

LEGISLATIVE FILE

File ID No. 11-0783

Introduction Date 4-19-2011

Enactment No. _____

Enactment Date _____

By _____

OAKLAND UNIFIED SCHOOL DISTRICT
Office of the Board of Education
April 27, 2011

To: Board of Education

From: Tony Smith, Ed.D., Superintendent
Timothy E. White, Assistant Superintendent of Facilities Planning & Management, Buildings & Grounds and Custodial Services



Subject: **Award of Bid - Rodan Builders, Inc. - Claremont Caldecott Tunnel Air Quality Grant Project**

ACTION REQUESTED

Approval by the Board of Education of Resolution No. 1011-0159, Award of Bid and Construction Contract on behalf of the District for the Claremont Middle School Project to Rodan Builders, Inc. 859 Cowan Road, Burlingame CA 94010 in the amount of \$1,438,000.00, as the lowest responsive, responsible bidder, and rejecting all other bids if any and authorizing the President and Secretary of the Board to enter into and execute an Agreement for same with the successful bidder. The Work will be conducted in one (1) phase. Contract Duration: 100 Calendar Days, commencing April 28, 2011, and ending on August 7, 2011.

BACKGROUND

Grant for Air Quality Improvements for the 4th Bore Tunnel work.

STRATEGIC ALIGNMENT

Among the key purposes of the District's Facilities Master Plan is to provide an academic environment for the Oakland community that will give every student, educator, and community member using our facilities the best possible opportunity for learning.

Through implementation of the Facilities Master Plan, the District intends to improve the District's facilities in terms of structural integrity, safety, reliability of operating (mechanical) systems, access to modern resources, number and type of appropriate laboratories and specialized instruction rooms, opportunities for physical education, and attractiveness, such that the Oakland Public Schools are second to none. Operation of the District schools under the planned approach is intended to ensure safety, cleanliness, and orderliness for all individuals participating in the learning process.

ER: TEW: SMB

P:\CONTRACT ADMINISTRATION - RESTRICTED\CONTRACTS - WORKING FOLDER\Misc. Contracts\Rodan Builders, Inc\Claremont Caldecott Tunnel Grant\BOARD MEMO Template for MERGE--Award of Bid 5-8-08.4.doc

The basic facility needs of students such as proper lighting, functional roofs, noise control and well maintained buildings, not only convey the message that we value our students and teachers but may foster a sense of school pride and community ownership which may improve attitudes towards learning. The implementation of the Facilities Master Plan is our first step in that direction.

DISCUSSION

The scope of project will provide installation of new energy efficient HVAC units in Building A, B and C. Installation of new TPO roofing on Bldg's A, B and C.

LOCAL BUSINESS PARTICIPATION PERCENTAGE

0.00%

FISCAL IMPACT

The funding source for this project is Grant Funding.

RECOMMENDATION

Approval by the Board of Education of Resolution No. 1011-0159, Award of Bid and Construction Contract on behalf of the District for the Claremont Middle School Project to Rodan Builders, Inc. 859 Cowan Road, Burlingame CA 94010 in the amount of \$1,438,000.00, as the lowest responsive, responsible bidder, and rejecting all other bids if any and authorizing the President and Secretary of the Board to enter into and execute an Agreement for same with the successful bidder. The Work will be conducted in one (1) phase. Contract Duration: 100 Calendar Days, commencing April 28, 2011, and ending on August 7, 2011.

Key code: 20190033892-6271

**RESOLUTION OF THE
BOARD OF EDUCATION
OAKLAND UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1011-0159

**AWARD OF BID AND CONTRACT FOR CONSTRUCTION SERVICES FOR THE
CLAREMONT CALDECOTT TUNNEL AIR QUALITY GRANT PROJECT**

WHEREAS the **DISTRICT** has heretofore requested bids provide installation of new energy efficient HVAC for the Claremont Middle School, for the Oakland Unified School District of Alameda County, California; and;

WHEREAS three (3) bids were provided via Division of Facilities Planning and Management in response to the said request as follows:

Contractor:	Location	Bid Amount
Rodan Builders	Burlingame, CA	\$1,438,000.00
Monterey Mechanical	San Leandro, CA	\$1,497,000.00
Bell Products, Inc.	Oakland, CA	\$1,543,000.00

and,

WHEREAS the responsive bidder has either met the goals for the participation of minority, women and disabled veteran businesses or documented a "good-faith" effort to do so as required by the District Policy for such participation;

**RESOLUTION OF THE
BOARD OF EDUCATION
OAKLAND UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1011-0159

**AWARD OF BID AND CONTRACT FOR CONSTRUCTION SERVICES FOR THE
CLAREMONT CALDECOTT TUNNEL AIR QUALITY GRANT PROJECT**

Page 2

NOW, THEREFORE, BE IT RESOLVED, that the bid of the lowest responsive, responsible bidder, **RODAN BUILDERS, INC.** , for the performance of the bid work, in the amount of **one million, four hundred thirty-eight thousand dollars and no cents (\$1,438,000.00)** be and is hereby accepted; all other bids are rejected, if any; and

BE IT FURTHER RESOLVED that the President and Secretary of this Board be and they are hereby authorized to enter into a contract, subject to form and content approval by the General Counsel, with **Rodan Builders, Inc.** for the performance of bid work.

Passed by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

I hereby certify that the foregoing is a full, true and correct copy of a Resolution adopted, at a Regular Meeting of the Governing Board of the Oakland Unified School District held on April 27, 2011.

Edgar Rakestraw, Jr.
Secretary, Board of Education

AGREEMENT

THIS AGREEMENT is made as of the 21st day of March, 2011 by and between District and RODAN BUILDERS, INC., whose place of business is at 859 Cowan Road, Burlingame, CA 94010 hereinafter called "Contractor", and the Oakland Unified School District, hereinafter referred to as "OUSD", acting under and by virtue of the authority vested in OUSD by the laws of the State of California.

WHEREAS, OUSD, by its Resolution No. 1011-0159 to be adopted on the 27th day of April, 2011 (a copy of which is attached and made a part of this Agreement), awarded to Contractor the following contract:

Claremont Caldecott Tunnel Air Quality Grant
At
CLAREMONT MIDDLE SCHOOL
5750 College Avenue
Oakland, CA 94618

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and OUSD agree as follows:

Article I. Work

- 1.1 Contractor shall complete all Work specified in the Contract Documents, in strict accord with the plans and specifications, in accordance with the terms and conditions of the Contract Documents.

Article II. Architect/Engineer

- 2.1 The Project has been designed by and specifications furnished by Colland Jang, who shall have the rights assigned to Architect/Engineer ("A/E") in the Contract Documents.
- 2.2 OUSD will designate a Project Manager to assume all duties and responsibilities and have the rights and authorities assigned to the Project Manager in the Contract Documents in connection with completion of Work in accordance with Contract Documents.

Article III. Contract Time

- 3.1 The Work will be completed as follows:
The Work will be conducted in one (1) phase. Contract Duration: 100 days, commencing April 28, 2011, and ending on August 7, 2011.
- 3.2 Liquidated Damages.

Consistent with Article 9, Section 9.08 of Document 00700 General Conditions, Contractor and OUSD agree that if Contractor fails to achieve completion of the Work within the time specified in paragraph 3.1, then, as liquidated damages for delay, Contractor shall pay \$1,000.00 for each day that expires after the time specified in Paragraph 3.1 hereof until Work is completed.

Article IV. Contract Sum

- 4.1 OUSD shall pay Contractor the Contract Sum for completion of Work in accordance with Contract Documents. The Contract Sum is \$(1,438,000.00) one million, four hundred thirty-eight thousand dollars and no cents.

