AGREEMENT

THIS AGREEMENT, made and entered into this 17th day of September, 2002, by and between the City of Redlands, a Municipal Corporation, organized and existing under the laws of the State of California, hereinafter referred to as the "City", and

partnership consisting of _JDC Inc.
or an individual trading as
of the City of Rancho Cucamonga, County of San Bernardino, State of California, hereinafter referred to state "Contractor".

WITNESSETH: That the City and the Contractor, for the consideration hereinafter named, agree as follows:

- 1. SCOPE OF WORK: The contractor will furnish all materials and will perform all of the work for the following:
 - To perform construction of Street Trees and Tree Wells on Citrus Avenue from Orange Street to Sixth Street project, complete, all as shown, specified, and made a part of Contract No. 236166-7150/15008.
- 2. THE CONTRACT SUM OF: \$124,500.00 in accordance with the terms and conditions of the Contract Documents.

Pursuant to Section 22300 of the California Public Contract Code, Contractor has the option to deposit securities with an Escrow Agent as a substitute for retention of earnings requirement to be withheld by City pursuant to an Escrow Agreement.

- 3. TIME FOR COMPLETION: The work shall be completed within thirty (30) work days from and after the date of the Notice to Proceed.
- 4. LIQUIDATED DAMAGES: Failure of the Contractor to complete the work within the time allowed will result in damages being sustained by the City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. The Contractor shall pay to the City, or have withheld from monies due it, the sum of \$1,000.00 for each consecutive calendar day in excess of the specified time for completion of work.

Execution of the Contract shall constitute agreement by the City and Contractor that \$1,000.00 per day is the minimum and actual damage caused by the failure of the Contractor to complete the work within the allowed time. Such sum is liquidated damages and shall not be construed as a penalty, and may be deducted from payments due to the Contractor if such delay occurs.

- 5. CONTRACT DOCUMENTS: The complete contract includes all of the contract documents set forth herein, to wit; Notice Inviting Proposals, Instructions, Proposal and Proposal Forms, Agreement, Performance Bond, Payment Bond, Plans and Specifications, Special Provisions, General Provisions, Technical Provisions, all referenced drawings and specifications, and any Addenda thereto.
- 6. ATTORNEY FEES: In the event any legal action is commenced to enforce or interpret the terms or conditions of this contract the prevailing party shall, in addition to any costs and other relief, be entitled to recovery of its reasonable attorney's fees.

- 7. DEFENSE OBLIGATION: The contractor shall defend, indemnify and hold harmless the City, its elected officials, officers, agents, and employees from and against any and all claims, losses, damages, and causes of action, including death, brought by any person or persons for or on account of any act or omission of the contractor, its employees or agents in connection with the performance of the contractor's obligation under this contract.
- 8. INSURANCE: All policies of insurance required and set forth in the general provisions including general liability and business automobile insurance shall name the City, its elected officials, employees, and agents as additional insureds. Any insurance required under this contract shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by the City.
- 9. RESOLUTION OF CONSTRUCTION CLAIMS. Claims by the Contractor in the amount of \$375,000.00 or less shall be made by Contractor and processed by the City pursuant to the provisions of Part 3, chapter 1, article 1.5 of the Public Contracts Code (commencing with Section 20104). All claims shall be in writing and include the documents necessary to substantiate the claim. Nothing in subdivision (a) of Public Contracts Code section 20104.2 shall extend the time limit or supersede the notice requirements provided in this case from filing claims by Contractor.
- 10. ELIGIBILITY OF CONTRACTOR/SUBCONTRACTOR. Contractor and any subcontractors agree to abide by California Public Contractor's Code section 6109 and California Labor Code sections 1777.1 and/or 1777.7 and certify that they are not debarred and are eligible to work on this project.
- 11. ASSIGNMENT OF AGREEMENT. No assignment by a party hereto of any rights or interests under this agreement will be binding on another party without the written consent of the party sought to be bound.
- 12. SUCCESSORS AND ASSIGNS. City and Contractor each binds itself, its partners, successors, assigns and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.
- 13. SEVERABILITY. Any provision or part of the contract documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate on the day and year first written above.

