

EXHIBIT A

INSURANCE REQUIREMENTS

Casualty Insurance. SUBCONTRACTOR shall, at its expense, procure and maintain insurance on all of its operations, with companies acceptable to PRESTON PIPELINES, as follows:

Worker's Compensation and Employer's Liability Insurance. Workers' Compensation insurance shall be provided as required by any applicable law or regulation. Employer's Liability insurance shall be provided in amounts not less than:

\$1,000,000 each accident for bodily injury by accident

\$1,000,000 policy limit for bodily injury by disease

\$1,000,000 each employee for bodily injury by disease

If there is an exposure of injury to SUBCONTRACTOR's employees under the U.S. Longshoreman and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

General Liability Insurance. SUBCONTRACTOR shall carry primary Commercial General Liability insurance covering all operations by or on behalf of SUBCONTRACTOR providing insurance for bodily injury and property damage liability for the limits of liability indicated below and including but not limited to coverage for:

- (1) premises and operations
- (2) products and completed operations will be maintained for three years following project completion.
- (3) contractual liability insuring tort obligations assumed by SUBCONTRACTOR in this Contract
- (4) broad form property damage (including completed operations)
- (5) explosion, collapse and underground hazards (including subsidence and any other earth movement)
- (6) personal injury liability

The limits of liability shall be not less than the amounts required of SUBCONTRACTOR under the Contract Documents, but in no event less than:

\$1,000,000 each occurrence (combined single limit for bodily injury and property damage)

\$1,000,000 for personal injury liability

\$2,000,000 aggregate for products-completed operations

\$2,000,000 general aggregate

The general aggregate limit shall apply separately to SUBCONTRACTOR's work under this Contract. For subcontracts in excess of \$250,000 an additional \$5,000,000 Excess Liability Insurance policy shall be maintained over the General Liability coverage that shall, at a minimum, include coverage for the exposures set forth in items 1-6 above.

PRESTON PIPELINES, its officers, directors and employees, and OWNER shall be named as additional insureds under the Commercial General Liability policy and Excess Liability policy and such insurance afforded the additional insureds shall apply as primary insurance. Any other insurance maintained by PRESTON PIPELINES or OWNER shall not be called upon to contribute with this insurance.

Coverage for the PRESTON PIPELINES, its officers, directors and employees and the OWNER as additional insureds shall be provided by an endorsement providing coverage at least as broad as Additional Insured (Form B) endorsement form CG 2010 1185 as published by the Insurance Services Office (ISO) (or equivalent). Additional insured endorsement will be provided for four years following project completion.

Claims Made and Self Insurance Provisions. SUBCONTRACTOR shall not provide general liability insurance under any Claims Made General Liability form without the express prior written consent of PRESTON PIPELINES. Any self-insurance program providing coverage in excess of \$25,000 per occurrence requires the prior written consent of PRESTON PIPELINES.

Automobile Liability Insurance. SUBCONTRACTOR shall carry automobile liability insurance, including coverage for all owned hired and non-owned automobiles. The limits of liability shall be not less than \$1,000,000 combined single limit each accident for bodily injury and property damage. PRESTON PIPELINES and OWNER shall be named as additional insureds.

Additional Requirements. All insurance under this provision (including, but not limited to general liability, automobile liability, and workers' compensation and employer's liability insurance) shall be provided by a California admitted carrier with an A.M. Best's Rating of A- or better, financial capacity VII or greater (except for State Fund of California for workers' compensation coverage). General liability insurance shall be written on a form at least as broad as ISO occurrence form CG 0001; Automobile Liability Insurance shall be provided pursuant to a coverage form at least as broad as ISO form CA 0001. PRESTON PIPELINES reserves the right, in its sole and subjective discretion, to reject an insurer and require SUBCONTRACTOR to obtain policies from another insurer.

Certificates of insurance, as evidence of the insurance required by this Contract and including the required "additional insured" endorsement(s) shall be furnished by SUBCONTRACTOR to PRESTON PIPELINES with its bid. Certificates shall set forth deductible amounts applicable to each policy and all exclusions or limitations not set forth in ISO Commercial General Liability Form CG 00 01. PRESTON PIPELINES may allow deductible provisions if SUBCONTRACTOR is willing to increase retentions accordingly. Standard ISO Form CG 0001 exclusions will also be allowed. Allowance of any additional exclusions or coverage limiting endorsements is at the discretion of PRESTON PIPELINES, and SUBCONTRACTOR's bid shall be subject to upward adjustment to compensate for the existence of such exclusions.