Article V. Contract Documents

- 5.1 The Contract Documents which comprise the entire agreement between OUSD and Contractor concerning the Work consist of the following: Claremont Caldecott Tunnel Air Quality Grant.

Article VI. Miscellaneous

- 6.1 Terms used in this Agreement are defined in Document 00700 General Conditions, Article 1, Section 1.03, paragraphs A.1 through A.50 and will have the meaning indicated therein.
- 6.2 It is understood and agreed that in no instance is any party signing this Agreement for or on behalf of OUSD or acting as an employee or representative of OUSD Authority, liable on this Contract, or upon any warranty of authority, or otherwise.
- 6.3 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time OUSD tenders final payment to the Contractor, without further acknowledgment by the parties.
- 6.4 Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed part of the Contract Manual and are on file at OUSD office, and shall be made available to any interested party on request.
- 6.5 Contractor and each of Contractor's subcontractors agrees to complete and verify construction reports on a form prescribed by the Division of the State Architect and to file the reports on the first day of February, May, August and November during the preceding quarter year; at the completion of Contractor's and each of Contractor's subcontractors' contracts; at the completion of the Work; at the suspension of work for a period of more than one month; whenever the services of Contractor or any of Contractor's subcontractors are terminated for any reason; and at any time a special verified report is required by the Division of the State Architect.
- 6.6 All terms and conditions required by law are deemed part of the Contract Documents.
- 6.7 This agreement shall be deemed to have been entered into in the County of Alameda, and governed in all respects by California law.

IN WITNESS WHEREOF, Contractor has executed this Agreement, and the District, by its Board of Directors, who is authorized to do so, has executed this agreement.

CONTRACTOR:

By: 
Dan Oliver
Title: Secretary / C.F.O.

Dated: March 24, 2011

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Gary Yee, President, Board of Education

Dated: _____

By: _____
Edgar Rakestraw, Jr., District Secretary

Dated: _____

By: 
Timothy E. White, Assistant Superintendent
Division of Facilities, Planning and Management

Dated: _____

Approved as to form:


Cate Boskoff, Facilities Counsel

Dated: 3-29-11

Attachments: COPY OF RESOLUTION NO. 1011-0159 to be Adopted April 27, 2011

Contractor: Rodan Builders, Inc.
School: Claremont Middle School
Funding: Grant Funding

END OF DOCUMENT



Bond No.: 411626
Premium: Included in Performance Bond

Section 00430

**OAKLAND UNIFIED SCHOOL DISTRICT
CONTRACTOR'S PAYMENT BOND**

KNOW ALL MEN BY THESE PRESENT: That

WHEREAS, Rodan Builders, Inc.
859 Cowan Rd., 2nd Floor, Burlingame, CA 94010

(Insert name and address of contractor)

as contractor and principal, has this day entered into a contract with the Oakland Unified School District of Alameda County, State of California, to perform all the work and furnish all the labor, materials, mechanical workmanship, transportation and services in accordance with the plans(s) and specifications therefore required in the performance thereof, as is more fully set forth in said contract, which said contract is hereunto annexed and made a part hereof is entitled :

Claremont MS HVAC Replacement, Project No.: 07114

(Insert contract title, including project name and number)

and

WHEREAS, the Oakland Unified School District, in accordance with California Civil Code sections 3247 and 3248, requires public works contractors to file with the body by whom such contract was awarded a good and sufficient bond to secure payment to and the claims of 1) any persons named in Section 3181 of the California Civil Code; 2) amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract; or 3) for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to the work and labor performed under said public works contract. Section 3248 further requires that the surety (ies) on said bond securing said claim and payment will pay for the payments, claims and obligations described herein and in case suit is brought upon the bond, said surety (ies) shall pay a reasonable attorney's fee, to be fixed by the court.

WITNESSETH: That the contractor and principal named herein above, and
RLI Insurance Company

505 14th St., #1100, Oakland, CA 94612

(Insert name and address of surety)

Oakland Unified School District
Claremont Middle School
HVAC Replacement
Project No. 07114
01/05/2011

Section 00430
Contractor's Bond
Version 3/15/2005

as surety, are held and firmly bond unto all materialmen and persons named in California Civil Code section 3181, and others having claims to which reference is made herein

above, who may furnish materials, provisions, or other supplies, teams, implements, or machinery to the said contractor, for the said work contracted to be done, and all persons who may perform work and labor of any kind or nature upon the same and their assigns and unto the State of California acting by and through the California Employment Stabilization Commission for the amounts due under the Unemployment Insurance Act with respect to such work or labor, in the sum of

One Million Four Hundred Thirty-Eight Thousand and 00/100

Dollars(\$ 1,438,000.00).

(Insert bond amount, which must be 100% of the total contract amount)

lawful money of the United States of America, being not less than the total amount payable by the terms of said contract, for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, as witnessed by these present;

In accordance with California Civil Code sections 3247 and 3248, the condition of the above obligation is such that if the contractor in said contract named and referenced herein, or subcontractors of said contractor, shall fail to pay: 1) any persons named in Section 3181 of the California Civil Code; 2) amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract; or 3) for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to the work and labor performed under said public works contract and for any materials, provisions, provender or other supplies, or teams, implements or machinery used in, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, the said surety will pay for the same in an amount not to exceed the sum hereinbefore specified, and also in case suit is brought upon such bond, a reasonable attorney's fee to be fixed by the Court in connection with said claim or claims, otherwise, this bond shall be null and void.

No alteration of any provision of said contract or in said plans or specifications agreed to between the said contractor and the Oakland Unified School District, as may be made by its authorized representative(s) shall operate to relieve any surety or sureties from liability on this bond, and consent to make such alterations is hereby given, and the said surety and sureties hereby waives the provisions of California Civil Code Section 2819.

This bond is hereby sealed with our seals and dated this

22nd

day of

March

2011 by us as

surety or sureties.

Oakland Unified School District
Claremont Middle School
HVAC Replacement
Project No. 07114
01/05/2011

Section 00430
Contractor's Bond
Version 3/15/2005

(PLEASE NOTE THAT THE ORIGINAL AND A DUPLICATE BOND MUST BE SIGNED BY THE SURETY OR SURETIES AND THE PRINCIPAL AND EACH SIGNATURE MUST BE NOTARIZED BY A LICENSED CALIFORNIA NOTARY,

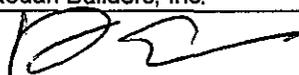
AND ACCOMPANIED BY A CALIFORNIA NOTARY'S ACKNOWLEDGEMENT FORM AND NOTORIAL SEAL.)

SIGNATURE OF CONTRACTOR AND PRINCIPAL

I the undersigned certify, under penalty of perjury under the laws of the State of California, that I am a duly authorized signatory of the Contractor.

Rodan Builders, Inc.

By:



Dan Oliver, CFO

(Seal)

SIGNATURE OF SURETY

I the undersigned certify, under penalty of perjury under the laws of the State of California, that I am a duly authorized signatory of the Surety.

Name of Surety:

RLI Insurance Company

Address of Surety:

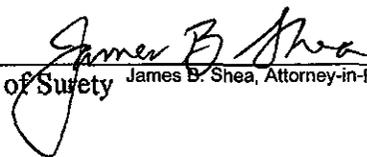
505 14th St., #1100

Oakland, CA 94612

(City)

(State)

By:



Signature of Surety James B. Shea, Attorney-in-Fact Seal

(PLEASE NOTE THAT A BOND EXECUTED BY A CORPORATE SURETY MUST BE ACCOMPANIED BY A VALID POWER-OF ATTORNEY IDENTIFYING THE AUTHORIZED SIGNATORY(IES) FOR THE SURETY.)

