



# AIA® Document A133® – 2019 Exhibit B

## Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the «            » day of «            » in the year «            »  
(In words, indicate day, month and year.)

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

«Union County Water Operation Center Expansion and Renovation»  
«4600 Goldmine Rd,  
Monroe NC 28110»

**THE OWNER:**  
(Name, legal status, and address)

Union County, North Carolina  
500 N. Main Street  
Monroe, NC 28112

**THE CONSTRUCTION MANAGER:**  
(Name, legal status, and address)

« Edifice, LLC  
4111 South Boulevard  
Charlotte, NC 28209  
North Carolina General Contractor's License #10514 »

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#### ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit and otherwise required in the Contract Documents. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction, as modified.

#### ARTICLE B.2 OWNER'S INSURANCE

§ B.2.1 Intentionally Omitted.

#### § B.2.2 Liability Insurance

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

#### ADDITIONS AND DELETIONS:

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

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

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

## ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

### § B.3.1 General

**§ B.3.1.1 Certificates of Insurance.** The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's insurance policy or policies as required by this Article B.3. In no event shall any failure of the Owner to receive certified copies or certificates of policies required under Article B.3 or to demand receipt of such certified copies or certificates prior to the Construction Manager's commencing the Work be construed as a waiver by the Owner or the Architect of the Construction Manager's obligations to obtain insurance pursuant to this Article B.3. The obligation to procure and maintain any insurance required by this Article B.3 is a separate responsibility of the Construction Manager and independent of the duty to furnish a certified copy or certificate of such insurance policies. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, the Construction Manager shall supply the Owner with certificates of insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage as was provided in the previous policy. In the event any renewal or replacement policy, for whatever reason obtained or required, is written by a carrier other than that with whom the coverage was previously placed, or the subsequent policy differs in any way from the previous policy, the Construction Manager shall also furnish the Owner with a certified copy of the renewal or replacement policy unless the Owner provides the Construction Manager with prior written consent to submit only a certificate of insurance for any such policy.

**§ B.3.1.2 Deductibles and Self-Insured Retentions.** The Construction Manager shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Construction Manager.

**§ B.3.1.3 Additional Insured Obligations.** To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, its officers, agents, and employees; the Architect, and the Architect's consultants as additional insureds on the Commercial General Liability Policy for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims made under the Construction Manager's completed operations coverage. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. The additional insured coverage with respect to the Owner, its officers, agents, and employees shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

### § B.3.2 Construction Manager's Required Insurance Coverage

**§ B.3.2.1** The Construction Manager shall, for the protection and benefit of the indemnitees and the Construction Manager and as part of the Construction Manager's efforts to satisfy the obligations set forth in Paragraph B.3.2, procure, purchase and maintain in full force and effect the following types and limits of insurance issued by insurers authorized to do business in North Carolina and rated A-VII or better by A.M. Best or carriers otherwise acceptable to the Owner, and in form and substance reasonably satisfactory to the Owner, which afford the coverages set forth below in paragraph B.3.2. Information concerning reduction of coverage shall be furnished by the Construction Manager promptly and within any time limits required by the Contract Documents. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

*(If the Construction Manager is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)*

« Commercial General Liability Insurance, specifically relating to coverage for bodily injury or property damage arising out of completed operations (as set forth in B.3.2.2.1.4) shall be maintained for not less than three (3) years following final payment. The Construction Manager shall continue to provide evidence of such coverage to the Owner on an annual basis during the aforementioned period. Additional Insured status, as required by B.3.1.3 for Products and Completed Operations shall extend for a period of not less than three (3) years after final payment. »

### **§ B.3.2.2 Commercial General Liability**

**§ B.3.2.2.1** Commercial General Liability insurance for the Project written on an occurrence form CG 00 01 04 13 or its equivalent with policy limits of not less than «one million dollars » (\$ «1,000,000.00 » ) per occurrence (per location/per project), «three million dollars » (\$ «3,000,000.00 » ) general aggregate, and «three million dollars » (\$ «3,000,000.00 » ) aggregate for products-completed operations hazard, one million dollars (\$1,000,000) personal and advertising injury limit, and five thousand dollars (\$5,000) medical expense limit providing coverage for claims including

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract);
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations;
- .5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions;
- .6 premises-operations; and
- .7 independent contractors, including, without limitation, Subcontractors.

