

CLERK'S CONTRACT and AGREEMENT COVER PAGE

Legistar File ID#: 2014-0070

Innoprise Contract #: C14-0076

Year: 2014

Amount: \$23,100.00

Department: Public works

Contract Type: Addendum

Contractors Name: Applied Research Associates, Inc (ARA)

Contract Description: Addendum A to Pavement & Asset Management Consulting Contract for additional work

MAYOR
Daniel J. McLaughlin
VILLAGE CLERK
John C. Mehalek
14700 S. Ravinia Ave.
Orland Park, IL 60462
(708) 403-6100
www.orlandpark.org



TRUSTEES
Kathleen M. Fenton
James V. Dodge
Edward G. Schussler III
Patricia A. Gira
Carole Griffin Ruzich
Daniel T. Calandriello

VILLAGE HALL

September 23, 2014

Ms. Michelle Johnson
Contracts
Applied Research Associates, Inc.
100 Trade Centre Drive, Suite 200
Champaign, Illinois 61820

RE: NOTICE TO PROCEED

- *Addendum A Pavement Management Update 2014*
- *Orland Parkway Forensic Examination*

Dear Ms. Johnson:

This notification is to inform you that the Village of Orland Park has received all necessary documents in order for work to commence on the above stated projects.

The Village has processed Purchase Order #14-002500 for the 2014 Update and PO #12-003613 for Orland Parkway and emailed them to your attention on September 23, 2014. It is imperative that this number on the Purchase Order be noted on all invoices, correspondence, etc. All invoices should be sent directly to the Accounts Payable Department at 14700 S. Ravinia Ave. Orland Park, IL 60462. Also, your final invoice for this contract/service should state that it is the final invoice pertaining to that Purchase Order.

For your records, I have enclosed one (1) original executed addendum dated March 3, 2014 in an amount not to exceed Twenty Three Thousand One Hundred and No/100 (\$23,100.00) Dollar and one (1) original executed contract dated August 18, 2014 in a fixed amount of Nine Thousand Nine Hundred and No/100 (\$9,900.00) Dollars. If you have any questions, please call me at 708-403-6173.

Sincerely,

Denise Domalewski
Contract Administrator

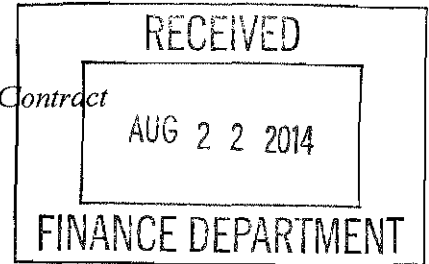
Encl:

cc: Napoleon Haney
Tom Martin

ADDENDUM A to
Pavement, Roadway & Asset Management Consultant Contract

Dated
February 20, 2012

Between
The Village of Orland Park, Illinois ("VILLAGE") and Applied Research Associates Inc.
("CONTRACTOR")



WHEREAS, on February 20, 2014, a certain Agreement regarding Pavement, Roadway & Asset Management Consultant between the Village and the Contractor was executed (hereinafter referred to as the "Contract"); and,

WHEREAS, the Village wishes to authorize additional work.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants herein contained, it is agreed by and between the parties hereto as follows:

1. In the event of any conflict or inconsistency between the provisions of this Addendum and the Agreement, the provisions of this Addendum shall control.
2. **SECTION 1: THE CONTRACT DOCUMENTS** of said Contract shall be amended to include Addendum A;
3. **SECTION 1: THE CONTRACT DOCUMENTS** of said Contract shall be amended to include Exhibit B – Pavement Management System Update proposal dated January 17, 2014;
4. **SECTION 2: SCOPE OF THE WORK AND PAYMENT** of said Contract shall be amended to include the following: *“Provide professional engineering pavement analysis and other services as outlined in January 17, 2014 proposal – Exhibit B Scope of Services”*
5. **SECTION 2: SCOPE OF THE WORK AND PAYMENT** of said Contract shall be amended to include the following: *“TOTAL: a firm fixed price of Twenty Three Thousand One Hundred and No/100 (\$23,100.00) Dollars as defined in Exhibit B.”*
6. **SECTION 4: TERM OF THE CONTRACT** of said Contract shall be stricken in its entirety and replaced with the following:

This Contract shall commence on the date of its execution. The WORK shall commence upon receipt of a Notice to Proceed and continue expeditiously from that date until final completion as stated in each proposal. This Contract may be terminated by either of the PARTIES for default upon failure to cure after ten (10) days prior written notice of said default from the aggrieved PARTY. The VILLAGE, for its convenience, may terminate this Contract with thirty (30) days prior written notice. The Village shall pay ARA for work performed minus the cost incurred for cure.

