BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

( ) Award (•) Contract ( ) Grant

Requested Board Meeting Date: 8/20/18

or Procurement Director Award ☐

*** = Mandatory, information must be provided**

***Contractor/Vendor Name/Grantor (DBA):**
Achen-Gardner Construction, LLC

***Project Title/Description:**
Design-Build Services For: Twin Peaks-Blue Bonnet Road Gravity Sewer Project (3TPBBS)

***Purpose:**
Amendment: Contract No. CT-WW-18-401, Amendment No. One (1). This amendment increases the contract amount by $2,701,597.76 for a cumulative not-to-exceed amount of $3,321,618.01 and incorporates Guaranteed Maximum Price No. One (GMP-1) for construction services. Administering Department: Regional Wastewater Reclamation.

GMP-1 pertains to project phase 1 (project segment 2), and provides for all construction activities for this project phase. Due to limited subcontracting opportunities, no Small Business Enterprises (SBE) goal is established for GMP-1.

***Procurement Method:**
Pursuant to Solicitation for Qualifications No. 289179, on 06/19/18, the Board of Supervisors awarded a contract for design and pre-construction services for this project in the amount of $620,020.25 for a contract term of 06/19/18 to 12/31/20.

Attachment: Amendment No. One (1).

***Program Goals/Predicted Outcomes:**
The Twin Peaks-Blue Bonnet Sewer Augmentation Project will provide sewer service to an area which currently has no service. The sewer services provided under this project will help accelerate development in the area without the need for expensive pump stations.

***Public Benefit:**
Completion of the Twin Peaks-Blue Bonnet Sewer project will result in additional sewer capacity and allow for additional growth in the Dove Mountain and Twin Peaks area.

***Metrics Available to Measure Performance:**
Successfully completing each phase of the project and receiving Arizona Department of Environmental Quality discharge permits within the time allotted for each phase of the project and completion of the entire project within budget.

***Retroactive:**
No

To: COB 8-8-18
pgs - 59
(1)

Contract / Award Information

Document Type: ____________ Department Code: ____________ Contract Number (i.e.,15-123): ____________

Effective Date: ________ Termination Date: ________ Prior Contract Number (Synergen/CMS): ________

☐ **Expense Amount: $*** ____________ ☐ Revenue Amount: $ ____________

***Funding Source(s) required:** ____________

Funding from General Fund? ○ Yes ○ No If Yes $ ____________ % ____________

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No

If Yes, is the Contract to a vendor or subrecipient? ____________

Were insurance or indemnity clauses modified? ☐ Yes ☐ No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☐ No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: CT Department Code: WW Contract Number (i.e.,15-123): 18-401

Amendment No.: One (1) AMS Version No.: Three (3)

Effective Date: 08/20/18 New Termination Date: ____________

Prior Contract No. (Synergen/CMS): ____________

◉ Expense or ○ Revenue ◉ Increase ○ Decrease Amount This Amendment: $ 2,701,597.76

Is there revenue included? ○ Yes ◉ No If Yes $ ____________

***Funding Source(s) required:** Regional Wastewater Reclamation Department Obligations

Funding from General Fund? ○ Yes ◉ No If Yes $ ____________ % ____________

Grant/Amendment Information (for grants acceptance and awards) ○ Award ○ Amendment

Document Type: ____________ Department Code: ____________ Grant Number (i.e.,15-123): ____________

Effective Date: ____________ Termination Date: ____________ Amendment Number: ____________

☐ Match Amount: $ ____________ ☐ Revenue Amount: $ ____________

***All Funding Source(s) required:** ____________

***Match funding from General Fund?** ○ **Yes** ○ **No** **If Yes $** ____________ **%** ____________

***Match funding from other sources?** ○ **Yes** ○ **No** **If Yes $** ____________ **%** ____________

***Funding Source:** ____________

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?** ____________

Contact: Keith E. Rogers Keith E. Rogers 8/2/18

Department: Procurement 8/3/18 Telephone: 724-3542

Department Director Signature/Date: 8/3/18

Deputy County Administrator Signature/Date: 8/3/18

County Administrator Signature/Date: 8/6/18

(Required for Board Agenda/Addendum Items)

PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT **PROJECT:** **Design-Build Services For: Twin Peaks-Blue Bonnet Road Gravity Sewer Project (3TPBBS)** **CONTRACTOR:** **Achen-Gardner Construction, LLC 550 South 79th St. Chandler, AZ 85226** **CONTRACT NO.:** **CT-WW-18-401** **AMENDMENT NO.: One (1)** **FUNDING:** **Regional Wastewater Reclamation Department Obligations**	CONTRACT NO. CT-WW-18-401 AMENDMENT NO. 01 This number must appear on all invoices, correspondence and documents pertaining to this contract.

CONTRACT TERM: 06/19/2018 - 12/31/2020	**ORIGINAL CONTRACT AMOUNT:**	$	620,020.25
TERMINATION PRIOR AMENDMENT: NA	**PRIOR AMENDMENT(S):**	$	-
TERMINATION THIS AMENDMENT: 12/31/2020	**AMOUNT THIS AMENDMENT:**	$	2,701,597.76
	REVISED CONTRACT AMOUNT:	$	3,321,618.01

DESIGN-BUILD CONTRACT AMENDMENT

WHEREAS, County and Design-Builder have entered into the Contract for the project referenced above; and

WHEREAS, design and construction of the project was anticipated to be conducted in multiple phases; and

WHEREAS, design of project phase 1 (project segment 2) has reached 60%, allowing Guaranteed Maximum Price 1 (GMP-1) to be developed and awarded while project phase 1 design is completed and while project phase 2 (project segments 1 and 3) design progresses; and

WHEREAS, GMP-1 shall pertain to the construction of project phase 1; and

WHEREAS, County and Design-Builder, pursuant to Article 3, have agreed to incorporate GMP-1 into the contract; and

WHEREAS, County's acceptance of GMP-1 is subject to the understanding of the Parties that all elements of future GMPs, if any, are and remain negotiable; and

WHEREAS, County and Design-Builder pursuant to Article 3 have agreed to increase the Contract amount as identified in GMP-1.

NOW, THEREFORE, it is agreed as follows:

CHANGE: **ARTICLE 3 – Scope of Services**

Add - Exhibit C – Phase 2 – Construction Services – GMP-1 (19 pages) to the contract after Exhibit B – Phase 1 Scope of Services and Fee Schedule.

CHANGE: **ARTICLE 5 – Compensation and Payment**

Add - as sentence three to Article 5.2 Maximum Payment Amount:
County's total payments to Design-Builder for Phase 2 Work – GMP-1, including sales taxes (if applicable), in the not-to-exceed amount of Two Million, Seven Hundred One Thousand, Five Hundred Ninety-Seven Dollars and Seventy-Six Cents ($2,701,597.76).

Y.

CHANGE: **ARTICLE 6 - Insurance**

Change Article 6.4.3.1 – Builder's Risk – Installation Floater

From: Amount equal to the Contract Completed Value $TBD.

To: Amount equal to the Contract Completed Value $2,701,597.76.

This Amendment shall be effective on August 20, 2018.

All other provisions of the Contract, not specifically changed by this amendment, shall remain in effect and be binding upon the Parties.

IN WITNESS WHEREOF, the Parties have affixed their signatures to this Amendment on the dates written below.

APPROVED:

____
Chairman, Board of Supervisors

____
Date

DESIGN-BUILDER:

____
Signature

AREA Mngr
Name and Title (Please Print)

8/6/18
Date

ATTEST:

____
Clerk of the Board

APPROVED AS TO FORM:

____
Deputy County Attorney

CHARLES WESSELHOFT
Printed Name

AUG 0 3 2018
Date

ACHEN GARDNER

August 2, 2018

E-Mailed: August 2, 2018
Keith.Rogers@pima.gov

Keith E. Rogers, CPPB, Procurement Officer
Design & Construction Div.
Pima County Procurement Dept.
130 W. Congress, Third Floor
Mail Stop: DT-AB3-126

RE: Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

SUBJ: Segment 2 Construction GMP Proposal (8-1-18)

Dear Mr. Rogers:

In accordance with the referenced solicitation and associated DB contract agreement dated 6/19/18, we here in submit for your approval our Segment 2 Construction Guaranteed Maximum Price (GMP) Proposal (Proposal). We propose to complete these services for the GMP of $**2,455,997.96** which includes Design-Builder Contingencies and Allowances and excludes an Owner Contingency. It is our understanding that this Proposal will be incorporated as an Amendment to the original Agreement dated 6/19/18.

Should you have any questions or comments, please feel free to contact me at 520-403-4346 or email jdecarlo@achen.com or Dan Spitza at (480) 403-9432 or e-mail dspitza@achen.com.

Sincerely,

Jason DeCarlo, Area Operations Manager

Attachments

cc: File 3645100; David Badger, David.Badger@pima.gov

INDEX OF EXHIBITS

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

EXHIBIT 1 – SUMMARY OF GMP

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

See attached SUMMARY OF GMP PROPOSAL dated 8-1-18 (1 Page) (Below)
TWIN PEAKS - BLUE BONNET RD. GRAVITY SEWER DESIGN-BUILD PROJECT (3TPBBS)

GMP SUMMARY (CONCEPTUAL ESTIMATE)

PREPARED BY: ACHEN-GARDNER CONSTRUCTION, LLC (No. 3545100) **8/1/2018**

TWIN PEAKS - BLUE BONNET RD. GRAVITY SEWER DESIGN-BUILD PROJECT (3TPBBS)

GMP SUMMARY (CONCEPTUAL ESTIMATE)

PREPARED BY: ACHEN-GARDNER CONSTRUCTION, LLC (No. 3545100) **8/1/2018**

CONSTRUCTION		Segment 2
1	**CONSTRUCTION COSTS:**	
2	Cost of Construction	$1,675,536.61
3	Design-Builder Contingency	$131,320.55
4	***Subtotal Direct Construction Costs =***	***$1,806,857.16***
5	**INDIRECT CONSTRUCTION COSTS:**	
6	General Conditions	$77,463.80
7	Overhead	$213,373.02
8	Insurance	$31,465.41
9	Payment and Performance Bonds	$15,732.70
10	***Subtotal Indirect Construction Costs (GC, OH, Bonds, & Ins.) =***	***$338,034.93***
11	***Running-Total Direct Construction Costs + GC, OH, Bonds, & Ins. =***	***$2,144,892.09***
12	Construction Fee ($'s)	$214,489.21
13	Construction Fee (Calculated % of Line 11)	10.00%
14	***Subtotal Fee =***	***$214,489.21***
15	***Running-Total Direct Construction Costs + GC, OH, Bonds, & Ins.+ Fee =***	***$2,359,381.30***
16	Arizona Gross Receipts Tax ($'s)	$96,616.66
17	Arizona Gross Receipts Tax (Calculated % of Line 15)	4.095%
18	***Subtotal Direct Construction Costs + GC, OH, Bonds, & Ins.+ Fee + Tax =***	***$2,455,997.96***
19	**ESTIMATE OF GUARANTEED MAXIMUM PRICE (GMP) =**	**$2,455,997.96**
20	County Contingency 10%	$245,599.80
21		
22 22	**Total Contract Cost =**	**$2,701,597.76**
24		

EXHIBIT 2 – SCOPE OF WORK

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

As advertised, the Project includes the design and construction of a gravity sanitary sewer pipeline necessary to allow for the abandonment of an existing lift station. The Project is being designed and constructed in the following relative geographic Segments and will be delivered in two (possibly three) construction GMPs. This Proposal is for the construction of Segment 2.

Segment 1 – From existing Booster Station (approximately NW Corner Twin Peaks Rd. and Tangerine Rd.) to location of new Segment 2 pipeline just south of Twin Peaks Rd. on Blue Bonnet Rd. (Approximately 11,000 total feet).

Segment 2 - From a location just south of Twin Peaks Rd. on Blue Bonnet Rd. a new pipeline will be installed south along Blue Bonnet Rd. alignment to a temporary tie-in location just south of Linda Vista Blvd. in the Hartman Ln. alignment.

Segment 3 – From the temporary tie-in location of Segment 2, located just south of Linda Vista Blvd., a new pipeline will be installed in the Hartman Ln. alignment south to a tie-in location in the SW corner of Hartman Ln. and Cortaro Farms Rd.

Current tentative schedule is to complete Segment 2 by Dec. 31, 2018. Supplemental Segment 3 and 1 Construction GMPs are planned for 2019 to be constructed by approximately Dec. 31, 2019, subject to available funding and owner managed right-of-way and easement acquisition.

Please refer to prime Design-Build Agreement for related Project scope description and detail.

