APPENDIX B

CONSTRUCTION/INDEMNIFICATION AND INSURANCE SPECIFICATIONS FOR KAHLE DRIVE COMPLETE STREET PROJECT, STATELINE, DOUGLAS COUNTY, NEVADA

INTRODUCTION

NTCD has established specific indemnification, insurance, and safety requirements for public works construction contracts to help assure that reasonable insurance coverage is purchased and safe working conditions are maintained. Indemnification and hold harmless clauses are intended to assure that CONTRACTOR accepts and is able to pay for the loss or liability related to its activities.

BIDDERS' ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW. IT IS HIGHLY RECOMMENDED THAT BIDDERS CONFER WITH THEIR RESPECTIVE INSURANCE CARRIERS OR BROKERS TO DETERMINE IN ADVANCE OF BID SUBMISSION THE AVAILABILITY OF INSURANCE CERTIFICATES AND ENDORSEMENTS AS PRESCRIBED AND PROVIDED HEREIN. IF ANY APPARENT LOW BIDDER FAILS TO COMPLY STRICTLY WITH THE INSURANCE REQUIREMENTS, THAT BIDDER MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

INDEMNIFICATION AGREEMENT

CONTRACTOR agrees to hold harmless, indemnify, and defend NTCD, its officers, agents, employees, and volunteers from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action, or cause of action based on bodily injury including death or property damage, including damage to CONTRACTOR’S property or injury to CONTRACTOR'S employee, caused by any action, either direct or passive, the omission, failure to act, or negligence on the part of CONTRACTOR, its employees, agents, representatives, or Subcontractors arising out of the performance of work under this Agreement by CONTRACTOR, or by others under the direction or supervision of CONTRACTOR.

CONTRACTOR must either defend NTCD or, upon determination that the work performed by CONTRACTOR was negligent in any manner or that CONTRACTOR failed to perform any duty set forth in this Agreement, pay NTCD'S costs related to the investigation and defense of any claim, demand, action, or cause of action.

If NTCD's personnel are involved in defending such actions, CONTRACTOR shall reimburse NTCD for the time spent by such personnel at the actual cost incurred by NTCD for such services.

In determining the nature of the claim against NTCD, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against NTCD.

GENERAL REQUIREMENTS

CONTRACTOR shall purchase Industrial Insurance, General Liability, Automobile Liability, Property Insurance and Professional Insurance as described below. The cost of such insurance shall be included in the CONTRACTOR'S bid.

INDUSTRIAL INSURANCE

It is understood and agreed that there shall be no Industrial Insurance coverage provided for CONTRACTOR or any Subcontractor by NTCD. CONTRACTOR agrees, as a precondition to the performance of any work under

this Agreement and as a precondition to any obligation of the NTCD to make any payment under this Agreement to provide NTCD with a certificate issued by an insurer in accordance with NRS 616B.627 and with certificates of an insurer showing coverage pursuant to NRS 617.210 for CONTRACTOR and all subcontractors.

If CONTRACTOR or Subcontractor is unlicensed and is a sole proprietor, coverage for the sole proprietor must be purchased and evidence of coverage must appear on the Certificate of Insurance. Such requirement may be waived for a sole proprietor who does not use the services of any employees, subcontractors, or independent contractors and completes an Affirmation of Compliance pursuant to NRS 616B.627(2).

It is further understood and agreed by and between NTCD and CONTRACTOR that CONTRACTOR shall procure, pay for, and maintain the above mentioned industrial insurance coverage at CONTRACTOR'S sole cost and expense.

Should CONTRACTOR be self-funded for Industrial Insurance, CONTRACTOR shall so notify NTCD in writing prior to the signing of this Agreement. NTCD reserves the right to approve said retentions, and may request additional documentation, financial or otherwise, for review prior to the signing of this Agreement.

MINIMUM LIMITS OF INSURANCE

CONTRACTOR shall maintain limits no less than:

1. General Liability: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be increased to equal twice the required occurrence limit or revised to apply separately to each project or location.

2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage covering “Any Auto”. No aggregate limits may apply.