**§ B.3.2.2.2** The Construction Manager's Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion, restriction, or limitation of coverage for the following:

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

**§ B.3.2.3** Business Automobile Liability covering liability arising out of any auto, including owned, hired, and non-owned autos, with policy combined single limits of not less than «one million dollars » (\$ «1,000,000.00 » ) per occurrence, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those autos along with any other statutorily required automobile coverage. Such coverage shall be written on ISO form CA 001, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01 10 13.

### **§ B.3.2.4**

**§ B.3.2.5** Workers' Compensation at statutory limits.

**§ B.3.2.6** Employers' Liability with policy limits not less than «one million dollars » (\$ «1,000,000.00 » ) each accident, «one million dollars » (\$ «1,000,000.00 » ) disease each employee, and « one million dollars » (\$ «1,000,000 » ) disease policy limit.

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

**§ B.3.2.8** The Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than «two million dollars » (\$ «2,000,000.00 » ) per claim and «

two million dollars » (\$ «2,000,000.00 » ) in the aggregate. The Construction Manager shall provide evidence of continuation or renewal of Professional Liability insurance for a period of two (2) years following final payment.

**§ B.3.2.9** The insurance required by subparagraph B.3.2 shall be written on an occurrence basis, unless specifically stated otherwise. It shall also be written on a per location/per project basis. The insurance required by subparagraph B.3.2 shall also provide coverage of liability of the Construction Manager's engaged professional consultants (i.e., independent testing laboratories, engineers, surveyors, etc.) for errors and omissions, or a separate policy shall be provided.

**§ B.3.2.10** The Construction Manager shall also cause each Subcontractor to (i) procure insurance reasonably satisfactory to the Owner; and (ii) name the Owner and Architect as additional insureds under the Subcontractor's commercial general liability policy. The additional insured endorsement included on the Subcontractor's comprehensive general liability policy shall state that coverage is afforded the additional insureds with respect to claims arising out of operations performed by or on behalf of the Construction Manager. If the additional insureds have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the insurer's liability under this insurance policy shall not be reduced by the existence of such other insurance nor shall it reduce or limit the Construction Manager's contractual obligation to indemnify, save harmless, and defend the Owner for claims made or suits brought which result from or are in connection with the performance of this Agreement.

### **§ B.3.3 Construction Manager's Other Insurance Coverage**

**§ B.3.3.1** Insurance selected and described in this Section B.3.3 shall be purchased and maintained in force from an insurance company or insurance companies lawfully authorized to issue insurance in North Carolina and rated A-VII or better by A.M. Best. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

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

«The insurance required by paragraph B.3.3 shall be maintained in effect, unless otherwise provided for in the Contract Documents, until the earliest of the following: (i) the date on which all persons and organizations who are insureds under the policy agree that it shall be terminated; (ii) the date on which final payment has been made; or (iii) the date on which the insurable interests in the property of all insureds other than the Owner have ceased.

»

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

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

- [ X ] **§ B.3.3.2.1** Builder's Risk insurance on the entire Work. Such insurance shall be written on a completed value form and in an amount equal to the initial Contract Sum, subject to any subsequent modification of the Contract Sum. The insurance shall apply on a replacement cost basis. Builder's Risk insurance shall, at a minimum, cover the perils insured under the ISO special causes of loss form (CP 10 30) and shall be endorsed as needed to provide full coverage for loss or damage from collapse, including collapse resulting from design error. Builder's Risk insurance shall include coverage for flood. Builder's Risk insurance shall cover the entire Work at the site identified in this Agreement and when applicable include reasonable compensation for Architect's services and expenses made necessary by an insured loss. Insured property shall include portions of the Work located away from the site but intended for use at the site, and shall also cover portions of the Work in transit. The policy shall cover the cost of removing debris, including demolition as may be legally necessary by the operation of applicable law.