CITY SEAL

By:		V -	
23.	Mayor, City of Redlands County of San Bernardino, California		
ATTEST:			
City Clerk, City of Reglands)			
CALIFORNIA ALL-PURPOSE	ACKNOWLEDGME	NT	
State of California County of <u>Orange</u>	} } ss.		
On September 25, 2002	, before me,	Brad L. Settgast, Notary Public ,	
Date	Name and Title of Off	ficer (e.g., 'Jane Doe, Notary Public')	
		personally known to me proved to me on the basis of satisfactory evidence	
COMM NOTARY PUBLIC ORANGE	SETTGAST 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.	

Place Notary Seal Above

WORKERS' COMPENSATION INSURANCE CERTIFICATION

Description of Contract:

City of Redlands

Public Works Department

STREET TREES AND TREE WELLS ON CITRUS AVENUE FROM ORANGE STREET TO SIXTH

STREET PROJECT

CONTRACT NO. 236166-7150/15008

Every employer except the State, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurer duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, either as an individual employer, or as one employer in a group of employers which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provision before commencing the performance of the work of this contract. (Labor Code Section 1861)

Date:	9/30/02
-	JOC. IN
-	Name of Contractor
Ву:	720
	Supervisor or Authorized Agent
Title:	Dresious.
Contractor's License No.:	6893344
	A CONTRACTOR OF THE CONTRACTOR

PERFORMANCE BOND

WHEREAS, the City Council of the City of Redlands, State of California (hereinafter designated as City), and <u>JDC Inc.</u> (hereinafter designated as Principal) have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which by said agreement dated September 17, 2002, and identified as Contract No. 236166-7150/15008, is hereby referred to and made a part hereof; and

WHEREAS, under the terms of said agreement, Principal is required before entering upon the performance of the work, to furnish a good and sufficient faithful performance bond with the City.

NOW, THEREFORE, said Principal and the undersigned as corporate surety, are held and firmly bound unto the City in the sum of <u>One Hundred Twenty Four Thousand Five Hundred</u> dollars (\$ 124,500.00) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Principal, his or her heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and provisions in the said agreement and any alteration thereof made as therein provided, or his or her part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall defend, indemnify and save harmless the City, its elected officials, officers, agents, and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including attorney's fees incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and surety named,

on <u>SEPTEMBER 25</u> , 2002.	Bond No. 08627086
JDC, INC. (SEAL) Principal By:	FIDELLTY AND DEPOSIT COMPANY OF MARYLAND (SEAL) Surety By Signature J.W. JOHNSON, ATTORNEY-IN-FACT
Šignatur é /	255 S. LAKE AVE., STE. 700 Address: PASADENA, CA 91101
(Notarial Acknowledgments of Principal and Surety)	Telephone: (626) 792-2311

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT				
State of California	}			
	} ss.			
County of <u>Orange</u>				
On September 25, 2002	, before me,	Brad L. Settgast, Notary Public ,		
On September 25, 2002 Date	Name and Title of Officer	(e.g., "Jane Doe, Notary Public")		
Personally appeared		,		
		□ personally known to me □ proved to me on the basis of satisfactory evidence		
BRAD L. SETTGAST COMM # 1253598 MOTARY PUBLIC - CALIFORNIA ORANGE COUNTY My Commission Expires Feb. 14, 2004		to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.		
	OPTIONAL	WHTNESS my hapid and official seal. Signature of Notary Public uable to persons relying on the document this form to another document		
Though the information below is not required by law, it may prove valuable to prove the following the information below is not required by law, it may prove valuable to prove the following the information below is not required by law, it may prove valuable to prove the following the information below is not required by law, it may prove valuable to prove the following the follo				
Description of Attached Document				
Title or Type of Document:				
Document Date:	Numl	per of Pages:		
Signer(s) Other Than Named Above:				
Capacity(ies) Claimed by Signer Signer's Name:		RIGHT THUMBPRINT OF SIGNER		
☐ Individual ☐ Corporate Officer – Title(s): ☐ Partner ☐Limited ☐General ☐ Attorney-in-Fact				
☐ Trustee ☐ Guardian or Conservator				
Other:				
Signer is Representing:				
, , ,				

LABOR AND MATERIAL PAYMENT BOND

WHEREAS, the City Council of the City of Redlands, State of California (hereinafter designated as "City"), and JDC Inc. (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which by said agreement dated September 17, 2002, and identified as Contract No. 236166-7150/15008 known as the "PROJECT" which, is hereby referred to and made a part hereof; and

WHEREAS, under the terms of said agreement, Principal is required before entering upon the performance of the work, to furnish a good and sufficient labor and materials payment bond with the City to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

