

AIA® Document A133™ – 2019 Exhibit B

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the 29th day of April in the year 2021

(In words, indicate day, month and year.)

for the following **PROJECT**:

(Name and location or address)

Webb County LIFE Fair Grounds
U.S. Highway 59
Laredo, Texas 78041

THE OWNER:

(Name, legal status, and address)

Webb County, Texas
1000 Houston Street
Laredo, Texas 78040

THE CONSTRUCTION MANAGER:

(Name, legal status, and address)

Leyendecker Construction of Texas, Inc.
4220 Sanders Avenue
Laredo, Texas 78041

TABLE OF ARTICLES

B.1 GENERAL

B.2 OWNER'S INSURANCE

B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

B.4 SPECIAL TERMS AND CONDITIONS

ARTICLE B.1 GENERAL

The Owner and Construction Manager 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.

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.

Init.

ARTICLE B.2 OWNER'S INSURANCE

§ B.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 B.2. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

§ B.2.2 Liability Insurance

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

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.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 B.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, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ B.2.3.1.1 INTENTIONALLY DELETED

(Indicate below the cause of loss and any applicable sub-limit.)

Cause of Loss	Sub-Limit
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§ B.2.3.1.2 INTENTIONALLY DELETED

(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit
NOT USED	NOT USED

§ B.2.3.1.3 The parties agree otherwise, upon Substantial Completion, the Owner shall replace the insurance policy required under Section B.2.3.1 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 12.2.1 or as extended by Section 12.2.2.2 of the General Conditions.

§ B.2.3.1.4 INTENTIONALLY DELETED

§ B.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 B.3.3.2.1 have consented in writing to the replacement of coverage. The Owner and the Construction Manager 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.

§ B.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 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, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

§ B.2.4

(Paragraphs deleted)

INTENTIONALLY DELETED.

§ B.2.4.1 INTENTIONALLY DELETED

§ B.2.4.2 INTENTIONALLY DELETED

§ B.2.4.3 INTENTIONALLY DELETED

§ B.2.4.4 INTENTIONALLY DELETED

§ B.2.4.5 INTENTIONALLY DELETED

§ B.2.4.6 INTENTIONALLY DELETED

§ B.2.4.7 INTENTIONALLY DELETED

§ B.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.)

§ B.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.)

§ B.2.5.2 **Other Insurance**

(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 Certificates of Insurance. The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) at least five business days after execution of the Contract Documents; (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 B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on all of Construction Manager's insurance policies, except Construction Manager'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 Construction Manager. 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 Construction Manager within three business days of the date Construction Manager 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, Construction Manager shall provide Owner written notice of the impending expiration. In addition, Construction Manager 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.

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

§ B.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager 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 Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager'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.

§ B.3.2 Construction Manager's Required Insurance Coverage

§ B.3.2.1 The Construction Manager and the Construction Manger'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 Construction Manager's operations under the Contract whether such operations be by Construction Manager 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 201 AIA A201 General Conditions of the Project). The Construction Manager 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, whether 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 Construction Manager'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. (See also the insurance requirement included in Article 11 of the 2017 AIA A201 General Conditions as amended for the Project. The limits of liability for such insurance shall be in at least the following amounts as specified below. 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 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 Construction Manager'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.

§ B.3.2.2 Commercial General Liability

§ B.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, XCU (explosion, collapse, underground)

hazards and contractual liability. Without limitation, the commercial general liability coverage must cover all operations required in the contract, and providing coverage for claims including

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .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 completed operations; and
- .5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions.

§ B.3.2.2.2 The Construction Manager's Commercial General Liability policy under this Section B.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, with a sublimit not less than Five Thousand Dollars (\$5,000) for medical expenses per person for bodily injury, included within the limits noted above.
- .2 Claims for property damage to the Construction Manager'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 INTENTIONALLY DELETED
- .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.

§ B.3.2.3 Automobile Liability covering, hired, or and other vehicles owned, and non-owned vehicles used, by the Construction Manager, 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.

§ B.3.2.4 The Construction Manager 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.

§B.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 \$ 40,000,000.00 each occurrence
- .2 \$ 40,000,000.00 general aggregate

§ B.3.2.5 Workers' Compensation at statutory limits.

§ B.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 Construction Manager's employees providing services on a Project is required for the duration of the Project.

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

§B.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 Construction Manager 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.

§B.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.

§B.3.2.5.1.4 The Construction Manager's 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 Construction Manager providing services on the Project for the duration of the Project.

§B.3.2.5.1.5 The Construction Manager must provide a certificate of coverage to the Owner prior to being awarded the Contract.

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

§B.3.2.5.1.7 The Construction Manager 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 Construction Manager, 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.

§ B.3.2.5.1.8 The Construction Manager shall retain all required certificates of coverage for the duration of the Project and for one year thereafter.

§ B.3.2.5.1.9 The Construction Manager shall notify the Owner in writing by certified mail or personal delivery, within ten days after the Construction Manager knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.

§ B.3.2.5.1.10 The Construction Manager 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.

