

CONTRACT

THIS Agreement, made effective as of the 17 day of JUNE, 2013, between

CITY OF FIFE, WASHINGTON ("OWNER")
5411 23rd Street East
Fife, WA 98424

Contact: KEN GILL Tel: 253-896-8208 Fax:

and

Scotty's General Construction, Inc. ("CONTRACTOR")

Contact: Rodger C. Scott Tel: 253 631 3477 Fax: 253 735 1092

Tax Id No.: 91-1310079

for the following Project:

47TH AVENUE SIDEWALK IMPROVEMENTS ("PROJECT")

The Owner and Contractor agree as follows:

1. Contract Documents. The Contractor shall complete the Project in accordance with the Contract Documents. The Contract Documents consist of the following in order of precedence:

- a. Addenda
- b. Contract Form
- c. Proposal Form
- d. Special Provisions
- e. Contract Plans
- f. Amendments to the Standard Specifications
- g. 2012 WSDOT Standard Specifications for Road, Bridge, and Municipal Construction, except Sections 1-04.2, 1-08.9, 1-08.10(1) – (4), 1-09.11, and 1-09.13.
- h. Contracting Agency's Standard Plans or Details (if any), and
- i. WSDOT Standard Plans for Road, Bridges, and Municipal Corporations
- j. Manual on Uniform Traffic Control Devices for Streets and Highways, currently adopted edition, with Washington state modifications, if any.

equitable compensation for any satisfactory work completed prior to the date of termination. Contractor shall not be entitled to any reallocation of cost, profit or overhead. Contractor shall not in any event be entitled to anticipated profit on work not performed because of such termination. Contractor shall use its best efforts to minimize the compensation payable under this Contract in the event of such termination. If the contract is terminated for default, the Contractor shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to Owner resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by Owner in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by Owner by reason of such default.

10. Warranty Contractor warrants that: (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required and permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract. The Contractor further agrees to correct any defects in materials, workmanship, or installation of the Work which shall develop or be discovered within one (1) year after final acceptance of the Work.

11. Indemnification/Hold Harmless. The Contractor shall defend, indemnify and hold Owner and Pierce County, their officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of Owner. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and Owner, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

12. Independent Contractor. Contractor is and shall be at all times during the term of this Agreement an independent contractor.

13. Disputes. Any action for claims arising out of or relating to this Agreement shall be governed by the laws of the State of Washington. Venue shall be in Pierce County Superior Court.

14. Attorney's Fees. In any suit or action instituted to enforce any right granted in this Agreement, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorneys fees from the other party.

15. Extent of Agreement/Modification. This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of section 3 and section 7 (b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7 (b)

10. Executive Order 11988 relating to evaluation of flood hazards and the flood hazard and insurance protection requirements of section 102(a) and 202(a) of the Flood Disaster Protection Act of 1973 (P.L. 93.234) as implemented by HUD regulation 24 CFR 570.605.
11. The relocation, acquisition and displacement requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as implemented by HUD regulation 24 CFR 570.606.
12. The Lead Based Paint Poisoning Prevention Act (43.U.S.C. 4801 et seq.) as implemented by HUD regulation 24 CFR 570.608.
13. The regulations, policies, guidelines and uniform administrative requirements of OMB Circulars A-21, A-87, A-110, A-122 and A-128 as they relate to the acceptance and use of Federal funds as implemented by HUD regulation 24 CFR 570.610.
14. The National Environmental Policy Act of 1969 and other statutory environmental requirements as implemented by HUD regulation 24 CFR 570.604.
15. Executive Orders 11625, 12138 and 12432, and Public Law 98-507, dealing with the use of minority and women owned business enterprises as implemented by HUD regulation 24 CFR 85.36(e).
16. The provisions of the Hatch Act limiting political activities of government employees.
17. Executive Order 12888 relating to prevention, control and abatement of water pollution.
18. HUD Regulations for implementing the community Development Block Grant Program contained in 24 CFR 570.
19. The Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282).
20. The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) and regulations set forth at 24 CFR part 21.

8. Trench Excavation Safety. Contractor shall provide adequate safety systems for trench excavation that meets all requirements of the Washington Industrial Safety and Health Act, Chapter 49.17 RCW.

9. Termination of Contract. This Contract may be terminated by Owner at any time upon the default of the Contractor or upon public convenience, in which Contractor shall be entitled to just and

receive no less than the higher of either the Davis-Bacon or Washington State prevailing rate of wage for work performed. A39)ll contractors and subcontractors working on this project are required to fully comply with these regulations.

9. Section 3 of the Housing and Community Development Act of 1974 as amended, dealing with employment and training of County low-income residents as employees and trainees and utilization of Pierce County business as contractors, subcontractors, and suppliers as implemented by HUD regulations 24 CFR 570.607 (b):
 - 1) Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - 2) The Contractor agrees to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
 - 3) Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
 - 4) Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provide in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
 - 5) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
 - 6) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contact for default, and debarment or suspension from future HUD assisted contracts.
 - 7) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7 (b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section

- 2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 5) The Contractor will furnish all information and reports, required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for the purpose of investigation to ascertain compliance with such rules, regulations, and orders.
- 6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies involved as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each Subcontractor or Vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interest of the United States.
- 8) Any construction performed as a part of this agreement is considered a public work project and subject to the Prevailing Wages on Public Works Act (Chapter 39.12RCW). All bid specifications and contracts for public work projects must contain a provision stating the required prevailing rates of pay and stipulate that all workers shall