EXHIBIT 3 – SCHEDULE OF VALUES (SOV)

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

EXHIBIT 3 (PAGE 1)

TWIN PEAKS - BLUE BONNET RD. GRAVITY SEWER DESIGN-BUILD PROJECT (3TPBBS)

ESTIMATE OF GMP - SEGMENT 2

PREPARED BY: ACHEN-GARDNER CONSTRUCTION, LLC (No. 3645100) **8/1/2018**

ITEM #	SPEC/DTL	ITEM DESCRIPTION	QTY	UNIT	UP	TOTAL
40		MOBILIZATION AND DEMOBILIZATION	1	LS	$104,857.30	$104,857.30
50		SWPPP / BMP'S IMPLEMENTATION	1	LS	$54,412.30	$54,412.30
55		PUBLIC OUTREACH ALLOWANCE	1	AL	$21,529.83	$21,529.83
56		TESTING ALLOWANCE	1	AL	$59,375.00	$59,375.00
60		FURNISH WATER & DUST CONTROL	1	LS	$62,353.56	$62,353.56
70		FURNISH, INSTALL AND MAINTAIN TRAFFIC CONTROL	1	LS	$15,570.59	$15,570.59
80		OFF DUTY POLICE ALLOWANCE	1	AL	$3,200.00	$3,200.00
						$0.00
						$0.00
ST		**GENERAL ITEMS**				**$321,298.58**
95		BOUNDRY ROPE	15000	LF	$0.90	$13,500.00
100	111/112	CLEARING AND GRUBBING	9.6	AC	$2,759.69	$26,493.02
110	111/112	GRADE NATIVE DIRT (ROW ESTABLISHMENT)	46434	SY	$0.38	$17,644.92
120		RESTORE PARKWAY GRADING	46434	SY	$0.30	$13,930.20
125		SUBGRADE PREP (4" ABC X 30' WIDE) (Excluded from this proposal)	0	SY	$8.64	$0.00
130		REMOVE AND REPLACE 4 STRAND BARB WIRE FENCE	1000	LF	$6.70	$6,700.00
135		TEMP FENCE (FOR HOMES)	500	LF	$9.56	$4,780.00
140		TEMP ACCESS (16 RESIDENCE'S) ALLOWANCE	1	AL	$18,498.39	$18,498.39
160		3" AC ON 6" ABC (Linda Vista/ Oasis and N. Blue Bonnet)	1826	SY	$33.01	$60,276.26
170		STRIPING (LINDA VISTA , OASIS)	1	LS	$1,580.00	$1,580.00
						$0.00
						$0.00
ST		**GRADING & PAVING ITEMS**				**$163,402.79**
190	211	CONCRETE COLLAR RWRD DET 211	6	EA	$530.00	$3,180.00
200	212	CONCRETE COLLAR RWRD DET 212	8	EA	$530.00	$4,240.00
210	202	BENCH WORK EXISTING MH 5175-34	1	EA	$1,900.00	$1,900.00
						$0.00
						$0.00
ST		**CONCRETE ITEMS**				**$9,320.00**
420	104	8" SDR 35	40	LF	$118.98	$4,759.20
430	104	15" SDR 35 (0-15')	4580	LF	$102.21	$468,121.80
440	104	15" SDR 35 (15'-20')	2331	LF	$145.34	$338,787.54
450	401	HCS FROM MAIN TO PL (18.67' AVG) (This will be covered under owners contingency at set unit price)	0	EA	$6,234.16	$0.00
460	404	HSC CLEANOUT RWRD 404 TYPE III (This will be covered under owners contingency at set unit price)	0	EA	$937.84	$0.00
470	206	5' DIA MH (NON-REINFORCED) COMPL. (18.67' AVG)	13	EA	$18,494.98	$240,434.74
480	228	JUNCTION STRUCTURE (REDWOOD GATED) MH 1A	1	EA	$25,786.93	$25,786.93
						$0.00
						$0.00
ST		**SS ALTERNATE #3 (20' AVG DEPTH)**				**$1,077,890.21**
510		NATIVE PLANT SALVAGE AND RESTORATION (Exluded for this Proposal. This Will Be covered under Owners Contingency)		OC	$0.00	$0.00
580		HYDRO SEED CLASS 2	417609	SF	$0.04	$16,704.36
						$0.00
ST		**NATIVE PLANT PRESERVATION/RESTORATION**				**$16,704.36**
600		CONSTRUCTION SURVEY	1	LS	$15,691.40	$15,691.40
603		SURVEY AS-BUILTS	1	LS	$8,692.86	$8,692.86
605		SURVEY ALLOWANCE	1	AL	$2,574.64	$2,574.64
610		POTHOLING ALLOWANCE	1	AL	$21,620.07	$21,620.07
						$0.00
						$0.00
ST		**SURVEY**				**$48,578.97**
625		POST DESIGN CONSTRUCTION SERVICES (EEC)	1	AL	$38,341.70	$38,341.70
						$0.00
						$0.00
ST		**POST DESIGN CONSTRUCTION SERVICES**				**$38,341.70**
RT		**CONSTRUCTION COST (RUNNING TOTAL)**				**$1,675,536.61**
630		DESIGN-BUILDER CONTINGENCY	1	LS	$131,320.55	$131,320.55
						$0.00
						$0.00
ST		**DESIGN-BUILDER CONTINGENCY**				**$131,320.55**
RT		**RUNNING TOTAL**				**$1,806,857.16**
640		GENERAL CONDITIONS	4	MO	$19,365.95	$77,463.80
650		OVERHEAD	3.5	MO	$60,963.72	$213,373.02
						$0.00
						$0.00
ST		**GC & OH**				**$290,836.82**
RT		**RUNNING TOTAL**				**$2,097,693.98**

EXHIBIT 3 (PAGE 2)

660		INSURANCE 1.5%	1.500%	PCT		$31,465.41
670		PAYMENT AND PERFORMANCE BOND	0.750%	PCT		$15,732.70
						$0.00
						$0.00
ST		**INS & BOND**				**$47,198.11**
RT		**RUNNING TOTAL**				**$2,144,892.09**
680		CONSTRUCTION FEE 10%	10.000%	PCT		$214,489.21
RT		**RUNNING TOTAL**				**$2,359,381.30**
690		TAX (PIMA CO. 6.1% x 65% = 3.965%)	3.965%	PCT	95.00%	$88,872.00
691		TAX (MARANA 10.1$ x 65% = 6.565%)	6.565%	PCT	5.00%	$7,744.67
ST		**ARIZONA GROSS RECEIPTS TAX**				**$96,616.66**
RT		**ESTIMATE OF GMP - SEGMENT 2**				**$2,455,997.96**
695		OWNER CONTINGENCY @10%	1	LS	$245,599.80	$245,599.80
RT		**TOTAL CONTRACT AMOUNT**				**$2,701,597.76**

EXHIBIT 4 – LIST OF PLANS AND SPECIFICATIONS USED FOR GMP PROPOSAL

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

This Construction GMP Amendment is based on the following documents:

- Plans – Twin Peaks – Blue Bonnet Road Gravity Sewer Project (3TPBBS) Segment 2, Phase 1 (60% Submittal), Prepared by EEC and Dated 7-20-2018 (16 Pages)

- Design-Build Agreement dated 6-19-18 and all related solicitations, reports, and referenced planning documents.

- Achen-Gardner's Segment 2 Construction GMP Proposal including Exhibits dated July 25, 2018

EXHIBIT 5 – LIST OF CLARIFICATIONS, ASSUMPTIONS, AND EXCLUSIONS

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

General Exclusions & Clarifications

1) GMP – Design-Builder (DB) will complete the Work in accordance with the Construction Documents and accept in full payment for the Work items listed on GMP EXHIBIT 3 for the following **Guaranteed Not-To-Exceed Maximum Price (GMP) of $2,455,997.96**

2) (Note: This is the sum of the computed totals listed in SUMMARY OF THE GMP Proposal, Exhibit 1.

   $**2,455,997.96** (two million, four hundred fifty five thousand, nine hundred ninety seven dollars and ninety six cents)

   The GMP proposal is based upon estimated quantities, owner approved unit prices included on exhibit3, and allowances. If there is an error in the GMP proposal or computed totals by the DB it shall be changed and the unit prices shall govern.

   OWNER shall pay DB for completion of the Work based on actual Measured Quantities and agreed to unit prices in accordance with the Owner approved Schedule of Values and Unit Prices (re: Proposal Exhibit 3). It is understood that these individual Owner approved unit prices may include the cost associated with the risk of delivering the work in accordance with Agreement terms. DB is not responsible for the adequacy of OWNER Contingency amount.

3) Re: Existing Utilities - GMP excludes all costs associated with removing, replacing, and/or relocating any existing buried and/or overhead utilities not detailed to be in the plans (re: Exhibit 4) or specifically defined on Exhibit 3. Achen-Gardner does accept responsibility for protecting any existing utilities detailed on the project plans and those that are properly located (i.e. Bluestake). Achen-Gardner reserves the right to utilize Contractor Contingency for those detailed on the plans and be compensated for those not shown on the plans but properly located through Owner Contingency or Owner change order.

4) Re: GMP Exhibit 6, Schedule Re: GMP Schedule and Abnormal Weather Conditions (GC 4.04.C.2 - For the purpose of this contract, abnormal weather conditions will be defined as such; average days of rain per month, is assumed to be 1 each per month.

5) Re: Other Contractor Coordination – DB agrees to make a good faith effort in coordinating its work with that of "other" Contractors working w/i the project limits. No other projects, contracts, or contractors have been identified at this time. Achen-Gardner reserves the right to request Owner change order compensation for any additional work not anticipated that results from any of the above conditions.

6) Re: GMP EXHIBIT 6, Schedule - Proposed Project Schedule, excludes logic associated with acquiring temporary construction easements or permanent right-of-way of any kind. This GMP Proposal assumes ALL right-of-way and easements required to construct the Project have been or will be acquired by Owner in time to maintain the Project Schedule as presented herein.

7) Re: Substantial Completion – As outlined in section 14.03 of the "Design Builder General Conditions" of the Original Contract, the Design Build Team will identify Segment 2 as ready for its "Intended Use" when the segment is issued Discharge Authorization (DA) from ADEQ. At that time the Design Build Team will request that owner issue a certificate for Substantial Completion.

8) GMP excludes all costs associated with City of Marana, and/or other public agency permit & plan review fees, QA (i.e. inspection) costs, impact fees, utility company fees and/or any other permit or fee not detailed in EXHIBIT 3 and related EXHIBITS.

9) Re: EXHIBIT 3, SCHEDULE OF VALUES – This Proposal's GMP will be administered as a Measured Quantity X Owner approved Unit Price type contract. Final contract price/payout will be based on field measured final completed quantities, Owner approved unit prices (see Exhibit 3), applied fee structure (re: Items 630-691), and approved Design-Builder Contingency utilization guaranteed not-to-exceed the GMP amount (see EXHIBIT 1, $**2,455,997.96** and approved Owner change orders and/or owner contingencies. It is understood that these individual Owner approved unit prices, including items with a Unit of 1-Job (JB) and 1- Lump Sum (LS), include the cost associated with the risk of delivering the work and are not subject to adjustment unless mutually agreed to. Any audit of records will be limited to confirming reasonableness of cost data utilized in negotiating Construction GMP Unit Prices and Allowance and Contractor Contingency Item utilization.

10) Re: Allowance Items – Work Items that have been designated "Allowance" are a best estimate of the cost of work for which a scope has yet to be confirmed/determined or a Unit Price finalized. The Allowance Quantity and Unit Price values are not guaranteed, and are subject to adjustment by mutual agreement between Owner and DB as the scope and/or price is confirmed. Associated increases/decreases in cost will be funded/credited from/to the Design-Builder Contingency Item (re: Item 630).

11) Re: Design-Builder Contingency – Estimate of Design-Builder Contingency has been set at $131,320.55 (re: Item 630). Achen-Gardner reserves the right to utilize Design-Builder Contingency funds for increased costs associated with, but not limited to, material cost escalations and delays and/or decreased efficiencies. Reimbursement under this Item will be based on existing Owner approved unit prices or documented time and material costs for non-standard scopes of work. Use of these funds is subject to mutual agreement between Owner and Achen-Gardner.

12) Re: Scope of Work - It is understood that the documents listed (i.e. plans, specifications, etc.) have been used to prepare this GMP. Item "Descriptions" and "Units" (or unit of measure) included in EXHIBIT 3 shall serve to assist in the clarification of and definition of the scope of work included under each Item of Work (i.e. "Bid Item"). The cost associated with any changes, revisions, additions and/or deletions directed by Owner will be compensated for and funded through an Owner Contingency or Owner Change Order as mutually agreed to by all parties.

13) Re: Hazardous Materials – GMP proposal excludes any and all costs associated with handling and/or disposing of hazardous wastes not introduced by Achen-Gardner.

14) Re: Hard Dig – GMP proposal excludes any rock excavation requiring blasting and/or hydraulic breakers of any kind. (Hard dig or rock excavation consists of removal of hard, igneous, metamorphic, and/or sedimentary rock which cannot be excavated without blasting or any by means of standard track mounted power excavator, equivalent to Caterpillar Model No 374 equipped with a short stick and a 42inch wide, short tip radius rock bucket rated at .81 cubic yard (heaped) capacity.

15) Re: Subcontractor and Supplier pricing - GMP based on Recommended Awarded Subcontractor and Supplier resource values and associated proposal/quote clarifications/inclusions/exclusions/qualifications included in GMP Subcontractor and Supplier Selection Recommendations (See Exhibits 8).

16) Re: Work Hours – This GMP is based on working 8 hours per shift (work day) Monday – Friday during daylight hours. Work hours will be scheduled weekly with Owner and its representatives.

EXHIBIT 5 – Page 4 (7-25-18)

Bid Item Scope Exclusions & Clarifications

Bid Item No.	Item Description	Scope Exclusions & Clarifications
40	Mobilization and Demobilization	Mobilization and demobilization of equipment on and off the project for all Items listed in the SOV
50	SWPPP/BMP's Implementation	
55	Public Outreach Allowance	Based on monthly rate (see Kaneen quote) 3.5 months anticipated
56	Testing Allowance	See SAECO Proposal
60	Furnish Water and Dust Control	To provide construction water to the sight for 3.5 month duration
70	Furnish, Install and Maintain Traffic Control	Traffic control anticipated for Linda Vista, Oasis and Twin Peaks/Blue Bonnet (Intersections or road crossings) Traffic control will be implemented as required by permitting along the entire alignment of segment 2.
80	Off Duty Police Allowance	Only anticipated for Oasis and Linda Vista Road Crossing.
120	Restore Parkway Grading	Clean and smooth ROW and TCE Areas
125	Subgrade Prep 4" ABC X 30' Wide	NOT INCLUDED in this GMP.
130	Remove and Replace 4 Strand Barb Wire Fence	Remove and Replace as needed at homes that require it to be removed for construction
135	Temp Fence (For Homes)	Only for properties that require it due to an existing fence or animals
140	Temp Access (16 Residencies) Allowance	Assist with home owner access to their property
160	3" AC on 6" ABC (Linda Vista/Oasis and North Blue Bonnet)	Thickness of AC and ABC based on our historical data. If thicker sections are required additional funds will need to be acquired from "Owners Contingency"
170	Striping (Linda Vista,Oasis)	This is for standard striping (Paint and Glass bead) all Thermo-striping is excluded
210	Bench Work Existing MH 5175-34	This is just to reshape the existing bench. This does not include rehab of existing walls or any coatings
510	NPPP (Restoration and Salvage	NOT INCLUDED IN DB GMP. This item to be covered under Owners Contingency
610	Potholing Allowance	Pothole utilities in front of production crews
625	Post Design Construction Services (EEC)	Submittal review and tracking. Special meetings. See EEC Proposal