The forgoing bond has been accepted and approved by the Oakland Unified School District in an open meeting of the Board of Education this _____ day of _____, 20__.

By: _____
Secretary of the Board of Education of the Oakland Unified School District,
County of Alameda, State of California

THIS SIGNATURE PAGE IS TO BE USED ONLY IN CASE OF MULTIPLE SURETIES

SIGNATURE OF SURETY

I the undersigned certify, under penalty of perjury under the laws of the State of California, that I am a duly authorized signatory of the Surety.

Name of Surety:

Address of Surety:

(City) _____ (State) _____

By: _____

By: _____
Signature of Surety Seal

Dated: _____
(PLEASE NOTE THAT A BOND EXECUTED BY A CORPORATE SURETY MUST BE ACCOMPANIED BY A VALID POWER-OF ATTORNEY IDENTIFYING THE AUTHORIZED SIGNATORY(IES) FOR THE SURETY.)

The forgoing bond has been accepted and approved by the Oakland Unified School District in an open meeting of the Board of Education this _____ day of _____, 20____.

By: _____
Secretary of the Board of Education of the Oakland Unified School District,
County of Alameda, State of California

(PLEASE NOTE THAT THE ORIGINAL AND A DUPLICATE BOND MUST BE SIGNED BY THE SURETY OR SURETIES AND THE PRINCIPAL AND EACH SIGNATURE MUST BE NOTARIZED BY A LICENSED CALIFORNIA NOTARY, AND ACCOMPANIED BY A CALIFORNIA NOTARY'S ACKNOWLEDGEMENT FORM AND NOTORIAL SEAL.)

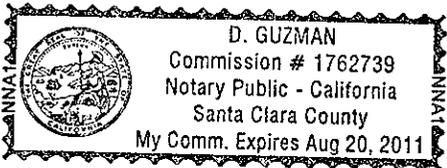
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California }
County of Santa Clara }

On March 22, 2011 before me, D. Guzman, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared James B. Shea, Attorney-in-Fact
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(\$) whose name(\$) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(\$) on the instrument the person(\$), or the entity upon behalf of which the person(\$) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Individual

Partner — Limited General Partner — Limited General

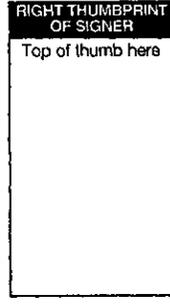
Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____





RLI Surety
P.O. Box 3967 | Peoria, IL 61612-3967
Phone: (800)645-2402 | Fax: (309)689-2036
www.rlicorp.com

POWER OF ATTORNEY RLI Insurance Company

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:
James B. Shea, Jeffrey N. Aber, D. Guzman, Dora Hockitt, jointly or severally

in the City of Campbell, State of California its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds, undertakings, and recognizances in an amount not to exceed Ten Million Dollars (\$10,000,000) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 16th day of December, 2008.

State of Illinois }
County of Peoria } SS



RLI Insurance Company

By: [Signature]
Roy C. Die Vice President

CERTIFICATE

On this 16th day of December, 2008, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this 22nd day of March, 2011.

By: [Signature]
Jacqueline M. Bockler Notary Public

RLI Insurance Company

By: [Signature]
Roy C. Die Vice President



Local Contact for Surety

Surety Company

Current Surety

Firms Name: RLI Surety **California License Number: 5435**
Business Address: 505 14th Street Suite 1100
Oakland, CA 94612
Business Phone: (510) 891-0118 Ext. 1942
Business Fax: (510) 891-0128
Contact Name: Lloyd Cavalieri
Best Rating: A+11
email contact: lloyd.cavalier@rlicorp.com

Bonding Agent:

Business Address: Leavitt Pacific Insurance Brokers, Inc.
695 Campbell Technology Pkwy. Suite 250
Campbell, CA 95008
Business Phone: (408) 626-6100
Business Fax: (408) 558-1600
Contact Name: Jim Shea
email contact: jim@lpib.com

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of San Mateo }

On March 25, 2011 before me, MaryAnn Worman, Notary Public
Date Here Insert Name and Title of the Officer

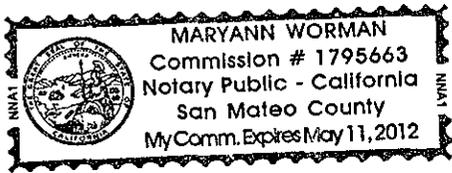
personally appeared Dan Oliver
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

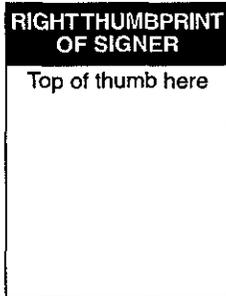
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____



Bond No.: 411626
Premium: \$13,561.00

SECTION 00420

**OAKLAND UNIFIED SCHOOL DISTRICT
FAITHFUL PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS: That we,

Rodan Builders, Inc.

as principal, and RLI Insurance Company

as surety, are held and firmly bound unto the Oakland Unified School District of Alameda County, State of California, in the sum of

One Million Four Hundred Thirty-Eight Thousand and 00/100

Dollars (\$1,438,000.00) lawful money of the United States of America for the payment of which sum well and truly to be made to said Oakland Unified School District of Alameda County, State of California, we and each of us bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this 22nd day of March
20 11.

This condition of the above obligation is such that whereas the above named bounden principal entered into a contract of even date herewith, with the said school district by the terms and conditions of which said contract said principal agreed to perform all the work and furnish all the labor, materials, mechanical workmanship, transportation and services required in the performance thereof in accordance with the plan(s) and specifications now on file in the office of the governing board thereof, as will more fully appear by reference to the said contract, which said contract is hereunto annexed and made a part hereof and is entitled

Claremont MS HVAC Replacement, Project No.: 07114

(Title of Contract, Including Project Name and Number.)

NOW, THEREFORE, if the above named bounden principal shall well and truly carry out, execute and perform all things to be carried out, executed and performed by said principal according to the terms and conditions of said contract, then this obligation shall become null and void; otherwise to remain in full force and effect.

No alteration of any provision of said contract or in said plan(s) or specifications agreed to between the said contractor and the said first party shall operate to relieve any surety or sureties from liability on this bond, and consent to make such alterations without further notice to or consent by such surety is hereby given, and the said surety hereby waives the provisions of Section 2819 of the Civil Code of the State of California.

Oakland Unified School District
Claremont Middle School
HVAC & Roofing Replacement
Project No. 07056
10/21/10

Only the Oakland Unified School District, as the named obligee herein, is entitled to the benefits provided pursuant to this Performance Bond. By execution of this agreement, the surety agrees that if the principal is given a notice of default by the Oakland Unified School District, a copy of which is also given to the surety, and the principal fails within a seven-day period after receipt of written notice from the District to commence and continue correction of such default or neglect with diligence and promptness, the surety shall promptly investigate the principal's failure to perform under the terms and conditions of the contract and provide the District's Director of Facilities with a written notice that the surety has commenced investigation of the matter. Within a two week period following District's written notice of default from the District to the principal as required herein, the surety shall assume the principal's obligations under the contract and commence correction of the principal's default, or proceed with such remedies as the District elects, in accordance with the terms and conditions of the contract.

The obligations of this Performance Bond shall survive termination of the Agreement between the principal and the project owner (obligee).

(Original and duplicate to be signed by principal and surety; both are to be acknowledged and acknowledgment slip and notarial seal to be attached)

Rodan Builders, Inc.

