

**CONSTRUCTION AND LICENSE AGREEMENT**

**Gary L. Arnold and Jerry M. Taylor**

THIS CONSTRUCTION AND LICENSE AGREEMENT ("Agreement") made and entered into effective the 26th day of June, 2018, by and between the **COUNTY OF IMPERIAL**, a political subdivision of the State of California ("COUNTY"), and **GARY L. ARNOLD** and **JERRY M. TAYLOR** ("OWNERS") (individually "Party," collectively, "Parties"), shall be as follows:

**RECITALS**

WHEREAS, OWNERS are the record owners of certain real property identified in Paragraph 1, hereinafter referred to as "Property;" and

WHEREAS, OWNERS desire to develop the Property to provide commercial tenants with "commercial through the fence" ("CTTF") access to the Imperial County Airport ("Airport"); and

WHEREAS, in order to provide commercial tenants with CTTF access to the Airport, it is necessary to construct an access gate and associated infrastructure on the Property and the Airport; and

WHEREAS, OWNERS are seeking a temporary license to enter onto Airport to construct, repair, and maintain an access gate and associated infrastructure; and

WHEREAS, COUNTY is desirous of granting a temporary license for said construction, repair, and maintenance.

NOW, THEREFORE, and in consideration of the covenants and conditions hereinafter contained, the Parties agree to the following:

**1. DESCRIPTION OF PROPERTY.**

1.1. The Property, which is the subject of this Agreement, is that property described as Lot 176 Sky Ranch Aviones Sub Unit No. 3, Assessor's Parcel Number 064-315-102.

1.2. A copy of a map delineating the Property is attached hereto as Exhibit "A" and incorporated herein by reference.

**2. DESCRIPTION OF AIRPORT.**

2.1. The Airport, which is the subject of this Agreement, is that property commonly referred to as the Imperial County Airport, 1099 Airport Rd., Imperial, CA 92251.

1           2.2. A copy of a map delineating the Airport is attached hereto as Exhibit "B" and  
2           incorporated herein by reference.

3       3.   GRANT OF TEMPORARY LICENSE.

4           Subject to the terms, conditions, and limitations herein, COUNTY hereby grants OWNERS a  
5           nonexclusive license to encroach upon the Airport for the sole purpose of constructing, repairing, and  
6           maintaining an access gate and associated infrastructure ("Access Gate") in order to permit CTTF  
7           access to the Airport from the Property.

8       4.   TERM.

9           4.1. This Agreement shall commence on the date first written above and shall remain in  
10          effect for a period of forty (40) years, unless otherwise terminated as provided for  
11          herein.

12          4.2. The term of this Agreement may be extended for an additional ten (10) year period,  
13          upon mutual written agreement of both Parties.

14      5.   COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

15          5.1. OWNERS agree, at their sole cost and expense, to conduct all necessary environmental  
16          studies associated with the development of their Property, and any construction on the  
17          Airport provided for herein, as may be required under the California Environmental  
18          Quality Act, Cal. Pub. Res. Code §§ 21000 et seq. ("CEQA"), and 14 CCR §§ 15000 et  
19          seq. ("CEQA Guidelines"). For the purposes of compliance with CEQA and the CEQA  
20          Guidelines, development of the Property and any construction on Airport provided for  
21          herein shall be treated as a single project ("Project").

22          5.2. Parties agree that the successful completion of any and all environmental studies as  
23          required under CEQA and the CEQA Guidelines shall be a condition precedent to the  
24          construction of the Project. Construction shall not commence until a Notice of  
25          Determination or Notice of Exemption has been properly filed by the lead agency, posted,  
26          and the statute of limitations has run.

27          5.3. Failure to abide by the provisions stated in Paragraph 5 shall be cause for immediate  
28          termination of this Agreement.

1 6. CONSTRUCTION AND RESTORATION

2 6.1. Construction.

3 6.1.1. Prior to construction, OWNERS, at their sole cost and expense, shall prepare and  
4 submit to COUNTY plans and specifications detailing the construction of the  
5 Access Gate.

6 (a) Construction of the Access Gate shall not commence until COUNTY has  
7 reviewed and approved the plans and specifications. Approval of such  
8 plans and specifications shall be at the sole discretion of COUNTY. Such  
9 approval shall not be unreasonably withheld.

10 (b) The plans and specifications shall be attached hereto as Exhibit "C" and  
11 incorporated by this reference as though fully set forth herein.

12 6.1.2. Prior to construction, OWNERS shall provide bonds, or other forms of security  
13 acceptable to the Office of County Counsel, that adequately cover the costs of  
14 construction of the Access Gate, including the cost of labor ("Construction  
15 Security"). Upon OWNERS' completion and COUNTY's acceptance of the  
16 Access Gate, and submission of evidence to COUNTY that all employees and  
17 subcontractors have been paid in full, the Construction Security shall be released.

18 6.1.3. OWNERS, at their sole cost and expense, agree to provide for the construction of  
19 the Access Gate in accordance with the plans and specifications attached hereto as  
20 Exhibit "C."

21 6.1.4. Construction of the Access Gate shall be done by a contractor mutually agreed  
22 upon by OWNERS and COUNTY.

23 6.2. Restoration.

24 6.2.1. Prior to construction, OWNERS, at their sole cost and expense, shall prepare and  
25 submit to COUNTY a Restoration Plan detailing the removal of the Access Gate  
26 and restoration of the Airport.

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1 (a) The Restoration Plan shall include a bond, or other form of security  
2 acceptable to the Office of County Counsel, that guarantees restoration of  
3 the Airport to the condition of the immediately surrounding area, in the  
4 amount of the estimated site restoration ("Restoration Security").

5 (i) The estimated cost of site restoration, and the security guaranteeing  
6 such restoration, shall be reviewed every five (5) years, and shall  
7 be adjusted to take into account increases associated with the Los  
8 Angeles Consumer Price Index and such other factors as deemed  
9 appropriate by COUNTY.

10 (ii) Upon OWNERS' completion and COUNTY's acceptance of the  
11 restoration of the Airport, the Restoration Security shall be  
12 released.

13 (b) Construction of the Access Gate shall not commence until COUNTY has  
14 reviewed and approved the Restoration Plan and accompanying security.  
15 Approval of the Restoration Plan and accompanying security shall be at  
16 the sole discretion of COUNTY. Such approval shall not be unreasonably  
17 withheld.

18 (c) A copy of the Restoration Plan and accompanying security shall be  
19 attached hereto as Exhibit "D" and incorporated by this reference as  
20 though full set forth herein.

21 6.2.2. Upon expiration of the term of this Agreement, including any extension thereof, or  
22 upon any request to remove or relocate the Access Gate made pursuant to terms of  
23 this Agreement, OWNERS, at their sole cost and expense, agree to  
24 remove/relocate the Access Gate and restore Airport in accordance with the  
25 Restoration Plan attached hereto as Exhibit "D."

26 6.2.3. Removal/relocation of the Access Gate and restoration of the Airport shall be done  
27 by a contractor mutually agreed upon by OWNERS and COUNTY.

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1 6.3. OWNERS agree to abide by the following construction/restoration conditions:

2 6.3.1. Notify County's Director of Airports, or his/her designee, forty-eight (48) hours  
3 prior to the start of any construction/restoration work;

4 6.3.2. Accept responsibility for any damages caused by the construction/removal of  
5 the Access Gate, on or off the Airport.

6 (a) Should such damage occur, OWNERS shall immediately notify  
7 COUNTY's Director of Airports in writing with respect to the nature  
8 and extent of the damage.

9 (b) OWNERS shall have five (5) business days to repair any such damage.  
10 Failure of OWNERS to repair any damage associated with the  
11 construction/removal of the Access Gate within five (5) business days  
12 shall be grounds for immediate termination of this Agreement. In  
13 addition, the cost of any remaining repairs, including the cost of labor,  
14 and any damages associated with the COUNTY's inability to make use  
15 of the Airport as a result of such damages, shall be deducted from the  
16 Construction Security or Restoration Security.

17 6.3.3. Obtain all necessary permits from all relevant governmental entities prior to any  
18 construction/restoration;

19 6.3.4. Ensure that all construction/restoration conforms to Federal Aviation  
20 Administration ("FAA") specifications and complies with all FAA rules,  
21 regulations, and policies, including the signing and striping of connecting taxiways.

22 7. REPAIR, MAINTENANCE AND REPLACEMENT.

23 7.1. OWNERS, or their successors in interest or assigns shall, at their sole cost and expense,  
24 provide for the repair and maintenance of the Access Gate at a level and in a timeframe  
25 acceptable to COUNTY. For the purposes of this section, "repair and maintenance"  
26 shall include upgrades to and replacement of the Access Gate as may be required to  
27 ensure compliance with all federal, state, and local laws, rules, regulations, and  
28 procedures.

1           7.1.1. Non-Emergency Repairs/Maintenance. Upon written notice from COUNTY to  
2           OWNERS that non-emergency repair or maintenance of the Access Gate is  
3           required, OWNERS shall have seven (7) business days to complete such  
4           repairs/maintenance.

5           7.1.2. Emergency Repairs/Maintenance. Upon written notice from COUNTY to  
6           OWNERS that emergency repair or maintenance of the Access Gate is required,  
7           OWNERS shall have twenty-four (24) hours to complete such  
8           repairs/maintenance. Emergency repairs shall be required when, in the opinion  
9           of COUNTY, there exists damage, defect, or obsolescence that substantially  
10          impedes the functionality, safety, or security of the Access Gate.

11         7.2. OWNERS shall provide bonds, or other forms of security acceptable to the Office of  
12         County Counsel, that adequately covers the cost of full replacement of the Access Gate,  
13         including the cost of labor ("Maintenance Security"). The provision of Maintenance  
14         Security by OWNERS shall be a condition precedent to COUNTY's acceptance of the  
15         Access Gate. The estimated cost of Access Gate replacement, and the security  
16         guaranteeing such restoration, shall be reviewed every five (5) years, and shall be adjusted  
17         to take into account increases associated with the Los Angeles Consumer Price Index and  
18         such other factors as deemed appropriate by COUNTY.