EXHIBIT 6 – PROJECT SCHEDULE IN CPM FORMAT

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

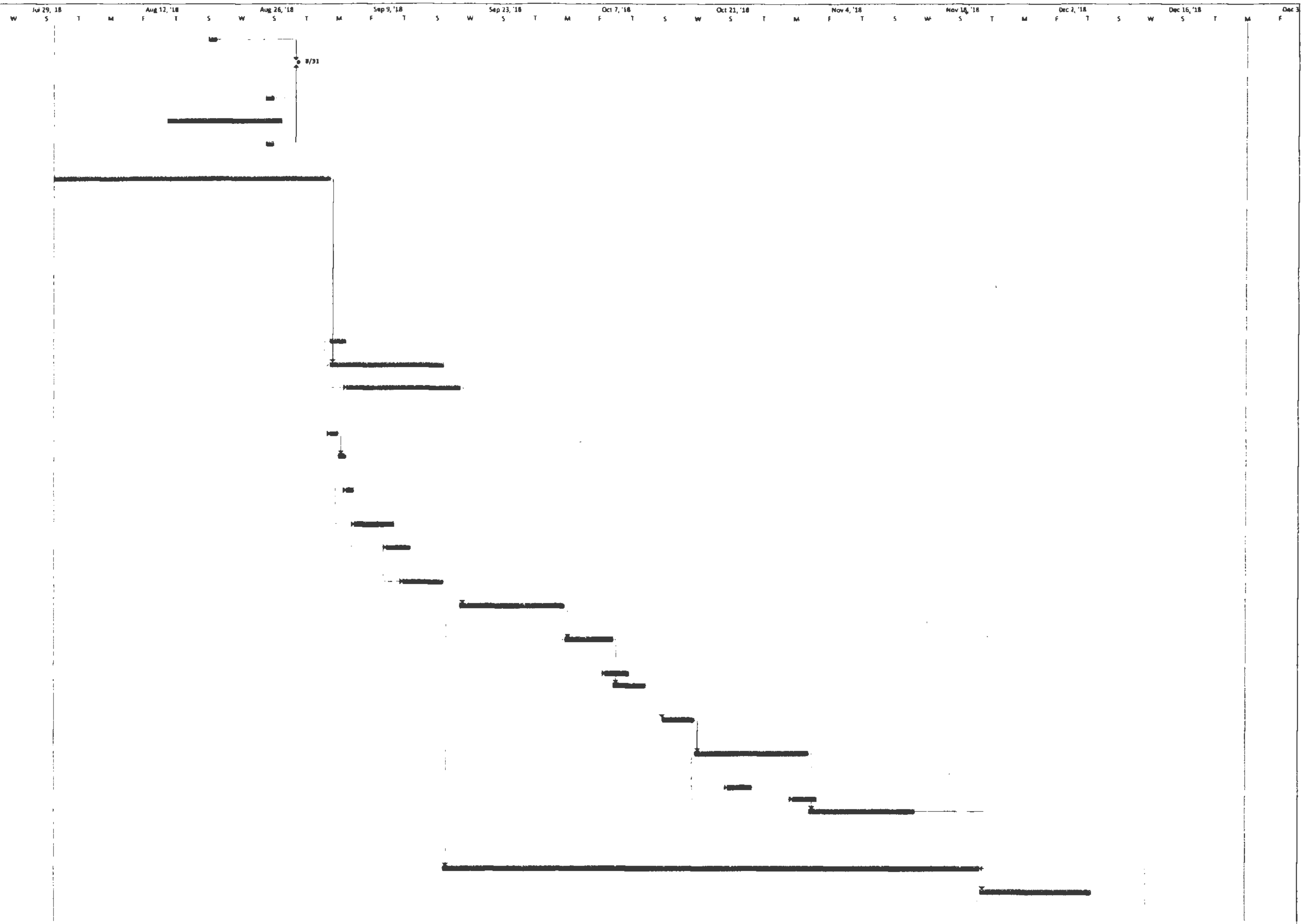
See attached CPM Schedule dated 7-24-18 (2 Pages)

NOTES:

1. **This schedule is based on a BOS meeting and approval of August 7th 2018 and Construction NTP issued no later than September 3rd.**
2. **This Schedule is also based on set substantial completion mile stone of December 31st 2018 for segment 2, subject to approved contract time extensions and/or approved change orders.**

Exhibit 6 - 3TPBBS Segment 2 Construction CPM Schedule 07-24-18 (Page 1)

ID	Task Name	Duration	Start	Finish	Predecessors
1	Contract/Admin Award				
2	GMP Proposal to B.O.S Meeting	1 day	Mon 8/20/18	Mon 8/20/18	
3	Award and NTP Issued	0 days	Fri 8/31/18	Fri 8/31/18	2FS+13
4					
5	Design and Permitting				
6	Permit Application and Submittals	1 day	Mon 8/27/18	Mon 8/27/18	
7	100% Design Docs. / Response to Comments	2 wks	Wed 8/15/18	Tue 8/28/18	
8	100% Final Design Submittal	1 day	Mon 8/27/18	Mon 8/27/18	
9					
10	Easement Acquisitions Heading 1 (Linda Vista to Oasis)	24 days	Wed 8/1/18	Mon 9/3/18	
11	Parcel 21630018L				
12	Parcel 21630018Q				
13	Parcel 21630018P				
14	Parcel 21630018N				
15	Parcel 216300150				
16	Parcel 21630013A				
17					
18	Segment 2 Construction Activities (Heading 1 - Linda Vista to Oasis)				
19					
20	Mobilization	2 days	Tue 9/4/18	Wed 9/5/18	
21					
22	Native Plant Preservation	10 days	Tue 9/4/18	Mon 9/17/18	10
23	Boundary Rope, Clearing And Grubbing, Construction Grading	10 days	Thu 9/6/18	Wed 9/19/18	22SS+2 days
24					
25	Traffic Control (Linda Vista/Hartman)	1 day	Tue 9/4/18	Tue 9/4/18	20SS
26	Dig, Lay pipe from Exst MH 5175-34 to Junction Structure	1 day	Wed 9/5/18	Wed 9/5/18	25
27	Exst MH 5175-34 (Reshape Bench and Plug TieIn)	1 day	Thu 9/6/18	Thu 9/6/18	26SS+1 day
28	Install Polymer Diversion MH	3 days	Fri 9/7/18	Tue 9/11/18	26SS+2 days
29	Dig, Lay, Backfill from Junction Structure to MH#1	3 days	Tue 9/11/18	Thu 9/13/18	28SS+2 days
30	Install MH#1	3 days	Thu 9/13/18	Mon 9/17/18	29SS+2
31					
32	Construction (Staking & D/L/B) (MH#1 to North P/L of Parcel 21630018L)	9 days	Thu 9/20/18	Tue 10/2/18	23
33	Construction (Staking & D/L/B) (Parcel 21630018Q)	4 days	Wed 10/3/18	Mon 10/8/18	32
34	MH#2 Install	3 days	Mon 10/8/18	Wed 10/10/18	33SS+3
35	Construction (Staking & D/L/B etc.) (Parcel 21630018P)	4 days	Tue 10/9/18	Fri 10/12/18	33
36	Construction (Staking & D/L/B etc.) (Parcel 21630018N)	4 days	Mon 10/15/18	Thu 10/18/18	35
37	Construction (Staking & D/L/B) (Sumter Dr. & Parcel 216300150)	10 days	Fri 10/19/18	Thu 11/1/18	36
38	Intsall MH#3	3 days	Tue 10/23/18	Thu 10/25/18	37SS+2
39	Intsall MH#4	3 days	Wed 10/31/18	Fri 11/2/18	37SS+8
40	Construction (Staking & D/L/B) (Parcel 21630013A to MH#5 Oasis Rd))	9 days	Fri 11/2/18	Wed 11/14/18	37
41					
42	Testing - Heading 1 (Pipe and MH's)	48 days	Tue 9/18/18	Thu 11/22/18	40FF+5 days,30
43	Final Grading, Hydroseed Prep	10 days	Fri 11/23/18	Thu 12/6/18	42
44					

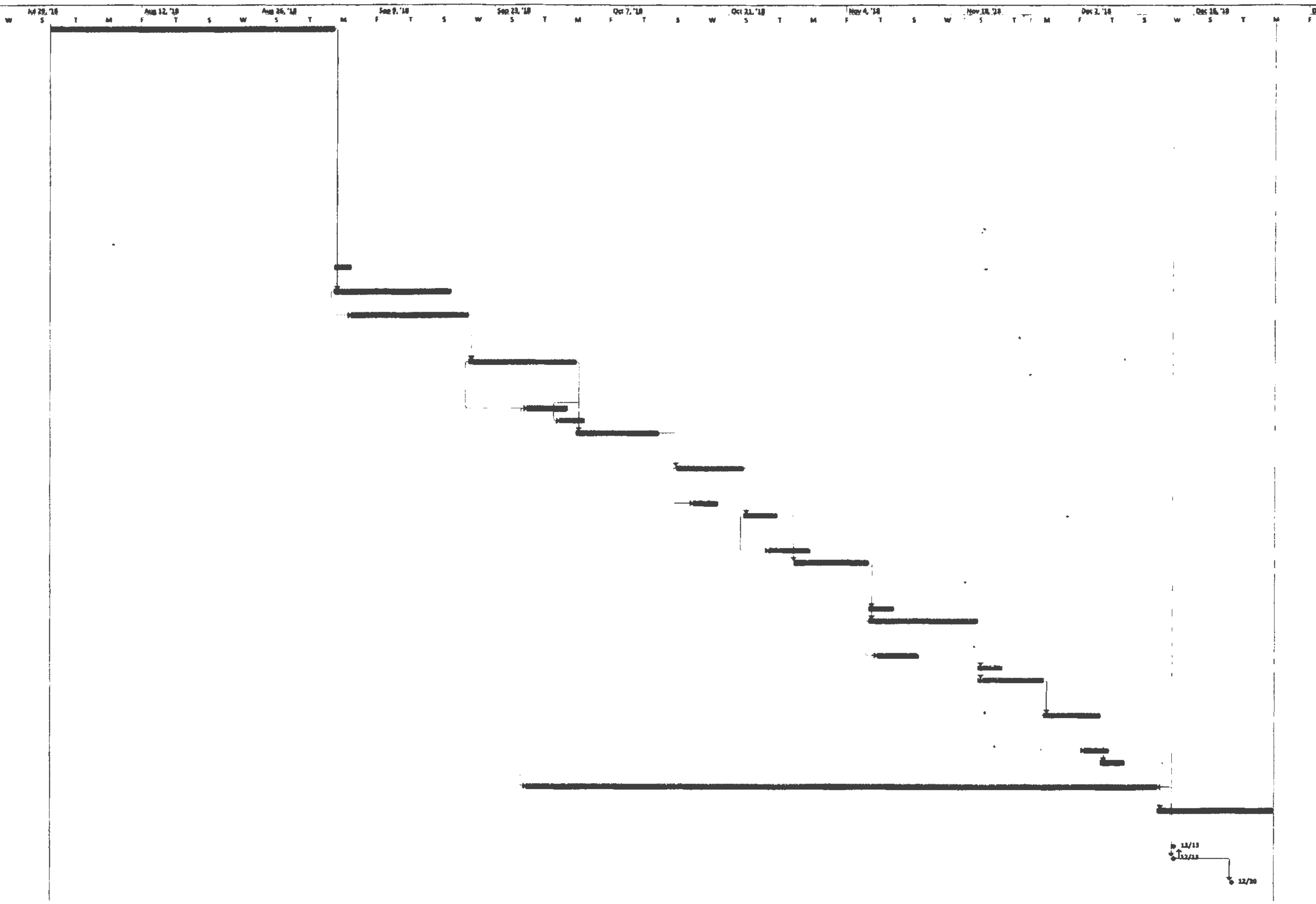


Project: 3TPBBS-Segment 2 Const
Date: Tue 7/24/18

Task | Split | Milestone | Summary | Project Summary | External Tasks | External Milestone | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | Deadline | Progress

Exhibit 6 - 3TPBBS Segment 2 Construction CPM Schedule 07-24-18 (Page 2)

ID	Task Name	Duration	Start	Finish	Predecessors
45	Easement Acquisitions - Heading 2 (Oasis to Twin Peaks)	24 days	Wed 8/1/18	Mon 9/3/18	
46	Parcel 216290190				
47	Parcel 21629017A				
48	Parcel 216290150				
49	Parcel 21629011E				
50	Parcel 216290130				
51	Parcel 21623073D (Already Acquired)				
52	Parcel 21626005F (Already Acquired)				
53	Parcel 21626004G (Already Acquired)				
54	Parcel 21626004D				
55					
56	Segment 2 Construction Activities (Heading 2 - Oasis to Twin Peaks)				
57					
58	Mobilization	2 days	Tue 9/4/18	Wed 9/5/18	
59					
60	Native Plant Preservation	10 days	Tue 9/4/18	Mon 9/17/18	45
61	Boundary Rope, Clearing And Grubbing, Construction Grading	10 days	Thu 9/6/18	Wed 9/19/18	60SS+2 days
62					
63	Construction (Staking & D/L/B) (MH#5-Oasis to North P/L of Parcel 216290190)	9 days	Thu 9/20/18	Tue 10/2/18	61
64	MH#5 Install	3 days	Thu 9/27/18	Mon 10/1/18	63SS+5
65	MH#6 Install	3 days	Mon 10/1/18	Wed 10/3/18	63FS-2
66	Construction (Staking & D/L/B etc.) (Parcel 21629017A to MH#7)	8 days	Wed 10/3/18	Fri 10/12/18	63
67	Construction (Staking & D/L/B) (MH#7 to North P/L of Parcel 216290150)	6 days	Mon 10/15/18	Mon 10/22/18	66
68	MH#7 Install	3 days	Wed 10/17/18	Fri 10/19/18	67SS+2
69	Construction (Staking & D/L/B) (Parcel 21629011E)	4 days	Tue 10/23/18	Fri 10/26/18	67
70	MH#8 Install	3 days	Fri 10/26/18	Tue 10/30/18	69SS+3
71	Construction (Staking & D/L/B) (South P/L of Parcel 216290130 to MH #9))	7 days	Mon 10/29/18	Tue 11/6/18	69
72	MH#9 Install	3 days	Wed 11/7/18	Fri 11/9/18	71
73	Construction (Staking & D/L/B) (MH#9 to MH#11))	9 days	Wed 11/7/18	Mon 11/19/18	71
74	MH#10 Install	3 days	Thu 11/8/18	Mon 11/12/18	73SS+1
75	MH#11 Install	3 days	Tue 11/20/18	Thu 11/22/18	73
76	Construction (Staking & D/L/B) (MH#11 to North P/L of 21626004G))	6 days	Tue 11/20/18	Tue 11/27/18	73
77	Construction (Staking, D/L/B) (South P/L of 21626004D to MH 13)	5 days	Wed 11/28/18	Tue 12/4/18	76
78	MH#12 Install	3 days	Mon 12/3/18	Wed 12/5/18	77SS+3
79	MH#13 Install	3 days	Wed 12/5/18	Fri 12/7/18	77
80					
81	Testing - Heading 2 (Pipe and MH's)	54 days	Thu 9/27/18	Tue 12/11/18	79FF+2 days,6·
82	Final Grading, Hydroseed Prep	10 days	Wed 12/12/18	Tue 12/25/18	81
83					
84	Substantial Completion	0 days	Thu 12/13/18	Thu 12/13/18	85
85	Submit to ADEQ	0 days	Thu 12/13/18	Thu 12/13/18	81FS+2
86					
87	ADEQ Discharge Authorization	0 days	Thu 12/20/18	Thu 12/20/18	85FS+5 days