By 

Dan Oliver, CFO

(Seal)

PRINCIPAL

RLI Insurance Company

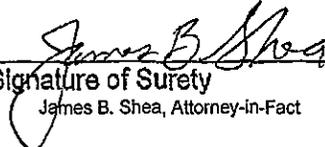
Name of Surety

505 14th St., #1100

Street Address of Surety

Oakland, CA 94612

City State

By 

Signature of Surety (Seal)
James B. Shea, Attorney-in-Fact

The foregoing bond has been accepted and approved by the Oakland Unified School District in an open meeting of the Board of Education this _____ day of _____ 20____.

By

Secretary of the Board of Education of the City of Oakland and of the Oakland Unified School District of Alameda County, State of California

(PLEASE NOTE THAT THE ORIGINAL AND A DUPLICATE BOND MUST BE SIGNED BY THE SURETY OR SURETIES AND THE PRINCIPAL AND EACH SIGNATURE MUST BE NOTARIZED BY A LICENSED CALIFORNIA NOTARY, AND ACCOMPANIED BY A CALIFORNIA NOTARY'S ACKNOWLEDGEMENT FORM AND NOTORIAL SEAL.)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/22/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER James E. McGovern, Inc. 1625 El Camino Real Belmont, CA 94002 www.jemins.com	CONTACT NAME:	
	PHONE (A/C, No, Ext): 650-593-8216	FAX (A/C, No): 650-594-9130
INSURED Rodan Builders, Inc 859 Cowan Road Burlingame CA 94010	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A : Travelers P & C Co. of America	
	INSURER B : Travelers P & C Co. of America	
	INSURER C : Travelers P & C Co. of America	
	INSURER D : Travelers Indemnity Co. of CT.	
INSURER E :		
INSURER F :		

COVERAGES

CERTIFICATE NUMBER: 9779504

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Separation of Interests <input checked="" type="checkbox"/> Contractual Liability GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		<input checked="" type="checkbox"/>	DTE-CO-365K999	5/17/2010	5/17/2011	EACH OCCURRENCE \$ 1,000,000. DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000. MED EXP (Any one person) \$ 5,000. PERSONAL & ADV INJURY \$ 1,000,000. GENERAL AGGREGATE \$ 2,000,000. PRODUCTS - COMP/OP AGG \$ 2,000,000. \$
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			BA365K999A	5/18/2010	5/18/2011	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000. BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
C	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			CUP365K999A	5/17/2010	5/17/2011	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$ \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		<input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A	DTE-UB-365K999A	5/18/2010	5/18/2011	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E L EACH ACCIDENT \$ 1,000,000. E L DISEASE - EA EMPLOYEE \$ 1,000,000. E L DISEASE - POLICY LIMIT \$ 1,000,000.

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

Re: Claremont Middle School HVAC Replacement-Project #07114 5750 College Avenue, Oakland, CA
 Additional Insured: Per attached

CERTIFICATE HOLDER

Oakland Unified School District
 955 High Street
 Oakland CA 94601

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Steve Suissa

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ACORD 25 (2010/05)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BLANKET ADDITIONAL INSURED (CONTRACTORS)

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. WHO IS AN INSURED – (Section II) is amended to include any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:
 - a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
 - b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.
2. The insurance provided to the additional insured by this endorsement is limited as follows:
 - a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
 - b) The insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:
 - i. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
 - ii. Supervisory, inspection, architectural or engineering activities.
 - c) The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.
3. The insurance provided to the additional insured by this endorsement is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if the "written contract requiring insurance" specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".



4. As a condition of coverage provided to the additional insured by this endorsement:
- a) The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:
 - i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
 - b) If a claim is made or "suit" is brought against the additional insured, the additional insured must:
 - i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.

The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
 - d) The additional insured must tender the defense and indemnity of any claim or "suit" to any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether the insurance provided to the additional insured by this endorsement is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured as described in paragraph 3. above.

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

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

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

Additional Insured:Oakland Unified School District and the Project Manager
Re: Claremont Middle School HVAC Replacement-Project #07114 5750 College Avenue, Oakland, CA

CG D3 46 08 05

TRAVELERS

100



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number

POLICY NUMBER ER70133311	POLICY CHANGES EFFECTIVE From 05/25/2011 To 11/25/2011	COMPANY American Zurich Insurance Company
NAMED INSURED Rodan Builders 859 Cowen Road Brulingame, CA 94010		AUTHORIZED REPRESENTATIVE USASSURE INSURANCE SERVICES OF FLORIDA, INC/ D/B/A INLINK INSURANCE SERVICES P.O. BOX 10610 JACKSONVILLE, FL 32247-0120
COVERAGE PARTS AFFECTED Builders Risk Coverage		
CHANGES		
Additional Insured: Oakland Unified School District 1620 12th Street Oakland, CA 94607		


Authorized Representative Signature

BUILDERS RISK COVERAGE SUPPLEMENTAL DECLARATIONS

Policy Number: ER70133311

Policy Type: Reporting Forms (continuous policy) OR One-Shot (non-reporting form/single structure policy)

ADDITIONAL COVERAGES (COVERAGE FORM)	LIMIT OF INSURANCE
a. Collapse	Included
b. Scaffolding, Construction Forms And Temporary Structures	\$ 20,000
Re-erection Of Scaffolding	\$ 10,000
c. Debris Removal	\$ 20,000
d. Back-Up Or Overflow Of Sewers, Drains Or Sumps	\$ 5,000
e. Fire Department Service Charge	\$ 10,000
f. Valuable Papers And Records	\$ 20,000
g. Pollutant Clean-Up And Removal	\$ 15,000
h. Ordinance Or Law – Direct Damage	
Loss To The Undamaged Portion Of The Building	Included
Demolition Cost	\$
Increased Cost Of Construction	\$
Combined Aggregate For Demolition Cost And Increased Cost Of Construction	\$
i. Preservation Of Property	Included
j. Rewards	\$ 10,000
k. Property At A Temporary Storage Location	\$ 10,000
l. Property In Transit	\$ 25,000

OPTIONAL ADDITIONAL COVERAGES (ENDORSEMENTS)

<input type="checkbox"/> Business Income (HBIS-95)	\$
Anticipated Project Completion Date	
Monthly Limit Of Indemnity	(fraction)
Deductible Period	days
Civil Authority	Included
<input type="checkbox"/> Business Income And Extra Expense (HBIS-82)	\$
Anticipated Project Completion Date	
Monthly Limit Of Indemnity	(fraction)
Deductible Period	days
Business Income	Included
Extra Expense	Included
Civil Authority	Included
<input type="checkbox"/> Development Or Subdivision Fences, Walls And Signs (HBIS-58)	\$
<input type="checkbox"/> Expediting Expense (HBIS-93)	\$
<input type="checkbox"/> Extra Expense (HBIS-92)	\$
<input type="checkbox"/> Marine Model Home Contents Coverage (<input type="checkbox"/> HBIS-52 –OR– <input type="checkbox"/> HBIS-77)	\$
<input type="checkbox"/> Soft Costs Coverage (HBIS-88)	\$
Anticipated Project Completion Date	
Deductible Period	days
Expense To Mitigate Loss	Included
Civil Authority (coverage extended for 3 additional consecutive weeks)	Included

OPTIONAL COVERAGE EXTENSION (ENDORSEMENT)

<input type="checkbox"/> Builders Risk Green Building Coverage Extension (HBIS-96)	
Aggregate Limit of Liability	\$
"LEED® Building Rating"	

Policy Number ER70133311

SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured: Rodan Builders

Effective Date: 05/25/2011

12:01 A.M., Standard Time

Agent Name: USASSURE INSURANCE SERVICES OF FLORIDA, INC/ D/B/Agent No.: A0026450

FM170001(04/10), IL1201(11/85), HBIS-91(04/09), U-GU-619-A CW(10/02), U-GU-630-C(12/07),
U-GU-767-A(01/08), CM0001(09/04), IL0017(11/98), 40471(04/09), HBIS-1(04/09), HBIS-83(04/09),
HBIS-84(04/09), IL0003(09/08), IL0102(05/05), IL0104(09/07), IL0270(09/08), U-GU-319-F(01/09)

U-GU-619-A CW (10/02)



ZURICH

THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.

