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: **Seven Hundred Sixty-Eight Thousand Nine Hundred Seventy-Six and thirty cents (\$768,976.30) Dollars** (the "**Contract Sum**"). The amount set forth above includes the aggregate amount of all allowances and unit price items to be furnished or installed.

5. **PAYMENTS.**

5.1 **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.

5.2 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 Representative 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 obligations in the Contract Documents have 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 and no prevailing wage disputes are under investigation by TMWA or pending before 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.

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 Document provisions for this Work. Pursuant to NRS 338.060, Contractor shall forfeit to the Owner, as a penalty, not less than \$20 or 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 Agreement, 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 certified in LCP Tracker and open to inspection by Owner, its officers and agents and at all reasonable hours. Contractor shall inquire, and shall require each subcontractor to inquire, of each worker employed in connection with the public work whether the worker wishes to voluntarily specify his or her gender and ethnicity, and shall record and maintain such responses in accordance with NRS 338.070.

7. 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 Agreement 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. Contractor shall provide Owner insurance certificates no later than 10 days after the date of the Notice of Award, and Contractor's failure to timely provide insurance certificates shall not result in any extensions to the contract time.

8. **PERFORMANCE AND PAYMENT BONDS.**

The Contractor shall, prior to the execution of the Agreement, furnish two bonds on the forms bound herein approved by the Owner, one in the amount of One Hundred Percent (100%) of the Contract Sum, 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. Contractor shall provide Owner contract bonds no later than 10 days after the date of the Notice of Award, and Contractor's failure to timely provide bonds shall not result in any extensions to the contract time.

9. **NONDISCRIMINATION.**

In accordance with NRS 338.125, in connection with the performance of work under this Agreement, 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 Agreement. Further, Contractor agrees to insert this nondiscrimination provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

10. **PREFERENCES.**

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

10.2 **Bidder Preference.** To the extent Contractor has sought and qualified for a bidding preference and this project has a value of over \$250,000 pursuant to Nevada Revised Statutes Chapter 338, Contractor acknowledges and agrees that the following requirements shall be adhered to, documented and maintained for the duration of the Project, collectively, and not on any specific day:

- a. At least 50 percent of the workers employed on the Project (including subcontractors) must hold a valid driver's license or identification card issued by the Nevada Department of Motor Vehicles;
- b. All vehicles used primarily for the public work will be (a) registered and (where applicable) partially apportioned to Nevada; or (b) registered in Nevada.
- c. If applying to receive a preference in bidding pursuant to NRS 338.1727, at least 50 percent of the design professionals who work on the Project (including sub-contractors) hold a valid driver's license or identification card issued by the Nevada Department of Motor Vehicles; and
- d. The Contractor and any subcontractor engaged on the public work shall maintain and make available for inspection within Nevada all payroll records related to the Project.

Contractor recognizes and accepts that failure to comply with any requirements herein shall entitle Owner to a penalty

in the amount set by statute. In addition, the Contractor recognizes and accepts that failure to comply with any requirements herein may result in loss of certification for a preference in bidding for 5 years and/or ability to bid on any contracts for public works for one year pursuant to NRS Chapter 338.

11. WARRANTY.

In addition to any other warranties provided by law or in the General conditions, Contractor warrants the Work under this Agreement 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.

12. INDEMNIFICATION/HOLD HARMLESS.

Owner has established specific indemnification requirements which are fully set forth in the General Conditions, which Contractor has examined, understands and agrees to perform.

13. MISCELLANEOUS.

13.1 Termination. In addition to other provisions set forth in the Contract Documents, 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 to the extent otherwise due under this Agreement.

13.2 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.

13.3 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.

13.4 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.

13.5 Attorneys' Fees. If either party hereto fails to perform any of its obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. Any such attorneys' fees and other expenses incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys' fees obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment.

13.6 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought

13.7 Entire Agreement. This Agreement, including the exhibits and schedules hereto, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

13.8 Severability. If any provision of this Agreement is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and, provided that the fundamental terms and conditions of this Agreement (including, without limitation, remain legal and enforceable, the remainder of this Agreement shall remain operative and binding on the Parties.

