

**RESOLUTION NO. 2022-32**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING A DEVELOPMENT AGREEMENT WITH CANYON PORTAL 3, LLC ("CP3") FOR A NEW SIDEWALK PROJECT IN UPTOWN SEDONA.**

WHEREAS, the City of Sedona ("City") intends to enter into a cost-sharing development agreement ("Development Agreement") with Canyon Portal 3, LLC ("CP3") for the construction of right turn lane improvements at Amara Lane and SR 89A, as set forth in the terms of the Development Agreement.

BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA, as follows:

The City of Sedona, through its Mayor and Council, hereby finds that the Development Agreement with Canyon Portal 3, LLC for the construction of right turn lane improvements at Amara Lane and SR 89A is consistent with the Community Plan pursuant to A.R.S. §9- 500.05, and approves the Development Agreement, authorizing the signature by the Mayor and recording by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 8<sup>th</sup> day of November, 2022.

  
\_\_\_\_\_  
Sandra J. Moriarty, Mayor

ATTEST:

  
\_\_\_\_\_  
JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Kurt W. Christianson, City Attorney

**WHEN RECORDED RETURN TO:**

City Clerk  
City of Sedona  
102 Roadrunner Drive  
Sedona, AZ 85336

**Public Infrastructure Cost-Sharing Development Agreement**

This Public Infrastructure Cost-Sharing Agreement (“Agreement”) is entered into as of this \_\_ day of November 2022, by and between the City of Sedona, an Arizona municipal corporation (“City”), and CANYON PORTAL 3, LLC, a Delaware limited liability company authorized to do business in Arizona (hereinafter “CP3”). City and CP3 may be referred to individually as “Party” and collectively as the “Parties”.

**RECITALS**

- A. CP3 is the owner of a commercial center located within the State Route 89A Character District known as “Uptown Sedona” in Sedona, Coconino County, Arizona. Uptown Sedona currently provides amenities to the City including but not limited to public parking, bus parking, public restrooms, public seating, landscaping and maintenance abutting State Route 89A (hereinafter referred to as the “CP3 Property”). For the purposes of this agreement, CP3 and the City are responsible for the respective financial contributions stated herein.
- B. Uptown Sedona is characterized as a “predominately pedestrian area” pursuant to Chapter 6.10 Sedona Land Development Code. As such, the Parties seek to memorialize their agreements and understandings regarding certain rights and obligations to promote the continued health, safety and welfare of this “predominately pedestrian area,” including but not limited to the construction of a right-hand turn lane on both City Property and CP3 Property.
- C. Previously, the Parties entered into a Right of Way Lease dated December 10, 2020 (the “Lease”) granting CP3 the right and obligation to construct, install and maintain certain improvements on City Property including public display areas, walkways, landscaping, public seating, an outdoor restaurant patio with seating and public bike parking (hereinafter “the Lease Improvements”) as described in that Lease.
- D. The City desires to improve walkability and traffic flows in Uptown Sedona. One strategy identified in the City’s Transportation Master Plan to improve vehicle movement through Uptown Sedona and pedestrian facilities includes the construction of new sidewalks and the extension of existing sidewalks. Pedestrians in Uptown often encounter sidewalks which terminate or do not extend fully to their destination, even within the commercial district. Adding new sidewalk connections and improving substandard sidewalk surfaces will significantly improve safety and walkability for pedestrians and discourage parking on shoulders.
- E. The City has further determined that construction of a right-hand turn lane across part of the CP3 Property and the State Route 89A right-of-way (“SR 89A”) will enhance traffic flow and promote pedestrian safety. As such, the City and CP3 have agreed that construction of a right-

hand turn lane on the south side of SR 89A on City right-of-way and CP3 Property and extension of the existing sidewalk separated by landscaping will lead to improved walkability in Uptown Sedona and reduce vehicular traffic congestion on SR 89A.