Project: 3TPBBS-Segment 2 Const
Date: Tue 7/24/18

Task | Split | Milestone | Summary | Project Summary | External Tasks | External Milestone | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | Deadline | Progress

EXHIBIT 7 – SEGMENT 2 CONSTRUCTION PHASE CASH FLOW FORECAST

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

See attached Cash Flow Chart Forecast for Segment 2 dated 07-25-18 (2 Pages)

EXHIBIT 7 (PAGE 1)

TWIN PEAKS - BLUE BONNET RD. GRAVITY SEWER DESIGN-BUILD PROJECT (3TPBBS)

ESTIMATE OF GMP - SEGMENT 2 **CASHFLOW CHART**

PREPARED BY: ACHEN-GARDNER CONSTRUCTION, LLC (No. 3645100) **7/25/2018**

ITEM #	SPEC/DTL	ITEM DESCRIPTION	QTY	UNIT	UP	TOTAL		SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
40		MOBILIZATION AND DEMOBILIZATION	1	LS	$104,857.30	$104,857.30		$ 62,914 38	$ 10,485 73	$ 10,485 73	$ 10,485 73	$ 10,485 73
50		SWPPP / BMP'S IMPLEMENTATION	1	LS	$54,412.30	$54,412.30		$ 32,647.38	$ 5,441.23	$ 5,441.23	$ 5,441.23	$ 5,441.23
55		PUBLIC OUTREACH ALLOWANCE	1	AL	$21,529.83	$21,529.83		$ 6,151.38	$ 6,151.38	$ 6,151 38	$ 3,075 69	
56		TESTING ALLOWANCE	1	AL	$59,375.00	$59,375.00		$ 14,843.75	$ 14,843.75	$ 14,843.75	$ 7,422.00	$ 7,421.75
60		FURNISH WATER & DUST CONTROL	1	LS	$62,353.56	$62,353.56		$ 15,588.39	$ 15,588.39	$ 15,588.39	$ 7,794 19	$ 7,794.20
70		FURNISH, INSTALL AND MAINTAIN TRAFFIC CONTROL	1	LS	$15,570.59	$15,570.59		$ 10,899.41	$ 1,557 06	$ 1,557.06	$ 1,557.06	
80		OFF DUTY POLICE ALLOWANCE	1	AL	$3,200 00	$3,200 00		$ 1,600.00	$ 1,600.00			
						$0.00						
						$0.00						
ST		**GENERAL ITEMS**				**$321,298.58**	**MONTH TOTALS**	**$ 144,644.69**	**$ 55,667.54**	**$ 54,067.54**	**$ 35,775.90**	**$ 31,142.91**
95		BOUNDRY ROPE	15000	LF	$0.90	$13,500.00		$ 6,750 00	$ 3,375.00		$ 3,375 00	
100	111/112	CLEARING AND GRUBBING	9 6	AC	$2,759.69	$26,493.02		$ 26,493.02				
110	111/112	GRADE NATIVE DIRT (ROW ESTABLISHMENT)	46434	SY	$0.38	$17,644.92		$ 4,411.23	$ 8,822.46	$ 4,411.23		
120		RESTORE PARKWAY GRADING	46434	SY	$0.30	$13,930.20				$ 6,965 10	$ 6,965 10	
125		SUBGRADE PREP (4" ABC X 30' WIDE) (Excluded from this proposal)	0	SY	$8 64	$0.00						
130		REMOVE AND REPLACE 4 STRAND BARB WIRE FENCE	1000	LF	$6.70	$6,700 00				$ 3,350.00	$ 3,350 00	
135		TEMP FENCE (FOR HOMES)	500	LF	$9.56	$4,780.00			$ 1,593.33	$ 1,593.33	$ 1,593.34	
140		TEMP ACCESS (16 RESIDENCE'S) ALLOWANCE	1	AL	$18,498.39	$18,498.39			$ 6,166.13	$ 6,166 13	$ 6,166 13	
160		3" AC ON 6" ABC (Linda Vista/ Oasis and N. Blue Bonnet)	1826	SY	$33.01	$60,276.26		$ 7,000.00	$ 7,000 00		$ 46,276 26	
170		STRIPING (LINDA VISTA , OASIS)	1	LS	$1,580.00	$1,580 00		$ 790.00	$ 790.00			
						$0.00						
						$0.00						
ST		**GRADING & PAVING ITEMS**				**$163,402.79**	**MONTH TOTALS**	**$ 45,444.25**	**$ 27,746.92**	**$ 22,485.79**	**$ 67,725.83**	**$ -**
190	211	CONCRETE COLLAR RWRD DET 211	6	EA	$530.00	$3,180.00			$ 1,590.00	$ 1,060 00	$ 530 00	
200	212	CONCRETE COLLAR RWRD DET 212	8	EA	$530.00	$4,240.00		$ 1,060 00	$ 1,060.00	$ 1,060.00	$ 1,060 00	
210	202	BENCH WORK EXISTING MH 5175-34	1	EA	$1,900 00	$1,900.00		$ 1,900 00				
						$0.00						
						$0 00						
ST		**CONCRETE ITEMS**				**$9,320.00**	**MONTH TOTALS**	**$ 2,960.00**	**$ 2,650.00**	**$ 2,120.00**	**$ 1,590.00**	**$ -**
420	104	8" SDR 35	40	LF	$118 98	$4,759.20		$ 4,759.20				
430	104	15" SDR 35 (0-15')	4580	LF	$102 21	$468,121.80		$ 117,030 45	$ 117,030.45	$ 117,030 45	$ 117,030 45	
440	104	15" SDR 35 (15'-20')	2331	LF	$145.34	$338,787 54		$ 93,549.54	$ 93,549.54	$ 93,552 46	$ 58,136 00	
450	401	HCS FROM MAIN TO PL (18.67' AVG) (This will be covered under owners contingency at set unit price)	0	EA	$6,234.16	$0.00						
460	404	HSC CLEANOUT RWRD 404 TYPE III (This will be covered under owners contingency at set unit price)	0	EA	$937.84	$0.00						
470	206	5' DIA MH (NON-REINFORCED) COMPL. (18.67' AVG)	13	EA	$18,494.98	$240,434.74		$ 36,989 96	$ 92,474.90	$ 73,979 92	$ 36,989 96	
480	228	JUNCTION STRUCTURE (REDWOOD GATED) MH 1A	1	EA	$25,786.93	$25,786.93		$ 25,786.93				
						$0.00						
						$0.00						
ST		**SS ALTERNATE #3 (20' AVG DEPTH)**				**$1,077,890.21**	**MONTH TOTALS**	**$ 278,116.08**	**$ 303,054.89**	**$ 284,562.83**	**$ 212,156.41**	**$ -**
510		NATIVE PLANT SALVAGE AND RESTORATION (Exluded for this Proposal This Will Be covered under Owners Contingency)		OC	$0.00	$0.00						
580		HYDRO SEED CLASS 2	417609	SF	$0.04	$16,704.36					$ 8,352 18	$ 8,352.18
						$0.00						
ST		**NATIVE PLANT PRESERVATION/RESTORATION**				**$16,704.36**	**MONTH TOTALS**				**$ 8,352.18**	**$ 8,352.18**

EXHIBIT 7 (PAGE 2)

600		CONSTRUCTION SURVEY	1	LS	$15,691.40	$15,691.40		$ 3,922.85	$ 3,922.85	$ 3,922.85	$ 3,922.85	
603		SURVEY AS-BUILTS	1	LS	$8,692.86	$8,692.86		$ 2,173.21	$ 2,173.21	$ 2,173.22	$ 2,173.22	
605		SURVEY ALLOWANCE	1	AL	$2,574.64	$2,574.64				$ 1,287.32	$ 1,287.32	
610		POTHOLING ALLOWANCE	1	AL	$21,620.07	$21,620.07		$ 5,405.02	$ 5,405.02	$ 5,405.01	$ 5,405.02	
						$0.00						
						$0.00						
ST		**SURVEY**				**$48,578.97**	**MONTH TOTALS**	**$ 11,501.08**	**$ 11,501.08**	**$ 12,788.40**	**$ 12,788.41**	**$ -**
625		POST DESIGN CONSTRUCTION SERVICES (EEC)	1	AL	$38,341.70	$38,341.70		$ 7,668.34	$ 7,668.34	$ 7,668.34	$ 7,668.34	$ 7,668.34
						$0.00						
						$0.00						
ST		**POST DESIGN CONSTRUCTION SERVICES**				**$38,341.70**	**MONTH TOTALS**	**$ 7,668.34**	**$ 7,668.34**	**$ 7,668.34**	**$ 7,668.34**	**$ 7,668.34**
RT		**CONSTRUCTION COST (RUNNING TOTAL)**				**$1,675,536.61**						
630		DESIGN-BUILDER CONTINGENCY	1	LS	$131,320.55	$131,320.55			$ 32,830.13	$ 32,830.14	$ 32,830.13	$ 32,830.15
						$0.00						
						$0.00						
ST		**DESIGN-BUILDER CONTINGENCY**				**$131,320.55**	**MONTH TOTALS**		$ 32,830.13	$ 32,830.14	$ 32,830.13	$ 32,830.15
RT		**RUNNING TOTAL**				**$1,806,857.16**						
640		GENERAL CONDITIONS	4	MO	$19,365.95	$77,463.80		$ 9,682.97	$ 19,365.95	$ 19,365.95	$ 19,365.95	$ 9,682.98
650		OVERHEAD	3.5	MO	$60,963.72	$213,373.02		$ 30,481.86	$ 60,963.72	$ 60,963.72	$ 60,963.72	
						$0.00						
						$0.00						
ST		**GC & OH**				**$290,836.82**	**MONTH TOTALS**	**$ 40,164.83**	**$ 80,329.67**	**$ 80,329.67**	**$ 80,329.67**	**$ 9,682.98**
RT		**RUNNING TOTAL**				**$2,097,693.98**	**RUNNING MONTHLY TOTAL**	**$ 530,499.27**	**$ 521,448.57**	**$ 496,852.71**	**$ 459,216.87**	**$ 89,676.56**
660		INSURANCE 1.5%	1.500%	PCT		$31,465.41		$ 7,957.49	$ 7,821.73	$ 7,452.79	$ 6,888.25	$ 1,345.15
670		PAYMENT AND PERFORMANCE BOND	0.750%	PCT		$15,732.70		$ 3,978.74	$ 3,910.86	$ 3,726.40	$ 3,444.13	$ 672.57
						$0.00						
						$0.00						
ST		**INS & BOND**				**$47,198.11**	**MONTH TOTALS**	$ 11,936.23	$ 11,732.59	$ 11,179.19	$ 10,332.38	$ 2,017.72
RT		**RUNNING TOTAL**				**$2,144,892.10**	**RUNNING MONTHLY TOTAL**	**$ 542,435.51**	**$ 533,181.16**	**$ 508,031.90**	**$ 469,549.25**	**$ 91,694.28**
680		CONSTRUCTION FEE 10%	10.000%	PCT		$214,489.21		$ 54,243.55	$ 53,318.12	$ 50,803.19	$ 46,954.92	$ 9,169.43
							MONTH TOTALS	**$ 54,243.55**	**$ 53,318.12**	**$ 50,803.19**	**$ 46,954.92**	**$ 9,169.43**
RT		**RUNNING TOTAL**				**$2,359,381.31**	**RUNNING MONTHLY TOTAL**	**$ 596,679.06**	**$ 586,499.28**	**$ 558,835.09**	**$ 516,504.17**	**$ 100,863.71**
690		TAX (PIMA CO. 6.1% x 65% = 3.965%)	3.965%	PCT	95.00%	$88,872.00		$ 22,475.41	$ 22,091.96	$ 21,049.92	$ 19,455.42	$ 3,799.28
691		TAX (MARANA 10.1$ x 65% = 6.565%)	6.565%	PCT	5.00%	$7,744.67		$ 1,958.60	$ 1,925.18	$ 1,834.38	$ 1,695.42	$ 331.09
ST		**ARIZONA GROSS RECEIPTS TAX**				**$96,616.66**	**MONTH TOTALS**	$ 24,434.01	$ 24,017.15	$ 22,884.30	$ 21,150.85	$ 4,130.37
RT		**ESTIMATE OF GMP - SEGMENT 2**				**$2,455,997.97**	**GROSS MONTHLY TOTALS**	**$ 621,113.06**	**$ 610,516.42**	**$ 581,719.38**	**$ 537,655.02**	**$ 104,994.08**

EXHIBIT 8 – SUBCONTRACTOR SELECTION & SBE REQUIREMENTS, UTILIZATION FORMS, AND LETTERS OF INTENT

SEGMENT 2 CONSTRUCTION GMP PROPOSAL (8-1-18)

Pima County SFQ 289179 (Twin Peaks-Blue Bonnet) Design-Build (DB)
Pima No. 3TPBBS / Achen-Gardner Construction, LLC Project No. 3645100

Unless otherwise noted or defined in GMP Exhibits, GMP Proposal is subject to all included and attached recommended Subcontractor and Supplier quotations and associated inclusions, exclusions, clarifications, and qualifications (See attached).