§B.3.2.5.1.11 The Construction Manager 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 Construction Manager, 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 Construction Manager, 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 Construction Manager;
- .5 A certificate of coverage, prior to the other person beginning work on the Project;
- .6 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;
- .7 Retain all required certificates of coverage on file for the duration of the Project and for one year thereafter;

- .8 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
- .9 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.

§B.3.2.5.1.12 By signing this Contract or providing or causing to be provided a certificate of coverage, the Construction Manager is representing to the Owner that all employees of the Construction Manager 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 Construction Manager to administrative penalties, criminal penalties, civil penalties, or other civil actions.

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

§B.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.

28 TAC § 110.110

§ B.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) bodily injury by disease each employee, and Two Million Dollars (\$ 2,000,000.00) bodily injury by disease policy limit

§ B.3.2.7 INTENTIONALLY DELETED

§ B.3.2.8 INTENTIONALLY DELETED

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, 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. If Construction Manager provides Coverage for Pollution Liability Insurance, Owner shall reimburse Construction Manager the cost of such coverage as provided under § 6.1.5 of AIA A133-2019.

§ B.3.2.10 INTENTIONALLY DELETED

§ B.3.2.11 INTENTIONALLY DELETED

§ B.3.2.12 INTENTIONALLY DELETED

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.

All insurance must be written on standard ISO or equivalent forms. Certificates of insurance shall be prepared and executed by the insurance company, or its authorized agent, shall be furnished to Webb County within five (5) business days of being notified of the award of the contract, and shall contain provisions representing and warranting the following:

- Shall set forth all endorsements and insurance coverages according to requirements and instructions contained herein.

- Shall specifically set forth the notice-of-cancellation or termination provisions to Webb County.
- Copies of all required endorsements must be attached to the certificate of insurance. The certificates of insurance must be updated and resubmitted to the Webb County to show renewal coverages, as applicable, at least thirty (30) days prior to expiration of any one or more policies.

Upon request, Construction Manager shall furnish Webb County with certified copies of all insurance policies.

§ B.3.3 Construction Manager’s Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.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 Construction Manager 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:

(Paragraphs deleted)

§ B.3.3.2 The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.

(Select the types of insurance the Construction Manager 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] **§ B.3.3.2.1** Builder’s Risk Property insurance which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Construction Manager shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the Builder’s Risk 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:

(Where the Construction Manager’s obligation to provide property insurance differs from the Owner’s obligations as described under Section B.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)

- .1 **Builder’s Risk.** Unless otherwise provided Construction Manager 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 Construction Manager's property insurance coverage shall be no less than the amount of the initial Guaranteed Maximum Price, 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, Construction Manager, 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 Construction Manager'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 Construction Manager 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 Construction Manager, upon receipt of proceeds, shall, as a fiduciary, pay all subcontractors their just shares of insurance proceeds received by the Construction Manager, 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 Construction Manager 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 Construction Manager 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 Construction Manager 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, Construction Manager 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. Construction Manager shall provide Owner sixty (60) 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."

§ B.3.3.2. INTENTIONALLY DELETED

§ B.3.3.2.3 INTENTIONALLY DELETED

§ B.3.3.2.4 Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.

§ B.3.3.2.5 Property insurance on an "all-risks" completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.

§ B.3.3.2.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage

Limits

§ B.3.4 Performance Bond and Payment Bond

The Construction Manager 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

Payment Bond

Penal Sum (\$0.00)

Payment Bond Amount is the Guaranteed Maximum Price established under §A.1.1.1, Exhibit "A" to the AIA A133-2019.

Performance Bond

Performance Bond is the Guaranteed Maximum Price established under §A.1.1.1, Exhibit "A" to the AIA A133-2019.

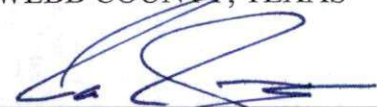
Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE B.4 SPECIAL TERMS AND CONDITIONS

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

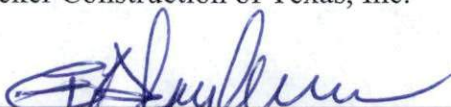
This Insurance Exhibit is entered into as of the day and year first written above.

OWNER:
WEBB COUNTY, TEXAS





Tano E. Tijerina
Webb County Judge

CONSTRUCTION MANAGER
Leyendecker Construction of Texas, Inc.



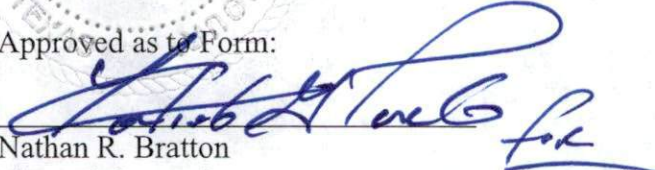
Gary Leyendecker
Corporate Officer

ATTEST:

Margie R. Ibarra
Webb County Clerk

Approved as to Form:



Nathan R. Bratton
General Counsel
Civil Legal Division*

*The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf Webb County, its client. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).