1. Pierce County Ordinance No. 2009-74s, as codified in PCC 2.106, 3.08, and 3.20 requiring those who contract with the County, and consultants and subcontractors of those who contract with the County, to participate in the E-Verify program.
2. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) relating to nondiscrimination in performance of the project and to the benefits deriving from it as implemented by HUD regulation 24 CFR 570.601 (a).
3. Title VIII of the Civil Rights Act of 1968 (P.L. 90-284) as amended, relating to nondiscrimination in housing as implemented by HUD regulation 24 CFR 570.601 (b).
4. Executive Order 11063 relating to non-discrimination in housing as amended by Executive Order 12259 and as implemented by HUD regulation 24 CFR 570.601 (c).
5. Section 109 of the Housing and Community Development Act of 1974 as amended, dealing with non-discrimination in program benefits because of race, religion, color, age, national origin, sex or disability as implemented by HUD regulation 24 CFR 570.602.
6. The construction labor standards and wage rates set forth in section 110 of the Housing and Community Development Act of 1974 as amended and as implemented by HUD regulation 24 CFR 570.603.
7. The Davis-Bacon Act (DBA) and Related Acts or HUD-assisted (DBRA) (40 U.S.C. 276a-276a-5) provides that contracts to which federal funding is applied for the construction, alteration, and/or repair, including painting and decorating, or of public buildings or public works, which involve the employment of laborers and/or mechanics, shall contain provisions with respect to minimum wages, fringe benefits, payments without deductions or rebates, withholding funds from contractors to ensure compliance with wage provisions, and termination of the contract or debarment for failure to adhere to the required provisions.
8. Executive Order 11246 dealing with non-discrimination in employment as amended by Executive Orders 11375 and 12086 and as implemented by HUD regulation 24 CFR 570.607 (a).

During the performance of this Agreement, the Contactor agrees as follows:

- 1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not 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. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Project by the Contractor. These Contract Documents complement each other in describing a complete work. Any requirement in one document binds as if stated in all. The Contractor shall provide any work or materials clearly implied in the Contract even if the Contract does not mention it specifically. If any part of the contract requires work that does not include a description of how the work will be performed, the work shall be performed in accordance with standard trade practices.

2. Date of Commencement and Physical Completion Date. The Contractor shall physically complete the Project within 40 **working days**.

3. Contract Sum. Subject to additions and deductions by change order, the contract sum is the bid amount of \$ 302,896.79, including applicable tax. The contract sum shall include all items and services necessary for the proper execution and completion of the Project.

4. Liquidated Damages. Timely performance and completion of the Project is essential to Owner and time limits are of the essence. In the event Contractor fails to physically complete the work in 40 working days, plus any authorized extensions thereof, the Contractor shall pay Owner liquidated damages of \$1,000.00 for each calendar day of delay in completion of the Project. No deduction or payment of liquidated damages will, in any degree, release the Contractor from further obligations and liabilities to complete the entire contract.

5. Changes. After execution of the Contract, changes in the Project may be accomplished by change order. Owner, without invalidating the Contract, may order changes in the Project within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract completion date being adjusted accordingly. Change orders shall be in writing signed by the parties.

6. Permits, Fees, Notices, and Compliance with Laws.

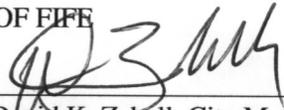
6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for all permits, fees, licenses and inspections by governmental agencies necessary for the proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

6.2 Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules, and regulations, and lawful orders of public authorities applicable to performance of the Work.

6.3 Contractor shall obtain a City of Fife business license pursuant to the provisions of Chapter 5.01 FMC prior to receipt of written Notice to Proceed.

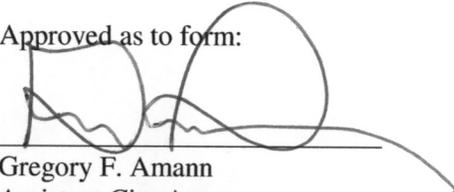
7. CDBG Requirements. Funding for this project is provided by PIERCE COUNTY through the Community Development Block Grant ("CDBG") B-2011-UC-53-0002 from the U.S. Department of Housing and Urban Development, CFDA number 14.218. As such, the Contractor shall comply with the following laws and regulations, whenever and wherever they are applicable, and shall include these requirements in all subcontracts and purchase orders for this Project:

OWNER:
CITY OF FIFE

By: 
David K. Zabell, City Manager

Date: 6-17-13

Approved as to form:


Gregory F. Amann
Assistant City Attorney

CONTRACTOR:

By: 

Name: Rodger C. Scott

Title: President

Date: 6/13/2013

PERFORMANCE & PAYMENT BOND WITH GUARANTY

Name of Project: **47TH AVENUE SIDEWALK IMPROVEMENTS**

Contractor (Principal) Scotty's General Construction, Inc.

Project/Contract # KPG#12008W13

Surety International Fidelity Insurance Company

Bond Amount \$302,896.79

Bond # SAIFSU0596155

1. Date and Parties

This performance and payment bond with guaranty is dated, for reference purposes only, the 12th day of June, 2013 and is executed by Scotty's General Construction, Inc., as Principal(s), and International Fidelity Insurance Company as Surety.

2. General Recitals

A. Principal has entered into a public works contract (the "Contract") with the City of Fife for certain work described as follows:

47th Avenue Sidewalk Improvements

(the "Work").

B. This bond is furnished in accordance with RCW 39.08 to secure faithful performance of the Contract and payment of all persons covered under RCW 39.08.010.

