

AIA Document A101[®] – 2017 Exhibit A

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Contractor, dated the 28th day of June in the year 2021
(In words, indicate day, month and year.)

for the following **PROJECT**:
(Name and location or address)

Webb County Sheriff's Office Building
1002 Farragut Street
Laredo, Texas 78040

THE OWNER:
(Name, legal status and address)

Webb County, Texas
1000 Houston Street
Laredo, Texas 78040

THE CONTRACTOR:
(Name, legal status and address)

AOC Calton, Ltd. d/b/a Summit Building & Design
4506 Highway 359
Laredo, Texas 78043
Telephone: 956.727.6601

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ARTICLE A.1 GENERAL

The Owner and Contractor shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201[™]-2017, General Conditions of the Contract for Construction, as amended.

ARTICLE A.2 OWNER'S INSURANCE

§ A.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article A.2. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A201[®]-2017, General Conditions of the Contract for Construction. Article 11 of A201[®]-2017 contains additional insurance provisions.

§ A.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner’s usual general liability insurance.

§ A.2.3 Required Property Insurance

§ A.2.3.1 Unless this obligation is placed on the Contractor pursuant to Section A.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder’s risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner’s property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section A.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ A.2.3.1.1

(Paragraphs deleted)

INTENTIONALLY DELETED. NOT USED

(Table deleted)

§ A.2.3.1.2

(Paragraphs deleted)

INTENTIONALLY DELETED. NOT USED

(Table deleted)

§ A.2.3.1.3 INTENTIONALLY DELETED

§ A.2.3.1.4 INTENTIONALLY DELETED

§ A.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner’s occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section 1 A3.3.2.1 have consented in writing to the replacement of coverage. The Owner and the Contractor shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ A.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner may purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2.1 or as extended by Section 2.2.2.2 of the General Conditions, property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section A.3.32, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

(NOTE: Although this paragraph has been revised to make the County’s purchase of property insurance optional, Counties are strongly advised to purchase such insurance if the County does not already have such insurance.)

§ A.2.4 INTENTIONALLY DELETED.

(Paragraph deleted)

§ A.2.4.1 INTENTIONALLY DELETED

§ A.2.4.2 INTENTIONALLY DELETED

§ A.2.4.3 INTENTIONALLY DELETED

(Paragraph deleted)

§ A.2.4.4 INTENTIONALLY DELETED

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§ A.2.4.5 INTENTIONALLY DELETED

§ A.2.4.6 INTENTIONALLY DELETED

(Paragraph deleted)

§ A.2.4.7 INTENTIONALLY DELETED

§ A.2.5 Other Optional Insurance.

The Owner may purchase and maintain the insurance selected below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

§ A.2.5.1 Cyber Security Insurance for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information. *(Indicate applicable limits of coverage or other conditions in the fill point below.)*

§ A.2.5.2 Other Insurance
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage

Limits

ARTICLE A.3 CONTRACTOR'S INSURANCE AND BONDS

§ A.3.1 General

§ A.3.1.1 Certificates of Insurance. The Contractor shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article A.3 at the following times: (1) at least five business days after execution of the Contract documents and prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section A.3.2.1 and Section A.3.3.1. The certificates will show the Owner as an additional insured on all of Contractor's insurance policies, except Contractor's workers compensation insurance. These certificates and the insurance policies required by this Article shall contain a provision that coverages afforded under the policies will not be canceled, reduced, or restricted for any reason, other than nonpayment of premium, until at least 30 days' prior written notice of such cancellation, reduction, or restriction has been given to the Owner and Contractor. An additional certificate, policy, and endorsement evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment, as required by Section 9.10.2 of the 2017 AIA A201 General Conditions as amended for this Project, and thereafter upon renewal or replacement of such coverage. Information concerning reduction or restriction of coverage on account of revised limits or claims paid under the General Aggregate, or cancellation or expiration of the insurance, shall be furnished by written notice to the Owner from the Contractor within three business days of the date Contractor knew or should have known of the cancellation, reduction, or restriction. At least 30 calendar days prior to the date of expiration of any required insurance policy, Contractor shall provide Owner written notice of the impending expiration. In addition, Contractor shall also provide copies of all policies, declarations, and endorsements for such insurance to Owner as required by Section 11.0.2 of the 2017 AIA A201 General Conditions as amended for this Project.