**DISCLOSURE OF IMPORTANT INFORMATION
RELATING TO TERRORISM RISK INSURANCE ACT**

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

NONE

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

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the insurer retention. The insurer retention equals 20% of the insurer's prior calendar year direct earned premium associated with lines of insurance subject to TRIA. TRIA is scheduled to expire on December 31, 2014.

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Insureds Name	Policy Number	Effective Date	Endorsement Number

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies your insurance:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

A. Cap on Losses From Certified Terrorism Losses

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act (“TRIA”). The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers’ compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more “certified acts of terrorism” exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

B. Application of Other Exclusions

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.

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

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and

must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

in the event of loss or damage, the value of property will be determined as of the time of loss or damage.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



Builders Risk Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. **DEFINITIONS**.

Coverage provided by Coverage Form is also subject to all Conditions in the Common Policy Conditions and Commercial Inland Marine Conditions forms.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss described in this Coverage Form.

1. Covered Property, as used in the Coverage Form, means:

Property which has been installed, or is to be installed in any "commercial structure" or any one to four family dwelling, private garage or other structure that will be used to service the "commercial structure" or one to four family dwelling at the location which you have reported to us. This includes:

- a. Your property;
- b. Property of others for which you are legally responsible;
- c. Paving, curbing, fences and outdoor fixtures;
- d. Trees, shrubs, plants and lawns installed by you or on your behalf;
- e. Completed single family dwelling which is being used as a Model Home when reported to us as such on monthly reports with an amount shown; and
- f. Foundations of buildings and foundations of structures in the course of construction.

2. Property Not Covered

Covered Property does not include:

- a. Existing buildings or structures to which an addition, alteration, improvement, or repair is being made, unless specifically endorsed;
- b. Plans, blueprints, designs or specifications, except as provided in paragraph A.4. **Additional Coverage** of this Coverage Form;
- c. Land and water;
- d. "Existing inventory", unless specifically endorsed;
- e. Contractors tools and equipment.

3. Covered Cause Of Loss

Covered Cause of Loss means risk of direct physical loss or damage to Covered Property, except those causes of loss listed in Section B. **EXCLUSIONS**.

4. Additional Coverages

- a. **Collapse**

We will pay for direct physical loss or damage to Covered Property, caused by collapse of all or part of a building or structure insured under this Coverage Form, if the collapse is caused by one or more of the following:

- (1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riots; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; or "water damage"; but only if the causes of loss are otherwise covered in this Coverage Form;
- (2) Hidden decay;
- (3) Hidden insect or vermin damage;
- (4) Weight of people or personal property;
- (5) Weight of rain that collects on a roof;
- (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in the Coverage Form.

b. Scaffolding, Construction Forms And Temporary Structures

- (1) We will pay for direct physical loss or damage which is caused by or results from a Covered Cause of Loss, to scaffolding, construction forms and temporary structures, including fully enclosed office and fully enclosed tool trailers, but only while they are at a construction site you have reported to us. The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Scaffolding, Construction Forms And Temporary Structures.
- (2) We will also pay for the cost of re-erection of the scaffold if the loss or damage of the scaffolding is caused by or results from a Covered Cause of Loss. The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Re-erection Of Scaffolding.

No deductible applies to this Additional Coverage.

c. Debris Removal

We will pay your expenses to remove debris of Covered Property. This debris must result from a Covered Cause of Loss under this Coverage Form. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage. If the sum of the loss or damage and debris removal expenses exceeds the limit of insurance applicable to the property, we will pay an additional amount of debris removal expenses you incur in excess of the limit of insurance applicable to the property up to, but not exceeding the amount shown in the Supplemental Declarations for Debris Removal.

This Additional Coverage does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

No deductible applies to this Additional Coverage.

d. Back-Up Or Overflow Of Sewers, Drains Or Sumps

We will pay for loss or damage to Covered Property caused by water that backs up or overflows from a sewer, drain or sump from within the reported location.

The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Back-Up Or Overflow Of Sewers, Drains Or Sumps.

No deductible applies to this Additional Coverage.

e. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay for your liability for the fire department service charges which are:

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

(2) Required by local ordinance.

The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Fire Department Service Charge.

No deductible applies to this Additional Coverage.

f. Valuable Papers And Records

We will pay for direct physical loss or damage to "valuable papers and records" caused by or resulting from a Covered Cause of Loss.

The value will be based on the blank materials for reproducing the records and labor to transcribe or copy the records when there is a duplicate. When there is no duplicate, we will pay the costs to research, replace, restore or reproduce the lost information on lost or damaged "valuable papers and records".

The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Valuable Papers And Records.

No deductible applies to this Additional Coverage.

g. Pollutant Clean-Up And Removal

We will pay your expense to extract "pollutants" from land or water at locations reported to us if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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

The most we will pay under this Additional Coverage is the amount shown on the Supplemental Declarations for Pollutant Clean-Up And Removal for the sum of all expenses which are incurred as a result of all Covered Causes of Loss during each separate 12 month period from the effective date of the policy.

No deductible applies to this Additional Coverage.

h. Ordinance Or Law – Direct Damage

(1) Coverage For Loss To Undamaged Portion Of The Building Or Structure

(a) If a Covered Cause of Loss occurs to Covered Property at the construction site reported to us, we will pay for loss or damage to the undamaged portion of the property as a consequence of enforcement of any ordinance or law that:

- (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (ii) Regulates the construction or repair of property, or establishes zoning or land use requirements at the construction site; and
- (iii) Is in force at the time of loss or damage.

(b) Coverage for loss or damage to the undamaged portion of the structure is included within the applicable limit of insurance for that location at the construction site.

This only applies when the ordinance or law went into effect after the start of the construction of the structure or dwelling.

(2) Demolition Cost Coverage

(a) If a Covered Cause of Loss occurs to Covered Property at the construction site reported to us, we will pay the cost to demolish and clear the construction site of undamaged parts of the property, caused by enforcement of building, zoning or land use ordinance or law.

(b) The most we will pay for Demolition Cost is the amount of loss or damage or the amount shown in the Supplemental Declarations for Demolition Cost Coverage, whichever is less.

(3) Increased Cost Of Construction Coverage

(a) If a Covered Cause of Loss occurs to Covered Property at the construction site reported to us, we will pay for the increased cost necessary to repair or reconstruct the damaged portions of that Covered Property when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. If the Covered Property is repaired or rebuilt, it must be intended for the same occupancy as the property prior to the loss or damage, unless otherwise required by zoning land use ordinance or law.

(b) If the ordinance or law requires relocation to another site, we will pay the increased cost of construction at the new site as set forth below in paragraph (c) below.

(c) The most we will pay for Increased Cost of Construction Coverage is the amount of loss or damage or the amount shown in the Supplemental Declarations for Increased Cost Of Construction Coverage, whichever is less.

(4) The most we will pay in total for Demolition Cost Coverage and Increased Cost of Construction Coverage for loss or damage from any one occurrence is the limit shown in the Supplemental Declarations for Combined Aggregate For Demolition Cost And Increased Cost Of Construction.