NOW, THEREFORE, said Principal and the undersigned as corporate surety, are held and firmly bound unto the City and all contractors, subcontractors, laborers, materialmen, and any other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code of the State of California in the sum of One Hundred Twenty Four Thousand Five Hundred dollars (\$ 124,500.00) for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in agnosia affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and surety named,

on <u>SEPTEMBER 25</u> , 2	002. Bond No. 08627086 FIDELVTY AND DEPOSIT
JDC, INC. (SE	AL) COMPANY LOF MARYLAND (SEAL)
Principal By: Description By: Principal By: Principal	By:
Signature	Signature J.W. JOHNSON, ATTORNEY-IN-FACT
-	Address: 225 S. LAKE AVE., STE. 700 - PASADENA, CA 91101
(Notarial Acknowledgments of Principal and Surety)	Telephone: (626) 792-2311

Page 20

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT					
State of California County of <u>Orange</u>	} } ss. }				
On September 25, 2002	_, before me, Name and Title of Officer	Brad L. Settgast, Notary Public (e.g., "Jane Doe, Notary Public")			
Personally appeared		,			
BRAD L. SETTGAST COMM # 1253598 NOTARY PUBLIC - CALIFORNIA ORANGE - COUNTY My Commission Expires Feb. 14, 2004		personally known to me proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS inv hand and official seal.			
OPTIONAL					
Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document					
Description of Attached Document Title or Type of Document:					
Document Date:	Document Date: Number of Pages:				
Signer(s) Other Than Named Above:					
Capacity(ies) Claimed by Signer Signer's Name:		RIGHT THUMBPRINT OF SIGNER			

Power of Attorney FIDELITY AND DEPOSIT COMPANY OF MARYLAND HOME OFFICE: P.O. BOX 1227, BALTIMORE, MD 21203-1227

Know ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by W. B. WALBRECHER Vice-President and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint J. W. Johnson, of Fullerton, California, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety and as its actions deed: any and all bonds and undertakings and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if the had been dure executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of J. W. Johnson, dated Januar 1998.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Wee-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the sand FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 19th day of November, A.D. 1999.

ATTEST:

ITY AND DEPOSIT COMPANY OF MARYLAND

Assistant Secretary

Vice-President

State of Maryland County of Baltimore

On this 19th day of November, A.D. 1999, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came W. B. Walbrecher, Vice-President and T. E. Smith, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposeth and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public

My Commission Expires: August 1, 2000

JDCINC Client#: 32943

CERTIFICATE OF LIABILITY INSURANCE ACODO

DATE (MM/DD/YY)

ACOND CLITTII IOATE OF LI	09/23/02		
PRODUCER Armstrong/Robitaille Bus&InsSv 680 Langsdorf Drive #100	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
PO Box 34009 Fullerton, CA 92834-9409	INSURERS AFFORDING COVERAGE		
INSURED J.D.C., INC. 13061 Shasta Court PO Box 3448	INSURER A: Westchester Fire Insurance Co.		
	INSURER B: American States Insurance Company		
	INSURER C: Preferred Employers Insurance Co		
	INSURER D: Hartford Insurance Company		
Rancho Cucamonga, CA 91739	INSURER E: Westchester Fire Insurance Company		

COVERAGES

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 INSURED REPORTED BY SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMIT	\$
Α	GENERAL LIABILITY	GLS683688	07/01/02	07/01/03	EACH OCCURRENCE	\$1,000,000
	X COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$50,000
	CLAIMS MADE X OCCUR				MED EXP (Any one person)	\$5,000
	X BI/PD Ded:1,000		100		PERSONAL & ADV INJURY	\$1,000,000
					GENERAL AGGREGATE	\$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	\$1,000,000
	X POLICY X PRO-		Add provinces			
В	AUTOMOBILE LIABILITY X ANY AUTO	01CG1857231	07/01/02	07/01/03	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	ALL OWNED AUTOS SCHEDULED AUTOS				BODILY INJURY (Per person)	\$
	X HIRED AUTOS X NON-OWNED AUTOS	X HIRED AUTOS	BODILY INJURY (Per accident)	\$		
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	ANY AUTO			n readoure	OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
E	EXCESS LIABILITY	CUS225623	07/01/02	07/01/03	EACH OCCURRENCE	\$1,000,000
	X OCCUR CLAIMS MADE	1			AGGREGATE	\$1,000,000
						\$
	DEDUCTIBLE	Tarana and the same and the sam				\$
	RETENTION \$	Ver my military in the control of th				\$
С	WORKERS COMPENSATION AND	WKN1113181	07/01/02	07/01/03	X WC STATU- TORY LIMITS ER	
	EMPLOYERS' LIABILITY	With the second			E.L. EACH ACCIDENT	\$1,000,000
					E.L. DISEASE - EA EMPLOYER	\$1,000,000
					E.L. DISEASE - POLICY LIMIT	
D	OTHER Equipment	72MSUR2643	07/01/02	07/01/03	\$1,000 Deductible	
_	Scheduled				\$105,806	
	Rented/Leased	CALLAN WOOD			\$50,000/\$100,000 M	lax