§ A.3.1.2 Deductibles and Self-Insured Retentions. The Contractor shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Contractor. If the insurance required by this Section A.3.1 is subject to deductibles or self-insured retentions, the Contractor shall be responsible for all loss not covered because of such deductibles or retentions. For any claim made against the Contractor's policies of insurance, the deductible shall not exceed \$2,500 for a Contract Sum (or Guaranteed Maximum Price, if the Project is a Construction Manager at Risk project), of less than \$4 million. For a Contract Sum (or Guaranteed Maximum Price, if the Project is a Construction Manager at Risk project), of \$4 million or more, the deductible shall not exceed \$5,000.

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§ A.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Contractor shall cause the commercial general liability coverage and any other insurance required by the Agreement, with the exception of Workers' Compensation insurance to be endorsed to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ A.3.2 Contractor's Required Insurance Coverage

§ A.3.2.1 The Contractor and the Contractor's subcontractors shall purchase and maintain such insurance as will protect them and the Owner from claims which may arise out of, or result from, the Contractor's operations under the Contract whether such operations be by Contractor or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, in the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. (See also the insurance requirements included in Article 11 of the 2017 AIA A201 General Conditions as amended for this Project.) The Contractor shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions. The insurance required by this Section shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, with the exception of Professional Liability, must be written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents. The limits of liability for such insurance shall be in at least the following amounts as specified below.

(NOTE: Amounts of insurance coverage have been left blank so that Counties can enter the appropriate amounts for their Projects. DO NOT LEAVE ANY BLANK UNFILLED IF THAT COVERAGE IS REQUIRED OR CHOSEN FOR THE PROJECT. If a particular coverage will not be used for the Project, delete the unused section. If the County has questions on the appropriate amounts or types of coverage, it is strongly suggested that the County contact its legal counsel and County's Risk Manager.)

§ A.3.2.2 Commercial General Liability

§ A.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than One Million Dollars (\$ 1,000,000.00) each occurrence, Two Million Dollars (\$ 2,000,000.00) general aggregate, and Two Million Dollars (\$ 2,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person, with a limit not less than Five Thousand Dollars (\$5,000.00) for medical expenses per person for bodily injury, included within the limits noted above;
- .2 personal injury and advertising injury with a limit not less than One Million Dollars (\$1,000,000.00);
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of the Work and out of completed operations, said coverage to be maintained for two years after Final Completion (to be maintained for a period of two years after Final Payment; Contractor shall continue to provide evidence of such coverage to Owner on an annual basis during this period and Owner shall be named by endorsement as an Additional Insured for such coverage) and must include Completed Operations coverage for Contractor, its sub-contractors, and Owner; and

- .5 the Contractor's contractually liability, including but not limited to indemnity obligations under Section 3.18 of the General Conditions; and
- .6 General Aggregate per Project endorsement.

§ A.3.2.2 The Contractor's Commercial General Liability policy under this Section A.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Contractor's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
- .8 Claims related to roofing, if the Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
- .10 Claims related to earth subsidence or movement, where the Work involves such hazards.
- .11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ A.3.2.3 Automobile Liability covering hired or any other vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits of not less than One Million Dollars (\$1,000,000.00) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage. Owner shall be named by endorsement as an Additional Insured for such coverage.