(5) We will not pay under:

(a) Coverage For Loss To The Undamaged Portion Of The Building Or Structure;

(b) Demolition Cost Coverage; or

(c) Increased Cost Of Construction Coverage

for costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

(6) In the event that this policy is endorsed to provide coverage for existing buildings or structures, or the policy covers renovation, remodeling or other work being done on such buildings or structures, this Additional Coverage shall not apply to such buildings or structures.

i. Preservation Of Property

If it is necessary to move Covered Property from the location reported to us or described on the Declarations, to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

This Additional Coverage is part of, and not in addition to, the Limit of Insurance applicable to the Covered Property.

j. Rewards

At our option, we may reimburse you for rewards you pay, other than to you, your partners or officers, for information which leads to the conviction of any one or more persons responsible for loss or damage covered under this Coverage Form. We will be the sole judge as to the payment and amount of reimbursement.

The most we will pay for this Additional Coverage is the amount shown in the Supplemental Declarations for Rewards.

k. Property At A Temporary Storage Location

(1) We will pay for direct physical loss or damage caused by a Covered Cause of Loss to Covered Property while temporarily in storage at a location other than a location which you have reported to us.

(2) We will not pay under this Additional Coverage for property in storage if the property has not been specifically allocated to or otherwise identified with a covered building or structure.

(3) The most we will pay for this Additional Coverage is the amount shown in the Supplemental Declarations for Property At A Temporary Storage Location.

I. Property In Transit

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to Covered Property while in transit.

The most we will pay for this Additional Coverage is the amount shown in the Supplemental Declarations for Property In Transit.

B. EXCLUSIONS

1. We will not pay for a loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of any governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if that fire would be covered under this Coverage Form.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation contamination results in fire, we will pay for the loss or damage caused by that fire.

c. War And Military Action

(1) War, including undeclared or civil war;

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

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

d. Earth Movement

(1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

(2) Volcanic Action

Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

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

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

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

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion does not apply to Covered Property while in transit.

e. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water or their spray, all whether driven by wind or not;
- (2) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (3) Mudslide or mudflow;
- (4) Water that backs up or overflows from a sewer, drain or sump, except as provided in the **Back-Up Or Overflow Of Sewers, Drains Or Sumps** Additional Coverage;
- (5) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if water, as described in e.(1) through e.(5) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for a loss or damage caused by or resulting from any of the following:
 - a. Delay, loss of use, or loss of market. This does not include "profit" if reported in compliance with the **Reporting Provisions** Additional Condition;
 - b. Dishonest or criminal acts by you, any of your partners, employees or leased employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose.

This exclusion applies:

- (1) While acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees or leased employees; but theft by employees or leased employees is not covered.

This exclusion does not apply to Covered Property while it is entrusted to others who are carriers for hire.

- c. Unexplained or mysterious disappearance except for property in custody of a carrier for hire.
- d. Shortage of property found on taking inventory.
- e. Penalties for noncompliance with contract conditions.
- f. Collapse, except as provided in the **Collapse** Additional Coverage.
- g. (1) Wear and tear;
- (2) Any quality in the property itself that causes it to damage or destroy itself; or that causes gradual deterioration;
- (3) Insects, vermin, rodents;
- (4) Corrosion, rust, fungus, mold, mildew, rot;
- (5) Dampness, changes in or extremes of temperatures, freezing;

However, we will cover freezing loss or damage to property in the building reported to us, if you have shut off the water supply and drained the plumbing systems and appliances or made a reasonable effort to maintain heat in the building.

- (6) Settling, cracking, shrinking, or expansion of any Covered Property.

- h. Rain, snow, sleet, sand or dust if Covered Property is in the open. This does not apply to Covered Property in the custody of a carrier for hire.
 - i. Artificially generated electrical current; mechanical breakdown; rupturing or bursting caused by centrifugal force.
 - j. Testing, start-up, commissioning, examination or trial of Covered Property such as boilers, ovens, stoves, turbines, pumps, process equipment or equipment of a similar nature to prove their ability or function. This includes any form of testing making use of feedstock, including operational tests, performance tests, or other tests performed in conjunction with such testing. This exclusion does not apply to "electrical testing", "mechanical testing", "pneumatic testing" or "hydrostatic testing" used in the start-up and testing of building systems that are intended to service a building.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions which contribute in any way to a cause or event excluded in paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, or organization representing a governmental, regulatory or controlling body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenanceof all or part of any Covered Property wherever located.
 - d. The discharge, dispersal, seepage, migration, release or escape of "pollutants", except as provided under **Pollutant Clean-Up And Removal Additional Coverage**.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage to any one building or structure is the lesser of the Limit of Insurance shown in the Declarations for that one building or structure or the "total estimated completed value" that was reported to us for that one building or structure. The most we will pay for loss or damage in any one occurrence is the limit shown in the Declarations for all Covered Property at all locations.

D. DEDUCTIBLE

We will not pay for loss or damage until the amount of covered loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of the covered loss or damage which exceeds the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Inland Marine Conditions:

1. Coverage Territory

The coverage territory is United States of America (including its territories and possessions) and Canada.

2. Where Coverage Applies

This coverage applies to Covered Property while within the coverage territory while:

- a. At any construction site you have reported;
- b. Temporarily at other premises, if the property has been designated to be installed at a location you have reported to us; or

- c. In transit except imports or exports while ocean marine coverage applies.

3. When Coverage Begins And Ends

We will cover risk of loss or damage from the time when you are legally responsible for the Covered Property on or after the effective date of this policy if all other conditions are met. Coverage will end at the earliest of the following:

- a. Once your interest in the Covered Property ceases;
- b. Ninety days after initial occupancy of the Covered Property unless:
 - (1) That building is being used as a model home;
 - (2) That building is being remodeled and is a single family dwelling; or
 - (3) That building is being used as a "model home leaseback".
- c. When the Covered Property is leased to or rented to others:
 - (1) For a single family dwelling, when the building is leased or rented to others;
 - (2) For a two, three or four family dwelling, when 50% or more of the units in the structure are leased to or rented to others; or
 - (3) For a "commercial structure", when 75% or more of the square footage space is leased to or rented to others.

This does not apply to pre-leases established prior to construction.

- d. When you abandon the reported location with no intention to complete it;
- e. At the end of 12 months from the month when you first reported the location to us unless you report the location again and pay an additional premium. If the location is reported again and the additional premium is paid, coverage will end at the end of 12 months from the month when you re-reported the location to us as described in the **Reporting Provisions** Additional Condition. You have the option to report the same location a third time at the end of the second 12 month period, provided the required additional premium is paid. Coverage for this third 12 month term will end at the end of 12 months from the month you re-reported the location for a third term;

Coverage for existing buildings or structures that are being or have been remodeled:

At the end of 12 months from the month when you first reported the location to us unless you report the location again and pay an additional premium. If the location is reported again and the additional premium is paid, coverage will end at the end of 12 months from the month when you re-reported the location to us as described in the reporting provision below. There is no option to report a third year.

- f. When permanent property insurance applies; or
- g. Once the Covered Property is accepted by the owner or buyer.

4. Reporting Provisions

- a. Each month you must report to us the "total estimated completed values" of all Covered Property for each location started during the previous month. This report must be made on the form we provide.

For the purpose of these reports, a location is started when you first put any building materials (including the foundation) on the construction site.

If your policy is endorsed to provide coverage for existing structures that you are renovating or adding onto and for which you seek coverage, a location is started on the earlier of the following:

- (1) When you first put any building materials, which includes any new, altered or expanded foundation, on the site; or
 - (2) When you acquire title to the existing structure.
- b. You must pay premiums based on the "total estimated completed value" of the Covered Property using the rate we furnish. You must send your premium payment with the report for the reported locations to be

covered. We must receive your report and the accompanying premium payments at the address designated in our form by the last business day of the month in which the report is due, or the report is late.