Prof. Engineering Services – Construction Assistance ($38,008.70)	EEC
Prof. Engineering Services – Construction Survey ($26,722.56)	EEC
Materials Testing ($59,375.00)	SAECO
Public Outreach ($21,529.83)	Kaneen
Asphalt and Cold Patch ($20,146.62) (1)	Vulcan
Water Support w/ Piping ($68,881.88)	Rain For Rent
Manhole Materials ($46,215.00) (1)	Jensen Precast
Redi Mix ($55,143.28) (1)	Cemex
CCTV ($5908.35)	PRO PIPE
Hot Taps for Water ($350.00)	Pipeline Services

Notes:

1) These material supply cost are incorporated into Achen-Gardner approved self-performed item's unit prices included on GMP EXHIBIT 3; these Owner approved unit prices include Contractor's responsibility for risk related to material supplier over and underruns.

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 08/07/2018

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 have ADDITIONAL INSURED provisions or 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 Willis of Arizona, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Phoenix Insurance Company	25623
INSURER B : Travelers Property Casualty Company of Ame	25674
INSURER C : Travelers Casualty and Surety Company	19038
INSURER D : Illinois Union Insurance Company	27960
INSURER E :	
INSURER F :	

INSURED
Achen-Gardner Construction, LLC
Attn: Lorna Tremaine
550 South 79th Street
Chandler, AZ 85226

COVERAGES **CERTIFICATE NUMBER:** W7145194 **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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC OTHER:	Y	Y	DT-CO-6C321481-PHX-17	12/31/2017	12/31/2018	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							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
								$
B	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY	Y	Y	DT-810-6C321481-TIL-17	12/31/2017	12/31/2018	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000			CUP-8J750336-17-26	12/31/2017	12/31/2018	EACH OCCURRENCE	$ 1,000,000
							AGGREGATE	$ 1,000,000
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Yes If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	Y	UB8J537642	12/31/2017	12/31/2018	X PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
B	Builders Risk		Y	QT 660 3235R764 TIL 17	12/31/2017	12/31/2018	Limit of Insurance:	2,701,597.76
							Deductible:	$1,000
							Replacement Cost	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

This Voids and Replaces Previously Issued Certificate Dated 08/06/2018 WITH ID: W7144352.

Project No: 3TPBBS, TWIN PEAKS-BLUE BONNET ROAD GRAVITY SEWER PROJECT - DESIGN-BUILD.
SEE ATTACHED

CERTIFICATE HOLDER	CANCELLATION
PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT 201 N STONE AVE, 8TH FLOOR TUCSON, AZ 85701	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 Greg Gross

SR ID: 16548473 BATCH: 816891

AGENCY CUSTOMER ID: ______

LOC #: ______

ACORD®

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
Willis of Arizona, Inc.		Achen-Gardner Construction, LLC Attn: Lorna Tremaine 550 South 79th Street Chandler, AZ 85226
POLICY NUMBER See Page 1		
CARRIER See Page 1	NAIC CODE See Page 1	EFFECTIVE DATE: See Page 1

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

AGC Project No: 3645101.

PIMA COUNTY REGIONAL WASTEWATER, its departments, districts, boards, commissions, officers, officials, agents, and employees are included as Additional Insureds as respects to General Liability and Auto Liability.

General Liability policy shall be Primary and Non-contributory with any other insurance in force for or which may be purchased by Additional Insureds.
Waiver of Subrogation applies in favor of Additional Insureds with respects to General Liability, Auto Liability, Workers Compensation as permitted by law and Builders Risk as required by written contract.

Policy shall contain a Waiver of Subrogation endorsement in favor of Pima County, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Design-Builder.

INSURER AFFORDING COVERAGE: Illinois Union Insurance Company NAIC#: 27960
POLICY NUMBER: COO G27267816 006 EFF DATE: 12/31/2017 EXP DATE: 12/31/2018

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Professional Liability	Per Claim:	$2,000,000
	Aggregate:	$4,000,000
	Self-Insured Ret.	$25,000

INSURER AFFORDING COVERAGE: Illinois Union Insurance Company NAIC#: 27960
POLICY NUMBER: COO G27267816 006 EFF DATE: 12/31/2017 EXP DATE: 12/31/2018

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Pollution Liability	Per Claim:	$2,000,000
	Aggregate:	$4,000,000
	Self-Insured Ret.	$25,000

SR ID: 16548473 BATCH: 816891 CERT: W7145194

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BLANKET ADDITIONAL INSURED (CONTRACTORS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1 WHO IS AN INSURED - (Section II) is amended to include any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:

a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and

b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

2. The insurance provided to the additional insured by this endorsement is limited as follows:

a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III - Limits Of Insurance.

b) The Insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:

i. The preparing, approving, or failing to prepare or approve, maps shop drawings, opinions reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications, and

ii. Supervisory, inspection, architectural or engineering activities.

c) The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

3. The insurance provided to the additional insured by this endorsement is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if the "written contract requirinq insurance" specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".

4. As a condition of coverage provided to the additional insured by this endorsement:

a) The additional insured must give us written notice as soon as practicable of an "occurrenee" or an oHense which may result in a claim. To the extent possible, such notice should include:

i. How, when and where the "occurrence" or offense took place;

ii. The names and addresses of any injured persons and witnesses; and

iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.

b) If a claim is made or "suit" is brought against the additional insured, the additional insured must:

i. Immediately record the specifics of the claim or "suit" and the date received; and

ii. Notify us as soon as practicable.

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

c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.

d) The additional insured must tender the defense and indemnity of any claim or "suit" to any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement However, this condition does not affect whether the insurance provided to the additional insured by this endorsement is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured as described in paragraph 3. above.

5. The following definition is added to SECTION V. DEFINITIONS:

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

a. After the signing and execution of the contract or agreement by you;

b. While that part of the contract or agreement is in effect; and

c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS XTEND ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

A. Aircraft Chartered With Pilot
B. Damage To Premises Rented To You
C. Increased Supplementary Payments
D. Incidental Medical Malpractice
E. Who Is An Insured – Newly Acquired Or Formed Organizations
F. Who Is An Insured – Broadened Named Insured – Unnamed Subsidiaries
G. Blanket Additional Insured – Owners, Managers Or Lessors Of Premises
H. Blanket Additional Insured – Lessors Of Leased Equipment
I. Blanket Additional Insured – States Or Political Subdivisions – Permits
J. Knowledge And Notice Of Occurrence Or Offense
K. Unintentional Omission
L. Blanket Waiver Of Subrogation
M. Amended Bodily Injury Definition
N. Contractual Liability – Railroads

PROVISIONS

A. AIRCRAFT CHARTERED WITH PILOT

The following is added to Exclusion **g., Aircraft, Auto Or Watercraft,** in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

This exclusion does not apply to an aircraft that is:

(a) Chartered with a pilot to any insured;

(b) Not owned by any insured; and

(c) Not being used to carry any person or property for a charge.

B. DAMAGE TO PREMISES RENTED TO YOU

1. The first paragraph of the exceptions in Exclusion **j., Damage To Property**, in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is deleted.
2. The following replaces the last paragraph of Paragraph **2., Exclusions,** of **SECTION I – COVERAGES – COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

   Exclusions **c.** and **g.** through **n.** do not apply to "premises damage". Exclusion **f.(1)(a)** does not apply to "premises damage" caused by:

   a. Fire;

   b. Explosion;

   c. Lightning;

   d. Smoke resulting from such fire, explosion, or lightning; or

   e. Water;

   unless Exclusion **f.** of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by another endorsement to this Coverage Part that has Exclusion – All Pollution Injury Or Damage or Total Pollution Exclusion in its title.

   A separate limit of insurance applies to "premises damage" as described in Paragraph **6.** of **SECTION III – LIMITS OF INSURANCE.**

3. The following replaces Paragraph **6.** of **SECTION III – LIMITS OF INSURANCE**:

   Subject to **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will apply to all "property damage" proximately caused by the same "occurrence", whether such damage results from: fire; explosion; lightning; smoke resulting from such fire, explosion, or lightning; or water; or any combination of any of these causes.

   The Damage To Premises Rented To You Limit will be:

   a. The amount shown for the Damage To Premises Rented To You Limit on the Declarations of this Coverage Part; or

   b. $300,000 if no amount is shown for the Damage To Premises Rented To You Limit on the Declarations of this Coverage Part.

4. The following replaces Paragraph **a.** of the definition of "insured contract" in the **DEFINITIONS** Section:

   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";

5. The following is added to the **DEFINITIONS** Section:

   "Premises damage" means "property damage" to:

   a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or

   b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

6. The following replaces Paragraph **4.b.(1)(b)** of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

   (b) That is insurance for "premises damage"; or

7. Paragraph **4.b.(1)(c)** of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted.

C. INCREASED SUPPLEMENTARY PAYMENTS

1. The following replaces Paragraph **1.b.** of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGE**:

   b. Up to $2,500 for the 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.

2. The following replaces Paragraph **1.d.** of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:

   d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

D. INCIDENTAL MEDICAL MALPRACTICE

1. The following is added to the definition of "occurrence" in the **DEFINITIONS** Section:

   "Occurrence" also means an act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person.

2. The following is added to Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED**:

   Paragraph **(1)(d)** above does not apply to "bodily injury" arising out of providing or failing to provide:

   (i) "Incidental medical services" by any of your "employees" who is a nurse practitioner, registered nurse, licensed practical nurse, nurse assistant, emergency medical technician or paramedic; or

   (ii) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

3. The following is added to Paragraph **5.** of **SECTION III – LIMITS OF INSURANCE:**

   For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph **2., Exclusions,** of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

   Sale Of Pharmaceuticals

   "Bodily injury" or "property damage" arising out of the willful violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the **DEFINITIONS** Section:

   "Incidental medical services" means:

   a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or

   b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

   "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

6. The following is added to Paragraph **4.b., Excess Insurance,** of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

   The insurance is excess over any valid and collectible other insurance available to the insured, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" or "volunteer workers" for "bodily injury" that arises out of providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any person to the extent not subject to Paragraph **2.a.(1)** of Section **II** – Who Is An Insured.

E. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED ORGANIZATIONS

The following replaces Paragraph **4.** of **SECTION II – WHO IS AN INSURED:**

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, of which you are the sole owner or in which you maintain the majority ownership interest, will qualify as a Named Insured if there is no other insurance which provides similar coverage to that organization. However:

a. Coverage under this provision is afforded only:

   (1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or

   (2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organization, if you report such organization in writing to us within 180 days after you acquire or form it, and we agree in writing that it will continue to be a Named Insured until the end of the policy period;

b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage **B** does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

F. WHO IS AN INSURED – BROADENED NAMED INSURED – UNNAMED SUBSIDIARIES

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

Any of your subsidiaries, other than a partnership, joint venture or limited liability company, that is not shown as a Named Insured in the Declarations is a Named Insured if you maintain an ownership interest of more than 50% in such subsidiary on the first day of the policy period.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal injury" or "advertising injury" caused by an offense committed after the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such subsidiary.

G. BLANKET ADDITIONAL INSURED – OWNERS, MANAGERS OR LESSORS OF PREMISES

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

Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

a. Is "bodily injury" or "property damage" that occurs, or is "personal injury" or "advertising injury" caused by an offense that is committed, subsequent to the execution of that contract or agreement; and

b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits which you agreed to provide in the written contract or agreement, or the limits shown on the Declarations, whichever are less.

b. The insurance provided to such premises owner, manager or lessor does not apply to:

(1) Any "bodily injury" or "property damage" that occurs, or "personal injury" or "advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, lessor or manager.

c. The insurance provided to such premises owner, manager or lessor is excess over any valid and collectible other insurance available to such premises owner, manager or lessor, whether primary, excess, contingent or on any other basis, unless you have agreed in the written contract or agreement that this insurance must be primary to, or non-contributory with, such other insurance, in which case this insurance will be primary to, and non-contributory with, such other insurance.

H. BLANKET ADDITIONAL INSURED – LESSORS OF LEASED EQUIPMENT

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

Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

a. Is "bodily injury" or "property damage" that occurs, or is "personal injury" or "advertising injury" caused by an offense that is committed, subsequent to the execution of that contract or agreement; and

b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

a. The limits of insurance provided to such equipment lessor will be the minimum limits which you agreed to provide in the written contract or agreement, or the limits shown on the Declarations, whichever are less.

b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal injury" or "advertising injury" caused by an offense that is committed, after the equipment lease expires.

c. The insurance provided to such equipment lessor is excess over any valid and collectible other insurance available to such equipment lessor, whether primary, excess, contingent or on any other basis, unless you have agreed in the written contract or agreement that this insurance must be primary to, or non-contributory with, such other insurance, in which case this insurance will be primary to, and non-contributory with, such other insurance.

I. BLANKET ADDITIONAL INSURED – STATES OR POLITICAL SUBDIVISIONS – PERMITS

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

Any state or political subdivision that has issued a permit in connection with operations performed by you or on your behalf and that you are required by any ordinance, law or building code to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of such operations.

The insurance provided to such state or political subdivision does not apply to:

a. Any "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of operations performed for that state or political subdivision; or

b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

J. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

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

e. The following provisions apply to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph **1.** or **2.** of Section **II** – Who Is An Insured:

(1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture or limited liability company) or any "employee" authorized by you to give notice of an "occurrence" or offense.

(2) If you are a partnership, joint venture or limited liability company, and none of your partners, joint venture members or managers are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:

(a) Any individual who is:

(i) A partner or member of any partnership or joint venture;

(ii) A manager of any limited liability company; or

(iii) An executive officer or director of any other organization;

that is your partner, joint venture member or manager; or

(b) Any "employee" authorized by such partnership, joint venture, limited liability company or other organization to give notice of an "occurrence" or offense.

(3) Notice to us of such "occurrence" or of an offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraphs **e. (1)** or **(2)** above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.

However, if this Coverage Part includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph **e.** does not affect that requirement.