SUBCONTRACTOR's insurance and additional insured coverage shall not include the following exclusions or provisions: cross-suits and/or cross-insureds exclusion of coverage, mold, water damage and/or

earth movement exclusions, requirements by the insurer that subcontractors or suppliers maintain insurance or agree to defend or indemnify PRESTON PIPELINES or OWNER, residential work exclusions or limitations. SUBCONTRACTOR shall cause its policies to be amended or endorsed to remove any such exclusions, provisions or limitations.

Regardless of the allowance of exclusions, coverage limitations or deductibles by the SUBCONTRACTOR, SUBCONTRACTOR shall be responsible for any deductible amount or any loss arising out of coverage denials by his insurance carrier(s). Certificates of insurance shall provide that there will be no cancellation or reduction of coverage without thirty (30) day's prior written notice to PRESTON PIPELINES. Any acceptance of insurance certificates by PRESTON PIPELINES shall in no way limit or relieve SUBCONTRACTOR of its duties and responsibilities under this Agreement, including the duty to defend, indemnify and hold harmless OWNER.

SUBCONTRACTOR shall take such steps as are necessary to assure SUBCONTRACTOR's compliance with its obligations. Should any insurance policy lapse or be canceled during the contract period, SUBCONTRACTOR shall, prior to the effective expiration or cancellation date, furnish PRESTON PIPELINES with evidence of renewal or replacement of the policy. Failure to continuously satisfy insurance requirements as herein provided is a material breach of contract. In the event SUBCONTRACTOR fails to maintain any insurance coverage required, PRESTON PIPELINES may, but is not required to, maintain such coverage and charge the expense to SUBCONTRACTOR or terminate this contract.

Any acceptance of insurance certificates or endorsements by PRESTON PIPELINES shall in no way limit or relieve SUBCONTRACTOR of its duties and responsibilities under this Contract including the duty to indemnify and hold harmless PRESTON PIPELINES.

Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve the SUBCONTRACTOR for liability in excess of such coverage nor shall it preclude PRESTON PIPELINES from taking such other actions as is available to it under any other provision of the contract or law. If higher limits or other forms of insurance are required in the Contract Documents, SUBCONTRACTOR will comply with such requirements.

SUBCONTRACTOR shall not provide any liability coverage (including auto coverage) under a claims made, "wasting" policy or other form of policy that reduces the amount of coverage, in whole or in part, by amounts expended on defense of claims.

SUBCONTRACTOR shall also satisfy the following additional requirements:

- (a) **Hazardous Materials.** If SUBCONTRACTOR and/or its subcontractors or suppliers, regardless of tier, perform remediation of hazardous materials or if their operations create an exposure to hazardous materials as those terms are defined in federal, state or local law, SUBCONTRACTOR and its subcontractors and suppliers must obtain a "Contractor's Pollution Liability" policy with limits not less than \$1,000,000 per occurrence and not less than \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, naming PRESTON PIPELINES as an additional insured. If SUBCONTRACTOR or its subcontractors or suppliers haul hazardous material (including, without limitation, waste), the policy must extend pollution coverage to the transportation of hazardous materials or pollutants by waste hauling vehicles. If SUBCONTRACTOR is subject to the Motor Carrier Act of 1980, the Motor Carrier Act endorsement MCS-90 must be obtained and attached to the policy.