ADDENDUM A to
Pavement, Roadway & Asset Management Consultant Contract

Dated
February 20, 2012

Between
The Village of Orland Park, Illinois ("VILLAGE") and Applied Research Associates Inc.
("CONTRACTOR")

7. All of the other terms, covenants, representations and conditions of said Contract not deleted or amended herein shall remain in full force and effect during the effective term of said Contract.
8. This Addendum may be executed in two or more counterparts, each of which taken together, shall constitute one and the same instrument.

This Addendum, made and entered into effective the **3rd day of March, 2014**, shall be attached to and form a part of the Contract dated the 20th day of February, 2012 and shall take effect upon signature below by duly authorized agents of both parties.

AGREED AND ACCEPTED

FOR: THE VILLAGE

By: 

Print Name: Paul G. Grimes
Village Manager

Its: _____

Date: 8/22/14

FOR: THE CONTRACTOR

By: 

Print Name: William R. Vavrik, Ph.D., P.E.

Its: Vice President

Date: August 21, 2014



January 17th, 2014

Mr. John Ingram
Infrastructure Maintenance Director
Village of Orland Park
Public Works Department
15655 Ravinia Ave.
Orland Park, IL 60462
(708) 403-6350

Subject: Proposal for Pavement Management System (PMS) Update

Dear Mr. Ingram:

Applied Research Associates (ARA), Inc., appreciates the opportunity to submit this letter proposal to the Village of Orland Park to update the Village's PMS.

If you have any questions or need additional information, please do not hesitate to contact us.

Sincerely,

Joseph A. Stefanski, P.E.
Senior Engineer

William R. Vavrik, Ph.D., P.E.
Vice President & Principal Engineer

PROJECT UNDERSTANDING

In 2012, ARA was chosen to provide services to implement a pavement and asset management system (PMS) for the Village of Orland Park. Using ARA's digital survey vehicle (DSV), ARA conducted a complete coverage pavement condition survey of all streets within the Village jurisdiction. Using a combination of sensor data, GPS, and high-resolution imagery, ARA was able to gather all of the necessary data to assess the current pavement condition using the Condition Rating System (CRS). The CRS data was combined with historical data about the pavement network to develop a PMS using ARA's own RoadCare system. Pavement deterioration models were developed to project the life of roads in the future. Recommendations, in the form of a preliminary 5-year project selection, were made to help improve the effectiveness of the Village's pavement management practices.

ARA understands Orland Park plans to maintain their PMS using the Condition Rating System (CRS) to rate the pavements in their network, possibly on a four or five year schedule. In addition, ARA understands Orland Park would like to update the PMS in years where no condition survey occurs, to project an updated 5-year capital improvement plan.

This proposal will allow for an update of the PMS without an updated condition survey. This will include gathering information on projects performed since the last condition survey and programming this information into the PMS. Also included will be a refinement of pavement management components including the treatment matrix (treatment choices and their trigger levels), treatment consequences, treatment unit costs, and annual budget levels to aid in the update of a 5-year capital improvement plan.

The following project scope illustrates the tasks and milestones required to update the Orland Park PMS successfully.

SCOPE OF SERVICES

A task-by-task summary of ARA's proposed scope of work is provided in the following sections.

Task 1. Update projects performed since last condition survey

The Village of Orland Park will provide to ARA all relevant project information for review and inclusion into the PMS. For each project this includes:

- Year work was performed
- Treatment used
- Location of work performed (Route/Segment/From/To)

ARA will review this information to gain an understanding of the work completed since the last condition survey. Along with the parameters that will be updated in Task 2, this information will serve as the base for bringing the condition of the network from the last condition survey performed in 2012 to the present so that future predictions can be made on the network.