« »

[ X ] **§ B.3.3.2.2 Boiler and Machinery Insurance.** Boiler and machinery insurance shall be purchased covering insured objects during installation and until final acceptance by the Owner. This insurance shall name as insureds the Owner, the Construction Manager, and all Subcontractors and Sub-subcontractors in the Work. In lieu of this separate policy, the Construction Manager may have the boiler and machinery exclusion removed from the Builders Risk policy.

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

Coverage	Limits
<b>Umbrella Excess Liability</b>	
Contractor shall provide umbrella and/or excess liability insurance on an "occurrence" basis providing "following form" coverage for the underlying coverages outlined above with the following minimum limits:	Each Occurrence Limit <b>\$25,000,000</b>
	Aggregate Limit <b>\$25,000,000</b>

#### **§ B.3.3.3**

If the Owner is damaged by the failure of the Construction Manager to maintain the insurance required by Paragraph B.3.3, then the Construction Manager shall bear all reasonable costs properly attributable to that failure. The Owner and the Construction Manager waive all rights against each other and each of their Subcontractors, sub-subcontractors, officers, officials, agents, and employees for recovery of damages caused by fire and other perils to the extent covered by Builders Risk insurance purchased pursuant to Paragraph B.3.3, or any other property insurance applicable to the Work. If such insurance does not allow the insured to waive rights of recovery against others prior to loss, the Construction Manager shall cause them to be endorsed with a waiver of subrogation as required in the Contract Documents.

#### **§ B.3.4 Performance Bond and Payment Bond**

The Construction Manager shall obtain a Performance Bond and a Payment Bond acceptable to the Owner from a surety company authorized to do business in North Carolina that has a financial standing rating from A.M. Best Company equal to or better than A and must be included on the approved list of sureties issued by the United States Department of Treasury and satisfactory to the Owner, each bond for the full amount of the Contract Sum and any subsequent increases. The Construction Manager shall provide surety bond wherein the surety waives notice of any and all modifications, omissions, additions, changes, and advance payments or deferred payments in or about the Contract, and agrees that the obligations undertaken by the bond shall not be impaired in any manner by reason of any such modifications, omissions, additions, changes, and advance payments or deferred payments. The surety bond must set forth no requirement that suit be initiated prior to the time stipulated in applicable North Carolina statutes of limitation. The bond shall guarantee the Construction Manager's faithful performance of the Contract and the payment of all obligations arising thereunder. The Construction Manager shall pay all charges in connection with these bonds. One original, executed copy of the bonds shall be attached to each copy of the Contract before they are returned to the Architect for the Owner's signature. The Construction Manager shall require the attorney in fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of his power of attorney indicating the monetary limit of such power. Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Construction Manager shall promptly furnish a copy of the bonds.

#### **ARTICLE B.4 SPECIAL TERMS AND CONDITIONS**

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

« »

# Additions and Deletions Report for AIA® Document A133® – 2019 Exhibit B

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 12:18:07 EDT on 04/11/2025.

## Changes to original AIA text

### PAGE 1

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the «\_\_\_\_\_» day of «\_\_\_\_\_» in the year «\_\_\_\_\_»

«Union County Water Operation Center Expansion and Renovation»

«4600 Goldmine Rd.

Monroe NC 28110»

### THE OWNER:

Union County, North Carolina

500 N. Main Street

Monroe, NC 28112

### THE CONSTRUCTION MANAGER:

«Edifice, LLC

4111 South Boulevard

Charlotte, NC 28209

North Carolina General Contractor's License #10514 »

## TABLE OF ARTICLES

B.1 — GENERAL

B.2 — OWNER'S INSURANCE

B.3 — CONSTRUCTION MANAGER'S INSURANCE AND BONDS

B.4 — SPECIAL TERMS AND CONDITIONS

## ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit and otherwise required in the Contract Documents. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction, as modified.

## **ARTICLE B.2 OWNER'S INSURANCE**

### **§ B.2.1 General**

~~Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager's request, provide a copy of the property insurance policy or policies required by Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements~~Intentionally Omitted.