K. UNINTENTIONAL OMISSION

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

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

L. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph **8., Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

a. "Bodily injury" or "property damage" that occurs; or

b. "Personal injury" or "advertising injury" caused by an offense that is committed;

subsequent to the execution of that contract or agreement.

M. AMENDED BODILY INJURY DEFINITION

The following replaces the definition of "bodily injury" in the **DEFINITIONS** Section:

3. "Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

N. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph **c.** of the definition of "insured contract" in the **DEFINITIONS** Section:

   c. Any easement or license agreement;

2. Paragraph **f.(1)** of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY WITH OTHER INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph A.1.c., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

   This includes any person or organization who you are required under a written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

2. The following is added to Paragraph B.5., Other Insurance of SECTION IV – BUSINESS AUTO CONDITIONS:

   Regardless of the provisions of paragraph a. and paragraph d. of this part 5. Other Insurance, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is the first named insured when the written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE - This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

A. BROAD FORM NAMED INSURED
B. BLANKET ADDITIONAL INSURED
C. EMPLOYEE HIRED AUTO
D. EMPLOYEES AS INSURED
E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS
F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS
G. WAIVER OF DEDUCTIBLE - GLASS PROVISIONS
H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT
I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT
J. PERSONAL PROPERTY
K. AIRBAGS
L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS
M. BLANKET WAIVER OF SUBROGATION
N. UNINTENTIONAL ERRORS OR OMISSIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.i., Who Is An Insured, of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the i80th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A't., Who Is An Insured, of SECTION" - COVERED AUTOS LIABILITY COVERAGE:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section **II**.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., Who Is An Insured of SECTION ,,- COVERED AUTOS LIABILITY COVERAGE:

   An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement In an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.S., Other Insurance, of SECTION IV - BUSINESS AUTO CONDITIONS:

   h. For Hired Auto Physical Damage Coverage the following are deemed to be covered "autos" you own:

      (1) Any covered "auto" you lease, hire, rent or borrow; and

      (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

perrrussron while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowedwith a driver is not a covered "auto".

D. EMPLOYEESAS INSURED

The following is addedto ParagraphA.1., Who Is An Insured, of SECTION II - COVEREDAUTOS LIABILITY COVERAGE:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS- INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of SECTION 11- COVEREDAUTOS LIABILITY COVERAGE:

   (2) Up to $3.000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of SECTION II - COVEREDAUTOS LIABILITY COVERAGE:

   (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $500 a day because of time off from work.

F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE-INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph B.7., Policy Period, Coverage Territory, of SECTION IV - BUSINESS AUTO CONDITIONS:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

   (i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

   (ii) Neither you nor any other involved "insured" will make any settlement without our consent.

   (iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

   (iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., Limits Of Insurance, of SECTION II - COVERED AUTOS LIABILITY COVERAGE.

   (v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., Limits Of Insurance, of SECTION II - COVERED AUTOS LIABILITY COVERAGE, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

(d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE - GLASS

The following is added to Paragraph D., Deductible, of SECnON III - PHYSICAL DAMAGE COVERAGE:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., Loss Of Use Expenses, of SECTION 111-PHYSICAL DAMAGE COVERAGE:

However, the most we will pay for any expenses for loss of use is $65 per day, to a maximum of $750 for anyone "accident".

I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., Transportation Expenses, of SECTION III - PHYSICAL DAMAGE COVERAGE:

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.

J. PERSONAL PROPERTY

The following is added to Paragraph A.4., Coverage Extensions, of SECTION III - PHYSICAL DAMAGE COVERAGE:

Personal Property

We will pay up to $400 for "loss" to wearing apparel and other personal property which is:

(1) Owned by an "insured"; and

(2) In or on your covered "auto".

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

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph B.3., Exclusions, of SECTION III - PHYSICAL DAMAGE COVERAGE:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;

b. The airbags are not covered under any warranty; and

c. The airbags were not intentionally inflated.

We will pay up to a maximum of $1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of SECTION IV - BUSINESS AUTO CONDITIONS:

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

(a) You (if you are an individual);

(b) A partner (if you are a partnership);

(c) A member (if you are a limited liability com" pany);

(d) An executive officer, director or insurance manager (if you are a corporation or other organization); or

(e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV - BUSINESS AUTO CONDITIONS:

5. Transfer Of Rights Of Recovery Against Others To Us

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

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph B.2. Concealment, Misrepresentation, Or Fraud, of SECTION IV - BUSINESS AUTO CONDITIONS:

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

TRAVELERS

ONE TOWER SQUARE
HARTFORD, CT 06183

WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 00 0313 (00)-01

POLICY NUMBER: (UB-8J537642-17-26-G)

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

DESIGNATED PERSON:

DESIGNATED ORGANIZATION:

ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS WAIVER.

CONSTRUCTION PAK – BUILDERS' RISK COVERAGE FORM

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. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property you own or for which you are legally liable, the value of which is included in the estimated "total project value" shown in the Declarations:

a. Permanent Works

Materials, equipment, machinery, supplies and property of a similar nature that will become a permanent part of the project described in the Declarations during completion of such project or that will be used or expended in the completion of such project.

Completion of the project includes site preparation (including demolition of existing buildings or structures), fabrication, assembly, installation, erection, alteration, renovation and similar construction activities.

b. Temporary Works

Cofferdams, construction forms, cribbing, falsework, hoarding, scaffolds, fencing, signs, office trailers (and their "contents") and similar temporary buildings or structures incidental to completion of the project described in the Declarations.

We will cover such property:

(1) At the job site described in the Declarations; and

(2) While:

(a) In transit to the job site or to a temporary storage location, including loading and unloading from a transporting conveyance, but only if a Transit Limit of Insurance is shown in the Declarations; or

(b) In temporary storage awaiting delivery to the job site but only if a Temporary Storage Limit of Insurance is shown in the Declarations.

2. Property and Costs Not Covered

Covered Property does not include:

a. Contraband, or property in the course of illegal transit or trade.

b. Buildings or structures that existed prior to the inception of this policy.

c. Land and land values and the value of cut, fill and backfill materials that existed at the job site prior to the date construction commenced.

But this restriction does not apply to:

(1) The value of cut, fill and backfill materials purchased for use in the completion of the project to the extent the value of such property is included in the estimated "total project value" shown in the Declarations.

(2) Labor, material and equipment charges incurred to move, remove, place or otherwise handle cut, fill and backfill materials to the extent such costs are included in the estimated "total project value" shown in the Declarations.

d. Water, whether in its natural state or otherwise, and whether above or below ground or the cost of reclaiming or restoring water.

e. Trees, plants, shrubs and lawns, except to the extent coverage is provided under the Landscaping Coverage Extension.

f. Construction equipment not destined to become a permanent part of the project described in the Declarations, including tools. machinery, plant and any related accessories and spare parts for such property. But this restriction does not apply to Temporary Works.

3. **Covered Causes of Loss**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is excluded in Section B – EXCLUSIONS.

4. **Coverage Extensions**

Each of the following Coverage Extensions applies unless *Not Covered* is indicated in the Declarations.

a. **Expediting Expense and Extra Expense**

(1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary:

(a) Expediting charges, including overtime, night work, work on public holidays, express and air freight, and the extra cost of rental construction equipment, you incur solely to expedite repair or replacement of the Covered Property sustaining such loss or damage.

(b) Extra Expenses you incur during the period of restoration or repair of the Covered Property sustaining such loss or damage that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred. We will only pay for such extra expenses you incur for the purpose of continuing as nearly as practicable the scheduled progress of undamaged work.

Extra expense includes equipment rental, emergency expenses, additional security, demobilization and remobilization of equipment and facilities, and temporary use of property, all when necessarily incurred to reduce time delays in the contract schedule.

(2) We will not pay under this Coverage Extension:

(a) For any expense until the amount of the adjusted direct physical loss or damage exceeds the deductible applicable to such loss or damage.

(b) For any expense incurred to overcome delays in the scheduled progress of the work:

(i) Which existed at the time of loss; or

(ii) Resulting from causes which are independent of or which would have occurred in the absence of a covered loss to Covered Property.

(c) Except as provided in the Green Building Additional Expense Additional Coverage, for any expense required to attain any level of "green" certification even if such certification existed prior to loss.

(d) For any loss of income or "soft costs".

The expiration date of this policy will not cut short the period of restoration or repair.

The Expediting Expense and Extra Expense Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

Any payment under this Coverage Extension is included within and will not increase the applicable Limit of Insurance.

b. **Fire Protective Systems**

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay for your expense to:

(1) Recharge or refill your fire protective systems; and

(2) Replace or repair faulty valves or controls that caused the discharge.

The Fire Protective Systems Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

c. Landscaping

(1) We will pay for direct physical loss or damage by a Covered Cause of Loss, other than a cause of loss listed in Paragraph (2) below, to trees, plants, shrubs and lawns, the value of which is included in the estimated "total project value" shown in the Declarations.

(2) We will not pay for loss of or damage to trees, plants, shrubs and lawns caused by or resulting from lack of moisture, infestation, disease, insects, rodents, animals, freezing, weight of ice or snow or windstorm or hail.

The Landscaping Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

Any payment under this Coverage Extension is included within and will not increase the applicable Limit of Insurance.

d. Soft Costs

We will pay your "soft costs" during the "period of delay in completion". Such "soft costs" must result from direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss which delays the completion of the applicable project described in the Declarations beyond the "planned completion date".

The Soft Costs Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

e. Temporary Works Other Than Covered Property

If cofferdams, construction forms, cribbing, falsework, hoarding, scaffolds, fencing, signs, office trailers (and their "contents") and similar temporary buildings or structures incidental to completion of the project described in the Declarations are not otherwise Covered Property under this policy, we will pay for direct physical loss or damage by a Covered Cause of Loss to such property when:

(1) You own or are legally liable for such property; and

(2) Such property is at the job site described in the Declarations at the time of such loss or damage.

The Temporary Works Other Than Covered Property Limit of Insurance shown in the Declarations is the most we will pay in total for all such property in any one occurrence under this Coverage Extension.

Any payment under this Coverage Extension is included within and will not increase the applicable Limit of Insurance.

f. Valuable Papers and Records

We will pay your costs to research, replace or restore lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which there are no duplicates. Such costs must result from direct physical loss or damage by a Covered Cause of Loss to your valuable papers and records directly related to the applicable project described in the Declarations.

The Valuable Papers and Records Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

But we will not pay for loss of or damage to accounts, bills, deeds, evidences of debt, currency, money, notes or securities.

5. Additional Coverages

Each of the following Additional Coverages applies unless *Not Covered* is indicated in the Declarations.

a. Additional Cost of Construction Materials and Labor

We will pay for the following costs made necessary by a Covered Cause of Loss to Covered Property at the job site described in the Declarations:

(1) Your increased cost of construction materials and labor; and

(2) Your costs to make changes in construction specifications;

when such loss or damage results in a total loss to Covered Property.

The Additional Cost of Construction Materials and Labor Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

b. Claim Data Expense

(1) We will pay the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.

(2) We will not pay for:

(a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;

(b) Any costs as provided in the Appraisal LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS; or

(c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

The Claim Data Expense Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

c. Construction Contract Penalty

If you agreed in writing prior to loss to pay penalties as a result of your failure to meet completion times within the terms of a written contract, we will pay such penalties you incur when the failure to meet the completion times is solely due to direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

The Construction Contract Penalty Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

d. Debris Removal

(1) We will pay for your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

The amount we will pay includes the increased costs you incur to divert debris of Covered Property to recycling facilities rather than landfills. Any income or remuneration derived from this recycling will reduce the amount of debris removal expense we would have otherwise paid.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of the loss or damage.

(2) The most we will pay under this Additional Coverage is 25% of:

(a) The amount we pay for direct physical loss of or damage to Covered Property; plus

(b) The deductible in this Coverage Form applicable to that loss or damage.

Except as provided in Paragraph (3) below, payment under this Additional Coverage is included within and will not increase the applicable Limit of Insurance shown in the Declarations.

(3) When the debris removal expense exceeds the 25% limitation in Paragraph (2) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to the Debris Removal Increase Limit of Insurance shown in the Declarations.

(4) We will not pay under this Additional Coverage for your expense to extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water.

e. Fire Or Police Department Service Charge

We will pay your liability for fire, police or other public emergency service department charges when such public emergency services are called to save or protect Covered Property from a Covered Cause of Loss. Such emergency service department charges must be:

(1) Assumed by contract or agreement prior to loss or damage; or

(2) Required by local ordinance.

The Fire Or Police Department Service Charges Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

No deductible applies to this Additional Coverage.

f. "Fungus", Wet Rot And Dry Rot

(1) We will pay for direct physical loss of or damage to Covered Property caused by "fungus", wet rot or dry rot, but only when the "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs during the policy period and only if all reasonable means were used to save and preserve the Covered Property from further damage at the time of and after the occurrence of any such cause of loss.

(2) We will also pay for the following in connection with loss or damage covered in Paragraph (1) above:

(a) The cost of removal of the "fungus", wet rot or dry rot;

(b) The cost to tear out and replace any part of the building or structure or other property as needed to gain access to the "fungus", wet rot or dry rot; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged Covered Property is completed, provided there is a reason to believe that "fungus", wet rot or dry rot is present.

(3) The Fungus, Wet Rot And Dry Rot Limit of Insurance shown in the Declarations is the most we will pay under this Additional Coverage in each separate 12 month period of this policy beginning with the effective date shown in the Declarations. This is the most we will pay for the total of all loss or damage covered in Paragraphs (1) and (2) above regardless of the:

(a) Number of insureds, claims, job sites or locations;

(b) Occurrences during each separate 12-month period of this policy; or

(c) Types of coverages provided under this policy.

This limit applies even if the "fungus", wet rot or dry rot connected to any particular occurrence continues to be present or active, or recurs, in a later 12 month period of this policy.

(4) Any payment under this Additional Coverage is included within and will not increase the applicable Limit of Insurance.

g. Green Building Additional Expense

(1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building or structure that is Covered Property, the budgeted level of "green" certification by a "Green Authority" on the building or structure is lost, we will pay for the following reasonable additional expenses you incur to attain the budgeted level of "green" certification from that "Green Authority":

(a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

(i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building or structure; or

(ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building or structure to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and

(b) The reasonable registration and recertification fees charged by the "Green Authority".