19         7.3. Failure of OWNERS to provide emergency and non-emergency repairs or maintenance  
20         of the Access Gate as directed by COUNTY shall be grounds for immediate  
21         termination of this Agreement. In addition, the cost of any remaining repairs or  
22         maintenance, including the cost of labor, and any damages associated with the  
23         COUNTY's inability to make use of the Airport as a result of lack of repair or  
24         maintenance, shall be deducted from the Maintenance Security.

25         7.4. Upon termination of this Agreement, the Maintenance Security shall be released, less any  
26         amount required for outstanding repairs and maintenance as provided for herein.

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1 8. PREVAILING WAGE, REGISTRATION, APPRENTICESHIP, AND OTHER  
2 REQUIREMENTS.

3 OWNERS are hereby on notice that the work to be performed under this Agreement in  
4 connection with the Access Gate is subject to the prevailing wage, registration, apprenticeship, and  
5 other provisions of the California Labor Code. OWNERS agree to abide by the following provisions:

6 8.1. Prevailing Wage. OWNERS and their subcontractors shall pay all workers employed on  
7 the work for the Access Gate the higher of either the rates determined by the Director of the  
8 Department of Industrial Relations ("DIR") or, when applicable, the Davis-Bacon Federal  
9 wage rates as supplemented by the Department of Labor regulations.

10 8.1.1. Copies of the State prevailing rate of per diem wages are on file with the Department  
11 of Industrial Relations, Division of Apprenticeship Standards, 445 Golden Gate  
12 Avenue, San Francisco, California, and at COUNTY's Department of Public Works,  
13 and are available to OWNERS and any other interested party upon request.

14 8.1.2. OWNERS shall post the prevailing rate of per diem wages at the Access Gate  
15 work site.

16 8.1.3. OWNERS are responsible for compliance with the provisions herein.

17 8.2. Mandatory Registration with the Department of Industrial Relations – NEW  
18 REQUIREMENTS PURSUANT TO SB 854.

19 8.2.1. OWNERS and their subcontractors shall register with the DIR and pay all  
20 applicable fees as set forth in Labor Code section 1725.5.

21 8.2.2. OWNERS and their subcontractors acknowledge that they shall not be listed on  
22 any bid proposal for a public works project (submitted on or after March 1,  
23 2015) unless registered with the DIR pursuant to Labor Code section 1725.5.  
24 The requirements of this section shall apply unless one of the limited exceptions  
25 provided under Labor Code Section 1771.1(a) applies.

26 8.2.3. OWNERS and their subcontractors acknowledge that they shall not be awarded  
27 any contract for public work on a public works project (awarded on or after April  
28 1, 2015) unless registered with the DIR pursuant to Labor Code section 1725.5.

1 8.2.4. The work on the Access Gate described herein may be subject to compliance  
2 monitoring and enforcement with the DIR.

3 8.2.5. For further information concerning compliance with SB 854, please visit:  
4 <http://www.dir.ca.gov/Public-Works/SB854.html>.

5 **8.3. Cognizance of Violations by County.**

6 8.3.1. OWNERS understand and agree that COUNTY shall take cognizance of  
7 violations of Chapter 1 of Part 7 of Division 2 of the California Labor Code  
8 committed in the course of the execution of this Agreement, and shall promptly  
9 report any suspected violations to the Labor Commissioner.

10 8.3.2. If applicable, OWNERS may bring an action in a court of competent jurisdiction  
11 to recover from COUNTY the difference between the wages actually paid to an  
12 employee and the wages that were required to be paid to an employee pursuant  
13 to Chapter 1 of Part 7 of Division 2 of the California Labor Code, any penalties  
14 required to be paid pursuant to Chapter 1 of Part 7 of Division 2 of the  
15 California Labor Code, and costs and attorney's fees related to the action, if  
16 either of the following is true:

- 17 (a) COUNTY previously affirmatively represented to OWNERS in writing, in  
18 the call for bids, or otherwise, that the work was not a "public work," as  
19 defined in Chapter 1 of Part 7 of Division 2 of the California Labor Code; or  
20 (b) COUNTY received actual written notice from the Department of Industrial  
21 Relations that the work is a "public work," as defined in Chapter 1 of Part 7  
22 of Division 2 of the California Labor Code, and failed to disclose that  
23 information to OWNERS before the bid opening or award.

24 **8.4. Prevailing Wage Rates and Payroll Records.**

25 8.4.1. OWNERS agree to comply with §§1775 and 1776 of the California Labor Code  
26 relating to the payment of prevailing wage and the maintenance of certified  
27 payroll records and to make the certified payroll records available for inspection  
28 at all reasonable hours at OWNERS' principal office. The responsibility for

1 compliance with these provisions is fixed with OWNERS. OWNERS  
2 understand and agree that they shall, as a penalty to COUNTY, forfeit specific  
3 monetary fines for each worker paid less than the prevailing wage rates as  
4 determined by the Labor Commissioner for the work or craft in which the  
5 worker is employed for any work done pursuant to this Agreement.

6 8.4.2. OWNERS shall be liable for penalties when a subcontractor fails to pay its workers the  
7 general prevailing rate of per diem wages and any of the following conditions are met:

- 8 (a) OWNERS had knowledge of the failure of the subcontractor to pay the  
9 specified prevailing rate of wages to those workers; or
- 10 (b) OWNERS fail to comply with the following requirement: The contract  
11 executed between OWNERS and the subcontractor for the performance  
12 of work on the Access Gate shall include a copy of the provisions of  
13 California Labor Code §§1771, 1775, 1776, 1777.5, 1813 and 1815; and
- 14 (c) OWNERS fail to comply with the following requirement: OWNERS  
15 shall monitor the payment of the specified general prevailing rate of per  
16 diem wages by the subcontractor to the employees, by periodic review of  
17 the certified payroll records of the subcontractor; and
- 18 (d) Upon becoming aware of the failure of the subcontractor to pay his or  
19 her workers the specified prevailing rate of wages, OWNERS shall  
20 diligently take corrective action to halt or rectify the failure, including,  
21 but not limited to, retaining sufficient funds due the subcontractor for  
22 work performed on the Access Gate; and
- 23 (e) Prior to making final payment to the subcontractor for work performed  
24 on the Access Gate, OWNERS shall obtain an affidavit signed under  
25 penalty of perjury from the subcontractor that the subcontractor has paid  
26 the specified general prevailing rate of per diem wages to his or her  
27 employees on the Access Gate work and any amounts due pursuant to  
28 California Labor Code §1813.

1       **8.5.    Work Day and Work Week Requirements.**

2           **8.5.1.** OWNERS agree to comply with §§1810 through 1815 of the California Labor  
3           Code and, when applicable, sections 103 and 107 of the Contract Work Hours  
4           and Safety Standards Act, 40 U.S.C. §3700 et seq., as supplemented by the  
5           Department of Labor regulations, which provide that OWNERS' workers and  
6           their subcontractors' workers may not be required or permitted to work more  
7           than eight (8) hours in any one (1) calendar day and forty (40) hours in any one  
8           (1) calendar week.

9           **8.5.2.** Work performed by employees of OWNERS or their subcontractor in excess of  
10          eight (8) hours per day, and forty (40) hours during any one (1) week, shall be  
11          compensated for all hours worked in excess of eight (8) hours per day at not less  
12          than one and one-half (1½) times the basic rate of pay.

13          **8.5.3.** The responsibility for compliance with these provisions is fixed with OWNERS.  
14          OWNERS understand and agree that they shall, as a penalty to COUNTY, forfeit  
15          specific monetary fines to COUNTY should OWNERS or their subcontractors fail  
16          to comply with the provisions contained within this paragraph.

17       **8.6.    Apprenticeship Requirements.**

18          **8.6.1.** OWNERS agree to comply with §§1777.5, 1777.6 and 1777.7 of the California  
19          Labor Code relating to the employment of apprentices and to provide COUNTY  
20          with copies of any contract award information and verified statements of the  
21          journeyman and apprentice hours performed pursuant to this Agreement as  
22          required by §1777.5(e).

23          **8.6.2.** The responsibility for compliance with these provisions is fixed with OWNERS  
24          for all apprenticeable occupations, where journeymen in the craft are employed  
25          on the public work, in a ratio of not less than one (1) apprentice for each five (5)  
26          journeymen (unless an exemption is granted in accordance with §1777.5) and  
27          OWNERS and their subcontractors shall not discriminate among otherwise  
28          qualified employees as indentured apprentices on any public work solely on the

1 ground of race, religious creed, color, national origin, ancestry, sex, or age,  
2 except as provided in California Labor Code §3077.

3 8.6.3. If the Access Gate work falls within the jurisdiction of California Labor Code  
4 §1777.5, COUNTY shall, within five (5) days of the award, send a copy of the  
5 award to the Division of Apprenticeship Standards. In addition, COUNTY shall  
6 notify the Division of Apprenticeship Standards of a finding of any discrepancy  
7 regarding the ratio of apprentices to journeymen within five (5) days of the finding.

8 8.7. Labor Standards Compliance Requirements.

9 8.7.1. It is OWNERS' responsibility to provide all labor compliance documentation  
10 from their subcontractors completely and accurately in a timely manner.  
11 OWNERS are responsible to review promptly and then forward on all required  
12 documentation to COUNTY per the time schedules in the Labor Compliance  
13 Handout. Included with the Labor Compliance Handout, COUNTY will provide  
14 training, documentation requirements, forms, etc., at the preconstruction  
15 conference or at a time designated by COUNTY.

16 8.7.2. In the event, during the review process of labor compliance documentation from  
17 COUNTY's labor compliance monitor, inaccurate, missing or incomplete  
18 information was provided, the labor compliance monitor will request from  
19 OWNERS the items, revisions and documentation needed. The cost of this  
20 additional labor compliance enforcement shall be borne by OWNERS.

21 9. RELOCATION OF ACCESS POINT.

22 If COUNTY deems it necessary for the Access Gate to be moved, then upon one hundred  
23 eighty (180) days written notice, OWNERS or their successors in interest or assigns shall do so, at  
24 their sole cost and expense, as directed by COUNTY.

25 10. ASSURANCES.