- F. Arizona Revised Statutes §9-500.05 authorizes the City to enter development agreements with private landowners and to facilitate development of the real property by providing for, among other things, the conditions, terms, restrictions, and requirements for such construction and the financing of public infrastructure improvements.
- G. It is in the best interest and welfare of the general public and both Parties that the above-described improvements be constructed to improve vehicular ingress and egress to and from Amara Lane and pedestrian connectivity and safety in Sedona Uptown. To that end, the Parties wish to financially participate in the cost of construction of the “Canyon Breeze Streetscape Improvement Project,” as part of the City’s Transportation Master Plan strategy SIM1B – Uptown Northbound Improvements and consistent with the City’s Community Plan in effect as of the date of this Agreement.
- H. CP3 desires to work with the City as a sponsor of the public Project, and the City is willing to participate in the Project as the public sponsor as further described in this Agreement.
- I. The Project is detailed in the construction plans titled “the Canyon Breeze Streetscape Improvement Project” (the “Project”). The Project is further described and depicted in Exhibit “B”.

**NOW, THEREFORE,** in consideration of the foregoing, and of the mutual promises and the covenants and agreements set forth below, the Parties agree as follows:

#### **AGREEMENT**

- A. **Accuracy of the Recitals.** The Parties hereby acknowledge the accuracy of the Recitals, which are incorporated herein by this reference.
- B. **Term.** Once executed by the Parties, the term of this Agreement shall be deemed to commence as of the date that this Agreement is fully executed and shall continue for two (2) years thereafter.
- C. **Financial Contributions for the Project.** Conditioned upon (1) full execution of this Agreement by both Parties, (2) City receipt of a perpetual easement for the construction and maintenance of a right-hand turn lane on CP3 Property from CP3 that is approved by the City, and (3) receipt of written confirmation that CP3 has entered into a construction contract to complete the Project with a contractor (the “Contractor”) in accordance with all public bidding and construction requirements of A.R.S. Title 34, the Parties shall each share the contract costs of the Project as follows:

The City of Sedona will contribute up to a maximum of \$308,361.89 (the “Contribution”) of the as-bid construction cost and CP3 will be responsible for the remaining construction costs. The City and CP3 shall pay their respective shares of the Project construction costs as follows: the Contractor shall submit monthly installment payment requests for the actual work completed by

the Contractor (submitted as is customary and ordinary in the construction industry as draw and progress payment requests) to both the City and CP3, such request being divided and adjusted for each of the respective Parties' as-bid pro-rated construction cost amounts. Payments to be made directly to the Contractor without retention or hold-back subject to any retention required by A.R.S. Title 34. In addition, CP3 will be responsible for: (1) execution of the Right-of-Way Permit, and (2) paying all remaining Project costs not included original plans or bid submission. Any amounts above the Accepted Bid Amount or added to the contract at any time (including during construction), which are not requested in writing by the City, will become the sole responsibility of CP3. The award of the construction contract is contingent upon CP3 executing this Agreement. The City, in its sole discretion, reserves the right to reject any and all construction bids submitted in the public's interest, including bids exceeding the engineer's estimated cost of construction.

1. Construction of the Project does not convey to CP3 any easement, interest in land or property rights in City property, except as may otherwise be provided in the Lease, or in any separate lease or agreement with the City, now existing or later established. This Section C.1. shall survive the termination of this Agreement.