IN WITNESS WHEREOF, 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: 2/18/15
General Manager

STATE OF NEVADA)
) ss
County of WASHOE)

GREG GERHARDT states under penalty of perjury that he/she is the Contractor, or authorized agent of the Contractor, by whom the aforesaid described Work is to be performed; that he/she has read the foregoing Contract and understands and agrees to the terms, conditions, and requirements thereof.

CONTRACTOR:

By: GREG GERHARDT
Title: PRESIDENT
Firm: Gerhardt & Berry Construction, Inc.
Address: P.O. Box 51749
City/State & Zip: Sparks, NV 89435
Telephone: 775 359-8817
Fax: 775 359-1945
E-mail: greg@gerhardtberry.com

Greg Gerhardt
(Signature Of Contractor)

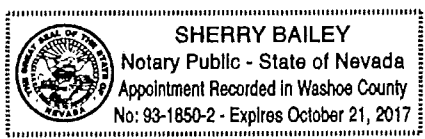
DATED this 30 day of January, 2015.

ATTEST:

On this 30 day of JANUARY, in the year 2015, before me, SHERRY BAILEY /Notary Public, personally appeared or 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 (she) executed it.
WITNESS my hand and official seal.

Sherry Bailey
Notary's Signature

L.S.



PERFORMANCE BOND

WHEREAS, Contractor has by written agreement dated February 3, 2015 entered into a contract with Truckee Meadows Water Authority for PWP Bid #WA-2015-056 and titled "Sutro #2 Pump Station Rebuild" 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 Agreement.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as Principal, hereinafter called Contractor, and Great American Insurance 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 the Truckee Meadows Water Authority, a joint powers authority created pursuant to NRS Chapter 277, for the Sum of Seven Hundred Sixty Eight Thousand Nine Hundred Seventy Six 30/100 Dollars (\$ 768,976.30), to be paid to said Truckee Meadows Water Authority for which payment, well and truly to be made, we bind ourselves, our 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.

THE CONDITION OF THIS OBLIGATION IS SUCH that, if Contractor shall fail to promptly and faithfully perform said Agreement, or Contractor shall be, and is declared by Truckee Meadows Water Authority to be in default under the Agreement, 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 Agreement in accordance with its terms and conditions; or
- 2) Obtain a bid or bids for completing the Agreement 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 Agreement 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.

If Contractor shall fully, promptly and faithfully perform all Contractor's obligations under the Agreement, 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.

PERFORMANCE BOND

Continued for PWP BID #WA-2015-056 and titled "Sutro #2 Pump Station Rebuild"

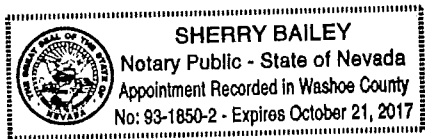
BY: <u>Greg Gerhardt</u> TITLE: <u>President</u> FIRM: Gerhardt & Berry Construction, Inc. Address: P.O. Box 51749 City, State, Zip: Sparks, NV 89435 Phone: 775 359-8817	(signature of Principle) L.S.
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Printed Principal's Name: Greg Gerhardt

Attest by: Sherry Bailey (signature of Notary)

Subscribed and Sworn before me this 3 day of February, 2015

Notary public for the State of Nevada



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

Agent Information

Name of Surety Great American Insurance Company	Name of Licensed Agent L/P Insurance Services, Inc.
Address 420 So. Temple #330	Address 300 E 2nd Street #1300
City Salt Lake City	City Reno
State/Zip Code UT 84111	State/Zip Code NV 89501
Name Patricia Owens	Agent's Name Patricia Owens
Title Attorney in Fact	Agent's Title Agent
Telephone 775-996-6046	Agent's Telephone 775-996-6046

Surety's Acknowledgment:
By: Patricia Owens

Agent's Acknowledgment:
By: Patricia Owens

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.