26 10.1. OWNERS agree to abide by the following terms and conditions:

27 10.1.1. OWNERS assure and warrant that the Property will be used and maintained for  
28 legitimate, commercial aeronautical activities. OWNERS further assure and

1 warrant that they will prohibit all residential uses of the Property, including  
2 residential airparks and all other noncompatible land uses as specified in the  
3 FAA Airport Compliance Manual – Order 5190.6B, Part VI, Chapter 20.

4 10.1.2. OWNERS assure and warrant that the Property will not be used for the sale of  
5 fuel or the refueling of aircraft.

6 10.1.3. OWNERS assure and warrant that the Property will not be used for the  
7 commercial repair or servicing of aircraft.

8 10.1.4. OWNERS assure and warrant that the Property will not be used by or leased to  
9 an aeronautical commercial operator that competes with on-Airport operators.

10 10.1.5. OWNERS assure and warrant that they will prohibit adjacent property owners  
11 from utilizing the Property in order to gain access to Airport.

12 10.1.6. OWNERS assure and warrant that they will not permit a user, visitor, or  
13 commercial tenant of the Property to access the Airport without first obtaining a  
14 CTTF access license from COUNTY.

15 10.2. OWNERS acknowledge that COUNTY considers the assurances made herein to be  
16 material, and would not enter into this Agreement with OWNERS if such assurances  
17 were not made. Any violation of the assurances herein that are not cured or remedied  
18 within ten (10) business days of written notice of default shall be cause for immediate  
19 termination of this Agreement.

20 11. COMPLIANCE WITH TITLE 14, PART 77 OF THE CODE OF FEDERAL  
21 REGULATIONS.

22 11.1. In the event construction of a building or facility is planned for the Property, or in the  
23 event of any planned modification or alteration of any present or future building or  
24 structure situated on the Property, OWNERS and their successors in interest and  
25 assigns, agree to comply with the notification and review requirements covered in Title  
26 14, Part 77 of the Code of Federal Regulations.

27 11.2. OWNERS, and their successors and assigns, agree that they will not erect nor permit  
28 the erection of any structure or building, nor permit any natural growth or other



1 obstruction on the Property above a height as determined by the application of the  
2 requirements of Title 14, Part 77 of the Code of Federal Regulations. In the event the  
3 aforesaid covenant is breached, COUNTY reserves the right to enter upon the Property  
4 and remove the offending structure, object or natural growth, all of which shall be at the  
5 sole cost and expense of the OWNERS.

- 6 11.3. OWNERS, and their successors and assigns, agree that they will not make use of the  
7 Property in any manner which might interfere with the landing and taking off of  
8 aircraft, or otherwise constitute a hazard. In the event the aforesaid covenant is  
9 breached, COUNTY reserves the right to enter upon the Property and cause the  
10 abatement of such interference at the sole cost and expense of OWNERS.

11 12. NONEXCLUSIVE USE OF AIRSPACE.

12 With specific regard to aeronautical activities and the OWNERS' use of Airport, it is  
13 understood and agreed that nothing herein contained shall be construed as to grant or authorize the  
14 granting of an exclusive right with the meaning of Title 49, sections 40103(e) and 47107(a)(4) of the  
15 United States Code.

16 13. RESERVATION OF RIGHTS BY COUNTY

- 17 13.1. COUNTY reserves the right to further develop or improve the landing area of the  
18 Airport as it sees fits, regardless of the desires or views of the OWNERS, and their  
19 successors in interest and assigns, without interference or hindrance.
- 20 13.2. COUNTY reserves the right, but shall not be obligated to OWNERS, or their successors in  
21 interest or assigns, to maintain and keep in repair the landing area of the Airport and all  
22 publicly owned facilities of the Airport, together with the right to direct and control all  
23 activities of the OWNERS, and their successors in interest and assigns, in this regard.
- 24 13.3. There is reserved to COUNTY, its successors, and assigns, a right of flight for the  
25 passage of aircraft in the airspace above the surface of the Property, for the use and  
26 benefit of the public. This public right of flight shall include the right to cause in said  
27 airspace any noise and emissions inherent in the operation of any aircraft used for  
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1 navigation or flight through said airspace or landing at, taking off from, or operating on  
2 the Airport.

3 **14. LEGAL COMPLIANCE.**

4 **14.1.** OWNERS agree to conform to COUNTY and FAA safety and security rules and  
5 regulations regarding use of Airport and the airfield operations area including but not  
6 limited to the use of runways, taxiways, and aircraft aprons by vehicles, employees,  
7 customers, and visitors, in order to prevent security breaches and avoid aircraft  
8 incursions and vehicle/pedestrian deviations.

9 **14.2.** OWNERS, at their sole cost and expense, shall comply with all other laws, rules,  
10 regulations, and requirements of all Federal, State, and local governments relating to  
11 this Agreement, whether such laws, rules, regulations, and requirements are currently in  
12 effect or hereafter enacted.

13 **15. INDEMNIFICATION.**

14 **15.1.** OWNERS agree to the fullest extent permitted by law to indemnify, defend, protect and  
15 hold COUNTY and its representatives, officers, directors, designees, employees,  
16 agents, successors and assigns harmless from any and all claims, expenses, liabilities,  
17 causes of action, demands, losses, penalties, attorneys fees and costs, in law or equity,  
18 of every kind and nature whatsoever arising out of or in connection with OWNERS'  
19 negligent acts and omissions or willful misconduct under this Agreement ("Claims"),  
20 whether or not arising from the passive negligence of COUNTY, but does not include  
21 Claims that are finally determined to be the result of the sole negligence or willful  
22 misconduct of COUNTY.

23 **15.2.** OWNERS shall defend with counsel acceptable to COUNTY, indemnify and hold  
24 COUNTY harmless from all Claims, including but not limited to:

25 **15.2.1.** Personal injury, including but not limited to bodily injury, emotional injury,  
26 sickness or disease or death to persons including but not limited to COUNTY's  
27 representatives, officers, directors, designees, employees, agents, successors and  
28 assigns, subcontractors and other third parties and/or damage to property of

1 anyone (including loss of use thereof) arising out of OWNERS' negligent  
2 performance of, or willful misconduct surrounding, any of the terms contained  
3 in this Agreement, or anyone directly or indirectly employed by OWNERS or  
4 anyone for whose acts OWNERS may be liable;

5 15.2.2. Liability arising from injuries to OWNERS and/or any of OWNERS'  
6 employees or agents arising out of OWNERS' negligent performance of, or  
7 willful misconduct surrounding, any of the terms contained in this Agreement,  
8 or anyone directly or indirectly employed by OWNERS or anyone for whose  
9 acts OWNERS may be liable;

10 15.2.3. Penalties imposed upon account of the violation of any law, order, citation, rule,  
11 regulation, standard, ordinance or statute caused by the negligent action or  
12 inaction, or willful misconduct of OWNERS or anyone directly or indirectly  
13 employed by OWNERS or anyone for whose acts OWNERS may be liable;

14 15.2.4. Infringement of any patent rights which may be brought against COUNTY  
15 arising out of OWNERS' work;

16 15.2.5. Any violation or infraction by OWNERS of any law, order, citation, rule,  
17 regulation, standard, ordinance or statute in any way relating to the occupational  
18 health or safety of employees; and

19 15.2.6. Any breach by OWNERS of the terms, requirements, or covenants of this Agreement.

20 15.3. The indemnification provisions above shall remain in effect throughout the term of this  
21 Agreement, and any extension thereof, and shall be enforceable as against any and all  
22 successors or assigns.

23 16. INSURANCE REQUIREMENTS.

24 16.1. OWNERS hereby agree, at their sole cost and expense, to obtain and maintain in full  
25 force during the entire term of this Agreement (or extended term thereof) the following  
26 types of insurance as detailed below:

27 16.1.1. Commercial General Liability. Coverage in a minimum amount of one million  
28 dollars (\$1,000,000) combined single limit to any one person, and two million

1 dollars (\$2,000,000) aggregate for any one accident, including personal injury,  
2 death, and property damage.

3 **16.1.2. Commercial Automobile Liability.** Coverage in a minimum amount of one  
4 million dollars (\$1,000,000) combined single limit and one million dollars  
5 (\$1,000,000) aggregate, including owned, non-owned, and hired vehicles.

6 **16.1.3. Workers' Compensation.**

- 7 (a) Coverage, if applicable, in full compliance with California statutory  
8 requirements, for all employees of OWNERS.
- 9 (b) Prior to the commencement of any work, OWNERS shall sign and file  
10 with COUNTY the following certification: "I am aware of the  
11 provisions of California Labor Code §§3700 et seq. which require every  
12 employer to be insured against liability for workers' compensation or to  
13 undertake self-insurance in accordance with the provisions of that code,  
14 and I will comply with such provisions before commencing the  
15 performance of the work of this contract."
- 16 (c) This certification is included in this Agreement and signature of the  
17 Agreement shall constitute signing and filing of the certificate.
- 18 (d) OWNERS understand and agree that any and all employees, regardless  
19 of hire date, shall be covered by Workers' Compensation pursuant to  
20 statutory requirements prior to beginning any work on the Airport.
- 21 (e) Worker's Compensation coverage shall not be required if OWNERS do  
22 not, at any time, have any employees during the term of this Agreement,  
23 and any extension thereof.
- 24 (i) If OWNERS do not have any employees, initial  
25 here GA 24.
- 26 (ii) Should this status change, OWNERS shall immediately notify  
27 COUNTY in writing and comply with the insurance  
28 requirements above.

1 **16.1.4. Employers Liability.**

2 (a) Coverage, if applicable, in the minimum amount of one million dollars  
3 (\$1,000,000) per accident for bodily injury and disease.

4 (b) Employer's Liability coverage shall not be required if OWNERS do not,  
5 at any time, have any employees during the term of this Agreement, and  
6 any extension thereof.

7 (i) If OWNERS do not have any employees, initial  
8 here SA JI.

9 (ii) Should this status change, OWNERS shall immediately notify  
10 COUNTY in writing and comply with the insurance  
11 requirements above.