(2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the budgeted level of "green" certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

The Green Building Additional Expense Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

h. Ordinance or Law

(1) In the event of covered direct physical loss of or damage to a building or structure that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building or structure:

(a) Coverage A – Coverage For Loss To The Undamaged Portion Of The Building or Structure

We will pay under Coverage A for the loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building or structure.

Any payment under Coverage A is included within and will not increase the Limit of Insurance applicable to the covered loss to the building or structure.

(b) Coverage B – Demolition Cost Coverage

We will pay under Coverage B the cost to demolish the building or structure and clear the site of undamaged parts of the same building or structure, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(c) Coverage C – Increased Cost Of Construction Coverage

We will pay under Coverage C the increased cost to:

(i) Repair or reconstruct damaged portions of that building or structure; or

(ii) Reconstruct or remodel undamaged portions of that building or structure, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

This Coverage C applies only if the restored or remodeled property is intended for similar occupancy or use as the current property, unless such occupancy or use is not permitted by zoning or land use ordinance. This Coverage C does not apply if the building or structure is not repaired, reconstructed or remodeled.

(2) The coverages described in Paragraph (1) above apply only if the provisions in Paragraphs (a) and (b) below are satisfied and are then subject to the qualifications set forth in Paragraph (c) below:

(a) The ordinance or law:

(i) Regulates the demolition, construction or repair of buildings or structures, or establishes zoning or land use requirements at the applicable job site described in the Declarations; and

(ii) Is in force at the time of the loss.

But the coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this policy.

(b) The building or structure either:

(i) Sustains direct physical loss or damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

(ii) Sustains both direct physical loss or damage that is covered under this policy and direct physical loss or damage that is not covered under this policy, and the building or structure damage in its entirety results in enforcement of the ordinance or law.

If the building or structure sustains direct physical loss or damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building or structure has also sustained covered direct physical loss or damage.

(c) In the situation described in Paragraph (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of Coverage A, B or C of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

However, if covered direct physical loss or damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverage A, B or C of this Additional Coverage.

(3) We will not pay under this Additional Coverage for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot;

(b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or

(c) Loss due to any ordinance or law that:

(i) You were required to comply with before the loss, even if Covered Property was undamaged; and

(ii) You failed to comply with.

(4) Exclusion B.1.e. Ordinance or Law does not apply to the insurance specifically provided under this Additional Coverage.

(5) The applicable Limit of Insurance shown in the Declarations under the Ordinance or Law Additional Coverage is the most we will pay in any one occurrence under this Additional Coverage.

If a combined limit of insurance is shown in the Declarations for Coverage B and Coverage C of this Additional Coverage, such limit is the most we will pay for the sum of both coverages in any one occurrence.

i. Pollutant Clean Up and Removal

(1) We will pay your expense to extract "pollutants" from land or water at the job site described in the Declarations if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from any of the "specified causes of loss", to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the loss or damage.

(2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

(3) The Pollutant Clean Up and Removal Limit of Insurance shown in the Declarations is the most we will pay under this Additional Coverage for each job site described in the Declarations for the sum of all such expenses arising out of all "specified causes of loss" occurring during each separate 12 month period of this policy beginning with the effective date shown in the Declarations.

j. Preservation of Property

If it is necessary to temporarily move Covered Property from the job site described in the Declarations or a temporary storage location to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss, we will pay for:

(1) The cost to remove the Covered Property from the job site or location, temporarily store the Covered Property at another location and move the Covered Property back to the original job site or location within a reasonable time after the threat of imminent loss or damage to the property by the Covered Cause of Loss passes; and

(2) Any direct physical loss or damage to this property while it is being moved or while temporarily stored at another location if such loss or damage occurs within 180 days after the property is first moved.

Coverage will end when any of the following first occurs:

(a) When the policy is endorsed to provide insurance at the new location;

(b) The property is returned to the original location; or

(c) This policy expires.

The Preservation of Property Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

Any payment under this Additional Coverage is included within and and will not increase the applicable Limit of Insurance.

k. Protection of Property

If Covered Property is in imminent danger of sustaining direct physical loss or damage from:

(1) Fire;

(2) Any storm system that has been declared and named a tropical storm or hurricane by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service, including any tornado or any other wind event that is caused by or results from the named storm; or

(3) A flood that has been forecasted by the National Weather Service or the U.S. Army Corps of Engineers;

we will pay the necessary and reasonable expenses actually incurred by you to protect that property at the job site described in the Declarations from such loss or damage, but only if the applicable cause of loss is a Covered Cause of Loss.

You must keep a record of the expenses you incur.

The Protection of Property Limit of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

Any payment under this Additional Coverage is included within and will not increase the applicable Limit of Insurance.

l. Reward Coverage

We will reimburse you for reward expenses you have incurred leading to:

(1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or

(2) The arrest and conviction of any person who have damaged or stolen any Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to the Reward Coverage Limit of Insurance shown in the Declarations in any one occurrence for the reward payments you make. These reward payments must be documented.

No Deductible applies to this Additional Coverage.

This Additional Coverage does not apply in the state of New York.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Earth Movement

(1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:

(a) Earthquake, including tremors and aftershocks, and earth sinking, rising or shifting related to such event;

(b) Landslide, including earth sinking, rising or shifting related to such event;

(c) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(d) Earth sinking (other than "sinkhole collapse"), rising or shifting; or

(e) Volcanic eruption, explosion or effusion.

(2) If Earth Movement as described in:

(a) Paragraphs (1)(a) through (1)(d) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion; or

(b) Paragraph (1)(e) above, results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(i) Airborne volcanic blast or airborne shock waves;

(ii) Ash, dust or particulate matter; or

(iii) Lava flow.

With respect to coverage for Volcanic Action as set forth in Paragraphs (i), (ii) and (iii) above, volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

(3) This exclusion does not apply to property in transit.

b. "Fungus", Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

But if "fungus", wet rot or dry rot results in a "specified cause of loss", we will pay for loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungus", wet rot or dry rot results from fire or lightning; or

(2) To the extent that coverage is provided in the "Fungus", Wet Rot And Dry Rot Additional Coverage.

c. Governmental Action

Seizure or destruction of property by order of governmental authority, except as provided in the Ordinance or Law Additional Coverage.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss or damage caused by that fire if the fire would be covered under this Coverage Form.

e. Ordinance or Law

(1) The enforcement of any ordinance or law:

(a) Regulating the construction, use or repair of any property; or

(b) Requiring the tearing down of any property, including the cost of removing its debris.

(2) This exclusion applies whether the loss results from:

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

f. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:

(a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge) or not;

(b) Mudslide or mudflow;

(c) Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, this exclusion does not apply to the backup or overflow of water or sewage from drains within a building or structure if the backup or overflow is not otherwise directly or indirectly caused by the Water Exclusions in Paragraphs (a) or (b) above or in Paragraphs (d) or (e) below.

(d) Water under the ground surface pressing on, or flowing or seeping through:

(i) Foundations, walls, floors or paved surfaces;

(ii) Basements, whether paved or not; or

(iii) Doors, windows or other openings; or

(e) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (a), (c) and (d) above or material carried or otherwise moved by mudslide or mudflow.

(2) If Water, as described in Paragraphs (a) through (e) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

(3) This exclusion does not apply to property in transit.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Consequential Loss

(1) Delay, loss of use or loss of market; or

(2) Loss of income, soft costs or extra expenses except as specifically provided in this Coverage Part.

b. Dishonesty

Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees), but theft by employees is not covered.

This exclusion does not apply to carriers for hire.

c. Missing Property

Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

d. Pollution

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss".

But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

e. Rain, Snow, Sleet Or Ice

Rain, snow, sleet or ice, whether driven by wind or not. This exclusion applies only to the following property:

(1) Personal property left in the open;

(2) The "interior of a building or structure", or to personal property in the building or structure unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to:

(i) Its completed exterior facing roof or walls; or

(ii) Any reasonable temporary materials or objects intended to protect such property from such loss;

through which the rain, snow, sleet or ice enters; or

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

a. Weather conditions. But this exclusion applies only if weather conditions contribute in any way with a cause or event excluded in Section B.1. above to produce the loss.

b. Other Types of Losses

(1) Rust or other corrosion.

(2) Wear and tear, gradual deterioration.

(3) Settling, cracking, shrinking or expanding of walls, floors, ceilings, foundations, pilings, patios, driveways or pavements.

(4) Hidden or latent defect or any quality in property that causes it to damage or destroy itself.

4. We will not pay for loss or damage caused by or resulting from faulty, inadequate or defective:

a. Planning, zoning, development, surveying, siting;

b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction;

c. Materials used in repair, construction, renovation, remodeling, grading or compaction; or

d. Maintenance;

of part or all of any property on or off the job site described in the Declarations.

If an excluded cause of loss listed in Paragraph 4.a. through 4.d. above, results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

(1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or

(2) Any resulting loss or damage to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule(s), Coverage Form(s) or Endorsement(s). But in the event coverage for loss or damage is provided under the Coverage Extensions or Additional Coverages, the Limits of Insurance for such Coverage Extension or Additional Coverage will apply as additional amounts of insurance, unless otherwise stated within the Coverage Extension or Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the applicable Deductible shown in the Declarations, Schedule(s), Coverage Form(s) or Endorsement(s). We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

The applicable Deductible shown in the Declarations applies to the Coverage Extensions and Additional Coverages unless otherwise stated in the Coverage Extension or Additional Coverage.

Unless otherwise stated, if more than one Deductible amount applies to loss or damage in any one occurrence, the total of the deductible amounts applied in that occurrence will not exceed the amount of the largest applicable Deductible.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL INLAND MARINE CONDITIONS and the COMMON POLICY CONDITIONS.

1. Additional Named Insured

The following persons or organizations are included as Additional Named Insureds when you have agreed in a written contract or written agreement, executed prior to loss, to name such persons or organizations as an Additional Named Insured, but only to the extent of their financial interest in the Covered Property:

a. Owners of Covered Property;

b. Mortgagees or loss payees;

c. Contractors, sub contractors and sub-sub contractors; and

d. Lessors or lessees.

2. Coinsurance

If a Coinsurance Percentage is shown in the Declarations for the applicable project, the following condition applies:

a. We will not pay the full amount of any loss if the applicable "total project value" at the time of loss multiplied by the stated Coinsurance Percentage is greater than the applicable Covered Property Limit of Insurance.

Instead, we will determine the most we will pay using the following steps:

Step (1) Multiply the "total project value" at the time of loss by the Coinsurance Percentage.

Step (2) Divide the Covered Property Limit of Insurance by the figure determined in Step (1).

Step (3) Multiply the total amount of the covered loss, before the application of any deductible, by the figure determined in Step (2).

Step (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

b. Coinsurance does not apply to:

(1) Additional Coverages; or

(2) Coverage Extensions.

3. Duties in the Event of Loss

The following duties are added to the Duties In The Event of Loss LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS:

You must see that the following are done in the event of loss:

a. You must make every effort to meet the applicable "planned completion date".

This includes:

(1) Resuming, as soon as possible, all or any part of the construction or repair; or

(2) Using temporary or substitute:

(a) Facilities, services, suppliers or customers; or

(b) Machinery, equipment, supplies or materials.

b. If any portion of Covered Property was in operation or use for its intended purpose at the time of loss, you must resume all or part of the operation or use as quickly as possible if you intend to continue your business.

This includes using:

(1) Damaged or undamaged property at the job site described in the Declarations or elsewhere; or

(2) Temporary or substitute:

(a) Facilities, services, suppliers or customers; or

(b) Machinery, equipment, supplies or materials.

c. Notify us of any payment you receive from others due to a delay in the completion of construction beyond the "planned completion date".

If you do not resume the operation or use of Covered Property as quickly as possible or make every effort to meet the applicable "planned completion date", we will only pay the amount of loss we would have otherwise paid if you had complied with the above conditions.

4. **Jurisdictional Inspections**

At your option, we will provide certificate-of-operation inspection services for boilers and other pressure vessels where:

a. You have notified us of equipment that is insured under this Coverage Form and that requires a certificate-of-operation;

b. The certificate-of-operation is required by state, city or provincial law; and

c. The state, city or provincial law permits inspections by insurance company employees.

Certificate-of-operation inspection services shall be provided only in the United States of America, Puerto Rico and Canada as allowed by state, city or provincial law.

5. **Knowledge of Occurrence**

a. You must give written notice of any occurrence of loss to us or any of our authorized agents as soon as practicable after knowledge of the loss or damage is received by you, one of your executive officers who handles insurance matters or a risk manager of any named insured.

b. Knowledge of an incident by your agent, servant or employee, which could give rise to a claim, will not in itself constitute knowledge by you unless you, one of your executive officers who handles insurance matters or a risk manager of any named insured have received such notice from your agent, servant or employee.

c. Your rights under this insurance will not be prejudiced if there is a failure to give notice of an occurrence of loss or damage due solely to your reasonable belief that the loss or damage is not covered under this insurance.

6. **Liberalization**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

7. **Loss Payment**

The Loss Payment LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to Paragraphs b. and c. below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraphs b., c. and d. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation ADDITIONAL CONDITION in this Coverage Form or any applicable provision which amends or supersedes such Condition.

b. Except as provided in the Ordinance or Law Additional Coverage, the cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. Ordinance Or Law

The following loss payment provisions apply to coverage under the Ordinance Or Law Additional Coverage and are subject to the apportionment procedures set forth in such Additional Coverage:

(1) For a loss in value of an undamaged portion of Covered Property to which Coverage A – Coverage For Loss To The Undamaged Portion Of The Building or Structure applies, the loss payment for that building or structure, including damaged and undamaged portions, will be determined as follows:

(a) If Replacement Cost Coverage applies and the property is being repaired or replaced, on the same or another job site, we will not pay more than the lesser of:

(i) The cost to repair, rebuild or reconstruct the building or structure, but not for more than the amount it would cost to restore that building or structure on the same location and to the same height, floor area, style, capacity and comparable quality of the original property insured; or

(ii) The Limit of Insurance shown in the Declarations as applicable to the covered building or structure.

(b) If Replacement Cost Coverage applies and the property is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the lesser of:

(i) The Actual Cash Value of the building or structure at the time of loss; or

(ii) The Limit of Insurance shown in the Declarations as applicable to the covered building or structure.