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### **§ B.2.2 Liability Insurance**

#### **§ B.2.3 Required Property Insurance**

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

~~§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:~~

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

~~§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Construction Manager's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:~~

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

~~§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.~~

~~§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.~~

~~§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.~~

#### **§ B.2.3.3 Insurance for Existing Structures**

~~If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the~~

Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

**§ B.2.4 Optional Extended Property Insurance.**

The Owner shall purchase and maintain the insurance selected and described below.

*(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)*

- ☐ **§ B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance.** to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.
- ☐ **§ B.2.4.2 Ordinance or Law Insurance.** for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.
- ☐ **§ B.2.4.3 Expediting Cost Insurance.** for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.
- ☐ **§ B.2.4.4 Extra Expense Insurance.** to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.
- ☐ **§ B.2.4.5 Civil Authority Insurance.** for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.
- ☐ **§ B.2.4.6 Ingress/Egress Insurance.** for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.
- ☐ **§ B.2.4.7 Soft Costs Insurance.** to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

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**§ B.2.5 Other Optional Insurance.**

The Owner shall purchase and maintain the insurance selected below.

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

- ☐ **§ B.2.5.1 Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information.  
*(Indicate applicable limits of coverage or other conditions in the fill point below.)*
- ☐ **§ B.2.5.2 Other Insurance**  
*(List below any other insurance coverage to be provided by the Owner and any applicable limits.)*

**§ B.3.1 General**

**§ B.3.1.1 Certificates of Insurance.** The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's Commercial General Liability and excess or umbrella liability policy or policies insurance policy or policies as required by this Article B.3. In no event shall any failure of the Owner to receive certified



copies or certificates of policies required under Article B.3 or to demand receipt of such certified copies or certificates prior to the Construction Manager's commencing the Work be construed as a waiver by the Owner or the Architect of the Construction Manager's obligations to obtain insurance pursuant to this Article B.3. The obligation to procure and maintain any insurance required by this Article B.3 is a separate responsibility of the Construction Manager and independent of the duty to furnish a certified copy or certificate of such insurance policies. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, the Construction Manager shall supply the Owner with certificates of insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage as was provided in the previous policy. In the event any renewal or replacement policy, for whatever reason obtained or required, is written by a carrier other than that with whom the coverage was previously placed, or the subsequent policy differs in any way from the previous policy, the Construction Manager shall also furnish the Owner with a certified copy of the renewal or replacement policy unless the Owner provides the Construction Manager with prior written consent to submit only a certificate of insurance for any such policy.

**§ B.3.1.3 Additional Insured Obligations.** To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, its officers, agents, and employees; the Architect, and the Architect's consultants as additional insureds on the Commercial General Liability Policy for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims ~~caused in whole or in part by made under the Construction Manager's negligent acts or omissions for which loss occurs during~~ completed operations coverage. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. ~~To the extent commercially available, the additional insured coverage~~ The additional insured coverage with respect to the Owner, its officers, agents, and employees shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

### **§ B.3.2 Construction Manager's Required Insurance Coverage**

**§ B.3.2.1** The Construction Manager shall ~~purchase and maintain,~~ for the protection and benefit of the indemnitees and the Construction Manager and as part of the Construction Manager's efforts to satisfy the obligations set forth in Paragraph B.3.2, procure, purchase and maintain in full force and effect the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located issued by insurers authorized to do business in North Carolina and rated A-VII or better by A.M. Best or carriers otherwise acceptable to the Owner, and in form and substance reasonably satisfactory to the Owner, which afford the coverages set forth below in paragraph B.3.2. Information concerning reduction of coverage shall be furnished by the Construction Manager promptly and within any time limits required by the Contract Documents. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

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« Commercial General Liability Insurance, specifically relating to coverage for bodily injury or property damage arising out of completed operations (as set forth in B.3.2.2.1.4) shall be maintained for not less than three (3) years following final payment. The Construction Manager shall continue to provide evidence of such coverage to the Owner on an annual basis during the aforementioned period. Additional Insured status, as required by B.3.1.3 for Products and Completed Operations shall extend for a period of not less than three (3) years after final payment. »