D. Duty to Obtain Permits; Applicable Laws; Construction; Dedication; Inspection; Acceptance; Maintenance.

1. CP3 shall obtain any and all necessary permits, licenses and approvals from all applicable entities (collectively, "Approvals"), and require that Contractor and all other third parties obtain all necessary, or required Approvals, in order to construct, operate, repair, or that are otherwise required for the Project. The City shall obtain, and shall maintain, all necessary approvals, permits, consents, and authorizations from all governmental authorities and other persons or entities necessary for the City ownership, maintenance, operation, repair, and replacement of the augmented public infrastructure improvements.
2. CP3 shall design, plan, bid, and construct the Project in accordance with the plans depicted on Exhibit "B", and will to the extent necessary dedicate any such new or different the roadway improvements to the City.
3. Upon substantial completion, i.e., completion of all major components of the Project, CP3 shall promptly dedicate and convey to the City the roadway improvements, free and clear of all liens and encumbrances. The City Engineer or his/her designee shall inspect the completed Project to determine whether it has been constructed substantially in accordance with the applicable standards and the approved plans. Upon completion of the inspection and review the City shall either: (a) approve the construction of the Project; or (b) provide a punch list of specific items that are not in accordance with applicable standards and/or the approved plans. So long as the Project is constructed in accordance with the applicable standards and approved plans, all punch lists items have been timely completed, the Project is free and clear of all liens, the City shall accept the roadway improvement dedication. CP3 shall bear all risk of, and shall indemnify the City and its officials, employees and City Council members, against any claim arising prior to the City's acceptance of the Project improvements from any injury or property damage to any person, party or utility.
4. CP3 agrees to abide, and shall ensure that Contractor and all Contractor personnel and officials, abide by, all applicable federal, state and local laws, codes, statutes, rules,

regulations and ordinances, including, but not limited to, the United States Foreign Corrupt Practices Act and all other anti-corruption and anti-bribery laws and regulations, the Immigration Reform and Control Act of 1986 and A.R.S. §23-214(A), the Americans with Disabilities Act, the Drug Free Workplace Act of 1989, and if applicable, A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. §34-302, as amended, "Residence Requirements for Employees." ("Applicable Laws") and shall require and ensure that all employees, contractors, vendors and service providers that are retained by Contractor or any other party for the Project shall abide by all Applicable Laws.

5. CP3 agrees to abide, and shall ensure that Contractor is not currently engaged in and for the duration of the Agreement will not engage in a boycott of Israel, as that term is defined in A.R.S. §35-393 and will not use forced labor or goods or services produced by forced labor of ethnic Uyghurs in the People's Republic of China (PRC) or any contractors, subcontractors or suppliers that use forced labor or goods or services produced by forced labor of ethnic Uyghurs in the PRC as provided by A.R.S. §35-394.
  6. CP3 agrees to abide, and shall ensure that Contractor, its agents, employees, and subcontractors shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or Veteran status. (Ordinance 2015-10) (2015).
- E. Access/Right of Way. To the extent not already provided for in the Lease, the City of Sedona will grant the Contractor temporary access onto City right-of-way for purposes of completing the Project conditioned upon and subject to the execution of a separate right-of-way permit with such terms and conditions required by the City of Sedona ("Right-of-Way Permit") and the City of Sedona shall have the right to terminate this Agreement without penalty if the Contractor fails or refuses to execute the Right-of-Way Permit.
- F. Warranty Period; Maintenance. CP3 will require the Contractor to warranty all components of the Project for a 2-year period after completion of the Project. After the 2-year warranty period has expired, CP3 will be responsible for maintaining and repairing all improvements on its property constructed as part of the Right-of-way Permit and the City will only be responsible for maintenance of improvements accepted by the City on City property.
- G. Performance. CP3 shall require that (1) Contractor diligently and in good faith pursue completion of all work associated with the Project and perform all such work in a good, professional and workmanlike manner and in accordance with all industry standards, contractual requirements and Applicable Laws and (2) Contractor shall at all times enforce strict discipline and good order among, require the highest levels of professionalism and courtesy by, and be responsible for any and all injury or damage to any person and property caused by, Contractor's employees and other persons carrying out any work related to the Project.
- H. City Representations and Warranties. The City represents, warrants, and covenants to CP3 that all the City's representations, findings, warranties, and covenants set forth in this Agreement are true in all material respects as of the date of this Agreement.