LABOR AND MATERIAL PAYMENT BOND

WHEREAS, Contractor has by written agreement dated February 3, 2015 entered into a contract with Truckee Meadows Water Authority for PWP Bid #WA-2015-056 and titled "Sutro #2 Pump Station Rebuild" 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 Agreement.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as Principal, hereinafter called Contractor, and Great American Insurance 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 the Truckee Meadows Water Authority, a joint powers authority created pursuant to NRS Chapter 277, for the Sum of Seven Hundred Sixty Eight Thousand Nine Hundred Seventy Six 30/100 Dollars (\$ 768,976.30), to be paid to said Truckee Meadows Water Authority for which payment, well and truly to be made, we bind ourselves, our 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

THE CONDITION OF THIS OBLIGATION IS SUCH that, if Contractor, its heirs, executors, administrators, successors or assigns shall fail to pay for any materials, provision, supplies, implements or machinery used in, upon, for, or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, together with interest at the rate of twelve percent per annum, or for amounts due under the unemployment compensation law with respect to such work or labor, as required by the provisions of NRS 612, and Surety 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 not to exceed the sum specified in this Bond, 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 PWP Bid #WA-2015-056 and titled "Sutro #2 Pump Station Rebuild"

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: *Greg Gerhardt* (signature of Principle)

TITLE: President L.S.

FIRM: Gerhardt & Berry Construction, Inc.

Address: P.O. Box 51749

City, State, Zip: Sparks, NV 89435

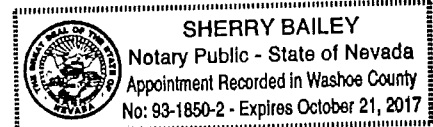
Phone: 775 359-8817

Printed Principal's Name: Greg Gerhardt

Attest by: *Sherry Bailey* (signature of Notary)

Subscribed and Sworn before me this 3 day of February, 2015.

Notary public for the State of



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

Licensed Agent Information

Name of Surety Great American Insurance Company	Name of Licensed Agent L/P Insurance Services, Inc.
Address 420 So. Temple #330	Address 300 E. 2nd Street #1300
City Salt Lake City	City Reno
State/Zip Code UT 84111	State/Zip Code CA 89501
Name Patricia Owens	Agent's Name Patricia Owens
Title Attorney in Fact	Agent's Title Agent
Telephone 775-996-6046	Agent's Telephone 775-996-6046

Surety's Acknowledgment: By: *Patricia Owens*

Licensed Agent's Acknowledgment: By: *Patricia Owens*

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.

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by this power of attorney is not more than **FOUR**

No. 0 14717

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

	Name	Address	Limit of Power
LORI JONES	TERI WOOD	ALL OF	ALL
NICK ROSSI	PATRICIA OWENS	RENO, NEVADA	\$100,000,000.00

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 19TH day of MARCH, 2014.

Attest

GREAT AMERICAN INSURANCE COMPANY



Atty L. C. B.

Assistant Secretary

David C. Kitchin

Divisional Senior Vice President

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (877-377-2405)

On this 19TH day of MARCH, 2014, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.



Shelle Clontz
Notary Public, State of Ohio
My Commission Expires 08-09-2015

Shelle Clontz

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

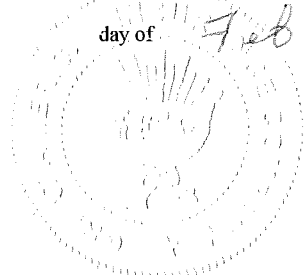
CERTIFICATION

I, STEPHEN C. BERHAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this

2 day of Feb

2015



Atty L. C. B.