### **§ B.3.2.2 Commercial General Liability**

**§ B.3.2.2.1** Commercial General Liability insurance for the Project written on an occurrence form CG 00 01 04 13 or its equivalent with policy limits of not less than ~~(\$ ) each occurrence, (\$ ) general aggregate, and (\$ ) aggregate for products-completed operations hazard,~~ «one million dollars » (\$ «1,000,000.00 » ) per occurrence (per location/per project), «three million dollars » (\$ «3,000,000.00 » ) general aggregate, and «tree million dollars » (\$ «3,000,000.00 » ) aggregate for products-completed operations hazard, one million dollars (\$1,000,000) personal and advertising injury limit, and five thousand dollars (\$5,000) medical expense limit providing coverage for claims including

- .1—damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2—personal injury and advertising injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract);
- .3—damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4—bodily injury or property damage arising out of completed operations; ~~and~~
- .5—the Construction Manager’s indemnity obligations under Section 3.18 of the General Conditions;:
- .6 premises-operations; and
- .7 independent contractors, including, without limitation, Subcontractors.

**§ B.3.2.2.2** The Construction Manager’s Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion ~~or restriction~~, restriction, or limitation of coverage for the following:

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

**§ B.3.2.3** Business Automobile Liability covering ~~vehicles owned~~ liability arising out of any auto, including owned, hired, and non-owned vehicles used, by the Construction Manager ~~autos, with policy combined single limits of not less than ~~(\$ ) per accident~~ «one million dollars » (\$ «1,000,000.00 » ) per occurrence~~, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those ~~motor vehicles~~ autos along with any other statutorily required automobile coverage.

~~§ B.3.2.4~~ The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers. Such coverage shall be written on ISO form CA 001, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01 10 13.

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### § B.3.2.4

~~§ B.3.2.6~~ Employers' Liability with policy limits not less than ~~(\$ «one million dollars » (\$ «1,000,000.00 » ) each accident, (\$ «one million dollars » (\$ «1,000,000.00 » ) disease each employee, and (\$ « one million dollars » (\$ « 1,000,000 » ) disease policy limit.~~

~~§ B.3.2.8~~ If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than (\$ «two million dollars » (\$ «2,000,000.00 » ) per claim and (\$ ) in the aggregate « two million dollars » (\$ «2,000,000.00 » ) in the aggregate. The Construction Manager shall provide evidence of continuation or renewal of Professional Liability insurance for a period of two (2) years following final payment.

~~§ B.3.2.9~~ If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than (\$ ) per claim and (\$ ) in the aggregate. The insurance required by subparagraph B.3.2 shall be written on an occurrence basis, unless specifically stated otherwise. It shall also be written on a per location/per project basis. The insurance required by subparagraph B.3.2 shall also provide coverage of liability of the Construction Manager's engaged professional consultants (i.e., independent testing laboratories, engineers, surveyors, etc.) for errors and omissions, or a separate policy shall be provided.

~~§ B.3.2.10~~ Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than (\$ ) per claim and (\$ ) in the aggregate.

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

~~§ B.3.2.12~~ Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than (\$ ) per claim and (\$ ) in the aggregate. The Construction Manager shall also cause each Subcontractor to (i) procure insurance reasonably satisfactory to the Owner; and (ii) name the Owner and Architect as additional insureds under the Subcontractor's commercial general liability policy. The additional insured endorsement included on the Subcontractor's comprehensive general liability policy shall state that coverage is afforded the additional insureds with respect to claims arising out of operations performed by or on behalf of the Construction Manager. If the additional insureds have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the insurer's liability under this insurance policy shall not be reduced by the existence of such other insurance nor shall it reduce or limit the Construction Manager's contractual obligation to indemnify, save harmless, and defend the Owner for claims made or suits brought which result from or are in connection with the performance of this Agreement.

### § B.3.3 Construction Manager's Other Insurance Coverage

~~§ B.3.3.1~~ Insurance selected and described in this Section B.3.3 shall be purchased and maintained in force from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located North Carolina and rated A-VII or better by A.M. Best. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

«The insurance required by paragraph B.3.3 shall be maintained in effect, unless otherwise provided for in the Contract Documents, until the earliest of the following: (i) the date on which all persons and organizations who are insureds under the policy agree that it shall be terminated; (ii) the date on which final payment has been made; or (iii) the date on which the insurable interests in the property of all insureds other than the Owner have ceased.