1. That the City is a duly organized, validly existing municipal corporation in the State of Arizona. The transactions contemplated by this Agreement, the execution of this Agreement, and the City's performance hereunder have been duly authorized by all requisite action of the City, and no other approval or consent is required for this Agreement to be binding upon the City. The individuals executing this Agreement have all necessary authority to enter into this Agreement and to bind the City. The execution of this Agreement and the consummation of the transactions contemplated hereby will not result in any violation of, or default under, any term or provision of any applicable Agreement, instrument, law, rule, regulation, or official policy to which the City is a Party or by which the City is bound.
- I. CP3 Representations and Warranties. CP3 represents, warrants, and covenants to the City that each of its respective representations, warranties, and covenants set forth in this Agreement are true in all material respects as of the date of this Agreement.
1. CP3 is duly organized and a validly existing corporation licensed to do business in the State of Arizona. The transactions contemplated by this Agreement, the execution of this Agreement, and CP3's performance hereunder have been duly authorized by all requisite action, and no other approval or consent is required for this Agreement to be binding upon CP3. The individuals executing this Agreement have all necessary authority to enter into this Agreement and to bind CP3. The execution of this Agreement and the consummation of the transactions contemplated hereby will not result in any violation of, or default under, any term or provision of any applicable Agreement, instrument, law, rule, regulation, or official policy to which CP3 is a Party or by which CP3 is bound.
- J. Default; Venue; Dispute Resolution.
1. Jurisdiction; Venue; Dispute Resolution. This Agreement shall be governed by and enforced using the law of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Coconino County, Arizona. If a dispute arises out of or related to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.
  2. Default and Cure Period. The failure by any Party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period"), after written notice thereof from any other Party, shall constitute a default. In the event such default is not cured within the Cure Period, any non-defaulting Party shall have the right to seek all its rights and remedies, including injunctive relief or mandamus, in a court of competent jurisdiction. In all such cases of breach, the breaching Party shall diligently undertake all reasonable efforts to cure the breach prior to the expiration of the Cure Period.
- K. Notices and Filings. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be sent by: (1) certified or registered mail, postage prepaid, return receipt requested; (2) personal delivery or (3) recognized overnight delivery

service. Such notices and communications shall be addressed as follows, or to such other addresses as any Party hereto may from time to time designate in writing and deliver in a like manner:

City	Canyon Portal 3, LLC
Karen Osburn City Manager City of Sedona 102 Roadrunner Drive Sedona, AZ 86336  Phone No: 928-204-7127	Al Spector 270 North 89A, Suite 11 Sedona, AZ 96336  With copies also sent by email to: <a href="mailto:al@alspector.net">al@alspector.net</a>

Notice shall be deemed to have been given upon receipt or refusal. The telephone numbers listed above are for purposes of providing the same to overnight delivery services and are not to be otherwise used for notice purposes.

- L. **Waiver.** No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or CP3 of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.
- M. **Termination.** Prior to issuing a notice to proceed to the Contractor for the improvements, this Agreement may be terminated without cause by either Party upon written notice to the non-termination Party. After execution of the construction agreement and issuance of a notice to proceed to the Contractor for the improvements, this Agreement may only be terminated upon mutual consent of the Parties or by either Party for any material breach of this Agreement in accordance with the termination provisions provided herein. Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.
- N. **Indemnification.**
  1. CP3 agrees to indemnify and hold harmless the City, its elected officials, appointees, employees, affiliates, agents, assigns and successors from any liability for claims, suits, losses, damages to persons or property, including investigation and expert witness and attorney's fees, arising as a result of CP3's breach of this Agreement or for any injury or death resulting from CP3's negligence or willful misconduct.
  2. City agrees to indemnify and hold harmless CP3, their respective parents, subsidiaries and affiliates and each of their respective owners, managers, officers, directors,

employees, members, and successors from any liability for claims, suits, losses, damages to persons or property, including investigation and expert witness and attorney's fees, arising as a result of City's breach of this Agreement or for any injury or death resulting from City's negligence or willful misconduct.