Assistant Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/17/2015

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

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

PRODUCER L/P Insurance Services, Inc. 300 East 2nd Street Suite 1300 Reno NV 89501	CONTACT NAME: Jeanette Webb
	PHONE (A/C No, Ext): (775) 336-0811 FAX (A/C No): (775) 336-0812
	E-MAIL ADDRESS: jeanette.webb@lpins.net
	INSURER(S) AFFORDING COVERAGE
	INSURER A: State National Insurance NAIC # 12831
	INSURER B: Travelers Property & Casualty 25674
	INSURER C: Argonaut Midwest Insurance Co 19828
	INSURER D: Navigators Specialty Insurance 36056
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: **CL1521731107** REVISION NUMBER:

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


INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		XNDP0126900	12/31/2014	12/31/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
						PERSONAL & ADV INJURY \$ 1,000,000
						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
A	AUTOMOBILE LIABILITY		XNDA0126900	12/31/2014	12/31/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						Medical payments \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input checked="" type="checkbox"/> OCCUR	ZUP14T8008714NF	12/31/2014	12/31/2015	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$ 2,000,000
	DED	RETENTION \$				
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		CA/NV			<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	WC927988388324	1/1/2015	1/1/2016	E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Contractors Pollution Liability		SF15ECP303679IC	2/17/2015	2/17/2016	Each Incident Limit \$1,000,000
						Aggregate Limit \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Re: Sutro #2 Pump Station Rebuild

TMWA, its officers, employees and immune Contractors, if any, are included as Additional Insured with respects to work performed by the insured as per the attached CGL form #CG2038 04/13 and #CG2037 10/01. Coverage shall apply on a Primary and Non-Contributory basis as per the attached form #IL1201 11/85. A Waiver of Subrogation is granted as per the attached CGL form #GL9007 06/07 and WC form #WC000313.

CERTIFICATE HOLDER

CANCELLATION

mdufur@tmwa.com Truckee Meadows Water Authority Attn: Maria Dufur Purchasing and Contracts Administrator P.O. Box 30013 Reno, NV 89520	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Jeanette Webb/JEANET 
--	---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS FOR OTHER PARTIES WHEN REQUIRED IN WRITTEN CONSTRUCTION AGREEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph A.1.; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following.

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: <p style="text-align: center;">BLANKET AS REQUIRED BY WRITTEN CONTRACT</p>
Location And Description of Completed Operations:
Additional Premium: INCLUDED

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

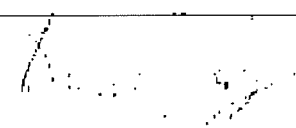
Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number

POLICY NUMBER XNDP-01269-00	POLICY CHANGES EFFECTIVE 12/31/2014	COMPANY State National Insurance Company
NAMED INSURED Gerhardt & Berry Construction, Inc.; Gater, LLC		AUTHORIZED REPRESENTATIVE KDC Associates, LLC.
COVERAGE PARTS AFFECTED COMMERCIAL GENERAL LIABILITY COVERAGE PART CG 00 10		
CHANGES		
ADDITIONAL INSURED – PRIMARY AND NONCONTRIBUTORY		
This endorsement modifies insurance provided under the following:		
COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG 00 01 Schedule		
This policy provides any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy.		
The insurance provided by this policy to the person or organization shown in the Schedule and named as an additional insured is primary insurance. We will not seek contribution from any other insurance available to that additional insured.		



Authorized Representative Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY COVERAGE EXTENSION ENDORSEMENT

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under **Section II - Who Is An Insured**. Other words and phrases that appear in quotation marks have special meaning. Refer to **Section V - Definitions**.

The following is a summary of the limits additional coverages and extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

SCHEDULE

Blanket Additional Insured When Required by Contract	Included
Broadened Definition of Mobile Equipment	Included
Damage to Premises Rented to You	Broadened Perils
Liberalization	Included
Medical Payments	Increased to \$10,000 per person (unless excluded)
Non-Owned Aircraft	If rented or loaned with a paid crew
Non-Owned Watercraft	Increased to 51 feet long
Notice of Occurrence	Included
Per Location and Per Project Aggregates	Included
Property Damage to "Customers' Goods"	Up to \$10,000 per "occurrence"
Property Damage to Borrowed Equipment	Up to \$10,000 per "occurrence"
Revised Exclusion for Expected or Intended Injury	Included
Supplementary Payments	
Bail Bonds	Up to \$2,500
Loss of Earnings	Up to \$300 a day
Unintentional Failure to Disclose Hazards	Included
Waiver of Transfer of Rights of Recovery	Included

This endorsement modifies insurance provided under the following.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Unless specifically stated in this endorsement, all other terms, conditions and exclusions of the policy remain unchanged.