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS 30 Days Notice of Cancellation Except 10 Days for Non Payment of Premium

RE: Contract No. 236166-7150/15008, Street Trees and Tree Wells on Citrus Avenue from Orange Street to Sixth Street The City, its elected officials, employees and agents are named additional insureds as respects all (See Attached Descriptions)

CERTIFICAT	E HOLDER	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION Ten Day Notice for Non-Payment of Premium
			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION
	City of Redland	is	DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN
	P.O. Box 3005		NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL
	Redlands, CA	92373	IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR
			REPRESENTATIVES.
	!		AUTHORIZED REPRESENTATIVE

\$·	DESCRIPTIC	ONS (Continued from Page 1)	
policies including ge as required by writte	olicies including general liability and automobile liability. Such insurance is primary and noncontributory s required by written contract.		
AMS 25.3 (07/97) 3	of 3 #\$182640/M174977		to the state of th

POLICY NUMBER: GLS683688

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES or CONTRACTORS (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

City of Redlands P.O. Box 3005 Redlands, CA 92373

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

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

RE: Contract No. 236166-7150/15008, Street Trees and Tree Wells on Citrus Avenue from Orange Street to Sixth Street The City, its elected officials, employees and agents are named additional insureds as required by written contract.

PRIMARY INSURANCE:

IT IS UNDERSTOOD AND AGREED THAT THIS INSURANCE IS PRIMARY AND ANY OTHER INSURANCE MAINTAINED BY THE ADDITIONAL INSURED SHALL BE EXCESS ONLY AND NOT CONTRIBUTING WITH THIS INSURANCE.



POLICY NUMBER:

01CG1857231

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURED CONTRACT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

BLANKET WAIVER OF SUBROGATION

Section IV — BUSINESS AUTO CONDITIONS A.5 is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract."

2. BLANKET PRIMARY INSURANCE

This insurance is considered primary and we will not seek contribution from any other insurance available to you for any person or organization for whom you are required under an "insured contract" to provide insurance, but only to the extent that this is provided under Section IV — BUSINESS AUTO CONDITIONS B.5. Other Insurance.

3. BLANKET ADDITIONAL INSURED

Any person or organization for whom you are required under an "insured contract" to provide insurance is considered an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II of the Coverage Form.

4. PRIOR NOTICE OF CANCELLATION

In the event of cancellation or reduction in the Limits of Insurance of the Coverage Form, we will mail at least thirty (30) days prior written notice to any person or organization for whom you are required to provide such notice under an "insured contract," provided you notify us of such contract requirement at least forty-five (45) days prior to the cancellation or reduction.

CALIFORNIA ALL-PURPOSE ACKNOW	AFFORMEN			
State of California County of <u>Orange</u>	} } ss. }			
On <u>September 25, 2002</u>	, before me, Name and Title of Officer	Brad L. Settgast, Notary Public		
Personally appeared	<u>nd</u>	·		
BRAD L. SETTGAST COMM # 1253598 NOTARY PUBLIC - CALIFORNIA ORANGE COUNTY My Commission Expires Feb. 14, 2004 Place Notary Seel Above		personally known to me proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS my trand and official seal.		
OPTIONAL Though the information below is not required by law, it may prove valuable to persons relying on the document				
and could prevent fraudulent removal	and reattachment of t	this form to another document		
Description of Attached Document Title or Type of Document:				
Document Date:	Numb	er of Pages:		
Signer(s) Other Than Named Above:				
Capacity(ies) Claimed by Signer Signer's Name:		or and the Misses Killians and States		