3. This Section N. shall survive the expiration or termination of this Agreement for any reason whatsoever.
- O. **Insurance.** Upon CP3's execution of this Agreement, CP3 shall furnish, and require that the Contractor furnish, the City with the certificates of insurance and endorsements that meet the requirements described in Exhibit "A" ("Insurance Requirements"). CP3 and each Contractor understands and agrees that all insurance procured by Contractor is primary and non-contributory over any insurance held by the City and is intended to respond to any indemnification event. The City shall have the sole and unconditional right to terminate this Agreement with written notice to CP3 if CP3 fails or refuses to satisfy the Insurance Requirements.
- P. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts, and such signature pages all attached to a single instrument so that the signature of all Parties may be physically attached to a single document. Facsimile and scanned signatures shall be deemed to be original signatures for purposes of executing this Agreement and amendments hereto and for purposes of issuing all instructions authorized or permitted hereunder.
- Q. **Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- R. **Exhibits.** The exhibits attached hereto, and incorporated by this reference, shall have the same force and effect as if fully set forth in the body hereof.
- S. **Further Acts.** Each of the Parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement. Without limiting the generality of the foregoing, each of the Parties shall cooperate in good faith regarding the prompt processing of any requests and applications for plan and specification, plat or permit approvals or revisions, and other necessary approvals relating to the development of the property in construction of the infrastructure improvements.
- T. **Time of the Essence.** Time is of the essence of this Agreement.
- U. **Assignment.** This Agreement may not be assigned without the express written consent of the non-assigning Parties. Consent shall not be unreasonably withheld.
- V. **No Partnership and Third Parties.** It is not intended by this Agreement, and nothing contained in this Agreement shall, create any partnership, joint venture, or other similar arrangement



between CP3 on one hand, and the City, on the other. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

- W. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understandings of the Parties, oral or written, are hereby superseded and merged herein.
- X. Amendment. No change or additions are to be made to this Agreement except by written amendment executed by the Parties hereto.
- Y. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona. In particular, this Agreement is subject to the cancellation provisions of Arizona Revised Statutes §38-511.
- Z. Recordation. No later than ten (10) days after this Agreement has been executed by the Parties, it shall be recorded in its entirety by the City in the Official Records of Coconino County, Arizona as required by A.R.S. § 9-500.05.
- AA. Reformation. Should any term, provision, covenant, or condition of this Agreement be held to be void or invalid, the Parties shall reform this Agreement to conform as closely as possible to the original intent thereof.
- BB. Excused Delay in Performance. In addition to specific provisions of this Agreement, for a period of time equal to the period of the force majeure delay, untimely performance by a Party hereto shall not be deemed to be a default where delays or inability to perform are due to war, insurrection, strikes, slowdowns, lockouts, riots, floods, earthquake, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority (including, but not by way of limitation, referendums), litigation, severe weather, acts or the failure to act of any utility, public, or governmental agent or entity, and/or other causes beyond the reasonable control of said Party. In the event that a Party hereto is unable to perform due to an event constituting force majeure as provided for above, then the time for performance by said Party shall be extended as necessary for a period of time up to the period of the force majeure delay.
- CC. Severability. Every provision of this Agreement is, and will be construed to be, a separate and independent covenant. If any provision of this Agreement or the application of the same is, to any extent, found to be invalid or unenforceable, then the remainder of this Agreement or the application of that provision to circumstances other than those to which it is invalid or unenforceable, will not be affected by that invalidity or unenforceability, and each provision of this Agreement will be valid and will be enforced to the extent permitted by the law, and the Parties will negotiate in good faith for such amendments of this Agreement that may be necessary to achieve its intent, notwithstanding such invalidity or unenforceability.

**DD. Rights of Successors.** This Agreement shall bind and inure to the benefit of the Parties hereto, their respective heirs, representatives, lessees, successors, and assigns. The singular number includes the plural, and the masculine gender includes the feminine and neuter.