Task 2. Develop updated 5-year capital improvement plan

ARA will work with Orland Park to update the PMS simulation parameters so that an updated 5-year capital and maintenance plan can be developed.

This will start with entering into the PMS the information on projects gathered in Task 1 including year, location and treatment type. ARA will then work with Orland Park to consider refinement of all pavement management simulation components including the treatment matrix and the monitoring of treatment choices and consequences. The treatment matrix will be reevaluated by looking at routes that received maintenance and rehabilitation strategies and comparing this with the performance-model-predicted pavement condition for that year. By comparing the recommended pavement strategy to the actual strategy used, the treatment matrix can be validated and/or areas of concern highlighted. If applicable, trigger levels or consequences for treatment selection may be adjusted or new strategies may be incorporated into the treatment matrix.

Also included will be updating any necessary parameters in the RoadCare simulation such as treatment unit costs (to reflect current market conditions and expected outcomes), and expected annual budgets for the 5-year period to aid in the update of the capital improvement plan.

Using the updated parameters, ARA will work with the Village to develop a 5-year capital improvement plan under the Village's expected funding scenarios. The results of the optimization simulation will include project recommendations for the 5-year period to serve as a guide in the Village's project selection process.

As a part of this task, ARA will meet with Orland Park staff to discuss the needs and direction of updating the PMS system.

Task 3: Project results memo

Following the completion of work with Orland Park, ARA will deliver a project memorandum detailing the work completed and the results of the 5-year capital improvement plan. ARA will review this document with the Village of Orland Park and revise as necessary.

PROJECT COSTS

ARA's firm fixed price proposal to perform this project is \$23,100. These costs include our labor, overhead, any equipment charges, travel, and other direct costs. These costs do not include any fees or expenses for traffic control, which is understood to be provided by the Village of Orland Park, but is not anticipated for this project. ARA will invoice monthly on a percent complete basis, for payment to be made within 30 days of receipt of invoice.

PROJECT SCHEDULE

ARA is available to perform the work as outlined within 3 months of receipt of written notice to proceed. We will deliver the final project results memo at the completion of the project.

REQUIRED SUPPORT


ARA requires the following support to successfully complete this project in an efficient and effective manner:

- ④ Past project information as described in Task 1
- ④ Provide input on updating simulation parameters as outlined in Task 2

We appreciate the opportunity to provide you these services and look forward to working with you on this project. If you have any questions or comments, please do not hesitate to contact us.

ACCEPTANCE OF PROPOSAL

To accept this proposal as an agreement to provide professional services in accord with the scope, cost, schedule, required support, and terms & conditions, please sign this proposal in the space below. This acceptance will act as a notice to proceed.

ACCEPTANCE AND AUTHORIZATION	
Name (print)	Paul G. Grimes
Title	Village Manager
Signature:	
Date:	8/22/14



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/21/2014

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

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

PRODUCER Western Assurance Corp. 3701 Paseo Del Norte NE PO Box 94600 Albuquerque NM 87199-4600		CONTACT NAME: Alison Comer PHONE (A/C No. Ext): (505) 265-8481 E-MAIL ADDRESS: acomer@westernassurance.com FAX (A/C No.): (505) 266-3500	
INSURED Applied Research Associates Inc 4300 San Mateo Blvd NE #B300 Albuquerque NM 87110		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Transportation Insurance	NAIC # AM BEST A
		INSURER B: National Fire Ins. of Hartford	AM BEST A
		INSURER C: Continental Casualty Company	AM BEST A
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES CERTIFICATE NUMBER: 14/15 Master REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	X	4029254172	6/30/2014	6/30/2015	MED EXP (Any one person) \$ 15,000
	<input checked="" type="checkbox"/> XCU Included <input checked="" type="checkbox"/> Pollution Included						PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC							
B	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS	X	X	4026349108	3/1/2014	3/1/2015	BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> Rental Autos						Uninsured motorist combined \$ 1,000,000
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR						EACH OCCURRENCE \$ 10,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 10,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X	X	4024175866	6/30/2014	6/30/2015	\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		X				<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below			4026390760	1/31/2014	1/31/2015	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability						Each Claim Limit 2,000,000
	Retro date 10/23/95			4029254172	6/30/2014	6/30/2015	Aggregate (Extended Reporting) 2,000,000

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

CERTIFICATE HOLDER

CANCELLATION

ddomalewski@orlandpark.org Village of Orland Park, Illinois Attn: Denise Domalewski 14700 S. Ravinia Avenue Orland Park, IL 60462	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 M Chavez/MERLIN
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
TECHNOLOGY GENERAL LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Coverage Part.

