

EXHIBIT 7A – LINCOLN'S INSURANCE REQUIREMENTS

Lincoln must comply with the following insurance requirements unless the County specifically approves a deviation in writing:

1. Prior to the commencement of any construction work for the Lincoln-County Project, Lincoln must procure and maintain in force the following coverages through the Operations Period and provide the County with the appropriate certificate of insurance and related documents.

1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance with limits not less than:

- 1.1.1 Each Occurrence: \$5,000,000
- 1.1.2 General Aggregate: \$5,000,000
- 1.1.3 Products/Completed Operations Aggregate: \$5,000,000
- 1.1.4 Personal and Advertising Injury: \$5,000,000

Lincoln may utilize an excess liability policy (following form coverage) to meet the required limits of insurance. Insurance deductibles greater than \$25,000 must be declared on the certificate of insurance and are subject to approval by the County.

The County and State of California must be named as an additional insured party. Additional insured endorsement ISO Form CG2010 11 85 or equivalent form must be attached to the certificate of insurance evidencing completed operations coverage in order to be valid.

The policy must contain a waiver of subrogation in favor of all additional insureds. Such waiver of subrogation must be endorsed by the contractor's general liability insurance company on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

Coverage afforded must be primary and non-contributing with any other insurance maintained by the additional insured parties and the policy must provide for severability of interests. The severability of interest clause must state: "the term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurer's liability."

1.2 Automobile Liability. A policy of automobile liability insurance having a combined single limit of at least \$1,000,000. The policy must name the County as an additional insured party. Coverage must provide for the loading and unloading of vehicles and liabilities arising out of the use of hired and/or non-owned vehicles.

1.3 Worker's Compensation. Workers compensation insurance as required by applicable state law for employees engaged in work at the job site. The policy must provide a waiver of subrogation in favor of the County. Such waiver of subrogation must be endorsed by the workers compensation insurance company. In addition, employers liability insurance must be provided in amounts not less than:

- 1.3.1 \$1,000,000 Each Accident for Bodily Injury by Accident
- 1.3.2 \$1,000,000 Policy Limit for Bodily Injury by Disease
- 1.3.3 \$1,000,000 Each Employee for Bodily Injury by Disease

1.4 Pollution Liability. Pollution/environmental liability insurance with limits of \$2,000,000 covering liability arising from the sudden and accidental release of pollution on or near the sites of the Lincoln-County Project or Regional Facilities.

2. Lincoln must provide proof of insurance to the County.

2.1 Lincoln must furnish its certificate(s) of insurance to the County prior to commencing the construction work as evidence of the required insurance coverage. Neither the failure of the County to demand, nor the failure of Lincoln to furnish such certificates will relieve Lincoln of the obligation to procure and maintain insurance coverage as required by this Agreement.

2.2 The certificate of insurance for the County will be made to:

Certificate Holder: The County of Placer
c/o Risk Management

Address: 145 Fulweiler Avenue Suite #100
Auburn CA 95603

3. Lincoln must maintain the required insurance continuously during the effectiveness of this Agreement. However, Lincoln's liabilities under this Agreement are not limited in any manner to the insurance coverage required. Insurance is to be maintained with insurers having at least an A-VII or greater policyholder's rating in accordance with the current A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to the County.

5. Lincoln is responsible to pay the insurance deductibles required by its policies. If the County directs Lincoln to pay the insurance deductible, Lincoln must do so promptly and in accordance with policy requirements. If the County provides Lincoln with funds to enable the payment of an insurance deductible, County will be entitled to offset that amount against other amounts due to Lincoln or demand such amount to be promptly refunded.

EXHIBIT 7B – CONTRACTOR INSURANCE REQUIREMENTS

Lincoln's construction, operations and maintenance contractors must comply with the following insurance requirements unless the County specifically approves a deviation in writing:

1. Prior to commencement of its work, the contractor must procure for its work and maintain in force the following coverages. The contractor may not commence work under its contract until ALL INSURANCE REQUIREMENTS are met and the City of Lincoln and Placer County have approved the appropriate certificate of insurance and related documents. The contractor must also require that all of its subcontractors of every tier procure and maintain the same insurance (other than builder's risk) for the duration of its contract with limits approved by the City of Lincoln and Placer County.