3. Bond Amount

The Principal and the Surety agree and do jointly and severally bind themselves, their heirs, executors, administrators, and assigns, unto the City in the sum of Three Hundred Two Thousand Eight Hundred Ninety-Six Dollars and 79/100 dollars (\$ 302,896.79).

4. Agreement to Perform

A. Principal, his or its heirs, executors, administrators, successors, or assigns, shall abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract, and shall

faithfully perform all the provisions of the Contract and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of the Contract that may hereafter be made, at the time and in the manner therein specified.

B. Principal shall pay all laborers, mechanics, and subcontractors and material suppliers, and all persons who shall supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such Work.

C. The Principal further agrees to correct any defects in materials, workmanship, or installation of the Work which shall develop or be discovered within one (1) year after final acceptance of the Work.

5. Indemnity Agreement

A. The Principal hereby agrees to indemnify and hold the City harmless from any and all claims that may be made against the City resulting directly or indirectly from any action or inaction of the Principal or his agents, employees or independent contractors relating directly or indirectly to work performed or to be performed under the terms of this agreement. This indemnity and hold harmless shall include City Costs related to defending against said claims, or in enforcing the terms of this agreement.

B. For purposes of this document, the term "City Costs" shall mean all City expenditures, obligations or debt incurred, including, but not limited to: construction, labor, equipment and material costs; City staff time; legal consultant fees; engineering consultant fees; financial consultant fees; publication, service or process and filing fees; mailing fees; cost of right-of way, real property and easement acquisition; and fees and costs to other governmental jurisdictions, that are made or incurred by the City, whether or not legal action is commenced.

6. Obligation of Surety

A. If the Principal (or any of the employees, subcontractors, or lower tier subcontractors of the Principal) fails to abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract, or fails to faithfully perform any of the provisions of the Contract or fails to well and truly perform and fulfill any of the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of the Contract that may hereafter be made, at the time and in the manner therein specified, then the Surety shall be liable to the City for City Costs resulting from said failure to perform, but not to exceed the Bond amount.

B. If the Principal (or any subcontractors or lower tier subcontractors of the Principal) fails to pay any laborers, mechanics, or subcontractors or material suppliers, and all persons who shall supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such Work, then the Surety shall be liable to the City for City Costs resulting from such failure to pay and to the persons covered by RCW 39.08.010, but not to exceed the Bond amount.

C. If the Principal fails to correct any defects in materials, workmanship, or installation of the Work which shall develop or be discovered within one (1) year after final acceptance of the Work, then the Surety shall be liable to the City for City Costs resulting from such failure, but not to exceed one tenth of the Bond amount.

D. The Surety agrees that no change, extension of time, alteration or addition to the terms of the contract or to the Work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this Bond, and it does hereby waive notice of any change, extension of tie, alterations or additions to the terms of the Contract or the Work or to the specifications.

E. The Surety agrees that modifications and changes may be made in the terms and provisions of the Contract without notice to Surety, and any such modifications or changes increasing the total amount to be paid to the Principal shall automatically increase the obligation of the Surety on this Bond in a like amount. However, such increase shall not exceed twenty-five percent (25%) of the original amount of this Bond without the consent of the Surety.

7. Address for Notices

All notices required hereunder shall be considered properly delivered when personally delivered, when received by facsimile, or on the third day following mailing, postage prepaid, certified mail, return receipt requested, to:

Principal:

Scotty's General Construction, Inc.
Name
20405 SE 344th Street
Street address
Auburn, WA 98092
City, State and zip code
253-735-1092
Facsimile number

Surety:

International Fidelity Insurance Company
Name
1180 NW Maple Street, Suite 160
Street address
Issaquah, WA 98027
City, state and zip code
425-392-8997
Facsimile number

8. Default

A. If the Principal (or any of the employees, subcontractors, or lower tier subcontractors of the Principal) fails to faithfully, fully, and timely perform the Contract or any amendments thereto as required hereunder, or fails to pay any laborers, mechanics, or subcontractors or material suppliers, or any persons who shall supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such Work, then the City shall notify the Principal and the Surety that such failures must

be cured to the satisfaction of the City Public Works Department within seven days from the date of the Notice, or such longer time as may be determined by the City Public Works Director. If the failures are not so cured and approved within the period stated in the notice then the Surety, upon written demand by the City, shall immediately tender to the City the full amount of the Bond (less any amount previously paid to claimants in accordance with RCW 39.08) and the City will complete the Work and/or make the payments, as the case may be, deduct from the amount tendered the City Costs, and refund the remainder, if any, to the Surety.

B. If the Principal fails to correct any defects in materials, workmanship, or installation of the Work, as required hereunder, then the City shall notify the Principal and Surety that the Work must be corrected to the satisfaction of the City Public Works Department within seven days from the date of the Notice, or such longer time as may be determined by the City Public Works Director. If the Work is not corrected and approved within the period stated in the notice, then the Surety, upon written demand by the City, shall immediately tender to the City one tenth of the Bond amount (or the total amount remaining on the Bond whichever is less), and the City will correct the Work, and deduct from the amount tendered the City Costs. The City shall retain the remainder until the end of the warranty period. If at the end of the warranty period the tendered monies have not been expended for City Costs associated with correction of Work, then the remaining amount shall be refunded to the Surety.