- (b) **Professional Liability.** If SUBCONTRACTOR (or its subcontractors or suppliers, regardless of tier) performs any design/build work or services, it shall obtain a Professional Liability Insurance Policy. Design/build work includes, without limitation, design/build work with respect to mechanical, electrical, structural, plumbing and fire sprinkler systems. Evidence of coverage in the form of a Certificate of Insurance shall be provided prior to the start of the project. SUBCONTRACTOR shall obtain coverage for a minimum of three years following completion of the project, either through continued purchase of policies for such years or through purchase of an extended reporting period. If OWNER or PRESTON PIPELINES elects to purchase a project design policy, SUBCONTRACTOR's policy shall be endorsed to indicate that SUBCONTRACTOR's policy shall provide coverage once the project design policy has been exhausted.
- (c) **Riggers Liability.** Should SUBCONTRACTOR's work involve the moving, lifting, lowering, rigging or hoisting of property or equipment, SUBCONTRACTOR shall carry Rigger's Liability Insurance to insure against physical loss or damage to the property or equipment.
- (d) **Aircraft Liability.** If SUBCONTRACTOR (or its subcontractors or suppliers, regardless of tier) use any owned, leased, chartered or hired aircraft of any type in the performance of this contract, they shall maintain aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence, including Passenger Liability. Evidence of coverage in the form of a certificate of insurance shall be provided prior to the start of the project.
- (e) **Work Near Railroads.** If SUBCONTRACTOR (including any lower tier subcontractor or supplier) performs any work or conducts any operations within fifty feet of any railroad (including any light rail, fixed rail or other rail system), SUBCONTRACTOR shall obtain an endorsement of its Commercial General Liability Policy to delete any exclusion, including the "Contractual Liability" exclusion, for work performed within fifty feet of a railroad. A copy of such endorsement shall be provided to PRESTON PIPELINES prior to any work or operations by SUBCONTRACTOR within fifty feet of any railroad. SUBCONTRACTOR shall also provide any other insurance coverage required by any owner or operator of any rail system.
- (f) **Equipment and Property Coverage.** SUBCONTRACTOR shall procure and maintain at its own expense property and equipment insurance for SUBCONTRACTOR's tools, equipment, temporary structures, work in progress, work in transit and/or in temporary storage.

If builders' risk insurance is not provided by OWNER or PRESTON PIPELINES, SUBCONTRACTOR shall purchase and maintain installation floater coverage written to cover all risks of physical loss except those specifically excluded in the policy, and shall insure at least against the perils of fire and extended coverage, theft, vandalism, malicious mischief and collapse. This insurance shall be written in an amount to provide full protection for SUBCONTRACTOR's work and equipment. This insurance shall apply on a replacement cost basis. Any deductible shall be the full responsibility of SUBCONTRACTOR.

- (g) **Waiver of Subrogation.** PRESTON PIPELINES and SUBCONTRACTOR waive all rights against each other for loss or damage to the extent reimbursed by any insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If any applicable policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such

policies will cause them to be so endorsed or obtain such consent.

- (h) **Requirements for Sub-subcontractors, Vendors, and Suppliers.** SUBCONTRACTOR shall ensure that all tiers of its subcontractors, vendors and suppliers shall maintain insurance in like form and amounts, shall comply with the additional insured requirements as set forth above, shall waive subrogation as set forth above, shall otherwise comply with all requirements of this Exhibit A, and shall provide PRESTON PIPELINES with evidence of insurance prior to commencing work
- (i) **Wrap-Up or OCIP Insurance** (1) If there is no Wrap-Up or Owner Controlled Insurance Program (“OCIP”) for the project, all provisions of this Attachment shall apply; (2) if there is Wrap-up or OCIP coverage, the provisions of this Attachment shall apply only to the extent the OCIP does not provide such coverage and thus the provisions of this Attachment shall require coverage in addition to the coverage provided by the OCIP. For example, and without limitation, if the OCIP does not cover off-site activities or workers compensation, then SUBCONTRACTOR shall furnish all required insurance with respect to offsite activities and shall also maintain workers compensation coverage, all in accordance with the provisions of this AGREEMENT, including this Section. SUBCONTRACTOR shall at no additional cost to PRESTON PIPELINES comply with all requirements and provisions of any such Wrap-up or OCIP coverage, including any applicable manual or provisions concerning the furnishing of credits, as if such requirements and provisions were incorporated herein.

OCIP or Wrap Policy Disclosures

[**Check Box if applicable:**]

In accordance with Civil Code Section 2782.96, PRESTON PIPELINES provides the following disclosures concerning a wrap-up insurance policy or other consolidated insurance program for a public works project or any other project other than a residential construction project as defined by Civil Code Section 895 et seq.:

- Total amount or method of calculation of any credit or compensation for premium required from SUBCONTRACTOR or another participant (fill in one):
 - \$ _____ or
 - Per Exhibit _____, attached hereto.
- Policy limits: \$ _____.
- Known exclusions: See Exhibit _____, attached hereto.
- Period/length of time policy is to remain in effect: _____.