Changes to SECTION I - COVERAGES

DAMAGE TO PREMISES RENTED TO YOU

- A. **SECTION I - COVERAGE A., 2. Exclusions** is amended to delete the last paragraph and is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or sprinkler leakage to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE.**

6. Subject to 5. above, the higher of \$300,000 or the Damage to Premises Rented to You Limit shown in the Declarations is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

NON-OWNED WATERCRAFT AND NON-OWNED AIRCRAFT RENTED OR LOANED TO YOU WITH A CREW

Exclusion **g. Aircraft, Auto or Watercraft**, paragraph (2) is deleted in its entirety and replaced with the following:

- (2) A watercraft you do not own that is:
(a) Less than 51 feet long; and
(b) Not being used to carry persons or property for a charge.

The following is added to **g. Aircraft, Auto or Watercraft**:

- (6) An aircraft not owned by any insured that is rented or loaned to you, provided that:
1. The pilot in command holds a currently effective certificate issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
 2. It is rented with a trained, paid crew; and
 3. It does not transport persons or cargo for a charge.

If other insurance applies to a loss because of "property damage" to non-owned watercraft or aircraft as described in (2) (a) and (b) or (6) above, the insurance provided by this Coverage Form does not apply whether the other insurance is primary, excess, contingent, or issued on any other basis.

Changes to SECTION I - COVERAGE A - EXCLUSIONS

EXPECTED OR INTENDED INJURY

Exclusion 2. a. is deleted in its entirety and replaced by the following:

a. **Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

PROPERTY DAMAGE - BORROWED EQUIPMENT

A. **2. Exclusions, j. Damage to Property, (4) Personal Property in the care, custody or control of the insured;**

does not apply to "property damage" to borrowed equipment while that equipment:

1. is not being used to perform operations; and
2. is away from an insured's premises.

B. The insurance afforded by this provision is excess over any valid and collectible property insurance (including any deductible) available to the insured whether primary, excess, contingent or on any other basis.

C. **SECTION III - LIMITS OF INSURANCE** is amended to add the following:

Subject to the General Aggregate provision, the most we will pay under this provision for "property damage" to borrowed equipment is \$10,000 per "occurrence".

PROPERTY DAMAGE - "CUSTOMERS' GOODS"

A. Paragraphs (3), (4) and (6) of Exclusion j. of **SECTION I - COVERAGES, COVERAGE A** does not apply to "property damage" to "customers' goods" while on your premises.

B. The insurance afforded by this provision is excess over any valid and collectible property insurance (including any deductible) available to the insured whether primary excess, contingent or on any other basis.

C. **SECTION III - LIMITS OF INSURANCE** is amended to add the following:

Subject to the General Aggregate provision, the most we will pay under this provision for "property damage" to customers' goods is \$10,000 per "occurrence".

Changes to SECTION II - WHO IS AN INSURED

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

A. **Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
 2. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Changes to SECTION III - LIMITS OF INSURANCE

MEDICAL PAYMENTS

The following applies only if Medical Payments Coverage is not excluded from the policy to which this endorsement is attached:

Paragraph 7. is deleted in its entirety and replaced by the following:

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7. Subject to paragraph 5, the Medical Expense Limit is equal to the Medical Expense Limit stated in the Declarations, subject to a minimum of \$10,000 and is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

PER LOCATION AND PER PROJECT AGGREGATES

SECTION III - LIMITS OF INSURANCE, is amended to add the following:

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to operations at a covered "location" or covered construction project:
 1. A separate Per Location or Per Project General Aggregate Limit applies to each covered "location" or covered construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Per Location or Per Project General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C**, regardless of the number of:
 - a. insureds;
 - b. claims made or "suits" brought; or
 - c. persons or organizations making claims or bringing "suits".
 3. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the Per Location or Per Project General Aggregate Limit for each covered "location" or covered project for which payment is made. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other covered "location" or covered project's general aggregate.
 4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Per Location or Per Project General Aggregate Limit.
- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which cannot be attributed only to ongoing operations at a covered "location" or covered project:
 1. Any payments made under **Coverage A** for damages or under **Coverage C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Per Location or Per Project General Aggregate Limit
- C. When coverage for liability arising out of the products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Per Location or Per Project General Aggregate Limit.
- D. **Definition**

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For the purposes of the Per Location and Per Project Aggregates, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

- E. If the applicable covered construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- F. The provision of **Limits of Insurance (Section III)** not otherwise modified by this endorsement shall continue to apply as stipulated.