(2) Loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

(a) The amount you actually spend to demolish and clear the site; or

(b) The applicable Demolition Cost Coverage Limit of Insurance shown in the Declarations.

(3) Loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:

(a) We will not pay under Coverage C – Increased Cost Of Construction Coverage:

(i) Until the property is actually repaired or replaced, at the same or another job site; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the Covered Building or Structure is repaired or replaced at the same job site, or if you elect to rebuild at another location, the most we will pay under Coverage C – Increased Cost Of Construction Coverage is the lesser of:

(i) The increased cost of construction at the same job site; or

(ii) The applicable Increased Cost of Construction Coverage Limit of Insurance shown in the Declarations.

(c) If the ordinance or law requires relocation to another location, the most we will pay under Coverage C – Increased Cost Of Construction Coverage is the lesser of:

(i) The increased cost of construction at the new location; or

(ii) The applicable Increased Cost of Construction Coverage Limit of Insurance shown in the Declarations.

d. Except as specifically provided in the Green Building Additional Expense, the cost to repair, rebuild or replace does not include any expenses you incur to attain any level of "green" certification.

e. Soft Costs Loss Determination

The following loss payment provisions apply to "soft costs" coverage:

The actual amount of "soft costs" will be determined based on your budgeted costs for the applicable project described in the Declarations had loss of or damage to Covered Property from any of the Covered Causes of Loss not occurred.

The amount of the "soft costs" loss will also be determined based on other relevant sources of information, including:

(1) Your financial records and accounting procedures;

(2) Bills, invoices and other vouchers;

(3) Deeds, liens or contracts; and

(4) Any amounts by which the amount of loss is reduced due to your failure to perform the duties in the event of loss outlined in this policy.

f. With respect to our options under Paragraphs a.(1) through a.(4) above, we will give notice of our intentions within 30 days after we receive the sworn proof of loss.

g. We will not pay you more than your financial interest in the Covered Property.

h. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

i. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

j. We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

k. We will not be liable for any part of the loss or damage that has been paid or made good by others.

l. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

8. Minimum Earned Premium

If a Minimum Earned Premium is shown in the Declarations, such premium is the least amount of premium you must pay when the actual earned premium for this coverage is less than the Minimum Earned Premium.

The Minimum Earned Premium does not apply if we cancel coverage other than at your request.

9. Other Insurance

The Other Insurance LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

a. Other Insurance

Except as stated in the Contributing Insurance and Excess Insurance in Paragraphs b. and c. below, if there is other insurance covering the same loss or damage as this Coverage Part we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

b. Contributing Insurance

You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

c. **Excess Insurance**

You may have excess insurance over the Limit(s) of Insurance set forth in this Coverage Part without prejudice to this Coverage Part. The existence of such insurance will not reduce our liability under this Coverage Part.

10. **Policy Period**

We cover loss or damage commencing with the inception date of the policy period shown in the Declarations and ending when any one of the following first occurs:

a. This policy expires or is cancelled;

b. Final acceptance of the applicable project described in the Declarations by the owner;

c. Your interest in the applicable project described in the Declarations ceases;

d. Insurance other than Builders' Risk is obtained on the building or structure; or

e. You abandon the property with no intention to complete it.

11. **Premium Adjustment**

a. **Estimated Premium**

If an Estimated Project Term Premium is shown in the Declarations for the applicable project, that premium was developed using the applicable estimated "total project value" shown in the Declarations and is subject to adjustment as outlined in this Additional Coverage Condition.

b. **Reporting**

(1) Within 30 days after final completion of the applicable project described in the Declarations, you must report, to us in writing, the Final Premium Base and other information outlined below.

The Final Premium Base is the "total project value" at the date of final completion.

You must also report the date construction was completed and coverage under this policy ended.

(2) Cancellation or Nonrenewal

If coverage under this policy was cancelled or nonrenewed, you must report, to us in writing, the Final Premium Base of each project described in the Declarations.

The Final Premium Base is the "total project value" as of the date of cancellation or nonrenewal.

c. **Final Premium**

Your Final Premium for the applicable project described in the Declarations is computed using the following steps:

Step 1: Multiply the applicable Annual Rate shown in the Declarations by the Final Premium Base = Actual Annual Premium.

Step 2: Adjust the Actual Annual Premium for the actual length of time coverage was provided under this policy for that project = Actual Term Premium.

Step 3: If the Actual Term Premium is greater than the applicable Estimated Premium, subtract the applicable Estimated Premium from the Actual Term Premium. This is the additional premium due. All additional premium is due and payable as of the date of the Premium Adjustment.

Step 4: If the Actual Term Premium is greater than the Minimum Earned Premium shown in the Declarations, but less than the applicable Estimated Premium, subtract the Actual Term Premium from the applicable Estimated Premium. We will refund this amount to you.

Step 5: If the Actual Term Premium is less than the Minimum Earned Premium shown in the Declarations and less than the applicable Estimated Premium, subtract the Minimum Earned Premium from the applicable Estimated Premium. We will refund this amount to you.

d. **Records**

You must keep accurate records of transactions used to develop the Premium Base required for Premium Adjustment.

12. **Reinstatement of Limit After Loss**

The Reinstatement of Limit After Loss LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Reinstatement of Limit After Loss

With the exception of any applicable annual aggregate Limit of Insurance, the Limit of Insurance will not be reduced by the payment of any claim.

13. Transfer Of Rights Of Recovery Against Others To Us

The Transfer Of Rights Of Recovery Against Others To Us LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss or damage to impair them.

a. In accordance with any provision set forth in the applicable signed construction contract, prior to loss or damage any Named Insured may waive their rights to recover damages against any individual, corporation, or entity:

(1) With a financial interest in Covered Property; or

(2) That is a contractor or subcontractor performing work at the job site described in the Declarations.

But this waiver to recover damages does not apply to:

(a) Any architect, engineer or other party or entity responsible for any design, specifications or plans for the fabrication, erection or completion of Covered Property with respect to loss or damage that may be caused by fault, defect, error or omission in such design, specifications or plans; or

(b) Any contractor, manufacturer or supplier of machinery, equipment or other insured property that has agreed to make good loss or damage under a guaranty or warranty.

b. You may also waive your rights against another party in writing after a loss under this Coverage Part only if, at time of loss, that party is one of the following:

(1) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you; or

(2) Your tenant.

This will not restrict your insurance.

14. Unintentional Errors In Description

Your error in how you describe the address of the job site shown in the Declarations shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

15. Valuation

The Valuation GENERAL CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Valuation

In the event of loss or damage, the value of Covered Property at the time of loss or damage will be determined as follows:

a. At replacement cost as of the time of loss or damage, except as otherwise provided in this Valuation GENERAL CONDITION. Replacement cost is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.

(1) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(2) We will not pay on a replacement cost basis for any loss or damage:

(a) Until the lost or damaged property is actually repaired or replaced; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

Instead, we will pay on an actual cash value basis. This restriction does not apply to losses less than $50,000.

b. Property of others at the amount for which you are liable, not to exceed the replacement cost.

c. We will not pay more for loss or damage on a replacement cost basis than the least of the following subject to Paragraph d. below

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace, at the same job site, the lost or damaged property with other property;

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(4) The cost to replace Covered Property includes:

(a) Labor and delivery charges; and

(b) General and specific overhead and profit:

(i) Only as related directly to the repair or replacement of the Covered Property sustaining covered loss or damage; and

(ii) At the same percentages as included, immediately prior to the covered loss or damage, in the "total project value" for the applicable project shown in the Declarations.

If a building or structure is rebuilt at a different location, the cost described in Paragraph (2) above is limited to the cost which would have been incurred had the building or structure been built at the original job site described in the Declarations.

d. The cost to repair, rebuild, or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Additional Coverage – Ordinance or Law.

16. Where Coverage Applies

We cover property that is in:

a. The United States of America (including its territories and possessions);

b. Puerto Rico; or

c. Canada.

But we do not cover property in transit to or from Hawaii, Puerto Rico or any United States of America territory or possession.

F. DEFINITIONS

1. **"Contents"** means business personal property and home furnishings.

2. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

3. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.

4. **"Green Authority"** means a recognized authority on "green" buildings or structures or "green" products, materials or processes.

5. **"Interior of a building or structure"** means any portion of a building or structure that, at completion of construction, will be within the exterior facing building material of that building or structure.

6. **"Period of delay in completion"** means the period of time that:

a. Begins with the "planned completion date" or after any applicable Soft Costs Waiting Period shown in the Declarations from the "planned completion date", whichever is later; and

b. Ends on the date when Covered Property should be completed using reasonable speed and similar quality.

"Period of delay in completion" does not include any increased period required to attain any level of "green" certification.

The expiration date of this policy will not cut short the "period of delay in completion".

7. **"Planned completion date"** means the date the applicable project described in the Declarations would be put into operation or use for its intended purpose in the normal course of construction if loss of or damage to Covered Property from any of the Covered Causes of Loss had not occurred.

8. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

9. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.

10. **"Soft costs"** means your actual and necessary business costs in excess of your budgeted amount for the project consisting only of:

    a. Advertising and promotional expenses.

    b. Architect, engineer, designer and consultant fees.

    c. Costs resulting from the renegotiation of your sales contract, leases or construction loans.

    d. General overhead and administrative expenses, other than legal, accounting and professional fees.

    e. Insurance premiums.

    f. Interest on money borrowed to finance construction.

    g. Legal and accounting fees and other costs to renegotiate and prepare revised contracts and other documents.

       These expenses cannot be used for preparation of claims or to establish liability for loss.

    h. Permit and Inspection Fees.

    i. Realty taxes and realty assessments.

11. **"Specified causes of loss"** means fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in this Coverage Part.

    Falling objects does not include loss or damage to:

    a. Personal property in the open; or

    b. The "interior of a building or structure" or personal property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

12. **"Total project value"** means the sum of all costs to complete the applicable project described in the Declarations including labor, construction management fees, delivery charges, administrative expenses, overhead, and reasonable profit.

13. **"Volcanic action"** means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

    a. Airborne volcanic blast or airborne shock waves;

    b. Ash, dust or particulate matter; or

    c. Lava flow.

    "Volcanic action" does not mean the cost to remove ash, dust or particles that do not cause direct physical loss or damage.

    All volcanic eruptions that occur within any 168 – hour period will constitute a single occurrence.

14. **"Water damage"** means:

    a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the applicable job site described in the Declarations and contains water or steam; and

    b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the applicable job site described in the Declarations, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to the wear and tear exclusion under the Other Types of Losses Exclusion in Section B.3.b. But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion B.1.g.

ARIZONA STATUTORY PERFORMANCE BOND FOR CONSTRUCTION PURSUANT TO TITLES 28,34, AND 41, ARIZONA REVISED STATUTES

(Penalty of this bond must be 100% of the Contract amount)

Bond No. **106948472**

KNOW ALL MEN BY THESE PRESENTS THAT: **ACHEN-GARDNER CONSTRUCTION, LLC** (hereinafter "Principal"), as Principal, and **Travelers Casualty And Surety Company Of America** (hereinafter called "Surety"), a corporation organized and existing under the laws of the State of **CT**, with its principal offices in the City of **Hartford**, holding a certificate of authority to transact surety business in Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound unto **Pima County Regional Wastewater Reclamation Department** (hereinafter "Obligee") in the amount of **TWO MILLION SEVEN HUNDRED ONE THOUSAND FIVE HUNDRED NINETY SEVEN AND 76/100--Dollars ($2,701,597.76)**, for the payment whereof, Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the **19th** day of **June**, **2018**, to construct and complete certain work described as

Design-Build Services for: Twin Peaks-Blue Bonnet Road Gravity Sewer
Contract No. CT-WW-18-401; Project No. 3TPBBS

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THE OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of the contract during the original term of the contract and any extensions of the contract, with or without notice of Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of all duly authorized modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if it were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this **6th** day of **August**, **2018**.

ACHEN-GARDNER CONSTRUCTION, LLC
PRINCIPAL SEAL

BY ______________________

Title: John Walstrom / President

Travelers Casualty And Surety Company Of America
SURETY SEAL

BY ______________________
Stephanie L. Bucholz (Attorney-in-Fact)

CBI Bonding, Inc.
Agency of Record
535 E. McKellips Road, Suite 129, Mesa, AZ 85203
Agency Address

ARIZONA STATUTORY PAYMENT BOND FOR CONSTRUCTION
PURSUANT TO TITLES 28, 34, AND 41, ARIZONA REVISED STATUTES

(Penalty of this bond must be 100% of the Contract amount)

Bond No. **106948472**

KNOW ALL MEN BY THESE PRESENTS THAT: **ACHEN-GARDNER CONSTRUCTION, LLC** (hereinafter "Principal"), as Principal, and **Travelers Casualty And Surety Company Of America** (hereinafter "Surety"), a corporation organized and existing under the laws of the State of **CT** , with its principal offices in the City of **Hartford**, holding a certificate of authority to transact surety business in Arizona issued by the Director of Department of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound unto **Pima County Regional Wastewater Reclamation Department** (hereinafter "Obligee") in the amount of **TWO MILLION SEVEN HUNDRED ONE THOUSAND FIVE HUNDRED NINETY SEVEN AND 76/100--Dollars ($2,701,597.76)**, for the payment whereof, Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the **19th** day of **June**, **2018**, to construct and complete certain work described as

Design-Build Services for: Twin Peaks-Blue Bonnet Road Gravity Sewer
Contract No. CT-WW-18-401; Project No. 3TPBBS

which contract is hereby referred and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if it were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this **6th** day of **August** , **2018**.

ACHEN-GARDNER CONSTRUCTION, LLC
PRINCIPAL SEAL

BY ____________________

Title: John Walstrom / President

Travelers Casualty And Surety Company Of America
SURETY SEAL

BY ____________________
Stephanie L. Bucholz (Attorney-in-Fact)

CBI Bonding, Inc.
Agency of Record
535 E. McKellips Road, Suite 129, Mesa, AZ 85203
Agency Address

TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Stephanie L. Bucholz** of **Mesa Arizona**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd** day of **February, 2017.**

State of Connecticut

City of Hartford ss.

By: ______________________
Robert L. Raney, Senior Vice President

On this the **3rd** day of **February, 2017**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2021**

Marie C Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **6th** day of **August**, **2018**

____
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.