C. If the amount of the Bond is inadequate to pay for City Costs, either because the City Costs exceed the Bond amounts or the Surety is no longer solvent or fails to timely tender the appropriate amount, then the City shall forthwith notify the Principal and he shall tender the deficiency to the City within five days of said notification. If the City commences legal action to collect said deficiency then the prevailing party in said legal action shall be entitled to judgment for their reasonable costs and attorney fees incurred therein. Each Principal is jointly and severally liable for the obligations set forth herein.

9. Action by Claimants.

A. All such persons mentioned in RCW 39.08.010 shall have a right of action in his, her, or their own name or names on the Bond for work done by such laborers or mechanics, and for materials furnished or provisions and goods supplied and furnished in the prosecution of the Work: PROVIDED, That such persons shall not have any right of action on this Bond for any sum whatever, unless within thirty days from and after the completion of the Contract with an acceptance of the Work by the City Council, the laborer, mechanic or subcontractor, or material supplier, or person claiming to have supplied materials, provisions or goods for the prosecution of such Work, shall present to and file with the City a notice in writing in accordance with RCW 39.08.030.

B. Every person, firm or corporation furnishing materials, supplies or provisions to be used in the construction, performance, carrying on, prosecution or doing of any of the Work, shall, not later than ten days after the date of the first delivery of such materials, supplies or provisions to any subcontractor or agent of any person, firm or corporation having a subcontract for the construction, performance, carrying on, prosecution or doing of such Work, deliver or mail to the Principal a notice in writing stating in substance and effect that such person, firm or corporation has commenced to deliver materials, supplies or provisions for use thereon, with the name of the subcontractor or agent ordering or to whom the same is furnished and that the Principal and the Bond will be held for the payment of the same, and no suit or action shall be maintained in any court against the Principal or this Bond to recover

for such material, supplies or provisions or any part thereof unless the provisions of this section and RCW 39.08.065 have been complied with.

10. Modification.

This document cannot be modified, nor the obligations created hereunder terminated, without the City's express written consent.

11. Governing Law--Venue.

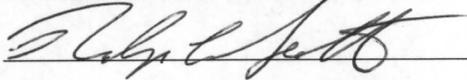
Any action for claims arising out of or relating to this Agreement shall be governed by the laws of the State of Washington. Venue shall be in Pierce County Superior Court.

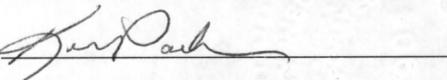
PRINCIPAL:

SURETY:

Scotty's General Construction, Inc.

International Fidelity Insurance Company

By: 

By: 

Title Rodger C Scott, President

Title Karen L Padilla, Attorney-in-Fact

PRINCIPAL:

Accepted by the City this 17 day of

By: _____

JUNE, 2013.

Title _____

By: 

Title ACTING PW DIRECTOR

[Power of Attorney must be attached to Bond]

POWER OF ATTORNEY

INTERNATIONAL FIDELITY INSURANCE COMPANY ALLEGHENY CASUALTY COMPANY

ONE NEWARK CENTER, 20TH FLOOR NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and **ALLEGHENY CASUALTY COMPANY** a corporation organized and existing under the laws of the State of Pennsylvania, having their principal office in the City of Newark, New Jersey, do hereby constitute and appoint

JENNIFER D LUTZ, JAMES GLENN HUNT, KAREN L PADILLA, SANDRA MARINELLI, ANDY HOVEN

Renton, WA.

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 20th day of July, 2010 and by the Board of Directors of ALLEGHENY CASUALTY COMPANY at a meeting duly held on the 15th day of August, 2000:

"RESOLVED, that (1) the President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY have each executed and attested these presents on this 12th day of March, 2012.



STATE OF NEW JERSEY
County of Essex

ROBERT W. MINSTER
Executive Vice President/Chief Operating Officer
(International Fidelity Insurance Company)
and President (Allegheny Casualty Company)

On this 12th day of March 2012, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 2014

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 12th day of June 2013

MARIA BRANCO, Assistant Secretary

DESCRIPTIONS (Continued from Page 1)

endorsement. Coverage is Primary and Non Contributory per the attached CG 7680 1002 endorsement.
*this certificate cancels/replaces the certificate issued 6-12-13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS LIABILITY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

DUTY TO DEFEND

Paragraph a. of **SECTION I — COVERAGE A** and **COVERAGE B** is replaced by the following:

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal injury and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. Our duty to defend begins once you notify us of a "suit" as described in **SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS, 2.b.** However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage", or "personal injury or advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **SECTION III — LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **COVERAGES A**

or **B** or medical expenses under **COVERAGE C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS — COVERAGES A AND B**.

EMPLOYERS LIABILITY

The last paragraph of exclusion e. of **SECTION I — COVERAGE A** is replaced by the following:

This exclusion does not apply to liability assumed by the insured under an "insured contract" except for that part of a contract or agreement that indemnifies any person or organization for their sole liability.

WRONGFUL EVICTION

The following exclusion is added to **SECTION I — COVERAGE B**:

The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises arising out of any:

- (1) "property damage" to the room, dwelling or premises; or
- (2) "bodily injury" sustained through occupancy of a room, dwelling or premises.