12 **16.2. Special Insurance Requirements.** All insurance required shall:

13 16.2.1. Be procured from California admitted insurers (licensed to do business in  
14 California) with a current rating by Best's Key Rating Guide, acceptable to  
15 COUNTY. A rating of at least A-VII shall be acceptable to COUNTY; lesser  
16 ratings must be approved in writing by COUNTY.

17 16.2.2. Be primary coverage as respects COUNTY and any insurance or self-insurance  
18 maintained by COUNTY shall be in excess of OWNERS' insurance coverage  
19 and shall not contribute to it.

20 16.2.3. Name the County of Imperial and their officers, employees, and volunteers as  
21 additional insured on all policies, except Workers' Compensation insurance, and  
22 and provide that COUNTY may recover for any loss suffered by COUNTY due  
23 to OWNERS' negligence.

24 16.2.4. State that it is primary insurance and regards COUNTY as an additional insured  
25 and contains a cross-liability or severability of interest clause.

26 16.2.5. Not be canceled, non-renewed or reduced in scope of coverage until after thirty  
27 (30) days written notice has been given to COUNTY. OWNERS may not  
28 terminate such coverage until it provides COUNTY with proof that equal or

1 better insurance has been secured and is in place. Cancellation or change  
2 without prior written consent of COUNTY shall, at the option of COUNTY, be  
3 grounds for termination of this Agreement.

4 **16.3. Additional Insurance Requirements.**

5 **16.3.1.** COUNTY is to be notified immediately of all insurance claims. COUNTY is  
6 also to be notified if any aggregate insurance limit is exceeded.

7 **16.3.2.** The comprehensive or commercial general liability shall contain a provision of  
8 endorsements stating that such insurance:

- 9 (a) Includes contractual liability;
- 10 (b) Does not contain any exclusions as to loss or damage to property caused  
11 by explosion or resulting from collapse of buildings or structures or  
12 damage to property underground, commonly referred to by insurers as  
13 the "XCU Hazards;"
- 14 (c) Does not contain a "pro rata" provision which looks to limit the insurer's  
15 liability to the total proportion that its policy limits bear to the total  
16 coverage available to the insured;
- 17 (d) Does not contain an "excess only" clause which require the exhaustion  
18 of other insurance prior to providing coverage;
- 19 (e) Does not contain an "escape clause" which extinguishes the insurer's  
20 liability if the loss is covered by other insurance;
- 21 (f) Includes COUNTY as an additional insured.
- 22 (g) States that it is primary insurance and regards COUNTY as an additional  
23 insured and contains a cross-liability or severability of interest clause.

24 **16.4. Deposit of Insurance Policy.** Promptly on issuance, reissuance, or renewal of any  
25 insurance policy required by this Agreement, OWNERS shall, if requested by COUNTY,  
26 provide COUNTY satisfactory evidence that insurance policy premiums have been paid  
27 together with a duplicate copy of the policy or a certificate evidencing the policy and  
28 executed by the insurance company issuing the policy or its authorized agent.

1       16.5. Certificates of Insurance. OWNERS agree to provide COUNTY with the following  
2 insurance documents on or before the effective date of this Agreement:

3       16.5.1. Complete copies of certificates of insurance for all required coverages including  
4 additional insured endorsements shall be attached hereto as Exhibit "E" and  
5 incorporated herein.

6       16.5.2. The documents enumerated in this Paragraph shall be sent to the following:

7               County of Imperial  
8 Risk Management Department  
9 940 Main Street, Suite 101  
El Centro, CA 92243

10               and

11               County of Imperial  
12 Imperial County Airport  
13 1099 Airport Road  
Imperial, CA 92251

14       16.5.3. Additional Insurance. Nothing in this, or any other provision of this Agreement,  
15 shall be construed to preclude OWNERS from obtaining and maintaining any  
16 additional insurance policies in addition to those required pursuant to this  
17 Agreement.

18   17. NOTICES.

19       Any notice required or permitted to be given pursuant to this Agreement may be sent to the  
20 following addresses:

21               COUNTY  
22 County of Imperial  
23 ATTN: Airport Director  
24 1099 Airport Road  
Imperial, CA 92251

OWNERS  
Gary L. Arnold or Jerry M. Taylor  
c/o McDougal, Love, Eckis, Boehmer & Foley  
8100 La Mesa Blvd., Suite 200  
La Mesa, CA 91942

25   18. DEFAULT.

26       18.1. OWNERS Default.

27       18.1.1. If OWNERS fail or refuse to perform any provision, covenant or condition to be  
28 kept or performed by OWNERS under this Agreement, COUNTY, prior to

1 exercising any of its rights or remedies, shall give written notice to OWNERS of  
2 such default, specifying in said notice the nature of such default, and OWNERS  
3 shall have thirty (30) days from receipt of such notice to cure said default.

4 18.1.2. If such default is not cured within said thirty (30) day period, then COUNTY  
5 may, in its sole discretion, terminate this Agreement and/or pursue those  
6 remedies available under the law at the time this Agreement is executed as well  
7 as any future remedies that are created.

8 18.2. COUNTY's Default.

9 18.2.1. If COUNTY fails or refuses to perform any provision, covenant or condition to  
10 be kept or performed by COUNTY under this Agreement, OWNERS, prior to  
11 exercising any of its rights or remedies, shall give written notice to COUNTY of  
12 such default, specifying in said notice the nature of such default, and COUNTY  
13 shall have thirty (30) days from receipt of such notice to cure said default.

14 18.2.2. If such default is not cured within said thirty (30) day period, then OWNERS  
15 may, in their sole discretion, terminate this Agreement and/or pursue those  
16 remedies available under the law at the time this Agreement is executed as well  
17 as any future remedies created.

18 19. CHANGE OF LAW ALLOWING EARLY TERMINATION BY EITHER PARTY.

19 19.1. In the event that any Federal or State law, order, rule, or regulation should become effective  
20 during the term of this Agreement, as provided for herein, that so restricts COUNTY's or  
21 OWNERS' use of the Airport so as to make such use, as initially contemplated by this  
22 Agreement, infeasible, then either COUNTY or OWNERS, or their assigns, may terminate  
23 this Agreement upon sixty (60) days written notice to the other Party.

24 19.2. In the event of such early termination, OWNERS shall be entitled to no payment for any  
25 Improvements installed by OWNERS, or for any remaining value of the license interest.

26 20. ASSIGNMENT.

27 20.1. Neither this Agreement nor any rights, duties or obligations hereunder shall be  
28 assignable by OWNERS without prior written notice to COUNTY.



1 20.2. COUNTY may demand such assurances, including financial assurances, modification  
2 of this Agreement, or such other requirements as, in its sole discretion, it deems  
3 advisable, as a condition to granting its consent to any assignee hereunder.

4 20.3. Nothing herein shall be construed as requiring COUNTY to grant an assignment if COUNTY  
5 in its sole opinion, deems such grant of consent to not be in the best interest of COUNTY.  
6 Notwithstanding, the grant of assignment by COUNTY shall not unreasonably be withheld.

7 20.4. Consent by COUNTY to an assignment shall not release OWNERS from their primary  
8 liability under this Agreement, and COUNTY's consent to one assignment, shall not be  
9 deemed a consent to other assignments.

10 20.5. Any attempt by OWNERS to assign any interest in this Agreement without prior  
11 written notice to COUNTY shall be void.

12 21. **BINDING.**

13 This Agreement shall be binding upon the heirs, successors, assigns and subcontractors of the  
14 Parties hereto.

15 22. **ENTIRE AGREEMENT.**

16 This Agreement contains the entire contract between COUNTY and OWNERS relating to the  
17 transactions contemplated hereby and supersedes all prior or contemporaneous agreements,  
18 understandings, provisions, negotiations, representations, or statements, either written or verbal.

19 23. **MODIFICATION.**

20 No modification, waiver, amendment, discharge, or change of this Agreement shall be valid  
21 unless the same is in writing and signed by both Parties.

22 24. **CAPTIONS.**

23 Captions in this Agreement are inserted for convenience of reference only and do not define,  
24 describe or limit the scope or the intent of this Agreement or any of the terms thereof.

25 25. **PARTIAL INVALIDITY.**

26 If any provision in this Agreement is held by a court of competent jurisdiction to be invalid,  
27 void, or unenforceable, the remaining provisions will nevertheless continue in full force without being  
28 impaired or invalidated in any way.

1 26. GENDER AND INTERPRETATION OF TERMS AND PROVISIONS.

2 As used in this Agreement and whenever required by the context thereof, each number, both  
3 singular and plural, shall include all numbers, and each gender shall include both genders. OWNERS, as  
4 used in this Agreement or in any other document referred to in or made a part of this Agreement, shall  
5 likewise include both singular and plural, a corporation, a partnership, individual, firm or person acting in  
6 any fiduciary capacity as executor, administrator, trustee or in any other representative capacity or any  
7 other entity. All covenants herein contained on the part of OWNERS shall be joint and several if more  
8 than one person, firm or entity executes the Agreement.

9 27. WAIVER.

10 No waiver of any breach or of any of the covenants or conditions of this Agreement shall be  
11 construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of  
12 the same or any other covenant or condition.

13 28. CHOICE OF LAW.

14 The laws of the State of California shall govern this Agreement. This Agreement is made and  
15 entered into in Imperial County, California. Any action brought by either Party with respect to this  
16 Agreement shall be brought in a court of competent jurisdiction within said County.

17 29. AUTHORITY.

18 29.1. Each of the individuals executing this Agreement on behalf of OWNERS and  
19 COUNTY represent and warrant that:

20 29.1.1. He/She is duly authorized to execute and deliver this Agreement on behalf of  
21 OWNERS or COUNTY as applicable;

22 29.1.2. Such execution and delivery on behalf of OWNERS is in accordance with the  
23 terms of any applicable Articles of Incorporation or Partnership, By-Laws or  
24 Resolutions of OWNERS; and

25 29.1.3. Such execution and delivery on behalf of COUNTY is duly authorized by the  
26 Board of Supervisors and within the authority of the signatory identified below.

27 29.2. This Agreement is binding upon the respective Parties in accordance with its terms.

28 ///

1 30. COUNTERPARTS.

2 This Agreement may be executed in counterparts.

3 31. SUBORDINATION OF AGREEMENT.