§ A.3.2.4 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance. In no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ A.3.2.4.1 Umbrella Excess Liability coverages shall be excess over General Liability, Automobile Liability, and Employers' Liability in at least the following amounts:

- .1 \$9,000,000.00 each occurrence
- .2 \$9,000,000.00 general aggregate

Owner shall be named by endorsement as an Additional Insured for such coverage.

§ A.3.2.5 Workers' Compensation:

- .1 State: Statutory Benefits
- .2 Employer Liability \$1,000,000.00 aggregate for bodily injury by disease over the coverage provided under §A.3.2.16

§ A.3.2.5.1 **Texas Workers' Compensation Insurance.** A copy of a certificate of insurance, a certificate of authority to self-insure issued by the Texas Department of Insurance (TDI), or a coverage agreement (DWC-81, DWC-82, DWC-83, or DWC-84), showing statutory workers' compensation insurance coverage for the Contractor's employees providing services on a Project is required for the duration of the Project.

§ A.3.2.5.1.1 Duration of the Project includes the time from the beginning of the Work on the Project until the Contractor's work on the Project has been completed and accepted by the Owner.

§ A.3.2.5.1.2 Persons providing services on the Project ("subcontractor" in Texas Labor Code Section 406.096) include all persons or entities performing all or part of the services the Contractor has undertaken to perform on the Project, regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity that furnishes persons to provide services on the Project.

§ A.3.2.5.1.3 Services include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other services related to the Project. Services do not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

§ A.3.2.5.1.4 The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code 401.011(44) for all employees of the Contractor providing services on the Project for the duration of the Project.

§ A.3.2.5.1.5 The Contractor must provide a certificate of coverage to the Owner prior to being awarded the Contract.

§ A.3.2.5.1.6 If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the Project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the Owner showing that coverage has been extended.

§ A.3.2.5.1.7 The Contractor shall obtain from each person providing services on the Project, and provide to the Owner:

- .1 A certificate of coverage, prior to that person beginning work on the Project, so the Owner will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
- .2 No later than seven days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Project.

§ A.3.2.5.1.8 The Contractor shall retain all required certificates of coverage for the duration of the Project and for one year thereafter.

§ A.3.2.5.1.10 The Contractor shall post on each Project site a notice, in the text, form, and manner prescribed by the TDI, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

§ A.3.2.5.1.11 The Contractor shall contractually require each person with whom it contracts to provide services on the Project to:

- .1 Provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code 401.011(44) for all of its employees providing services on the Project for the duration of the Project;
- .2 Provide to the Contractor, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project for the duration of the Project;

- .3 Provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Project;
- .4 Obtain from each other person with whom it contracts, and provide to the Contractor:
 - .1 A certificate of coverage, prior to the other person beginning work on the Project; and
 - .2 A new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the Project;
- .5 Retain all required certificates of coverage on file for the duration of the Project and for one year thereafter;
- .6 Notify the Owner in writing by certified mail or personal delivery, within ten days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and
- .7 Contractually require each person with whom it contracts to perform as required by items 1-6, with the certificates of coverage to be provided to the person for whom they are providing services.

§ A.3.2.5.1.12 By signing this Contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the Project will be covered by workers' compensation coverage for the duration of the Project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the TDI's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§ A.3.2.5.1.13 The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor that entitles the Owner to declare the Contract void if the Contractor does not remedy the breach within ten days after receipt of notice of breach from the Owner.

§ A.3.2.5.1.14 The coverage requirement recited above does not apply to sole proprietors, partners, and corporate officers who are excluded from coverage in an insurance policy or certificate of authority to self-insure that is delivered, issued for delivery, or renewed on or after January 1, 1996.

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§ A.3.2.6 Employers' Liability with policy limits not less than One Million Dollars (\$ 1,000,000.00) each accident bodily injury, One Million Dollars (\$ 1,000,000.00) each accident bodily injury, and Two Million Dollars (\$ 2,000,000.00) bodily injury by disease policy limit.