1. ADDITIONAL INSURED - BLANKET VENDORS

WHO IS AN INSURED (Section II) is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container.
 - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g. Products which, after distribution or sale by you, have been labeled or relabeled

or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(1) The exceptions contained in Subparagraphs d. or f.; or

(2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
3. This provision 1. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.
4. This provision 1. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

2. MISCELLANEOUS ADDITIONAL INSUREDS

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (called additional insured) described in paragraphs 2.a. through 2.h. below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and
2. Executed prior to the "bodily injury," "property damage" or "personal injury and



advertising injury," but only the following persons or organizations are additional insureds under this endorsement and coverage provided to such additional insureds is limited as provided herein:

a. Additional Insured - "Your Work"

That person or organization for whom you do work is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.

The insurance provided to the additional insured is limited as follows:

(1) The Limits of insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of insurance are inclusive of, and not in addition to, the Limits of insurance shown in the Declarations.

(2) The coverage provided to the additional insured by this paragraph, 2.a., does not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless:

(a) It is required by the written contract or written agreement, and

(b) "Bodily injury" or "property damage" included within the "products-completed operations hazard" is not excluded either by the provisions of the Coverage Part or by endorsement.

(3) The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failure to render any professional services.

b. State or Political Subdivisions

A state or political subdivision subject to the following provisions:

(1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

(a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistway openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

c. Controlling interest

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

d. Managers or Lessors of Premises

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or



- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

e. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

f. Owners/Other Interests - Land Is Leased

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

g. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owner's liability as co-owner of such premises.

h. Lessor of Equipment

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury," "property damage," or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs b. through h. above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

As respects the coverage provided under this endorsement, Paragraph 4.b. SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted and replaced with the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over:

Any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or agreement specifically requires that this insurance be either primary or primary and noncontributing. Where required by written contract or agreement, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

3. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

Paragraph 3.a. of Section II - Who Is An Insured is deleted and replaced by the following:

Coverage under this provision is afforded only until the end of the policy period or the next anniversary of this policy's effective date after you acquire or form the organization, whichever is earlier.

4. JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANY COVERAGE

A. The following is added to Section II - Who Is An Insured:

- 4. You are an insured when you had an interest in a joint venture, partnership or limited liability company which terminated or ended prior to or during this policy period but only to the extent of your interest in such



joint venture, partnership or limited liability company. This coverage does not apply.

a. Prior to the termination date of any joint venture, partnership or limited liability company; or

b. If there is other valid and collectible insurance purchased specifically to insure the partnership, joint venture or limited liability company.

B. The last paragraph of Section II – Who is An Insured is deleted and replaced by the following:

Except as provided in 4, above, no person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

5. PARTNERSHIP OR JOINT VENTURES

Paragraph 1.b. of Section II – Who is An Insured is deleted and replaced by the following:

b. A partnership (including a limited liability partnership) or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

6. EMPLOYEES AS INSUREDS – HEALTH CARE SERVICES

For other than a physician, paragraph 2.a.(1)(d) of Section II – Who is An Insured does not apply with respect to professional health care services provided in the course of employment by you.

7. PROPERTY DAMAGE – PATTERNS, MOLDS AND DIES

Paragraphs (3) and (4) of Exclusion J, Damage to Property of SECTION I – EXCLUSIONS do not apply to patterns, molds or dies in the care, custody or control of the insured if the patterns, molds or dies are not being used to perform operations at the time of loss. A limit of insurance of \$25,000 per policy period applies to PROPERTY DAMAGE – PATTERNS, MOLDS AND DIES and is included within the General Aggregate Limit as described in SECTION III – LIMITS OF INSURANCE.