4 31.1. This Agreement shall be subordinate to the provisions and requirements of any existing  
5 or future agreement between COUNTY and the United States, relative to the  
6 development, operation, or maintenance of Airport.

7 31.1.1. Failure of OWNERS, or their successors in interest or assigns, to reconcile a  
8 conflict with the requirements of any existing or future agreement between  
9 COUNTY and the United States, which failure shall continue after reasonable  
10 notice to make appropriate corrections, shall be cause for termination of  
11 OWNERS' rights that are in conflict with the federal agreement.

12 31.1.2. A right of first refusal shall be subordinate to the COUNTY's agreements with  
13 the United States requiring that the Airport serve an airport purpose, and such  
14 right shall not prevent airport land from being used for an airport purpose or its  
15 use by an aeronautical user.

16 31.1.3. A right of first refusal to convert airport land to a non-aeronautical use shall not  
17 be exercised without the written approval of the FAA.

18 31.2. This Agreement and all of the provisions herein shall be subject to whatever right the  
19 United States now has or in the future may have or acquire, affecting the control,  
20 operation, regulation, and taking over of the airfield and other nonexclusive use areas of  
21 the Airport, or the exclusive and nonexclusive use of the airfield and other  
22 nonexclusive use areas of the Airport by the United States during a time of war or  
23 national emergency.

24 31.3. This Agreement shall be subordinate to all of COUNTY's federal grant assurances and  
25 federal obligations in connection with Airport. Should any provision of this Agreement  
26 violate COUNTY's grant assurances or federal obligations, COUNTY shall have the  
27 right to terminate this Agreement in order to remain in compliance with such grant  
28 assurances and federal obligations.

1 **32. REVIEW OF AGREEMENT TERMS.**

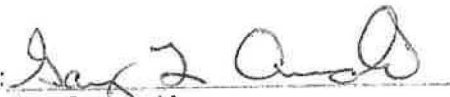
2 This Agreement has been reviewed and revised by legal counsel for both COUNTY and  
3 OWNERS, and no presumption or rule that ambiguities shall be construed against the drafting Party  
4 shall apply to the interpretation or enforcement of the same or any subsequent amendments thereto.  
5

6 **IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the day and  
7 year first written above.  
8


9 **COUNTY**


10 By:  7/5/11/8  
11 Raymond R. Castillo, Chairman  
12 Imperial County Board of Supervisors  
13

**OWNERS**

By:   
14 Gary L. Arnold

15 **ATTEST:**

16 By:   
17 Blanca Acosta, Clerk of the Board,  
18 County of Imperial, State of California

By:   
19 Jerry M. Taylor

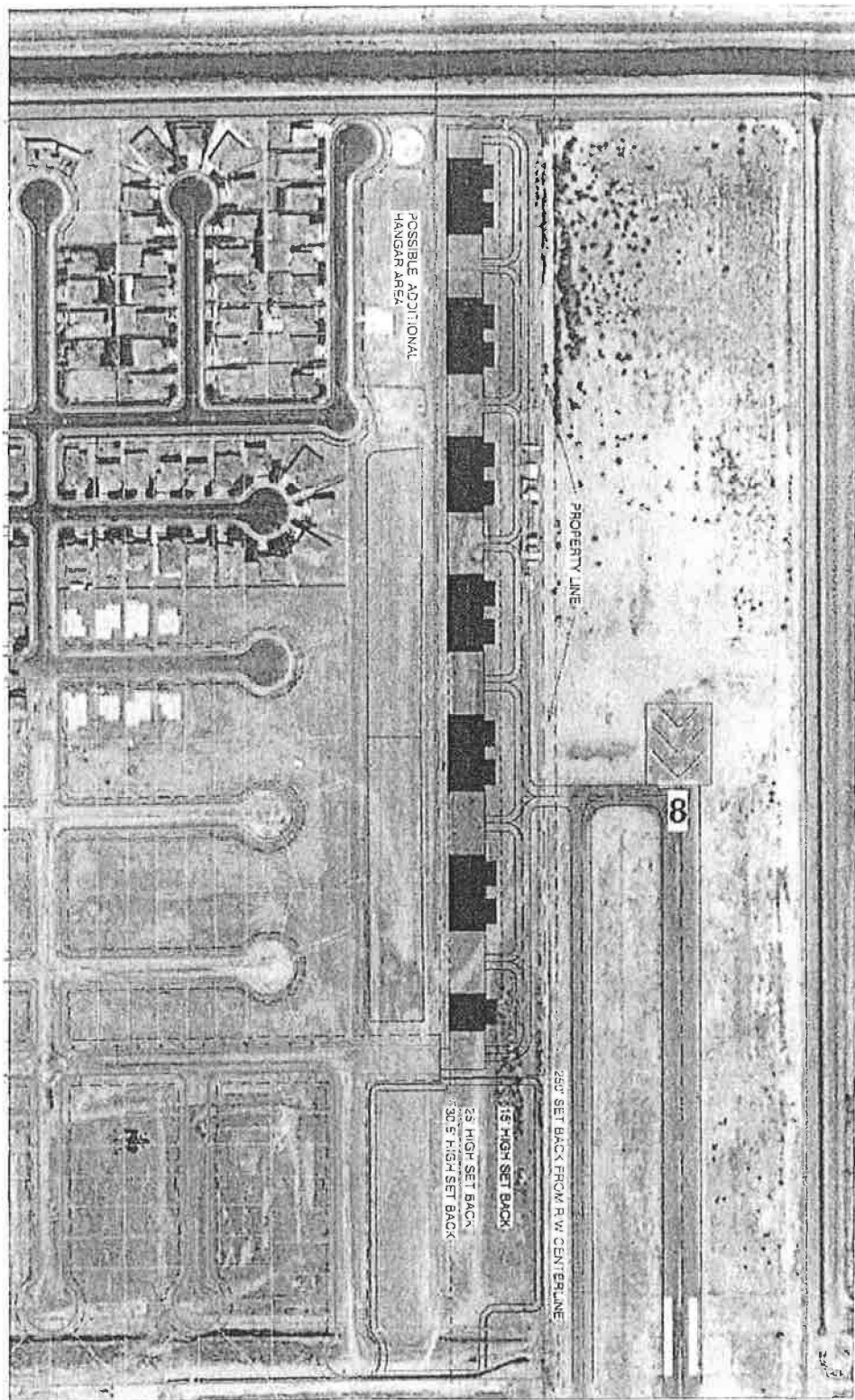
20 **APPROVED AS TO FORM:**

21 Katherine Turner,  
22 County Counsel

23 By:   
24 Sarah Sauer,  
25 Deputy County Counsel  
26  
27  
28

# Exhibit

“A”



**1 SITE PLAN**

1" = 200'-0"

**PROJECT DATA:**

13 - 70' x 75' 16" DOOR HANGARS WITH 20' x 45' SHOP & OBSERVATION DECK

**JAG**  
ARCHITECTURE

1300 N. 10TH AVE.  
SUITE 100  
IMPERIAL, CA 92241  
TEL: 619-461-1111  
FAX: 619-461-1112  
WWW.JAGARCHITECTURE.COM

**SKY RANCH AT IMPERIAL**  
**INDUSTRY WAY**  
**IMPERIAL, CA**


**SITE PLAN**



# Exhibit

“B”






Categories | States | Countries

 Imperial County Airport (Boley Field)

[More Info](#)

[Imperial, California \(CA\), US](#)


Nearby (59):



Searches related to virtualglobetrotting.com

Google Chrome

Lat: 33.8356283 Lon: -115.5750172



[Street View](#)

[Via Google](#)

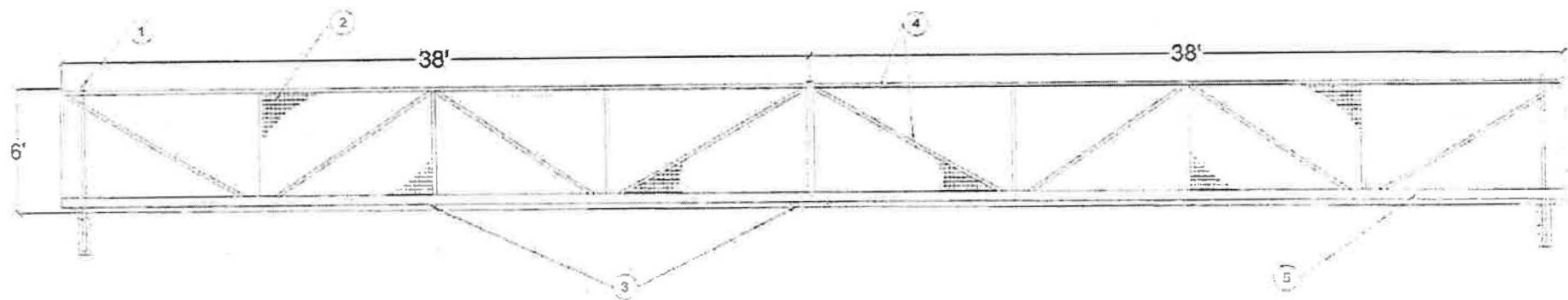
[Virtual Earth Map](#)



# Exhibit

“C”

1. ADJACENT CHAIN LINK FENCE POST.
2. 9 GA. GALVANIZED CHAIN LINK MESH.
3. 12" WIDE DOUBLE GROUND WHEEL ASSEMBLY.
4. 1-5/8" SS20 GALVANIZED STEEL GATE FRAME AND DIAGONAL BRACES.
5. STEEL FRAME WITH DOUBLE V-TRACK WHEELS (SEE 2A + 2B)