- c. If a report is received late, coverage begins on the day the report is received, and there is no coverage for any loss or damage that occurred before that report was received. Our acceptance of a report of values and premium payment does not waive or change any part of this policy nor stop us from asserting any right we have under the terms of this policy.
- d. The premium charged is fully earned and no refund is due you when coverage ends.
- e. A dwelling being used as a Model Home must be reported and should be identified as a Model Home.
- f. You will keep accurate construction records regarding property we cover under this policy. This includes the "total estimated completed value" of the Covered Property and a record of all contracts of sale dealing with the Covered Property.
- g. If at the end of 12 months from the time you first reported a start to us, you still have that location in your inventory, you may report that location to us a second time. If at the end of the second 12 months from the time you first reported a start to us and you still have that location in your inventory, you may report that location to us a third time.

Coverage for existing buildings or structures that are being or have been remodeled:

If at the end of 12 months from the time you first reported a start to us, you still have that location in your inventory, you may report that location to us a second time. There is no option to report a third time (year).

- h. Cancellation of this policy will not affect the insurance in force on any location which you have reported to us or on any location which started before the effective date of the cancellation notice if that location is reported on the report due and premium payment is made. However, you cannot report any location currently in your inventory a second time after the effective date of cancellation.

However, coverage may be canceled on any location if notice is given in writing in accordance with the cancellation provision in the Common Policy Conditions, or state amendatory endorsements.

5. Mortgage Holders Clause

- a. The term mortgage holder includes trustees.
- b. We will pay for covered loss or damage to Covered Property to each mortgage holder shown on a Certificate of Insurance issued by the current Agent of Record.
- c. The mortgage holder has the right to receive payment for loss or damage even if the mortgage holder has started foreclosure or similar action on the Covered Property.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive payment for loss or damage to Covered Property if the mortgage holder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so;
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgage holder's rights to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. We will not notify the mortgage holder if:
 - (1) You cancel this policy, or
 - (2) Coverage ends for any reason other than if we cancel the policy.

6. Waiver Of Coinsurance

If there is loss or damage to Covered Property and the cost to repair or replace such property is less than or equal to \$25,000, we will adjust the loss or damage without regard to the **Coinsurance** Additional Condition.

7. Coinsurance

If the reported value is less than the "total estimated completed value", you will bear a portion of any loss or damage. The amount we will pay is determined by the following steps:

- a. Divide the reported value by the "total estimated completed value" of the Covered Property;
- b. Multiply the total amount of the covered loss or damage before the application of any deductible by the percentage determined in paragraph a.;
- c. Subtract the deductible from the figure determined in paragraph b.

Example No. 1

(This example assumes there is no penalty for underinsurance.)

Deductible	\$1,000
Reported Value	\$100,000
"Total Completed Estimated Value"	\$100,000
Amount of loss or damage	\$60,000

- a. Reported value divided by "total estimated completed value"
 $\$100,000/\$100,000 = 1.00$
- b. Amount of loss or damage multiplied by percentage in paragraph a.
 $\$60,000 \times 1.00 = \$60,000$
- c. Deductible amount subtracted from result of paragraph b.
 $\$60,000 - \$1,000 = \$59,000$

Example No. 2

(This example assumes there is a penalty for underinsurance)

Deductible	\$1,000
Reported Value	\$100,000
"Total estimated completed value"	\$120,000
Amount of loss or damage	\$60,000

- a. Reported value divided by "total estimated completed value"
 $\$100,000/\$120,000 = .833$

b. Amount of loss or damage multiplied by percentage in paragraph a.

$$\$60,000 \times .833 = \$49,980$$

c. Deductible amount Subtracted from result of paragraph b.

$$\$49,980 - \$1,000 = \$48,980$$

8. Liberalization Clause

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

9. Interest Of Subcontractors, Sub-Subcontractors, Suppliers

We cover the interest which your subcontractors, your sub-subcontractors and your suppliers have in the Covered Property, but only while such property is situated at a construction site you have reported to us. This condition does not impair any right of subrogation we would otherwise have.

10. Unintentional Failure To Disclose Hazards

Your failure to disclose all hazards existing as of the inception date of the policy shall not affect the coverage afforded by this policy, provided such failure to disclose all hazards is not intentional and the hazard is reported to us as soon as practicable after you learn about it.

F. DEFINITIONS

1. "Commercial structure" means any structure other than a one to four family dwelling.
2. "Electrical testing" means the testing of systems that are operated by electricity, excluding service equipment and service conductors, electrical systems greater than 600 volts nominal and electrical systems that are greater than single phase.
3. "Existing inventory" means buildings or structures in the course of construction that are more than 30% complete prior to the inception date of this policy.
4. "Hydrostatic testing" means testing through the use of water or other fluids, which are processed through the machinery or system being tested.
5. "Mechanical testing" means testing of moving parts of equipment and components, which are part of the buildings or structures insured, by operation of such equipment or components.
6. "Model home leaseback" means a dwelling purchased from the Insured and is then leased back to the Insured, by the purchaser, to be used by the Insured as a model home until the purchaser occupies the dwelling as a residence.
7. "Overhead" means those business expenses, other than materials and labor, incurred either directly or indirectly due to the construction of a dwelling or structure.
8. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. "Pneumatic testing" means testing through the use of compressed air or other gas to fill test cavities which is processed through the machinery or system being tested.
10. "Profit" means the difference between the selling price of the land and completed structure and your cost of the land and the completed structure. If you do not have a signed contract for the sale of the completed structure and land, the allowance for "profit" will not exceed 20%.
11. "Total estimated completed value" means all costs associated with the building and designing of the Covered Property including labor, "overhead" and materials and if included, "profit".
12. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages. However, "valuable papers and records" does not mean:
 - a. Money or securities;

- b. Converted data;
 - c. Programs or instructions used in your data processing operation, including the materials on which the data is recorded.
13. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.



Non-Reporting Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

BUILDERS RISK COVERAGE FORM

Section E. **ADDITIONAL CONDITIONS** is amended as follows:

1. Paragraph e. of Additional Condition 3. **When Coverage Begins And Ends** is replaced by the following:

e. Upon expiration of the policy.

2. Additional Condition 4. **Reporting Provisions** is replaced by the following:

4. Reporting Provisions

a. The premium charged is fully earned and no refund is due to you when coverage ends.

b. You will keep accurate construction records regarding property we cover under this policy. This includes the "total estimated completed value" of the property and a record of all contracts of sale dealing with the property.

3. Additional Condition 7. **Coinsurance** is replaced by the following:

7. Coinsurance

If the limit of insurance is less than the "total estimated completed value" of the property insured, you will bear a portion of any loss. The amount we will pay is determined by the following steps:

a. Divide the limit of insurance by the "total estimated completed value" of the Covered Property;

b. Multiply the total amount of the covered loss, before the application of any deductible, by the percentage determined in paragraph a.;

c. Subtract the deductible from the figure determined in paragraph b.

Example No 1.

(This example assumes there is no penalty for underinsurance.)

Deductible	\$1,000
Reported value	\$100,000
"Total Completed Estimated Value"	\$100,000
Amount of loss or damage	\$60,000

a. Limit of Insurance/Total Estimated Completed Value

$$\$100,000/\$100,000 = 1.00$$

b. Amount of loss x percentage in A

$$\$60,000 \times 1.00 = \$60,000$$

c. Deductible amount subtracted from results in B

$$\$60,000 - \$1,000 = \$59,000$$

$$\text{Total amount of loss payable} = \$59,000$$

Example No. 2

(This example assumes there is a penalty for underinsurance.)