§ A.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks

§ A.3.2.8 If the Contractor is required to furnish professional services as part of the Work, the Contractor shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than Two Million Dollars (\$ 2,000,000.00) per claim and Four Million Dollars (\$ 4,000,000.00) in the aggregate.

§ A.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Contractor shall procure Pollution Liability insurance, with policy limits of not less than One Million Dollars (\$ 1,000,000.00) per claim and Two Million Dollars (\$ 2,000,000.00) in the aggregate.

§ A.3.2.10 Coverage under Sections A.3.2.8 and A.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than Three Million Dollars (\$3,000,000.00) per claim and Six Million Dollars (\$ 6,000,000.00) in the aggregate.

§ A.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than N/A (\$ N/A) per claim and N/A (\$ N/A) in the aggregate.

§ A.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than (\$) per occurrence and () in the aggregate.

With reference to the foregoing insurance requirements, Construction Manager shall specifically endorse applicable insurance policies as follows:

1. Webb County shall be named as an additional insured on a primary and non-contributory basis, regardless of the application of other insurance, with respect to all liability coverages, except for the professional liability and workers compensation.
2. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
3. A waiver of subrogation in favor of Webb County shall be contained in all policies.
4. All insurance policies shall be endorsed to require the insurer to immediately notify Webb County of any material change in the insurance coverage.
5. All insurance policies shall be endorsed to the effect that Webb County will receive at least sixty (60) days' notice prior to cancellation or non-renewal of the insurance.
6. The additional insured coverage in the CGL policy in favor of Webb County must apply to the ongoing operations of Construction Manager for contract costs or up to \$1,000,000 and expanded to include products/completed operation for contract costs in excess of \$1,000,000.
7. Required limits may be satisfied by any combination of primary and umbrella/excess liability insurances.
8. Construction Manager may maintain reasonable and customary deductibles, subject to approval by Webb County.
9. Insurance must be purchased from insurers that are financially acceptable to Webb County with a minimum *A.M. Best* financial rating of A-:VII.
10. Coverage for commercial general liability, professional liability, and pollution legal liability must be maintained for at least two (2) to five (5) years after the project is completed.
11. For projects in excess of \$10,000,000 in cost, a per-project aggregate limit must be included in the umbrella excess liability coverages.

§ A.3.3 Contractor's Other Insurance Coverage

§ A.3.3.1 Insurance selected and described in this Section A.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Contractor shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

(If the Contractor is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

§ A.3.3.2 The Contractor shall purchase and maintain the following types and limits of insurance in accordance with Section A.3.3.1.

(Select the types of insurance the Contractor is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

[X] § A.3.3.2.1 Builder's Risk insurance, which, if selected in this section A.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section A.2.3.1.3 and Section A.2.3.3.. The Contractor shall disclose to the Owner the amount of any deductible, and the Contractor shall be responsible for losses within the deductible. The Contractor shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:

- .1 **Builder's Risk.** Unless otherwise provided Contractor shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the state of Texas a property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis, including boiler and machinery insurance, Coverage, if not included in the base coverage, shall include coverage against the perils of fire, (with extended coverage) and physical loss or damage including, without limitation or duplication of coverage, lightning, collapse, earthquake, flood, wind storm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft, land vehicles, theft, vandalism, malicious mischief, falsework, testing and start-up, temporary buildings, debris removal including demolition occasioned by enforcement of any applicable legal requirements, and all other perils, and shall include materials stored on-site, off-site and in transit. The Contractor's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Final Completion; unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.
- .2 **Causes of Loss.** The insurance required by this Section A.3.3.2.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:
- .3 **Causes of Loss Sub-Limit.** Specific Required Coverages. The insurance required by this Section A.3.3.2.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Contractor's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:
- .4 **Coverage Sub-Limit.** Unless the parties agree otherwise, upon Substantial Completion, the Contractor shall continue the insurance required by Section A.3.3.2.1 or, if necessary, replace the insurance policy required under Section A.3.3.2.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.
- .5 **Adjustment of Loss.** The Owner, as fiduciary, shall have power to adjust and settle any loss arising out of the Work, with insurers, regardless of the purchaser of the insurance policy. The

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Contractor, upon receipt of proceeds, shall, as a fiduciary, pay all subcontractors their just shares of insurance proceeds received by the Contractor, and, by appropriate agreements, shall require subcontractors to make payment to their sub-subcontractors in similar manner. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, then replacement of damaged property shall be performed by the Contractor with the insurance proceeds upon issuance of a Notice to Proceed from the Owner.