»

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[ **«X »** ] — **§ B.3.3.2.1 Property Builder's Risk insurance** ~~on the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:~~

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

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

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

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

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

[ ] — entire Work. Such insurance shall be written on a completed value form and in an amount equal to the initial Contract Sum, subject to any subsequent modification of the Contract Sum. The insurance shall apply on a replacement cost basis. Builder's Risk insurance shall, at a minimum, cover the perils insured under the ISO special causes of loss form (CP 10 30) and shall be endorsed as needed to provide full coverage for loss or damage from collapse, including collapse resulting from design error. Builder's Risk insurance shall include coverage for flood. Builder's Risk insurance shall cover the entire Work at the site identified in this Agreement and when applicable include reasonable compensation for Architect's services and expenses made necessary by an insured loss. Insured property shall include portions of the Work located away from the site but intended for use at the site, and shall also cover portions of the Work in transit. The policy shall cover the cost of removing debris, including demolition as may be legally necessary by the operation of applicable law.

« »

[ **«X »** ] **§ B.3.3.2.2 Boiler and Machinery Insurance.** Boiler and machinery insurance shall be purchased covering insured objects during installation and until final acceptance by the Owner. This insurance shall name as insureds the Owner, the Construction Manager, and all Subcontractors and Sub-subcontractors in the Work. In lieu of this separate policy, the Construction Manager may have the boiler and machinery exclusion removed from the Builders Risk policy.

[ **«X »** ] **§ B.3.3.2.6 Other Insurance**

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**Coverage**  
**Umbrella Excess Liability**

**Limits**

Contractor shall provide umbrella and/or excess liability insurance on an "occurrence" basis providing "following form" coverage for the underlying coverages outlined above with the following minimum limits:

Each Occurrence Limit  
**\$25,000,000**

Aggregate Limit  
**\$25,000,000**

**§ B.3.3.3**

If the Owner is damaged by the failure of the Construction Manager to maintain the insurance required by Paragraph B.3.3, then the Construction Manager shall bear all reasonable costs properly attributable to that failure. The Owner and the Construction Manager waive all rights against each other and each of their Subcontractors, sub-subcontractors, officers, officials, agents, and employees for recovery of damages caused by fire and other perils to the extent covered by Builders Risk insurance purchased pursuant to Paragraph B.3.3, or any other property insurance applicable to the Work. If such insurance does not allow the insured to waive rights of recovery against others prior to loss, the Construction Manager shall cause them to be endorsed with a waiver of subrogation as required in the Contract Documents.

**§ B.3.4 Performance Bond and Payment Bond**

The Construction Manager shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:

*(Specify type and penal sum of bonds.)*

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement to obtain a Performance Bond and a Payment Bond acceptable to the Owner from a surety company authorized to do business in North Carolina that has a financial standing rating from A.M. Best Company equal to or better than A and must be included on the approved list of sureties issued by the United States Department of Treasury and satisfactory to the Owner, each bond for the full amount of the Contract Sum and any subsequent increases. The Construction Manager shall provide surety bond wherein the surety waives notice of any and all modifications, omissions, additions, changes, and advance payments or deferred payments in or about the Contract, and agrees that the obligations undertaken by the bond shall not be impaired in any manner by reason of any such modifications, omissions, additions, changes, and advance payments or deferred payments. The surety bond must set forth no requirement that suit be initiated prior to the time stipulated in applicable North Carolina statutes of limitation. The bond shall guarantee the Construction Manager's faithful performance of the Contract and the payment of all obligations arising thereunder. The Construction Manager shall pay all charges in connection with these bonds. One original, executed copy of the bonds shall be attached to each copy of the Contract before they are returned to the Architect for the Owner's signature. The Construction Manager shall require the attorney in fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of his power of attorney indicating the monetary limit of such power. Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Construction Manager shall promptly furnish a copy of the bonds.

« »

**Variable Information**

**PAGE 1**

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the « » day of « » in the year « »

**«Union County Water Operation Center Expansion and Renovation»**

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