ADDITIONAL INSURED — BY WRITTEN CONTRACT, AGREEMENT OR PERMIT, OR SCHEDULE

The following paragraph is added to **SECTION II — WHO IS AN INSURED:**

4. Any person or organization shown in the Schedule or for whom you are required by written contract, agreement or permit to provide insurance is an insured, subject to the following additional provisions:

a. The contract, agreement or permit must be in effect during the policy period shown in the Declarations, and must have been executed prior to the "bodily injury", "property damage", or "personal and advertising injury".

b. The person or organization added as an insured by this endorsement is an insured only to the extent you are held liable due to:

(1) The ownership, maintenance or use of that part of premises you own, rent, lease or occupy, subject to the following additional provisions:

(a) This insurance does not apply to any "occurrence" which takes place after you cease to be a tenant in any premises leased to or rented to you;

(b) This insurance does not apply to any structural alterations, new construction or demolition operations performed by or on behalf of the person or organization added as an insured;

(2) Your ongoing operations for that insured, whether the work is performed by you or for you;

(3) The maintenance, operation or use by you of equipment leased to you by such person or organization, subject to the following additional provisions:

(a) This insurance does not apply to any "occurrence" which takes place after the equipment lease expires;

(b) This insurance does not apply to "bodily injury" or "property damage" arising out of the sole negligence of such person or organization;

(4) Permits issued by any state or political subdivision with respect to operations performed by you or on your behalf, subject to the following additional provision:

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of operations performed for the state or municipality;

c. The insurance with respect to any architect, engineer, or surveyor added as an insured by this endorsement does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

(1) The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and

(2) Supervisory, inspection or engineering services.

d. This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

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

f. No coverage will be provided if, in the absence of this endorsement, no liability would be imposed by law on you. Coverage shall be limited to the extent of your negligence or fault according to the applicable principles of comparative fault.

g. The defense of any claim or "suit" must be tendered as soon as practicable to all other insurers which potentially provide insurance for such claim or "suit".

h. The insurance provided will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract, agreement or permit.

NON-OWNED WATERCRAFT AND NON-OWNED AIRCRAFT LIABILITY

Exclusion g. of **SECTION I — COVERAGE A** is replaced by the following:

g. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented

or loaned to any insured. Use includes operation and "loading or unloading".

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" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 52 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".
- (6) An aircraft you do not own provided it is not operated by any insured.

TENANTS' PROPERTY DAMAGE LIABILITY

When Damage To Premises Rented To You Limit is shown in the Declarations, **SECTION I – COVERAGE A**, exclusion j., is replaced by the following:

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations, or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION III – LIMITS OF INSURANCE**. Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

Paragraph 6. of Section III is replaced by the following:

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit 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.

The Damage To Premises Rented To You Limit is the higher of \$200,000 or the amount shown in the Declarations as Damage To Premises Rented To You Limit.

WHO IS AN INSURED — MANAGERS

The following is added to Paragraph 2.a. of **SECTION II — WHO IS AN INSURED**:

Paragraph (1) does not apply to executive officers, or to managers at the supervisory level or above.

SUPPLEMENTARY PAYMENTS — COVERAGES A AND B — BAIL BONDS

Paragraph 1.b. of **SUPPLEMENTARY PAYMENTS — COVERAGES A AND B** is replaced by the following:

- b. Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

SUPPLEMENTARY PAYMENTS — COVERAGES A AND B — INDEMNITEES AND ADDITIONAL INSUREDS

Paragraph 2.f.(1) (d) of **SUPPLEMENTARY PAYMENTS — COVERAGES A AND B** is replaced by the following:

- (d) Cooperate with us with respect to coordinating other applicable insurance and self-insured retention available to the indemnitee; and

EMPLOYEES AS INSUREDS — HEALTH CARE SERVICE

Paragraph 2.a.(1) d. of **SECTION II — WHO IS AN INSURED** is deleted, unless excluded by separate endorsement.

EXTENDED COVERAGE FOR NEWLY ACQUIRED ORGANIZATIONS

Paragraph 3.a. of **SECTION II — WHO IS AN INSURED** is replaced by the following:

- a. Coverage under this provision is afforded only until the end of the policy period.

EXTENDED "PROPERTY DAMAGE"

Exclusion a. of **SECTION I — COVERAGE A** is amended to read:

- a. "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.

INCREASED MEDICAL EXPENSE LIMIT

The medical expense limit is amended to \$10,000.

KNOWLEDGE OF OCCURRENCE

The following is added to Paragraph 2. **SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS** Duties In The Event Of Occurrence, Offense, Claim Or Suit of:

Knowledge of an "occurrence", claim or "suit" by your agent, servant or employee shall not in itself constitute knowledge of the named insured unless an officer of the named insured has received such notice from the agent, servant or employee.

INSURED CONTRACT

The following definition is added to **SECTION V — DEFINITIONS**, Definition 9. "insured contract" paragraph f.:

- (4) That part of any contract or agreement that indemnifies any person or organization for the indemnitee's sole tort liability.

OTHER INSURANCE

The first paragraph of Other Insurance of **SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced with the following:

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

METHOD OF SHARING

The second paragraph of 4.c. Method of Sharing of **SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced with the following:

If any of the other insurance does not permit contribution by equal shares or is subject to a self-insured retention, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance or self-insured retention or both combined to the total applicable limits

of insurance of all insurers and the amount of any self-insured retention.

UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS

The following is added to Paragraph 6, Representations of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure. However, this provision does not affect

our right to collect additional premium or exercise our right of cancellation or non-renewal.

LIBERALIZATION CLAUSE

The following paragraph is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

10. If a revision to this Coverage Part, which would provide more coverage with no additional premium, becomes effective during the policy period in the state shown in the Declarations, your policy will automatically provide this additional coverage on the effective date of the revision.

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COMMERCIAL AUTO
CA 71 10 03 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO PLUS ENDORSEMENT

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.