1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance with limits not less than:

1.1.1 Each Occurrence: \$10,000,000 (\$5,000,000 for operations contractors not constructing the facility and \$1,000,00 for construction contractors performing under construction contracts with a contract price less than \$15,000,000)

1.1.2 General Aggregate: \$10,000,000 (\$5,000,000 for operations contractors not constructing the facility and \$1,000,00 for construction contractors performing under construction contracts with a contract price less than \$15,000,000)

1.1.3 Products/Completed Operations Aggregate: \$10,000,000 (\$5,000,000 for operations contractors not constructing the facility and \$1,000,00 for construction contractors performing under construction contracts with a contract price less than \$15,000,000)

1.1.4 Personal and Advertising Injury: \$10,000,000 (\$5,000,000 for operations contractors not constructing the facility and \$1,000,00 for construction contractors performing under construction contracts with a contract price less than \$15,000,000)

Contractor may utilize an excess liability policy (following form coverage) to meet the required limits of insurance. Insurance deductibles greater than \$25,000 must be declared on the certificate of insurance and are subject to approval by the Parties.

The City of Lincoln, Placer County and State of California must be named as additional insured parties. Additional insured endorsement ISO Form CG2010 11 85 or equivalent form must be attached to the certificate of insurance evidencing completed operations coverage in order to be valid.

The policy must contain a waiver of subrogation in favor of all additional insureds. Such waiver of subrogation must be endorsed by the contractor's general liability insurance company on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

Coverage afforded must be primary and non-contributing with any other insurance maintained by the additional insured parties and the policy must provide for severability of interests. The severability of interest clause must state: "the term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurer's liability."

1.2 Automobile Liability. A policy of automobile liability insurance having a combined single limit of at least \$1,000,000. The contractor must name the City of Lincoln and Placer County as additional insured parties. Coverage must provide for the loading and unloading of vehicles and liabilities arising out of the use of hired and/or non-owned vehicles.

1.3 Worker's Compensation. The contractor must procure and maintain workers compensation insurance as required by applicable state law for employees engaged in work at the job site. The policy must provide a waiver of subrogation in favor of the City of Lincoln and Placer County. Such waiver of subrogation must be endorsed by the contractor's workers compensation insurance company. In addition, employers liability insurance must be provided in amounts not less than:

1.3.1 \$1,000,000 Each Accident for Bodily Injury by Accident

1.3.2 \$1,000,000 Policy Limit for Bodily Injury by Disease

1.3.3 \$1,000,000 Each Employee for Bodily Injury by Disease

1.4 Professional Liability. For any construction contractor under a design-build contract and for any construction manager providing professional services insurable under a professional liability policy, the contractor must procure and maintain a policy of professional liability insurance with limits of not less than \$2,000,000 per occurrence and \$2,000,000 in aggregate. If that contractor subcontracts in support of the contractor's professional services, professional liability insurance must be provided by the professional services subcontractor in an amount not less than \$2,000,000 in aggregate. The insurance coverage must contain language providing coverage up to one year following completion of the contract in order to provide insurance coverage for the contract's indemnity provisions if the policy is a claims-made policy.

1.5 Pollution Liability. The contractor must purchase and thereafter maintain pollution/environmental liability insurance with limits of \$2,000,000 covering liability arising from the sudden and accidental release of pollution on or near the construction site.

1.6 Builder's Risk/Course of Construction. A policy of builder's risk/course of construction insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the construction project and no coinsurance penalty provisions. The builder's risk/course of construction insurance policy must name the City of Lincoln and Placer County as loss payees.

2. The contractor must provide proof of insurance to the City of Lincoln and Placer County.

2.1 The contractor must furnish its certificate(s) of insurance to the City of Lincoln and Placer County prior to commencing work as evidence of the required insurance coverage. Neither the failure of the City of Lincoln to demand, nor the failure of the contractor to furnish such certificates will relieve the contractor of the obligation to procure and maintain insurance coverage as required by its contract.