**Detail Name:**

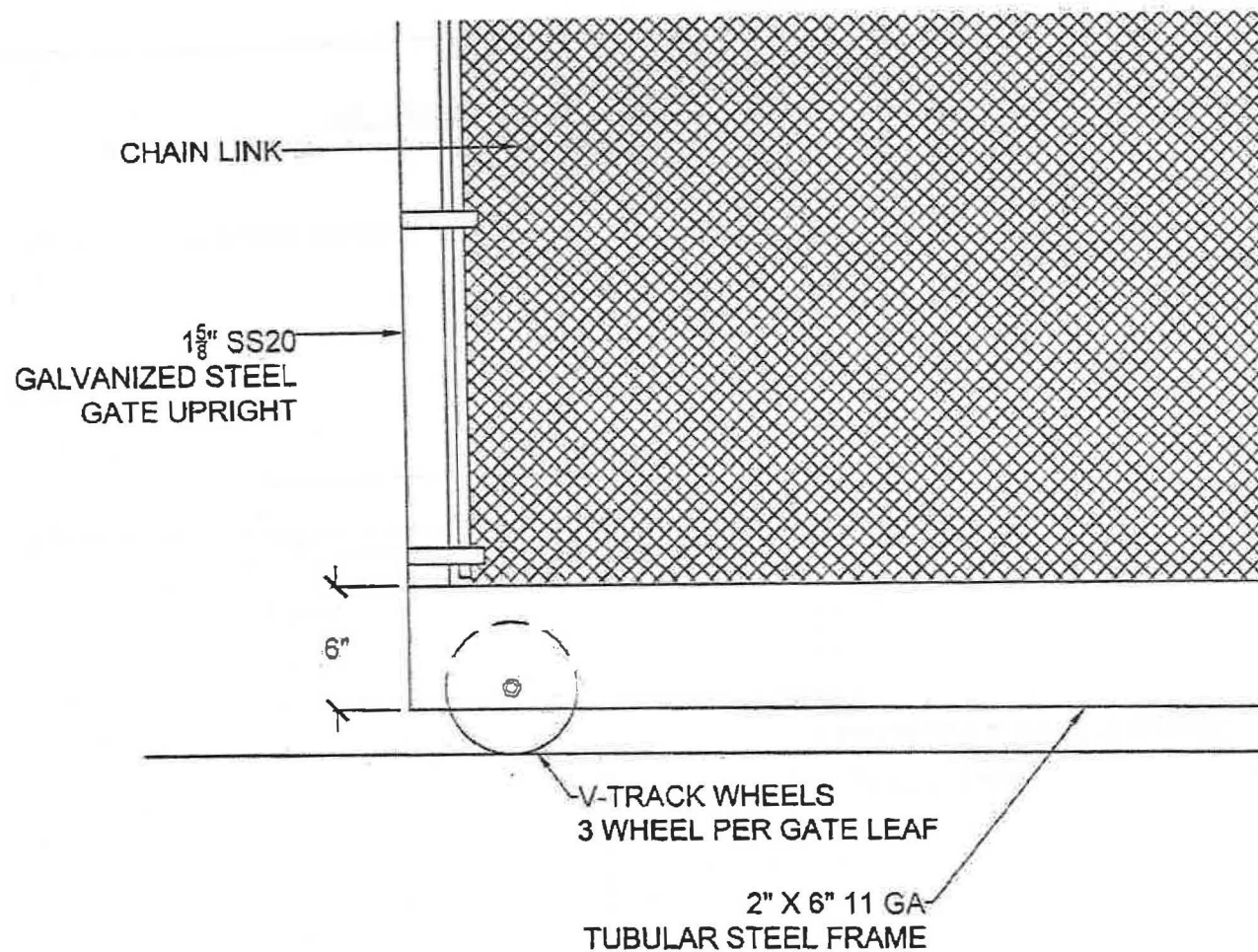
CLF Rolling Gate



**GREENFIELD FENCE, INC.**

LIC. 568970

4051 Oceanside Blvd.  
Oceanside, CA 92056  
(760) 724-8131



**Detail Name:**

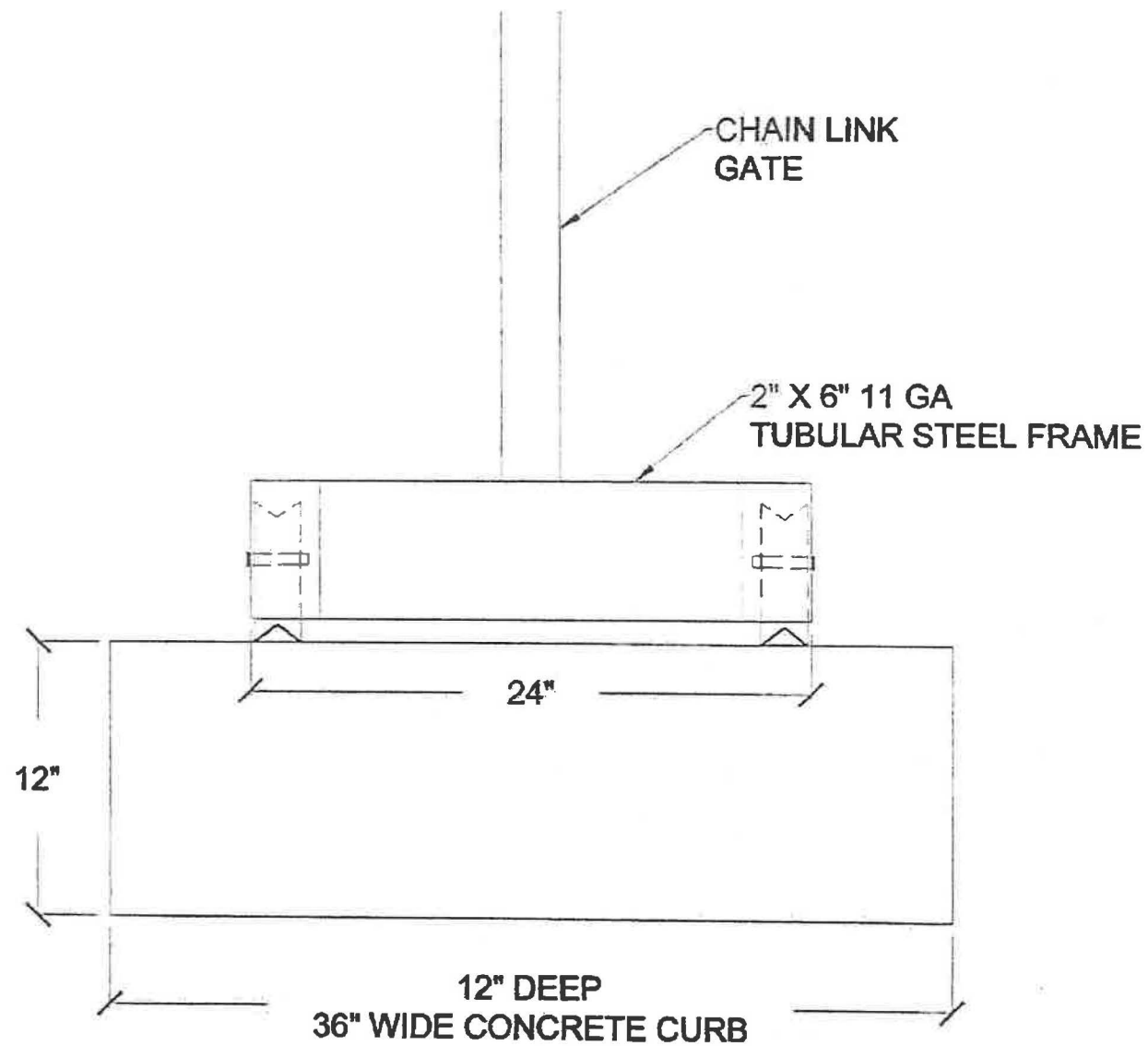
CLF Rolling Gate 2A



**GREENFIELD FENCE, INC.**

LIC 558873

4051 Oceanside Blvd.  
Oceanside, CA 92056  
(760) 724-8131

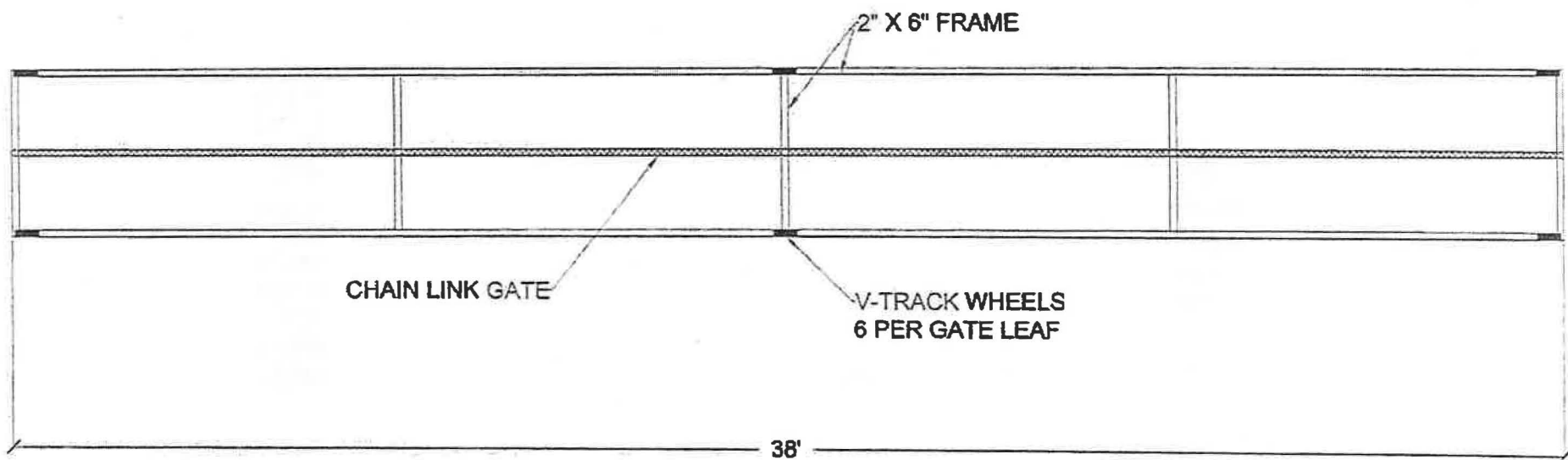


**Detail Name:**

CLF Rolling Gate 2B



4051 Oceanside Blvd.  
Oceanside, CA 92056  
(760) 724-8131



**Detail Name:**

CLF Rolling Gate 2C



**GREENFIELD FENCE, INC.**

Lto 560573

4051 Oceanside Blvd.  
Oceanside, CA 92056  
(760) 724-8131

# Exhibit

“D”

## RESTORATION PLAN

### SKY RANCH HANGARS

#### 1. INTRODUCTION

Sky Ranch Hangars is a project to construct a taxiway and access gate to 13 Executive aviation hangars to be built on private land adjacent to the Imperial Airport, located at 1099 Airport Road, Imperial CA 92251. This taxiway and gate are part of the hangar construction project currently included in a Development and License Agreement between Imperial County and Gary L. Arnold and Jerry M. Taylor.