EXTENDED CANCELLATION CONDITION

Paragraph **2.b.** of the CANCELLATION Common Policy Condition is replaced by the following:

- b. 60 days before the effective date of cancellation if we cancel for any other reason.

TEMPORARY SUBSTITUTE AUTO — PHYSICAL DAMAGE COVERAGE

Under paragraph **C.** — CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS of SECTION **1** — COVERED AUTOS, the following is added:

If Physical Damage coverage is provided by this Coverage Form, then you have coverage for:

Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its breakdown, repair, servicing, "loss" or destruction.

BROAD FORM NAMED INSURED

SECTION **II** — LIABILITY COVERAGE — **A.1.** WHO IS AN INSURED provision is amended by the addition of 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. Coverage under this provision is afforded only until the end of the policy period.

BLANKET ADDITIONAL INSURED

SECTION **II** — LIABILITY COVERAGE — **A.1.** WHO IS AN INSURED provision is amended by the addition of the following:

- e. Any person or organization for whom you are required by an "insured contract" to provide insurance is an "insured", subject to the following additional provisions:
 - (1) The "insured contract" must be in effect during the policy period shown in the Declarations, and must have been executed prior to the "bodily injury" or "property damage".
 - (2) This person or organization is an "insured" only to the extent you are liable due to your ongoing operations for that insured, whether the work is performed by you or for you, and only to the extent you are held liable for an "accident" occurring while a covered "auto" is being driven by you or one of your employees.
 - (3) There is no coverage provided to this person or organization for "bodily injury" to its employees, nor for "property damage" to its property.
 - (4) Coverage for this person or organization shall be limited to the extent of your negligence or fault according to the applicable principles of comparative negligence or fault.
 - (5) The defense of any claim or "suit" must be tendered by this person or organization as soon as practicable to all other insurers which potentially provide insurance for such claim or "suit".

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- (6) The coverage provided will not exceed the lesser of:
- (a) The coverage and/or limits of this policy; or
 - (b) The coverage and/or limits required by the "insured contract".
- (7) A person's or organization's status as an "insured" under this subparagraph d ends when your operations for that "insured" are completed.

EMPLOYEE AS INSURED

Under Paragraph A. of Section II — LIABILITY COVERAGE item f. is added as follows:

Your "employee" while using his owned "auto", or an "auto" owned by a member of his or her household, in your business or your personal affairs, provided you do not own, hire or borrow that "auto". This coverage is excess to any other collectible insurance coverage.

FELLOW EMPLOYEE COVERAGE

Exclusion 5. FELLOW EMPLOYEE of SECTION II — LIABILITY COVERAGE — B. EXCLUSIONS is amended by the addition of the following:

However, this exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire, and provided that any coverage under this provision only applies in excess over any other collectible insurance.

BLANKET WAIVER OF SUBROGATION

We waive the right of recovery we may have for payments made for "bodily injury" or "property damage" on behalf of the persons or organizations added as "insureds" under Section II — LIABILITY COVERAGE — A.1.D. BROAD FORM NAMED INSURED and A.1.e. BLANKET ADDITIONAL INSURED.

PHYSICAL DAMAGE — ADDITIONAL TRANSPORTATION EXPENSE COVERAGE

The first sentence of paragraph A.4. of SECTION III — PHYSICAL DAMAGE COVERAGE is amended as follows:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

PERSONAL EFFECTS COVERAGE

A. SECTION III — PHYSICAL DAMAGE COVERAGE, A.4. COVERAGE EXTENSIONS, is amended by adding the following:

c. Personal Effects Coverage

For any Owned "auto" that is involved in a covered "loss", we will pay up to \$500 for "personal effects" that are lost or damaged as a result of the covered "loss", without applying a deductible.

EXTRA EXPENSE — BROADENED COVERAGE

Paragraph A. — COVERAGE of SECTION III — PHYSICAL DAMAGE COVERAGE is amended to add:

- 5. We will pay for the expense of returning a stolen covered "auto" to you.

AIRBAG COVERAGE

Under paragraph B. — EXCLUSIONS of SECTION III — PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

NEW VEHICLE REPLACEMENT COST

Under Paragraph C — LIMIT OF INSURANCE of Section III — PHYSICAL DAMAGE COVERAGE section 2 is amended as follows:

- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss. However, in the event of a total loss to your "new vehicle" to which this coverage applies, as shown in the declarations, we will pay at your option:
 - a. The verifiable "new vehicle" purchase price you paid for your damaged vehicle, not including any insurance or warranties purchased;
 - b. The purchase price, as negotiated by us, of a new vehicle of the same make, model and equipment, not including any furnishings, parts or equipment not installed by the manufacturer or manufacturer's dealership. If the same model is not available pay the purchase price of the most similar model available;

- c. The market value of your damaged vehicle, not including any furnishings, parts or equipment not installed by the manufacturer or manufacturer's dealership.

This coverage applies only to a covered "auto" of the private passenger, light truck or medium truck type (20,000 lbs or less gross vehicle weight) and does not apply to initiation or set up costs associated with loans or leases.

TWO OR MORE DEDUCTIBLES

Under SECTION III — PHYSICAL DAMAGE COVERAGE, if two or more "company" policies or coverage forms apply to the same accident, the following applies to paragraph D. Deductible:

- a. If the applicable Business Auto deductible is the smaller (or smallest) deductible it will be waived; or
- b. If the applicable Business Auto deductible is not the smaller (or smallest) deductible it will be reduced by the amount of the smaller (or smallest) deductible; or
- c. If the loss involves two or more Business Auto coverage forms or policies the smaller (or smallest) deductible will be waived.