Changes to SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

Item 8. **Transfer of Rights of Recovery Against Others to Us** is amended by the addition of the following:

We agree to waive any right of recovery we may have against any person or organization with whom you have agreed by contract prior to an "occurrence" to waive such rights 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". The waiver applies only to the person or organization with whom you have agreed in a contract prior to an "occurrence" to waive such rights.

NOTICE OF OCCURRENCE

The following is added to paragraph 2. **Duties In The Event of Occurrence, Offense Claims or Suit:**

Your rights under the Coverage Part will not be prejudiced if you fail to give us notice of an "occurrence, offense, claim or "suit" and that failure is solely due to your reasonable belief that the "bodily injury" or "property damage" is not covered under this Coverage Part. However, you shall give written notice of this "occurrence" offense, claim or "suit" to us as soon as you are aware that this insurance may apply to such "occurrence" offense, claim or "suit".

UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS

SECTION IV, COMMERCIAL GENERAL LIABILITY CONDITIONS, is amended to include the following

- 10. Based on our reliance on your representations as to existing hazards, if you unintentionally fail to disclose all such hazards prior to the beginning of the policy period of the Coverage Part, we shall not deny coverage under this coverage Part because of such failure.

LIBERALIZATION

SECTION IV, COMMERCIAL GENERAL LIABILITY CONDITIONS, is amended to include the following:

- 11. If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

Changes to SECTION V - DEFINITIONS

12. **Mobile Equipment**, paragraph f. (1) is amended to add the following:

This shall not apply to self-propelled vehicles of less than 1000 pounds gross vehicle weight.

The following definition is added:

23. **"Customers' goods"** means tangible personal property belonging to your customers and left with you for storage, service or repair. "Customers goods" does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities; or
- b. Animals; or
- c. Contraband, or property in the course of illegal transportation or trade; or
- d. Personal property while airborne or waterborne; or
- e. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance; or
- f. Vehicles or self-propelled machines (including aircraft or watercraft) that are licensed for use on public roads.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines, other than autos, you hold for sale; or
- (2) Rowboats or canoes out of water at the described premises;

g. The following property while outside of buildings:

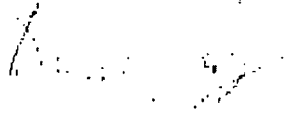
- (1) Grain, hay straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants held for sale).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number

POLICY NUMBER XNDP-01269-00	POLICY CHANGES EFFECTIVE 12/31/2014	COMPANY State National Insurance Company
NAMED INSURED Gerhardt & Berry Construction, Inc.; Gater, LLC		AUTHORIZED REPRESENTATIVE KDC Associates, LLC.
COVERAGE PARTS AFFECTED COMMERCIAL GENERAL LIABILITY COVERAGE PART CG 00 10		
CHANGES		
ADDITIONAL INSURED – PRIMARY AND NONCONTRIBUTORY		
This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG 00 01 Schedule		
This policy provides any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy.		
The insurance provided by this policy to the person or organization shown in the Schedule and named as an additional insured is primary insurance. We will not seek contribution from any other insurance available to that additional insured.		



Authorized Representative Signature

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

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. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Blanket Waiver of Subrogation
Any & All Nevada Projects

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Date: 01/01/2015 Policy No. WC 927988388324 Endorsement No.

Policy Effective Date: 01/01/2015 to 01/01/2016 Premium \$

Insured: Gerhardt & Berry Construction, Inc.

DBA:

Carrier Name / Code: Argonaut Midwest Insurance Company

WC 00 03 13
(Ed. 4-84)

Countersigned by