

**MCCORMICK TAYLOR, INC.  
WELZENBACH FARM  
SUB-CONSULTING AGREEMENT**

**EXHIBIT C**

1. **Insurance Requirements.** Subcontractor shall obtain and maintain, and require its subcontractors to obtain and maintain, during the term of performance of any work hereunder, insurance coverage with limits, terms and conditions as set forth herein.

**Commercial General Liability**                      \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

The Commercial General liability policy shall be written on an occurrence basis and include ~~blanket~~ contractual liability and products and completed operations coverage. In addition to the requirement to maintain Commercial General Liability during the term of performance of any work hereunder, coverage must be kept in force for a period of two (2) years after Final Acceptance for Products and Completed Operations. The Commercial General Liability policies of Subcontractor and its subcontractors shall be endorsed as follows:

(a) Such insurance as afforded by this policy for the benefit of **Subcontractor, and GV** (including its directors, officers, affiliates, ~~agents~~ and employees) ~~whom are shall be added included as an additional insured and shall be primary~~ as respects any claims, losses, damages, expenses, or liabilities ~~arising out of, relating to in any way, or incident to the extent caused by~~ the work for GV or any activities of Subcontractor on the premises of, or in connection with any property of, GV or its affiliates, ~~regardless whether instituted against GV alone or jointly with Subcontractor Personnel or others, and whether or not negligence or liability is charged solely against General Contractor, Project Owner, and Architect; their direct and indirect parent(s), subsidiary(ies) and affiliated companies, their respective officers, directors, stockholders, employees, and agents or assigns.~~

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(b) Any insurance carried by GV **shall be excess of and non-contributing** with insurance afforded by this policy.

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**Business Auto Liability**                                      \$1,000,000 combined single limit per accident, including coverage for all owned, non-owned, hired and leased automobiles.

The Business Auto Liability policy of Subcontractor and its subcontractors shall be endorsed as follows:

(a) **Such insurance as afforded by this policy for the benefit of Subcontract, and GV** (including General Contractor, Project Owner, and Architect; their direct and indirect parent(s), subsidiary(ies) and affiliated companies, their respective officers, directors, stockholders, employees, and agents or assigns) ~~whom are shall be included as an additional insured and shall be primary as~~ respects claims, losses, damages, expenses, or liabilities to the extent caused by the work for GV or any activities of Subcontractor on the premises of, or in connection with any property of, GV or its affiliates.

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(b) Any insurance carried by GV shall be excess of **and non-contributing** with insurance afforded by this policy.

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(c) **Such insurance must waive the Subcontractor's rights of recovery** against GV, General Contractor, Project Owner, and Architect; their direct and indirect parent(s), subsidiary(ies) and affiliated companies, their respective officers, directors, stockholders, employees, and ~~agents or~~ assigns to the fullest extent permitted by the laws of the governing jurisdiction for claims of third parties, employees or other entities for whatever reason to the extent caused by the actions, claims, damages or losses in conjunction with the policy.

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**Workers' Compensation**                                      Coverage shall comply with any statutory obligation imposed by workers compensation, occupational disease or similar laws.

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**Professional Liability**

\$10,000,000 per claim and in the aggregate.

If any of the work performed by Subcontractor or its subcontractors includes the rendering of professional services, including, but not limited to, architectural, engineering, or design services, Subcontractor shall maintain and/or require any subcontractor involved in the same or similar services, to maintain Professional Liability or Errors and Omissions insurance. The stated limits are to be provided in a project specific policy dedicated exclusively to the professional services provided or a dedicated project endorsement with separate limits for the project. The coverage shall not contain any restriction or exclusion for any claims arising out of the extent caused by environmental incidents resulting from the design of the project. If this condition cannot be complied with, it will be necessary to secure a separate pollution legal liability policy specifically for the design function.

**Commented [GT1]:** It is a McCormick Taylor business decision to purchase project specific insurance or a dedicated project endorsement. Please let Lockton know if this requirement is not removed as an application would need to be completed for project specific insurance

**Excess/Umbrella Liability**

\$5,000,000 per occurrence and in the aggregate.

**Pollution Liability**

\$1,000,000 each ~~occurrence-claim~~ and in the aggregate.