This Restoration Plan outlines considerations for decommissioning of the taxiway and gate, as required by the Development and License Agreement, which states:

6.2.1 Prior to construction, OWNERS, at their sole cost and expense, shall prepare and submit to COUNTY a Restoration Plan detailing the removal of the Access Gate and restoration of the Airport.

(a) The Restoration Plan shall include a bond, or other form of security acceptable to the Office of County Counsel, that guarantees restoration of the Airport to the condition of the immediately surrounding area, in the amount of the estimated site restoration ("Restoration Security").

(i) The estimated cost of site restoration, and the security guaranteeing such restoration, shall be reviewed every five (5) years, and shall be adjusted to take into account increases associated with the Los Angeles Consumer Price Index and such other factors as deemed appropriate by COUNTY.

(ii) Upon OWNERS' completion and COUNTY's acceptance of the restoration of the Airport, the Restoration Security shall be released.

To satisfy this requirement the following sections outline the anticipated process for decommissioning the project as well as associated costs.

## 2. CURRENT SITE CONDITIONS

Currently the site is Imperial County Airport property being maintained by the County Airport maintenance employees. The area between the taxiway of Runway 8-26 and southern property boundary, adjacent to project site, is dirt and mostly free of vegetation except for the occasional weeds.

The current fence is a 6' chain link with barbed wire, per Federal Aviation Administration Airport Construction Standards 161-1.1.

## 3. PROPOSED IMPROVEMENTS

The proposed improvements would include:

- a. Thru the fence gate of two sections of 35' in length for a total opening of 70'. This gate shall conform to the Federal Aviation Administration Airport Construction Standards F-161 and Federal Specification RR-F-191.
- b. Taxiway extension of approximately 1,500 square feet, per Federal Aviation Administration Airport Construction Standards P-208 and P-401.

## 4. DECOMMISSIONING PROCEDURE

Effectively, the reclamation of the Project proceeds in reverse order of the installation.

- a. The gate would be removed and either shipped to another project, salvaged, or sent to a collection and recycling program. The fence would be installed per the original design.
- b. Asphalt and base will be removed and hauled from the site, or crushed on site and available for use by the Imperial County Airport.

## 5. RESTORATION COSTS

The information below represents the estimated cost to restore the Thru the Gate Access to its original condition if required by the Imperial County Airport. These cost estimates have been prepared by a California-licensed general contractor.

|   |                |            |
|---|----------------|------------|
| Remove 75' gate                         | \$3.90 LF      | \$ 292.50  |
| Replace 6' chain link fence w/barb wire | \$17.00 LF     | \$1,275.00 |
| Remove 1,500 sq. ft. of asphalt         | \$3.00 Sq. Ft. | \$4,500.00 |
| Remove 1,500 sq. ft. of base material   | \$27.00 Yd.    | \$ 999.00  |
| Restore grade                           |                | \$ 600.00  |
| Project Management                      | \$15%          | \$1,149.90 |
| Total                                   |                | \$8,816.40 |



Sincerely

A handwritten signature in black ink that reads "Gary Arnold". The signature is written in a cursive, flowing style.

Gary Arnold  
Owner  
Sky Ranch Hangars  
3802 Main Street, Suite 10  
Chula Vista, CA 91911

# Exhibit

“E”



# CERTIFICATE OF LIABILITY INSURANCE

PEBBL-1 OP ID: GHM

DATE (MM/DD/YYYY)

08/28/2018

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).

|   |  |   |  |
|---|--|---|--|
| <b>PRODUCER</b><br>Jay B. Mills Agency, Inc.<br>535 Broadway Suite 100<br>El Cajon, CA 92021<br>Gregory Mills |  | <b>CONTACT NAME:</b> Gregory Mills<br><b>PHONE (A/C, No, Ext):</b> 619-447-7997<br><b>FAX (A/C, No):</b> 619-447-4067<br><b>E-MAIL ADDRESS:</b> |  |
|   |  | <b>INSURER(S) AFFORDING COVERAGE</b>  |  |
|   |  | <b>INSURER A:</b> INTERNATIONAL INS. CO. HANOVER  |  |
|   |  | <b>INSURER B:</b> OHIO SECURITY INSURANCE CO  |  |
|   |  | <b>INSURER C:</b>   |  |
|   |  | <b>INSURER D:</b>   |  |
|   |  | <b>INSURER E:</b>   |  |
|   |  | <b>INSURER F:</b>   |  |

**COVERAGES** **CERTIFICATE NUMBER:** **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 INSD | SUBR WVD | POLICY NUMBER        | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS   |
|----------|---|-----------|----------|----------------------|-------------------------|-------------------------|--|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | Y         | Y        | IG011001277-05       | 09/01/2017              | 09/01/2018              | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000<br>MED EXP (Any one person) \$ 5,000<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 2,000,000<br>PRODUCTS - COM/OP AGG \$ 2,000,000 |
| B        | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY<br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> NON-OWNED AUTOS                     | Y         | Y        | BAS (19) 56 02 72 51 | 03/20/2018              | 03/20/2019              | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$  |
|          | <input type="checkbox"/> UMBRELLA LIAB<br><input type="checkbox"/> EXCESS LIAB<br><input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$  |           |          |                      |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$   |
|          | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below  | Y/N       | N/A      |                      |                         |                         | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/><br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$   |

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

CERT HOLDER IS NAMED AS ADDITIONAL INSURED UNDER POLICY #IG011001277-05 PER FORMS TMGL172 (10/11) & TMGL175 (10/11) AS REQUIRED BY WRITTEN CONTRACT. WAIVER OF SUBROGATION APPLICABLE PER FORM CG2404 (10/93). CERT HOLDER IS NAMED AS ADDITIONAL INSURED UNDER POLICY #BAS(19)56027251 PER FORM CA88100113 AS REQUIRED BY WRITTEN CONTRACT, AGREEMENT OR PERMIT.

**CERTIFICATE HOLDER****CANCELLATION**

COUNTY OF IMPERIAL  
940 W MAIN STREET  
EL CENTRO, CA 92243

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  
Gregory Mills

© 1988-2014 ACORD CORPORATION. All rights reserved.

POLICY NUMBER: IG011001277-05  
NAMED INSURED: Pebble Creek Companies

COMMERCIAL GENERAL LIABILITY  
TMGL 172 10 11

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS WHEN REQUIRED IN  
CONSTRUCTION AGREEMENT WITH YOU (PRIMARY & NONCONTRIBUTORY)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A Section II - Who is An Insured** is amended to include as an insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- 1 Your acts or omissions; or
- 2 The acts or omissions of those acting on your behalf; in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an insured under this endorsement ends when your operations for that additional insured are completed.

**B** With respect to the insurance afforded these additional insureds, the following additional exclusion apply:

This insurance does not apply to:

- 1 "Bodily injury", "property damage", "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - a The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b Supervisory, inspection, architectural or engineering activities.
- 2 "Bodily injury", "property damage" occurring after:
  - a All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
  - b That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; or
  - c "Property Damage" which manifests after expiration of the Policy.

If required by written contract or agreement, such insurance as is afforded by this policy shall be primary insurance, and any insurance or self insurance maintained by the above additional insured(s) shall be excess of the insurance afforded to the Named Insured and shall not contribute to it.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

TMGL 172 10 11

POLICY NUMBER: IG011001277-05  
NAMED INSURED: Pebble Creek Companies

COMMERCIAL GENERAL LIABILITY  
TMGL 175 10 11

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS (PRIMARY)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART:**

| Name of Additional Insured Person(s) Or Organization.  | Location and Description of Completed Operations:         |
|--|---|
| <p>We shall name person(s) or organization(s) as additional insured(s) to this insurance as required under a written contract with the Named Insured entered into before the claim or loss for which this policy applies.</p> <p>No coverage, indemnity and/or defense obligations shall be provided under this endorsement to any person(s) or organization(s) claiming to be additional insured(s) for claims or losses which do not arise from the Named Insured's work or operations under a written contract and completed during the policy period. The Named Insured's mere presence at a work site shall not be deemed sufficient cause to require coverage, indemnity and/or defense to any person(s) or organization(s) claiming to be an additional insured under this endorsement.</p> <p>There shall be no coverage, indemnity, and/or duty to defend any person(s) or organization(s) claiming to be an additional insured under this endorsement if the claim or loss does not arise, in whole or in part, from the negligence and/or fault of the Named Insured.</p> | <p>Any operations as required under written contract.</p> |

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

Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and including in the "products-completed operations hazard."

If required by written contract or agreement, such insurance as is afforded by this policy shall be primary insurance, and any insurance or self insurance maintained by the above additional insured(s) shall be excess of the insurance afforded to the Named Insured and shall not contribute to it.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

TMGL 175 10 11

POLICY NUMBER: IG011001277-05  
NAMED INSURED: Pebble Creek Companies

COMMERCIAL GENERAL LIABILITY  
CG 24 04 10 93

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:** All clients of the insured where required by written contract.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

CG 24 04 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

**COVERAGE INDEX**

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**SECTION II - LIABILITY COVERAGE** is amended as follows:

**1. BROAD FORM INSURED**

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

d. Any legally incorporated entity of which you own more than 50 percent of the voting stock during the policy period. However, "insured" does not include any organization that:

- (1) Is a partnership or joint venture; or
- (2) Is an insured under any other automobile policy; or
- (3) Has exhausted its Limit of Insurance under any other automobile policy.