For the purpose of this endorsement "company" means:

- a. Safeco Insurance Company of America
- b. American States Insurance Company
- c. General Insurance Company of America
- d. American Economy Insurance Company
- e. First National Insurance Company of America
- f. American States Insurance Company of Texas
- g. American States Preferred Insurance Company
- h. Safeco Insurance Company of Illinois

LOAN/LEASE GAP COVERAGE

Under paragraph C — LIMIT OF INSURANCE of SECTION III — PHYSICAL DAMAGE COVERAGE, the following is added:

- 4. The most we will pay for a total "loss" in any one "accident" is the greater of the following, subject to a \$1,500 maximum limit:

- a. Actual cash value of the damaged or stolen property as of the time of the "loss", less an adjustment for depreciation and physical condition; or
- b. Balance due under the terms of the loan or lease that the damaged covered "auto" is subject to at the time of the "loss", less any one or all of the following adjustments:

- (1) Overdue payment and financial penalties associated with those payments as of the date of the "loss".
- (2) Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear.
- (3) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease.
- (4) Transfer or rollover balances from previous loans or leases.
- (5) Final payment due under a "Balloon Loan".
- (6) The dollar amount of any un-repaired damage that occurred prior to the "total loss" of a covered "auto".
- (7) Security deposits not refunded by a lessor.
- (8) All refunds payable or paid to you as a result of the early termination of a lease agreement or any warranty or extended service agreement on a covered "auto".
- (9) Any amount representing taxes.
- (10) Loan or lease termination fees

GLASS REPAIR — WAIVER OF DEDUCTIBLE

Under paragraph D. — DEDUCTIBLE of SECTION III — PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITION 2.a. — DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS — of SECTION IV — BUSINESS AUTO CONDITIONS that you must notify us of an

“accident” applies only when the “accident” 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.

UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

SECTION IV — BUSINESS AUTO CONDITIONS — B.2. is amended by the addition of the following:

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

HIRED AUTO — LIMITED WORLD WIDE COVERAGE

Under Section IV — Business Conditions, Paragraph B.7.b.e(1) is replaced by the following:

- (1) The “accident” or “loss” results from the use of an “auto” hired for 30 days or less.

RESULTANT MENTAL ANGUISH COVERAGE

SECTION V — DEFINITIONS — C. is replaced by the following:

“Bodily injury” means bodily injury, sickness or disease sustained by a person including mental anguish or death resulting from any of these.

HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired “autos” are covered “autos” for Liability coverage and if Comprehensive, Specified Causes of Loss or Collision coverages are provided under this Coverage Form for any “auto” you own, then the Physical Damage Coverages provided are extended to “autos” you hire or borrow.

The most we will pay for loss to any hired “auto” is \$50,000 or Actual Cash Value or Cost of Repair, whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned “auto” of the private passenger or light truck type for that coverage. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit,

deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered “auto” you own.

HIRED AUTO PHYSICAL DAMAGE COVERAGE — LOSS OF USE

SECTION III — PHYSICAL DAMAGE A.4.b. Form does not apply.

Subject to a maximum of \$1,000 per accident, we will cover loss of use of a hired “auto” if it results from an accident, you are legally liable and the lessor incurs an actual financial loss.

RENTAL REIMBURSEMENT COVERAGE

- A. We will pay for rental reimbursement expenses incurred by you for the rental of an “auto” because of a covered “loss” to a covered “auto”. Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered “auto”. No deductibles apply to this coverage.
- B. We will pay only for those expenses incurred during the policy period beginning 24 hours after the “loss” and ending, regardless of the policy’s expiration, with the lesser of the following number of days:
 1. The number of days reasonably required to repair or replace the covered “auto”. If “loss” is caused by theft, this number of days is added to the number of days it takes to locate the covered “auto” and return it to you.
 2. 30 days.
- C. Our payment is limited to the lesser of the following amounts:
 1. Necessary and actual expenses incurred.
 2. \$50 per day.
- D. This coverage does not apply while there are spare or reserve “autos” available to you for your operations.
- E. If “loss” results from the total theft of a covered “auto” of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the PHYSICAL DAMAGE COVERAGE Coverage Extension.
- F. The Rental Reimbursement Coverage described above does not apply to a covered “auto” that is described or designated as a covered “auto” on

AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

A. Coverage

1. We will pay with respect to a covered "auto" for "loss" to any electronic equipment that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound. This coverage applies only if the equipment is permanently installed in the covered "auto" at the time of the "loss" or the equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto".
2. We will pay with respect to a covered "auto" for "loss" to any accessories used with the electronic equipment described in paragraph A.1. above.

However, this does not include tapes, records or discs.
3. If Audio, Visual and Data Electronic Equipment Coverage form CA 99 60 or CA 99 94 is attached to this policy, then the Audio, Visual and Data Electronic Equipment Coverage described above does not apply.