3. Professional Errors and Omissions as required by Risk Manager, $0.

The General Contractor shall provide, at its sole cost and expense, maintaining during the entire term of this Agreement, a policy of commercial general liability insurance naming DOUGLAS COUNTY and NEVADA TAHOE CONSERVATION DISTRICT as an additional insured covering the premises (including the land, equipment, controls and other facilities) insuring against the risks of death, bodily injury, property damage and personal injury liability arising out of or in connection with the use of the roads on the Premises, including roads used for traffic diversion purposes in connection with the Project, for the purposes authorized by this Agreement. Such insurance shall provide not less than the following limits: One Million Dollars ($1,000,000.00) with respect to bodily injury or death to any one person; Two Million Dollars ($2,000,000.00) with respect to bodily injury or death arising out of any one (1) occurrence; and One Million Dollars ($1,000,000.00) with respect to property damage or other loss arising out of any one (1) occurrence. The insurance required under this Agreement shall (a) be issued by insurance companies authorized to do business in the State of Nevada, with classification of at least A and a financial rating of XI or better as rated in the most current issue of "Best's Key Rating Guide," and (b) contain an endorsement requiring thirty (30) days' written notice from the insurance company to all additional insureds before cancellation or change in the coverage, scope, or amount of the policy.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the NTCD. NTCD reserves the right to request additional documentation, financial or otherwise, prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retentions made during the term of this Agreement or during the term of any policy, must be approved by the NTCD prior to the change taking effect.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

   a. NTCD, its officers, agents, employees, and volunteers are to be included as insureds as respects damages and defense arising from: activities performed by or on behalf of CONTRACTOR, including the insured's general supervision of CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, occupied, or used by CONTRACTOR; or automobiles owned, leased, hired, or borrowed by the CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds nor shall the rights of the additional insureds be affected by the insured's duties after an accident or loss.

   b. CONTRACTOR'S insurance coverage shall be primary insurance as respects NTCD, its officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by NTCD, its officers, employees, or volunteers shall be excess of CONTRACTOR'S insurance and shall not contribute with it in any way.

   c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to NTCD, its officers, agents, employees, or volunteers.

   d. CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

   e. CONTRACTOR'S insurance shall issue a Waiver of Subrogation endorsement.

2. Property Coverages

   CONTRACTOR shall provide builders risk insurance on an "All Risk" basis on a policy form satisfactory to NTCD. The limit of coverage will be the amount necessary to cover the bid value of any structures in the Contract or other value determined by NTCD. CONTRACTOR shall provide boiler and machinery insurance coverage or other forms of property insurance as appropriate for the project. If the project is in a flood plain, NTCD reserves the right to require flood coverage at CONTRACTOR'S expense. Losses paid under any property insurance policy or policies shall be paid directly to NTCD by the insurer(s).

3. All Coverages

   Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, or non-renewed by either CONTRACTOR or by the insurer, reduced in

coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to NTCD except for nonpayment of premium.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII. NTCD, with the approval of the Risk Manager, may accept coverage with carriers having lower Best's ratings upon review of financial information concerning CONTRACTOR and insurance carrier. NTCD reserves the right to require that CONTRACTOR'S insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

VERIFICATION OF COVERAGE

CONTRACTOR shall furnish NTCD with certificates of insurance and with original endorsements affecting coverage required by this exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. ***All certificates and endorsements are to be addressed to the NTCD and be received and approved by NTCD before work commences.*** NTCD reserves the right to require complete certified copies of all required insurance policies at any time.

SUBCONTRACTORS

CONTRACTOR shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

MISCELLANEOUS CONDITIONS

1. CONTRACTOR shall be responsible for and remedy all damage or loss to any property, including property of NTCD, caused in whole or in part by CONTRACTOR, any Subcontractor, or anyone employed, directed, or supervised by CONTRACTOR.

2. Nothing herein contained shall be construed as limiting in any way the extent to which CONTRACTOR may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any Subcontractors under it.

3. In addition to any other remedies NTCD may have if CONTRACTOR fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, NTCD may, at its sole option:

    a. Purchase such insurance to cover any risk for which NTCD may be liable through the operations of CONTRACTOR under this Agreement and deduct or retain the amount of the premiums for such insurance from any sums due under the Agreement;

    b. Order CONTRACTOR to stop work under this Agreement and/or withhold any payments which become due CONTRACTOR here under until CONTRACTOR demonstrates compliance with the requirements hereof; or,

    c. Terminate the Agreement.

SAFETY PROGRAM

CONTRACTOR shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work.

CONTRACTOR shall take all necessary precautions for the safety of, and shall provide all necessary protection to prevent damage, injury, or loss to:

1. All employees on the work site and all other persons who may be affected thereby.

2. All the work, materials, and equipment to be incorporated therein, whether in storage on or off the site.

3. Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

CONTRACTOR shall comply with all applicable laws, ordinances, rules, regulations, and others of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury, or loss. He shall erect and maintain, as required by existing conditions and progress on the work, all necessary safeguards for safety and protection, including posting danger signs, other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent utilities. CONTRACTOR shall comply with OSHA'S Hazard Communication Standards.
CONTRACTOR shall designate a responsible member of its organization at the site whose duty shall be the prevention of accidents. This person shall be CONTRACTOR'S superintendent unless otherwise designated in writing by CONTRACTOR to the Owner and the Engineer.