The insurance afforded by this provision 7. is excess over any valid and collectible property insurance (including any deductible) available to the insured, and the Other Insurance Condition is changed accordingly.

8. BODILY INJURY

Section V – Definitions, the definition of "bodily injury" is changed to read:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the bodily injury, sickness or disease.

9. EXPANDED PERSONAL AND ADVERTISING INJURY

A. The following is added to Section V – Definitions, the definition of "personal and advertising injury":

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

(1) Not done intentionally by or at the direction of:

(a) The insured; or

(b) Any "executive officer," director, stockholder, partner, member or manager (if you are a limited liability company) of the insured; and

(2) Not directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person or persons by any insured.

B. Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability is amended to include the following:

p. Discrimination Relating To Room, Dwelling or Premises

Caused by discrimination directly or indirectly related to the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured.

q. Fines Or Penalties

Fines or penalties levied or imposed by a governmental entity because of discrimination.

C. This provision 9. (EXPANDED PERSONAL AND ADVERTISING INJURY COVERAGE) does not apply to discrimination or humiliation committed in the states of New York or Ohio. Also, EXPANDED PERSONAL AND ADVERTISING INJURY COVERAGE does not apply to policies issued in the states of New York or Ohio.



D. This provision 9. (EXPANDED PERSONAL AND ADVERTISING INJURY COVERAGE) does not apply if Section I - Coverage B - Personal And Advertising Injury Liability is excluded either by the provisions of the Coverage Part or by endorsement.

10. MEDICAL PAYMENTS

A. Paragraph 7. Medical Expense Limit, of Section III - Limits of Insurance is deleted and replaced by the following:

7. Subject to 8. above (the Each Occurrence Limit), the Medical Expense Limit is the most we will pay under Section - I - Coverage C for all medical expenses because of "bodily injury" sustained by any one person. The Medical Expense Limit is the greater of:

(1) \$15,000; or

(2) The amount shown in the Declarations for Medical Expense Limit.

B. This provision 10. (Medical Payments) does not apply if Section I - Coverage C Medical Payments is excluded either by the provisions of the Coverage Part or by endorsement.

C. Paragraph 1.a.(3)(2) of Section I - Coverage C - Medical Payments, is replaced by the following:

The expenses are incurred and reported to us within three years of the date of the accident; and

11. SUPPLEMENTARY PAYMENTS

A. Under Section I - Supplementary Payments - Coverages A and B, Paragraph 1.b., the limit of \$250 shown for the cost of bail bonds is replaced by \$2,500:

B. In Paragraph 1.d., the limit of \$250 shown for daily loss of earnings is replaced by \$1,000.

12. PROPERTY DAMAGE - ELEVATORS

With respect to Exclusions of Section I - Coverage A, paragraphs (3), (4) and (6) of Exclusion j. and Exclusion k. do not apply to the use of elevators.

The insurance afforded by this provision 12. is excess over any valid and collectible property insurance (including any deductible) available to the insured, and the Other Insurance Condition is changed accordingly.

13. LEGAL LIABILITY - DAMAGE TO PREMISES

A. Under Section I - Coverage A - Bodily Injury and Property Damage 2. Exclusions, Exclusion j. is replaced by the following.

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems) to premises including the contents of such premises, rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in



the "products-completed operations hazard."

- B. Under Section I - Coverage A - Bodily Injury and Property Damage the last paragraph of 2. Exclusions is deleted and replaced by the following.

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner.

A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

- C. Paragraph 6. Damage To Premises Rented To You Limit of Section III - Limits Of Insurance is replaced by the following:

6. Subject to 6. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises while rented to you or in the case of damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems, while rented to you or temporarily occupied by you with the permission of the owner. The Damage To Premises Rented To You Limit is the greater of:

a. \$500,000; or

b. The Damage To Premises Rented To You Limit shown in the Declarations.

- D. Paragraph 4.b.(1)(b) of Section IV - Commercial General Liability Conditions is deleted and replaced by the following:

(b) That is property insurance for premises rented to you or temporarily occupied by you with the permission of the owner; or

- E. This provision 13. (LEGAL LIABILITY - DAMAGE TO PREMISES) does not apply if Damage To Premises Rented To You Liability under Section I - Coverage A is excluded either by the provisions of the Coverage Part or by endorsement.