B. Exclusions

The exclusions that apply to PHYSICAL DAMAGE COVERAGE, except for the exclusion relating to Audio, Visual and Data Electronic Equipment, also apply to this coverage. In addition, the following exclusions apply:

We will not pay for either any electronic equipment or accessories used with such electronic equipment that is:

1. Necessary for the normal operation of the covered "auto" for the monitoring of the covered "auto's" operating system; or
2. Both:
 - a. an integral part of the same unit housing any sound reproducing equipment designed solely for the reproduction of sound if the sound reproducing equipment is permanently installed in the covered "auto"; and
 - b. permanently installed in the opening of the dash or console normally used by

C. Limit of Insurance

With respect to this coverage, the LIMIT OF INSURANCE provision of PHYSICAL DAMAGE COVERAGE is replaced by the following:

1. The most we will pay for "loss" to audio, visual or data electronic equipment and any accessories used with this equipment as a result of any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
 - c. \$1,000.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of the "loss".
3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

1. If "loss" to the audio, visual or data electronic equipment or accessories used with this equipment is the result of a "loss" to the covered "auto" under the Business Auto Coverage Form's Comprehensive or Collision Coverage, then for each covered "auto" our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" to audio, visual or data electronic equipment caused by fire or lightning.
2. If "loss" to the audio, visual or data electronic equipment or accessories used with this equipment is the result of a "loss" to the covered "auto" under the Business Auto Coverage Form's Specified Causes of Loss Coverage, then for each covered "auto" our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.
3. If "loss" occurs solely to the audio, visual or data electronic equipment or accessories used with this equipment, then for each covered "auto" our obligation to pay for, repair,

return or replace damaged or stolen property will be reduced by a \$100 deductible.

4. In the event that there is more than one applicable deductible, only the highest deductible will apply. In no event will more than one deductible apply.

SECTION V — DEFINITIONS is amended by adding the following:

- Q. "Personal effects" means your tangible property that is worn or carried by you, except for tools, jewelry, money, or securities.
- R. "New vehicle" means any "auto" of which you are the original owner and the "auto" has not been previously titled and is less than 365 days past the purchase date.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions**:

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

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FILE NUMBER

WAIVER OF RIGHTS OF RECOVERY
AND FIRST OTHERS TO US

I, the undersigned, hereby certify that I am the owner of the above described property and that I have read and understand the contents of this instrument and the effect thereof. I have signed this instrument voluntarily and without any duress, fraud, or coercion. I have signed this instrument with full knowledge of the contents and effect thereof. I have signed this instrument with full knowledge of the contents and effect thereof. I have signed this instrument with full knowledge of the contents and effect thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at the County of _____ State of _____ this _____ day of _____ 20____.

Notary Public for the State of _____
My Commission Expires _____
My Office is located at _____
City of _____ State of _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED PRIMARY
COVERAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

Any person or organization for whom you are required by written contract, agreement or permit to provide a primary and non-contributory additional insured endorsement.

(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 additional insured the person or organization shown in the Schedule subject to the following provisions:

1. The additional insured is an insured but only for liability directly resulting from:
 - a. your ongoing operations for the additional insured whether the work is performed by you or for you; or
 - b. the general supervision of your ongoing operations by the additional insured.
2. This insurance does not apply to:
 - a. "Bodily injury" or "property damage" arising out of any act or omission of, or for defects in design furnished by or for, the additional insured or
 - b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

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

No coverage will be provided if, in the absence of this endorsement, no liability would be imposed by law on

you. Coverage shall be limited to the extent of your negligence or fault according to the applicable principles of comparative fault.

The insurance provided will not exceed the lesser of:

- a. The coverage and/or limits of this policy, or
- b. The coverage and/or limits required by the contract, agreement or permit.

With respect to the insurance afforded the additional insured, paragraph 4. of **SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted and replaced by the following:

4. Other Insurance

- a. This insurance is primary and noncontributory, and our obligations are not affected by any other insurance where the additional insured is the Named Insured, whether primary, excess, contingent, or on any other basis; however, the defense of any claim or "suit" must be tendered as soon as practicable to all other insurers which potentially provide insurance for such claim or "suit".
- b. This additional provision applies only to the additional insured shown in the Schedule and the coverage provided by this endorsement.

2534x

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IF REPORTS CHANGE FREQUENTLY PLEASE RECHECK DAILY

ALPHABETICALLY LISTED PRIMARY DISEASES

The following diseases are listed in the order in which they were reported.

COMMUNAL ACQUIRED - OUTDOOR PART

SIBIRIA

Transmitted by direct contact with the patient or by contact with the patient's clothing, bedding, or other articles. The disease is caused by a virus which is present in the blood and other fluids of the patient.

It is a highly contagious disease and is spread by direct contact with the patient or by contact with the patient's clothing, bedding, or other articles.

The disease is caused by a virus which is present in the blood and other fluids of the patient. It is a highly contagious disease and is spread by direct contact with the patient or by contact with the patient's clothing, bedding, or other articles.

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return or replace damaged or stolen property will be reduced by a \$100 deductible.

4. In the event that there is more than one applicable deductible, only the highest deductible will apply. In no event will more than one deductible apply.

SECTION V — DEFINITIONS is amended by adding the following:

- Q. "Personal effects" means your tangible property that is worn or carried by you, except for tools, jewelry, money, or securities.
- R. "New vehicle" means any "auto" of which you are the original owner and the "auto" has not been previously titled and is less than 365 days past the purchase date.

SECTION 101-101 - *Interpretation of the provisions of the*
following sections:

A. *When the provisions of the following sections shall apply:*

B. *When the provisions of the following sections shall not apply:*

C. *When the provisions of the following sections shall be deemed to be waived:*

SECTION 101-102 - *Interpretation of the provisions of the*
following sections:

A. *When the provisions of the following sections shall apply:*

B. *When the provisions of the following sections shall not apply:*

C. *When the provisions of the following sections shall be deemed to be waived:*