2.2 The certificate of insurance for the County will be made to:

Certificate Holder: The County of Placer
c/o Risk Management

Address: 145 Fulweiler Avenue Suite #100
Auburn CA 95603

- 3.** The contractor must maintain the required insurance continuously during the life of its contract. However, the contractor's liabilities under its contract are not limited in any manner to the insurance coverage required. Insurance is to be placed with insurers having at least an A-VII or greater policyholder's rating in accordance with the current A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all insurers must be authorized to conduct business in the state of California.
- 4.** Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to the City of Lincoln and Placer County.
- 5.** The contractor is responsible to pay the insurance deductibles required by its policies. If the City of Lincoln or Placer County directs the contractor to pay the insurance deductible, the contractor must do so promptly and in accordance with policy requirements. If the City of Lincoln or Placer County provide the contractor funds to enable the payment of an insurance deductible, such amount will be credited as a payment against the contractor's contract price or refunded by the contractor.
- 6.** If the contractor fails to comply with these insurance requirements, the City of Lincoln will withhold any future progress payments due to the contractor until such time that the contractor is in compliance with these insurance requirements.

EXHIBIT 7C – DESIGNER INSURANCE REQUIREMENTS

Lincoln's design firms or consultants must comply with the following insurance requirements unless the County specifically approves a deviation in writing:

1. Prior to commencement of its services, the design firm or consultant must procure for its services and maintain in force the following coverages. The design firm or consultant may not commence or continue services under its contract until ALL INSURANCE REQUIREMENTS are met and the City of Lincoln and Placer County have approved the appropriate certificate of insurance and related documents. The design firm or consultant must also require that all of its subconsultants of every tier procure and maintain the same insurance for the duration of its contract with limits approved by the City of Lincoln and Placer County.

1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance with limits not less than:

- 1.1.1 Each Occurrence: \$2,000,000
- 1.1.2 General Aggregate: \$4,000,000
- 1.1.3 Products/Completed Operations Aggregate: \$2,000,000
- 1.1.4 Personal and Advertising Injury: \$2,000,000

Insurance deductibles greater than \$25,000 must be declared on the certificate of insurance and are subject to approval by the Parties.

The City of Lincoln, Placer County and State of California must be named as additional insured parties. Additional insured endorsement ISO Form CG2010 11 85 or equivalent form must be attached to the certificate of insurance evidencing completed operations coverage in order to be valid.

The policy must contain a waiver of subrogation in favor of all additional insureds. Such waiver of subrogation must be endorsed by the firm's general liability insurance company on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

Coverage afforded must be primary and non-contributing with any other insurance maintained by the additional insured parties and the policy must provide for severability of interests. The severability of interest clause must state: "the term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurer's liability."

1.2 Automobile Liability. A policy of automobile liability insurance having a combined single limit of at least \$1,000,000. The design firm or consultant must name the City of Lincoln and Placer County as additional insured parties. Coverage must provide for liabilities arising out of the use of hired and/or non-owned vehicles.

1.3 Umbrella/Excess Liability. An umbrella or excess policy covering at least the commercial general liability and automobile liability policies, written as "following form" or written on policies with coverage at least as broad as each and every one of the underlying policies,

including completed operations and contractual liability, with limits of at least \$5,000,000 per occurrence and in the aggregate.

1.4 Worker's Compensation. The design firm or consultant must procure and maintain workers compensation insurance as required by applicable state law for employees engaged in work at the job site. The policy must provide a waiver of subrogation in favor of the City of Lincoln and Placer County. Such waiver of subrogation must be endorsed by the firm's workers compensation insurance company. In addition, employers liability insurance must be provided in amounts not less than:

- 1.4.1 \$1,000,000 Each Accident for Bodily Injury by Accident
- 1.4.2 \$1,000,000 Policy Limit for Bodily Injury by Disease
- 1.4.3 \$1,000,000 Each Employee for Bodily Injury by Disease

1.5 Professional Liability. The design firm or consultant must procure and maintain a policy of professional liability insurance with limits of not less than \$3,000,000 per occurrence and \$3,000,000 in aggregate. If that design firm or consultant subcontracts in support of its professional services, professional liability insurance must be provided by the professional services subconsultant in an amount not less than \$3,000,000 in aggregate. The insurance coverage must contain language providing coverage up to one year following completion of the contract in order to provide insurance coverage for the contract's indemnity provisions if the policy is a claims-made policy.

1.6 Pollution Liability. The design firm or consultant must purchase and thereafter maintain pollution/environmental liability insurance with limits of \$3,000,000 covering liability arising from the sudden and accidental release of pollution on or near the construction site.