- .6 **Occupancy or Use Prior to Substantial Completion.** The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section A.3.3.2.1 have consented in writing to the continuance of coverage. The Owner and the Contractor shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.
- .7 **Insurance for Existing Structures.** If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Contractor shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section A.3.3.2.1, notwithstanding the undertaking of the Work. The Contractor shall be responsible for all co-insurance penalties.
- .8 **Employee Theft or Dishonesty.** If this Builder's Risk policy excludes Employee Theft or Dishonesty coverage, including Third Parties, Contractor shall obtain separate coverage sufficient to protect Owner's interest and in an amount agreeable to Owner.
- .9 **Cancellation.** The insurance policies required by this Section A.3.3.2.1 shall contain a provision that coverages afforded under the policies will not be canceled for any reason, other than nonpayment of premium, or reduced or restricted due to a material change in coverage until at least 30 days' prior written notice of such cancellation or material change has been given to the Owner. Contractor shall provide Owner 30 days prior written notice of the expiration of any policy required by Section A.3.1.1.
- .10 **Construction Manager at Risk.** If Contractor is a Construction Manager at Risk, then, as specified in each Amendment, in a total amount equal to the Guaranteed Maximum Price; otherwise, in the total amount of the Contract Sum.
- .11 **Deductibles.** For any claim made against the builder's risk insurance, the deductible shall not exceed \$2,500 for a Contract Sum (or Guaranteed Maximum Price, if the Project is a Construction Manager at Risk project), of less than \$4 million. For a Contract Sum (or Guaranteed Maximum Price, if the Project is a Construction Manager at Risk project), of \$4 million or more, the deductible shall not exceed \$5,000.

[] **§ A.3.3.2.2 Railroad Protective Liability Insurance**, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for Work within fifty (50) feet of railroad property.

[] **§ A.3.3.2.3 Asbestos Abatement Liability Insurance**, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

[] **§ A.3.3.2.4 INTENTIONALLY DELETED**

[] **§ A.3.3.2.5 INTENTIONALLY DELETED**

Init.

[] **§ A.3.3.2.6 Other Insurance**
(List below any other insurance coverage to be provided by the Contractor and any applicable limits.)

Coverage	Limits
As Project Progresses County may require additional types of insurance coverages and/or limits of coverage that the County deems necessary	To be Determined

§ A.3.4 Performance Bond and Payment Bond

The Contractor shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located subject to the requirements of A201-2017, Article 11.1.2.1 , as follows:
(Specify type and penal sum of bonds.)

Type	Penal Sum (\$0.00)
Payment Bond	Payment Bond amount is SIX MILLION SEVENTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS 75/100 CENTS (\$6,078,800.75).
Performance Bond	Performance Bond amount is SIX MILLION SEVENTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS 75/100 CENTS (\$6,078,800.75)

The form of Payment and Performance Bonds shall be subject to the requirement of Texas law, current as of the date of this Agreement.

ARTICLE A.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

See A201-2017, Article 11.

OWNER:
WEBB COUNTY, TEXAS

CONTRACTOR:
AOC Calton Ltd. d/b/a Summit Building & Design

 Hon. Tano E. Tijerina
 Webb County Judge

 Name: David Acevedo
 General Manager

ATTEST:

 Hon. Margie Ramirez Ibarra
 Webb County Clerk