**IN WITNESS WHEREOF**, we have hereunto set our hands and seals on the date and year first above written.

**CITY OF SEDONA**, an Arizona municipal corporation

By *Sandra J. Moriarty*  
Sandy Moriarty, Mayor

ATTEST:

*JoAnne Cook*  
JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

*Kurt W. Christianson*  
Kurt W. Christianson, City Attorney

**CANYON PORTAL 3, LLC**, a Delaware limited liability company

By *Jesse Alexander*  
Al Spector  
Its Manager Canyon Portal 3 LLC  
Manager

STATE OF ARIZONA )  
  ) ss  
County of YAVAPAI )

SUBSCRIBED AND SWORN TO before me this 15<sup>th</sup> day of November, 2022  
by Jesse Alexander, Manager of CANYON PORTAL 3, LLC, a  
Delaware limited liability company, on behalf of the Corporation.

*Christie*  
Notary Public





Exhibit "A"  
Insurance Requirements

CP3, Contractor and all subcontractors, service providers and material suppliers retained for the Project (collectively, "Service Providers") must submit verification of insurance by providing a certificate of insurance on a standard ACORD 25-S form issued by a carrier with an S&P or Best rating not less than A-VII, unless otherwise approved in writing by the City.

The Certificate must include:

1. Additional insured endorsement for general liability naming the City. Coverage is primary and non-contributory. The additional insured endorsement shall state that the coverage provided to the additional insureds is primary and non-contributing with respect to any other insurance available to the additional insureds.
2. Certificate Holders must read:  
The City of Sedona  
102 Roadrunner Dr.  
Sedona, AZ 86336
3. Contractors' certificate(s) shall include all Subcontractors as additional insureds under its policies or Contractor shall furnish to City separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to the minimum requirements set forth in the Contract Documents.
4. All insurance policies shall be endorsed to the effect that the City will receive at least thirty (30) days of notice prior to cancellation, non-renewal, termination or material change to the policies.
5. Workers Compensation and Commercial General Liability Policies shall include waiver of subrogation rights against the City, its agents, officers, and employees for any claims arising out of the Contractors work or service.

For CP3, Contractor and any subcontractors, the following minimum and unimpaired limits of insurance (unless higher limits required by law or statute) are required. In addition to procuring and maintaining this insurance throughout the duration of the Agreement, CP3 and Contractor agree to continue to procure and maintain products and completed operations liability insurance coverage following completion of the Project for a period of one year.

**Workers' Compensation and Employer's Liability**

**Part One - Workers' Compensation: Statutory Limit**

**Part Two - Employer's Liability: Annual Limits:**

Bodily Injury by Accident, each Accident: \$ 500,000

Bodily Injury by Disease, each Employee \$ 500,000

Bodily Injury by Disease, Policy Limit: \$ 500,000

**Commercial General Liability**

General Aggregate \$1,000,000

Personal/Advertising Injury \$1,000,000

Each Occurrence Limit \$1,000,000

Products/Completed Operations \$1,000,000

Coverage is required to be on an Occurrence form and shall apply to bodily injury and property damage for operations including independent contractors, products and completed operations.

**Automobile Liability**

Commercial Business Auto Policy covering all owned, hired and non-owned automobiles, trucks and trailers with coverage limits not less than **\$1,000,000 Combined Single Limit** each accident for Bodily Injury and Property Damage. Coverage will apply both on and away from the Project site. All subcontractors shall be required to maintain limits of not less than **\$1,000,000 Combined Single Limit**.

**Property Insurance**

CP3, Contractor and any subcontractors are solely responsible for their own insurance for owned and leased equipment and materials, whether such equipment is located at the Project site or "in transit". Contractor and any subcontractors are solely responsible for any loss or damage to their personal property including, without limitation, property or materials created or provided under the Agreement until installed at the Project site, service provider tools and equipment, and scaffolding and temporary structures, whether owned, used, leased, or rented by Contractor or any subcontractors.

**Exhibit "B"**  
**The Project**