2. The design firm or consultant must provide proof of insurance to the City of Lincoln and Placer County.

2.1 The design firm or consultant must furnish its certificate(s) of insurance to the City of Lincoln and Placer County prior to commencing services as evidence of the required insurance coverage. Neither the failure of the City of Lincoln to demand, nor the failure of the design firm or consultant to furnish such certificates will relieve the design firm or consultant of the obligation to procure and maintain liability insurance coverage as required by its contract.

2.2 The certificate of insurance for the County will be made to:

Certificate Holder: The County of Placer
c/o Risk Management

Address: 145 Fulweiler Avenue Suite #100
Auburn CA 95603

3. The design firm or consultant must maintain the required insurance continuously during the life of its contract. However, the design firm's or consultant's liabilities under its contract are not limited in any manner to the insurance coverage required. Insurance is to be placed with insurers having at least an A-VII or greater policyholder's rating in accordance with the current

A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to the City of Lincoln and Placer County.

5. The design firm or consultant is responsible to pay the insurance deductibles required by its policies. If the City of Lincoln or Placer County directs the design firm or consultant to pay the insurance deductible, the design firm or consultant must do so promptly and in accordance with policy requirements. If the City of Lincoln or Placer County provide the design firm or consultant funds to enable the payment of an insurance deductible, such amount will be credited as a payment against amounts due to the design firm or consultant or refunded by the design firm or consultant.

6. If the design firm or consultant fails to comply with these insurance requirements, the City of Lincoln will withhold any future payments due to the design firm or consultant until such time that the design firm or consultant is in compliance with these insurance requirements.

EXHIBIT 7D – COUNTY'S INSURANCE REQUIREMENTS

For the period stated in the Agreement, County must comply with the following insurance requirements unless Lincoln specifically approves a deviation in writing:

1. County must maintain in force the following coverages and provide Lincoln with the appropriate certificate of insurance and related documents.

1.1 Commercial General Liability Insurance. County self-insures for its basic commercial general liability (CGL) coverage under a fully qualified program. County carries an excess insurance policy covering excess CGL liability, as described below.

1.2 Automobile Liability. County self-insures for its basic automobile liability coverage under a fully qualified program. County carries an excess insurance policy covering excess automobile liability, as described below. Automobile liability coverage must provide for the loading and unloading of vehicles and liabilities arising out of the use of hired and/or non-owned vehicles in connection with County's operations at the SMD 1 WWTP Site.

1.3 Worker's Compensation. County self-insures for workers compensation coverage pursuant to applicable state law, and this covers its employees engaged in work at the SMD 1 WWTP Site. County's worker's compensation coverage must provide a waiver of subrogation in favor of Lincoln. County also carries an excess insurance policy covering employer's liability excess of a \$300,000 self-insured retention, with excess limits as follows:

- 1.3.1 \$1,000,000 Each Accident for Bodily Injury by Accident
- 1.3.2 \$1,000,000 Policy Limit for Bodily Injury by Disease
- 1.3.3 \$1,000,000 Each Employee for Bodily Injury by Disease
- 1.3.4 \$2,000,000 Aggregate.

1.4 Excess Liability. County carries an excess liability policy covering the County's CGL and automobile liability, with a self-insured retention of \$1,000,000 and an excess limit of at least \$5,000,000 per occurrence and in the aggregate.

The policy must contain a waiver of subrogation in favor of Lincoln. Such waiver of subrogation must be endorsed by the insurer on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

2. County must provide proof of insurance to Lincoln. County must furnish its certificate(s) of insurance to County promptly after the effective date of this Agreement. Neither the failure of Lincoln to demand, nor the failure of County to furnish such certificates will relieve County of the obligation to procure and maintain insurance coverage as required by this Agreement.

3. County's liabilities under this Agreement are not limited in any manner to the insurance coverage required. Excess liability insurance is to be maintained with insurers having at least an A-VII or greater policyholder's rating in accordance with the current A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all excess liability insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to Lincoln.

5. County is responsible to pay the insurance deductibles required by its policies. If Lincoln directs County to pay its insurance deductible, County must do so promptly and in accordance with policy requirements. If Lincoln provides County with funds to enable the payment of an insurance deductible, Lincoln will be entitled to offset that amount against other amounts due to County or demand such amount to be promptly refunded.

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