

ATTACHED, PLEASE FIND PAGES 7 & 8 OF CHANEY-COX CONSTRUCTION INC.'S SUBCONTRACT AGREEMENT WHICH DETAILS OUR INSURANCE REQUIREMENTS. EFFECTIVE JANUARY 1, 2012, WE WILL BE UNABLE TO ACCEPT *ANY* ALTERATIONS TO THESE REQUIREMENTS.

THANK YOU.

ARTICLE 8

INSURANCE AND BONDS

8.1 Commercial General Liability Insurance. Subcontractor shall maintain commercial general liability (CGL) insurance with a limit of not less than \$1,000,000 each occurrence with a \$2,000,000 general aggregate. The CGL insurance general aggregate limit shall apply separately to this project. CGL insurance shall cover liability including, but not limited to, liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and contractual liability. Contractor, Owner and any other party required under the General Contract shall be included as an additional insured under the CGL policy, using ISO Additional Insured Endorsements CG 20 10 10 01 and CG 20 37 10 01 or endorsement(s) providing equivalent coverage to the additional insured(s). This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs maintained by Contractor or Owner. Subcontractor waives all rights against Contractor, Owner and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the CGL insurance maintained pursuant to this Article 8. Subcontractor shall maintain CGL insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate with coverage as specified in this Article 8 for at least 10 years following substantial completion of the Subcontract Work. This insurance shall provide for 30 days written notice to the Contractor prior to its cancellation or material change.

8.2 Business Auto Liability Insurance. Subcontractor shall maintain business auto liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, leased and non-owned autos). Contractor, Owner and any other party required under the General Contract shall be included as an additional insured under this policy and shall be noted as such through the proper endorsement. This insurance will apply as primary insurance with respect to any other insurance or self-insurance programs maintained by the Contractor or Owner. Subcontractor waives all rights against Contractor and Owner, and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability insurance obtained by Subcontractor pursuant to this Article 8. This insurance shall provide for 30 days written notice to the Contractor prior to its cancellation or material change.

8.3 Workers Compensation Insurance. Subcontractor shall maintain workers compensation and employers liability insurance. The employers liability limits shall not be less than \$500,000 each accident for bodily injury by accident or \$500,000 each employee for bodily injury by disease with a policy limit for disease of \$500,000. Subcontractor waives all rights against Contractor and Owner, and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the workers compensation policy insurance obtained by Subcontractor pursuant to this Article 8. This insurance shall provide for 30 days written notice to the Contractor prior to its cancellation or material change.

8.4 Umbrella Liability Insurance. The Subcontractor shall maintain umbrella liability insurance with a limit of not less than \$1,000,000 per occurrence with a \$1,000,000 aggregate. Such insurance shall be excess of the commercial general liability insurance, business auto liability insurance and employers liability insurance as specified in this Article 8. Contractor, Owner and any other party required under the General Contract shall be included as an additional insured under this policy and shall be noted as such through the proper endorsement. This insurance will apply as primary insurance with respect to any other insurance or self-insurance programs maintained by the Contractor or Owner. Subcontractor waives all rights against Contractor and Owner, and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the umbrella liability insurance obtained by Subcontractor pursuant to this Article 8. This insurance shall provide for 30 days written notice to the Contractor prior to its cancellation or material change.

8.5 Evidence of Insurance. Prior to commencing the Subcontract Work, Subcontractor shall furnish Contractor with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements along with a copy of all of the endorsements as required and set forth above. Contractor shall have the right, but not the obligation, to prohibit Subcontractor or its lower tier subcontractors from entering the project site until such certificates or other evidence that insurance has been placed in compliance with these requirements is received and approved by Contractor. Failure to maintain the required insurance is considered a material breach of contract and may result in termination of this Subcontract at Contractor's option. If Subcontractor fails to maintain the insurance as set forth herein, Contractor shall have the right, but not the obligation, to purchase said insurance at Subcontractor's expense. Subcontractor shall provide certified copies of all insurance policies required above within 10 days of Contractor's written request for said copies.

8.6 The insurance requirements set out in this Article 8 are independent from all other obligations of Subcontractor under this Subcontract and apply whether or not required by any other provision of this Subcontract.

8.7 Subcontractors' Insurance. Subcontractor shall cause each subcontractor employed by Subcontractor to purchase and maintain insurance of the type specified above. Subcontractor shall furnish copies of certificates of insurance evidencing coverage for each subcontractor.

8.8 Builders Risk Insurance. The Subcontract Work may be covered by a builders risk insurance policy containing deductibles and exclusions purchased and maintained either by Owner or Contractor. Subcontractor shall be responsible for the deductible portion of each claim covered by the builders risk policy. A copy of the builders risk policy or a certificate will be available for Subcontractor's inspection. It is Subcontractor's responsibility to evaluate the protection afforded by the builders risk policy and to carry its own insurance against all losses not covered by it.

8.9 Performance and Payment Bond. Subcontractor shall provide performance and payment bonds, if required by Contractor, on a form acceptable to Contractor, written by a surety acceptable to Contractor in the full amount of this Subcontract, for the faithful performance of this Subcontract. The premium for bonds shall be paid by Subcontractor and the cost shall be included in the Subcontract Price.

ARTICLE 9

SAFETY

9.1 Subcontractor acknowledges that safety is of the utmost importance on this Project and Subcontractor agrees to comply with work rules imposed by Contractor or by Owner under the General Contract. Subcontractor agrees to employ good safety practices and conduct regular, frequent safety meetings. Subcontractor shall notify Contractor immediately of any unsafe working condition encountered by Subcontractor on the Project site and shall be responsible for the safety of its employees and of its work area, including ingress and egress to and from the work area. Questions regarding the application of work rules and safety standards will be directed to Contractor. Subcontractor shall designate an onsite supervisor who will be responsible for subcontractor's compliance with all federal, state and local rules and ordinances concerning workplace safety and coordination and compliance with Contractor's and Owner's safety rules.

ARTICLE 10

COMPLIANCE WITH LAWS

10.1 Subcontractor agrees to comply, at its sole expense with all federal, state and local laws, regulations and ordinances applicable to Subcontractor, Contractor and the Subcontract Work covered by the General Contract, including but not limited to any such laws relating to health and safety of any person, the environment, hazardous substances, labor and employment, immigration, disadvantaged business enterprises, and civil rights. Subcontractor agrees to indemnify, defend and hold harmless Contractor from any and all liability and damages, fines, costs, and attorneys fees incurred by Contractor on account of Subcontractor's failure to comply with all laws and governmental regulations applicable to the Subcontract Work.