Upon written request, once PRESTON PIPELINES itself obtains a copy of the Wrap-Up policy, a copy of the Wrap-Up policy may be inspected and copies by any person or company covered by the policy. If a policy is not yet available, upon written request, a person or company covered by the Wrap-Up policy shall be provided a copy of the insurance binder or declaration of coverage. Any person or company receiving a copy of the Wrap-Up policy, binder, or declaration (“participant”) agrees not to disclose it to third parties other than the participant’s insurance broker or attorney, unless required to provide or disclose it by law. Any participant who provides a copy of the Wrap-Up policy, binder or declaration to his, her or its insurance broker or attorney shall require the insurance broker or attorney not to disclose it unless required to do so by law.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

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 REPRESENTATIVES 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 of this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Agent or Broker May be a "Direct Writer" (i.e. Liberty Mutual) Mailing Address	CONTACT NAME: Name of Account Handler		
	PHONE (A/C, No, Ext): XXX-XXX-XXXX	FAX (A/C, No): XXX-XXX-XXXX	
	EMAIL ADDRESS:		
INSURED Name of Subcontractor (Exactly as Shown on Subcontract) Mailing Address of Subcontractor (Exactly as Shown on Subcontract)	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: General Liability Insurance Co.		
	INSURER B: Auto Ins. Co.		
	INSURER C: Workers Compensation Ins. Co.		
	INSURER D: Professional Liability		
	INSURER E: Excess Liability (as needed)		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** _____ **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 MANY 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 EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X		Policy No.	Eff. Date	Exp. Date	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NONOWNED AUTOS	X		Policy No.	Eff. Date	Exp. Date	COMBINED SINGLE LIMIT (Ea Accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION						EACH OCCURRENCE \$ AGGREGATE \$
C	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE N/A OFFICER/MEMBER EXCLUDED? If yes, describe under DESCRIPTION OF OPERATIONS below		X	Policy No.	Eff. Date	Exp. Date	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Professional Liability	X					Limit \$1,000,000

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

Ref: All California Operations.

Preston Pipelines, Inc., is added as an Additional Insured and any other additional insureds per the contract documents their officers, employees, representatives, volunteers and agents per attached endorsements for all coverage's except Workers Compensation. Coverage is primary and Non-Contributory per attached endorsements. Waiver of Subrogation applies to Workers Compensation per attached endorsement. There will be no cancellation or reduction of coverage without 30-Days Notice to the certificate holder.

CERTIFICATE HOLDER Preston Pipelines, Inc. 133 Bothelo Ave. Milpitas, CA 95035	CANCELLATION 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
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ACORD 25 (2009/09)

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

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:

RE: All California Projects

Preston Pipelines, Inc., their officers, employees, representatives, volunteers and agents and any one else required by contract

(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.

Primary: Coverage is Primary and Non-Contributory.

SAMPLE

**Or the CG2010 07/04 and CG2037 07/04 Combination or their Equivalent
*There can be no exclusion for Products/Completed Operations**

POLICY NUMBER:

COMMERCIAL AUTO

CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

TRUCKERS COVERAGE FORM

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

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By:
Named Insured:	(Authorized Representative)

SCHEDULE

<p>Name of Person(s) or Organization(s): RE: All California Projects</p> <p>Preston Pipelines, Inc., their officers, employees, representatives, volunteers and agents and any one else required by contract</p>

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

Each person or organization shown in the Schedule is 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.

Primary: Coverage is Primary and Non-Contributory.

**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY
WC 04 03 06 (Ed. 4-84)**

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-
CALIFORNIA**

This endorsement changes the policy to which it is attached and is effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on _____ at 12:01 A.M. Standard time, forms a part of
(Date)

Policy No. _____ Endorsement No. _____

Of the _____
(Name of Insurance Company)

issued to:

Premium (if any) \$ _____

Authorized Representative

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.) You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be ** % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Any Person Or Organization that
Require a Written Contract or Agreement with
The insured, executed prior to the accident or loss,
that Waiver of Subrogation be provided under this policy
for work performed by you for that Person or Organization

Job Description

All Operations

SAMPLE