Deductible	\$1,000
Limit of Insurance	\$100,000
"Total Completed Estimated Value"	\$120,000
Amount of loss	\$60,000

a. Limit of Insurance/Total Estimated Completed Value

$$\$100,000/\$120,000 = .833$$

b. Amount of loss x percentage in A

$$\$60,000 \times .833 = \$49,980$$

c. Deductible amount subtracted from results in B

$$\$49,980 - \$1,000 = \$48,980$$

$$\text{Total amount of loss payable} = \$48,980$$

All other terms, conditions, provisions and exclusions of the policy remain the same.



Changes In Cancellation Condition

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

BUILDERS RISK COVERAGE FORM

Paragraph 5. in the **Cancellation** Common Policy Condition is replaced by the following:

5. The premium for this coverage is fully earned and no refund is due when the policy is cancelled.

All other terms, conditions, provisions and exclusions of the policy remain the same.



Changes In Valuation Condition

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

BUILDERS RISK COVERAGE FORM

The **Valuation** General Condition in Commercial Inland Marine Conditions is replaced by the following:

Valuation

In the event of loss or damage, the value of the property will be determined as of the time of the loss or damage.

1. The value of the property will not be more than the amount necessary to replace the structure or repair the structure, whichever is less, to the same point of completion that had been achieved immediately before the loss or damage.
2. If the loss or damage involves building materials which have not been installed, the value of the property will not be more than the amount necessary to replace the materials with like kind and quality.

All other terms, conditions, provisions and exclusions of the policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

- A. In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
 1. The Limit of Insurance applicable to that building or structure; or
 2. The fair market value of the building or structure.
- B. In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
 1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
 2. The Limit of Insurance applicable to the property.
- C. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 2. The Limit of Insurance applicable to the property.
- D. An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:
- If we and you disagree on the value of the property or the amount of loss ("loss"), either may

make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

E. The **Appraisal** Condition in:

1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the **Cancellation** Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Discovery of fraud by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the **Cancellation Common Policy Condition**:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part
 Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Capital Assets Program Coverage Form (Output Policy);
 - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

- C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below:
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Capital Assets Program Coverage Form (Output Policy);

- (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

- (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.



Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

Nancy D. Mueller

President

James J. Kennedy

Corporate Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America
Customer Inquiry Center
1400 American Lane
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8am - 4pm [CT])
Email: info.source@zurichna.com



March 24, 2011

To: Oakland Unified School District
955 High Street
Oakland, CA 94601

The undersigned party confirms that it agrees to be a party to and bound by the Oakland Unified School District, Project Labor Agreement as such Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

By executing this Letter of Assent, the undersigned party subscribes to, adopts and agrees to be bound by the written terms of the legally established trust agreements specifying the detailed basis upon which contributions are to be made into, and benefits made out of, such trust funds and ratifies and accepts the trustees appointed by the parties to such trust funds.

Such obligation to be a party to and bound by this Agreement shall extend to all work covered by said Agreement undertaken by the undersigned party on the Oakland Unified School District Project. The undersigned party shall require all of its subcontractors, of whatever tier, to become similarly bound for all their work within the scope of this Agreement by signing an identical Letter of Assent.

This letter shall constitute a subscription agreement, to the extent of the terms of the letter.

CONTRACTOR/SUBCONTRACTOR: Rodan Builders, Inc.
California State License Number: 858119
Job Name and Number: Claremont MS HVAC Replacement Project #07114
Name and Signature of
Authorized Person: Dan Oliver
(Print Name)
Secretary / C.F.O.
(Title)

(Signature)
650 508 1700
(Telephone Number)
650 508 1705
(Facsimile Number)"



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
3/22/2011

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY James E. McGovern, Inc. 1625 El Camino Real Belmont, CA 94002 www.jemins.com		PHONE (A/C, No, Ext): 650-593-8216	COMPANY American Zurich Insurance Company 1400 American Lane Schaumburg IL 60196	
FAX (A/C, No): 650-594-9130	E-MAIL ADDRESS:		POLICY NUMBER ER70133311	
CODE:	SUB CODE:		EFFECTIVE DATE 5/25/2011	
AGENCY CUSTOMER ID #:		EXPIRATION DATE 11/25/2011		CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>
INSURED Rodan Builders, Inc 859 Cowan Road Burlingame CA 94010		LOAN NUMBER		THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION Claremont Middle School Project #07114 5750 College Avenue Oakland CA 94618
--

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Course of Construction/Builders Risk Excluding Earthquake and Flood	\$1,438,000	\$5,000

REMARKS (Including Special Conditions)

Additional Insured: Oakland Unified School District

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Oakland Unified School District 955 High Street Oakland CA 94601	MORTGAGEE	<input type="checkbox"/>	ADDITIONAL INSURED
	LOSS PAYEE	<input checked="" type="checkbox"/>	
LOAN #			
AUTHORIZED REPRESENTATIVE 			

ACORD 27 (2009/12)

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PROFESSIONAL SERVICES CONTRACT ROUTING FORM

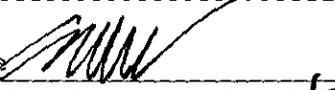
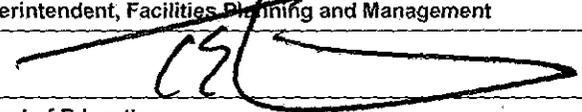
Project Information			
Project Name	Claremont Caldecott Tunnel Air Quality Grant	Site	Claremont Middle School
Basic Directions			
Services cannot be provided until the contract is fully approved and a Purchase Order has been issued.			
Attachment Checklist	<input type="checkbox"/> Proof of general liability insurance, including certificates and endorsements, if contract is over \$15,000 <input type="checkbox"/> Workers compensation insurance certification, unless vendor is a sole provider		

Contractor Information			
Contractor Name	Rodan Builders, Inc.	Agency's Contact	Dan Oliver
OUSD Vendor ID #	V057970	Title	Project Manager
Street Address	859 Cowan Road	City	Burlingame State CA Zip 94010
Telephone	650-508-1700	Policy Expires	11-25-2011
Contractor History	Previously been an OUSD contractor? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Worked as an OUSD employee? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
OUSD Project #	07114		

Term			
Date Work Will Begin	4-28-2011	Date Work Will End By (not more than 5 years from start date)	8-7-2011

Compensation			
Total Contract Amount	\$	Total Contract Not To Exceed	\$1,438,000.00
Pay Rate Per Hour (If Hourly)	\$	If Amendment, Changed Amount	\$
Other Expenses		Requisition Number	

Budget Information				
If you are planning to multi-fund a contract using LEP funds, please contact the State and Federal Office before completing requisition.				
Resource #	Resource Name	Org Key	Object Code	Amount
0000	Grant Funding	2019003892	6271	\$1,438,000.00
				\$

Approval and Routing (in order of approval steps)					
Services cannot be provided before the contract is fully approved and a Purchase Order is issued. Signing this document affirms that to your knowledge services were not provided before a PO was issued.					
	Division Head	Charles Love	Phone	510-879-8389	Fax 510-879-3673
1.	Capital Program Contract & Accounting Manager				
	Signature 	Date Approved	3-28-11		
2.	General Counsel, Department of Facilities Planning and Management				
	Signature 	Date Approved	3-29-11		
3.	Assistant Superintendent, Facilities Planning and Management				
	Signature 	Date Approved			
4.	President, Board of Education				
	Signature	Date Approved			