Paragraph d. (2) of this provision does not apply to a policy written to apply specifically in excess of this policy.

e. Any organization you newly acquire or form, other than a partnership or joint venture, of which you own more than 50 percent of the voting stock. This automatic coverage is afforded only for 180 days from the date of acquisition or formation. However, coverage under this provision does not apply:

- (1) If there is similar insurance or a self-insured retention plan available to that organization;

- (2) If the Limits of Insurance of any other insurance policy have been exhausted; or
- (3) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

## 2. EMPLOYEES AS INSURED

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- f. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow, but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".
- g. An "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

## 3. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- h. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit

## 4. SUPPLEMENTARY PAYMENTS

SECTION II - LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments, paragraphs (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic violations ) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request, including actual loss of earnings up to \$500 a day because of time off from work.

## 5. AMENDED FELLOW EMPLOYEE EXCLUSION

In those jurisdictions where, by law, fellow employees are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

SECTION II - LIABILITY, exclusion B.5. FELLOW EMPLOYEE does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

SECTION III - PHYSICAL DAMAGE COVERAGE is amended as follows:

## 6. HIRED AUTO PHYSICAL DAMAGE

Paragraph A.4. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended by adding the following:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or

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- b. Your "employee" hires or rents under a written contract or agreement in that "employee's" name, but only if the damage occurs while the vehicle is being used in the conduct of your business,

subject to the following limit and deductible:

- A. The most we will pay for "loss" in any one "accident" or "loss" is the smallest of:
- (1) \$50,000; or
  - (2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
  - (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, minus a deductible.
- B. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.
- C. Subject to the limit, deductible and excess provisions described in this provision, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.
- D. Subject to a maximum of \$1,000 per "accident", we will also cover the actual loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss.
- E. This coverage extension does not apply to:
- (1) Any "auto" that is hired, rented or borrowed with a driver; or
  - (2) Any "auto" that is hired, rented or borrowed from your "employee".

For the purposes of this provision, SECTION V - DEFINITIONS is amended by adding the following:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

## **7. TOWING AND LABOR**

SECTION III - PHYSICAL DAMAGE COVERAGE, paragraph A.2. Towing, is amended by the addition of the following:

We will pay towing and labor costs incurred, up to the limits shown below, each time a covered "auto" classified and rated as a private passenger type, "light truck" or "medium truck" is disabled:

- a. For private passenger type vehicles, we will pay up to \$50 per disablement.
- b. For "light trucks", we will pay up to \$50 per disablement. "Light trucks" are trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- c. For "medium trucks", we will pay up to \$150 per disablement. "Medium trucks" are trucks that have a gross vehicle weight (GVW) of 10,001 - 20,000 pounds.

However, the labor must be performed at the place of disablement.

## **8. PHYSICAL DAMAGE - ADDITIONAL TRANSPORTATION EXPENSE COVERAGE**

Paragraph A.4.a., Coverage Extension of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended to provide a limit of \$50 per day and a maximum limit of \$1,500

## 9. RENTAL REIMBURSEMENT

SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE, is amended by adding the following:

- a. We will pay up to \$75 per day for rental reimbursement expenses incurred by you for the rental of an "auto" because of "accident" or "loss", to an "auto" for which we also pay a "loss" under Comprehensive, Specified Causes of Loss or Collision Coverages. We will pay only for those expenses incurred after the first 24 hours following the "accident" or "loss" to the covered "auto."
- b. Rental Reimbursement will be based on the rental of a comparable vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for the period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days.
- c. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your tools and equipment from the covered "auto".
- d. This coverage does not apply unless you have a business necessity that other "autos" available for your use and operation cannot fill.
- e. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Paragraph 4. Coverage Extension.
- f. No deductible applies to this coverage.

For the purposes of this endorsement provision, materials and equipment do not include "personal effects" as defined in provision 11.

## 10. EXTRA EXPENSE - BROADENED COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you. The maximum amount we will pay is \$1,000.

## 11. PERSONAL EFFECTS COVERAGE

- A. SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE, is amended by adding the following:

If you have purchased Comprehensive Coverage on this policy for an "auto" you own and that "auto" is stolen, we will pay, without application of a deductible, up to \$600 for "personal effects" stolen with the "auto."

The insurance provided under this provision is excess over any other collectible insurance.

- B. SECTION V - DEFINITIONS is amended by adding the following:

For the purposes of this provision, "personal effects" mean tangible property that is worn or carried by an insured." "Personal effects" does not include tools, equipment, jewelry, money or securities.

## 12. ACCIDENTAL AIRBAG DEPLOYMENT

SECTION III - PHYSICAL DAMAGE COVERAGE, B. EXCLUSIONS is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion for "loss" relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Any insurance we provide shall be excess over any other collectible insurance or reimbursement by manufacturer's warranty. However, we agree to pay any deductible applicable to the other coverage or warranty.

## 13. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

SECTION III - PHYSICAL DAMAGE COVERAGE, B. EXCLUSIONS, exception paragraph a. to exclusions 4.c. and 4.d. is deleted and replaced with the following:

Exclusion 4.c. and 4.d. do not apply to:

- a. Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is permanently installed in the covered "auto" at the time of the "loss" and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto" and physical damage coverages are provided for the covered "auto"; or

If the "loss" occurs solely to audio, visual or data electronic equipment or accessories used with this equipment, then our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.

#### 14. LOAN / LEASE GAP COVERAGE

- A. Paragraph C., LIMIT OF INSURANCE of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by adding the following:

The most we will pay for a "total loss" to a covered "auto" owned by or leased to you in any one "accident" is the greater of the:

1. Balance due under the terms of the loan or lease to which the damaged covered "auto" is subject at the time of the "loss" less the amount of:
  - a. Overdue payments and financial penalties associated with those payments as of the date of the "loss",
  - b. Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear,
  - c. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease,
  - d. Transfer or rollover balances from previous loans or leases,
  - e. Final payment due under a "Balloon Loan",
  - f. The dollar amount of any unrepaired damage which occurred prior to the "total loss" of a covered "auto",
  - g. Security deposits not refunded by a lessor,
  - h. All refunds payable or paid to you as a result of the early termination of a lease agreement or as a result of the early termination of any warranty or extended service agreement on a covered "auto",
  - i. Any amount representing taxes,
  - j. Loan or lease termination fees; or
2. The actual cash value of the damage or stolen property as of the time of the "loss".

An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the "loss". This adjustment is not applicable in Texas.

- B. ADDITIONAL CONDITIONS

This coverage applies only to the original loan for which the covered "auto" that incurred the loss serves as collateral, or lease written on the covered "auto" that incurred the loss.

- C. SECTION V - DEFINITIONS is changed by adding the following:

As used in this endorsement provision, the following definitions apply:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

A "balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.

**15. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Paragraph **D. Deductible** of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

No deductible applies to glass damage if the glass is repaired rather than replaced.

**16. PARKED AUTO COLLISION COVERAGE (WAIVER OF DEDUCTIBLE)**

Paragraph **D. Deductible** of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

The deductible does not apply to "loss" caused by collision to such covered "auto" of the private passenger type or light weight truck with a gross vehicle weight of 10,000 lbs. or less as defined by the manufacturer as maximum loaded weight the "auto" is designed to carry while it is:

- a. In the charge of an "insured";
- b. Legally parked; and
- c. Unoccupied.

The "loss" must be reported to the police authorities within 24 hours of known damage.

The total amount of the damage to the covered "auto" must exceed the deductible shown in the Declarations.

This provision does not apply to any "loss" if the covered "auto" is in the charge of any person or organization engaged in the automobile business.

**17. TWO OR MORE DEDUCTIBLES**

Under SECTION III PHYSICAL DAMAGE COVERAGE, if two or more company policies or coverage forms apply to the same accident, the following applies to paragraph D. Deductible:

- a. If the applicable Business Auto deductible is the smaller (or smallest) deductible it will be waived; or
- b. If the applicable Business Auto deductible is not the smaller (or smallest) deductible it will be reduced by the amount of the smaller (or smallest) deductible; or
- c. If the loss involves two or more Business Auto coverage forms or policies the smaller (or smallest) deductible will be waived.

For the purpose of this endorsement company means any company that is part of the Liberty Mutual Group.

**SECTION IV - BUSINESS AUTO CONDITIONS is amended as follows:**

**18. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

SECTION IV- BUSINESS AUTO CONDITIONS, Paragraph **B.2.** is amended by adding the following:

If you unintentionally fail to disclose any hazards, exposures or material facts existing as of the inception date or renewal date of the Business Auto Coverage Form, the coverage afforded by this policy will not be prejudiced.

However, you must report the undisclosed hazard of exposure as soon as practicable after its discovery, and we have the right to collect additional premium for any such hazard or exposure.

**19. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS**

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph **A.2.a.** is replaced in its entirety by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when it is known to:
  1. You, if you are an individual;
  2. A partner, if you are a partnership;
  3. Member, if you are a limited liability company;
  4. An executive officer or the "employee" designated by the Named Insured to give such notice, if you are a corporation.

To the extent possible, notice to us should include:

- (1) How, when and where the "accident" or "loss" took place;
- (2) The "insureds" name and address; and
- (3) The names and addresses of any injured persons and witnesses.

**20. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph A.5., Transfer of Rights of Recovery Against Others to Us, is amended by the addition of the following:

If the person or organization has waived those rights before an "accident" or "loss", our rights are waived also.

**21. HIRED AUTO COVERAGE TERRITORY**

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph B.7., Policy Period, Coverage Territory, is amended by the addition of the following:

- f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the insured's responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

**SECTION V - DEFINITIONS is amended as follows:**

**22. BODILY INJURY REDEFINED**

Under SECTION V - DEFINITIONS, definition C. is replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

**COMMON POLICY CONDITIONS**

**23. EXTENDED CANCELLATION CONDITION**

COMMON POLICY CONDITIONS, paragraph A. - CANCELLATION condition applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. This provision does not apply in those states which require more than 60 days prior notice of cancellation.



I hereby certify that the foregoing instrument is a correct copy of the original on file with this office.

Date: 9.7.18

Approved by the Board of Supervisors

6.26.18 24

Clerk of the Board of Supervisors  
County of Imperial

Date:

Minute Order #

BY: Ana Lopez  
Deputy