**Applicable if any particular work subject to these terms and conditions involves or includes construction.**

2. **Certificates / Additional Insured.** Prior to commencement of work hereunder, Subcontractor shall provide GV with certificates of insurance as evidence of the above insurance requirements. Subcontractor shall obtain an insurance certificate from its subcontractors with these same insurance requirements and shall provide such insurance certificates to GV upon request. Any failure of such certificates/coverages to conform to the contractual requirements specified herein shall not result in a waiver of Subcontractor's required insurance and indemnity obligations herein and such obligations shall continue in full force and effect. Such certificates shall:

(a) ~~Name-Include~~ General Contractor, Project Owner, and Architect; their direct and indirect parent(s), subsidiary(ies) and affiliated companies, their respective officers, directors, stockholders, employees, and ~~agents or assigns as additional insured (except Workers' Compensation/Employers Liability and Professional Liability);~~

(b) Provide that GV shall receive thirty (30) days' prior written notice of non-renewal, or cancellation of ~~or modification to any of the above policies, except in the event of cancellation due to nonpayment of premium,~~ and indicate that the Commercial General Liability policy has been endorsed as described above.

(c) In no case shall the Subcontractor procure and maintain less than the insurance coverages mentioned. ~~Coverage shall be placed~~ with an insurance carrier rated "A-" or better by A.M. Best and authorized to do business in the jurisdiction where the projects and job sites are located.

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**Commented [GT2]:** Carriers will not provide notice of "modification to" policies. This is a broad request. Some carriers may provide notice of "material reduction", but they would not provide notice of any and all modifications. Other carriers may not offer this type of notice at all.

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**Commented [GT3]:** The way this was previously written sounded as though the Subcontractor should **not** place coverage with a carrier rated A- or better.

3. **Reservation of Rights.** If Subcontractor fails to comply with its obligations as specified in this Exhibit C, GV shall have the right, but not the obligation to procure at Subcontractor's expense the required insurance coverage.

4. **Lower-tier Subcontractors.** In the event that Subcontractor uses lower-tier subcontractors in connection with the performance of Subcontractor's work, Subcontractor shall require all such sub-subcontractors to comply with the terms herein, including but not limited to providing the insurance coverages specified herein. Subcontractor shall obtain insurance certificates from subcontractors in accordance with requirement set forth in Exhibit C. Subcontractor shall indemnify, defend and hold harmless General Contractor, Project Owner, and Architect; their direct and indirect parent(s), subsidiary(ies) and affiliated companies, their respective officers, directors, stockholders, employees, and agents or assigns, from any claims arising under the Subcontract for acts and omissions of Subcontractor's lower-tier subcontractors and where such lower-tier subcontractors failed to maintain the insurance coverages set forth in this Subcontract.

5. **Accident Reports.** Subcontractor shall furnish GV with copies of any accident report(s) sent to Subcontractor's insurance carriers covering accidents occurring in connection with or as a result of the performance of the work under this Subcontract. Subcontractor shall furnish said copies to GV concurrently with providing the reports to its insurers.

**Commented [GT4]:** Lockton recommends an attorney review the indemnification agreement as insurance may not be available for all indemnity provisions. For example, the professional liability policy will not defend another party

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6. **Reduction of Coverage.** Subcontractor shall notify GV in writing when coverages required herein have been reduced as a result of claim payments, expenses or both. If any of the required insurance coverages contain coverage applying to other operations of Subcontractor outside work performed for GV pursuant hereto, and such limits are diminished by any incident, occurrence, claim, settlement, or judgment against such insurance, Subcontractor shall take immediate steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

7. **Subcontractor Obligations Not Limited.** The requirements contained herein as to types, limits, or GV's approval of insurance coverage to be maintained by Subcontractor are not intended to, and shall not in any manner limit, qualify, or quantify the liabilities and obligations assumed by Subcontractor hereunder, any other agreement with GV, or otherwise provided by law.

8. **Additional Requirements.** All above-mentioned insurance policies (except workers' compensation, professional liability and pollution liability) shall contain standard cross-liability provisions. All above-mentioned insurance policies (except professional liability) shall provide for a waiver of all rights of subrogation that Subcontractor's insurance carrier might exercise against General Contractor, Project Owner, and Architect; their direct and indirect parent(s), subsidiary(ies) and affiliated companies, their respective officers, directors, stockholders, employees, and agents or assigns.

**Commented [GT5]:** It is a McCormick Taylor business decision to agree to this requirement – seems administratively onerous.

**Commented [GT6]:** It may be possible to endorse this on the pollution liability coverage, but it is not currently included on McCormick Taylor's policy.

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