14. NON-OWNED WATERCRAFT

Under Section I - Coverage A - Bodily Injury and Property Damage, Exclusion 2.g., subparagraph (2) is deleted and replaced by the following.

- (2) A watercraft you do not own that is:
(a) Less than 55 feet long; and

(b) Not being used to carry persons or property for a charge.

15. NON-OWNED AIRCRAFT

Exclusion 2.g. of Section I - Coverage A - Bodily Injury and Property Damage, does not apply to an aircraft you do not own, provided that:

1. The pilot in command holds a currently effective certificate issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
2. It is rented with a trained, paid crew; and
3. It does not transport persons or cargo for a charge.

16. BROAD KNOWLEDGE OF OCCURRENCE

You must give us or our authorized representative notice of an "occurrence," offense, claim, or "suit" only when the "occurrence," offense, claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) An executive officer or the employee designated by you to give such notice, if you are a corporation; or
- (4) A manager, if you are a limited liability company.

17. NOTICE OF OCCURRENCE

The following is added to paragraph 2. of Section IV - Commercial General Liability Conditions - Duties In The Event of Occurrence, Offense Claim or Suit:

Your rights under this Coverage Part will not be prejudiced if you fail to give us notice of an "occurrence," offense, claim or "suit" and that failure is solely due to your reasonable belief that the "bodily injury" or "property damage" is not covered under this Coverage Part. However, you shall give written notice of this "occurrence," offense, claim or "suit" to us as soon as you are aware that this insurance may apply to such "occurrence," offense claim or "suit."

18. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

Based on our reliance on your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we will not deny coverage under this Coverage Part because of such failure.



19. EXPECTED OR INTENDED INJURY

Exclusion a. of Section I – Coverage A – Bodily Injury and Property Damage Liability is replaced by the following:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting

from the use of reasonable force to protect persons or property.

20. LIBERALIZATION CLAUSE

If we adopt a change in our forms or rules which would broaden coverage provided under this endorsement without an additional premium charge, your policy will automatically provide the additional coverages as of the date the revision is effective in your state.

POLICY NUMBER:
4028254172

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

Any person or organization with whom you have agreed in writing in a contract or agreement to waive any right of recovery against such person or organization, but only if this contract or agreement:

1. Is in effect or becomes effective during the term of this policy; and
2. Was executed prior to loss.

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

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):

Each of your construction projects located away from premises owned by or rented to you.

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

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I - Coverage A, and for all medical expenses caused by accidents under Section I - Coverage C, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard," and for medical expenses under Coverage C regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
 3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I - Coverage A, and for all medical expenses caused by accidents under Section I - Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E. The provisions of Section III - Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

POLICY NUMBER
C 4026349108

INSURED NAME AND ADDRESS
APPLIED RESEARCH ASSOCIATES INC
4300 SAN MATEO BLVD NR # B300

ALBUQUERQUE, NM 87110-1229

POLICY CHANGES
SCHEDULE CA7040

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

ANY PERSON OR ORGANIZATION THAT YOU ARE REQUIRED TO INCLUDE AS AN ADDITIONAL INSURED ON THIS COVERAGE FORM IN A WRITTEN CONTRACT OR WRITTEN AGREEMENT THAT IS SIGNED AND EXECUTED BY YOU BEFORE THE BODILY INJURY OR PROPERTY DAMAGE OCCURS AND THAT IS IN EFFECT DURING THE POLICY PERIOD.

000005



Thomas F. Holamed
Chairman of the Board

Joshua Kauter
Secretary

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION ON WHOSE BEHALF YOU ARE REQUIRED TO OBTAIN THIS WAIVER OF OUR RIGHT TO RECOVER FROM UNDER A WRITTEN CONTRACT OR AGREEMENT. THIS ENDORSEMENT DOES NOT APPLY IN NEW HAMPSHIRE, OR NEW JERSEY.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No. 4026390760

Endorsement No.
Premium \$

Insurance Company

Countersigned by

