

EXHIBIT "L"

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Teal Construction Company Insurance Requirements for Subcontractors

Teal Construction Company requires all subcontractors working on construction projects to carry minimum insurance requirements for the duration of contract (as a minimum).

Attached are two "sample" ACORD Certificates of Insurance with coverages and limits required by Teal Construction Company.

Plan "A":

The first "sample" Certificate of Insurance requires a \$1,000,000 per occurrence limit for Commercial General Liability, Automobile Liability and Employers' Liability (Workers' Compensation) Policies.

Plan "B":

The second "sample" Certificate of Insurance requires a \$500,000 per occurrence limit for the Commercial General Liability, Automobile Liability and Employers' Liability (Workers' Compensation) Policies **plus** a \$1,000,000 Commercial Umbrella Policy.

PLAN "A"

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ACORD CERTIFICATE OF INSURANCE						DATE (MM/DD/YY) 12/01/2000
PRODUCER JOHN L. WORTHAM & SON, L.L.P. P.O. BOX 1388 HOUSTON, TEXAS 77251-1388			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.			
070118-10010-1998A-000001 HMH/DXS 1/1			COMPANIES AFFORDING COVERAGE			
INSURED XYZ (A) SUBCONTRACTING COMPANY "PLAN A"			COMPANY A (800) - BEST INSURANCE COMPANY COMPANY B (800) - GREAT INSURANCE COMPANY COMPANY C COMPANY D			
COVERAGES 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.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	12345678	12/01/2000	12/01/2001	GENERAL AGGREGATE	\$ 2,000,000
					PRODUCTS - COMP/OP AGG	\$ 1,000,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$ 50,000
					MED EXP (Any one person)	\$ 5,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	87654321	12/01/2000	12/01/2001	COMBINED SINGLE LIMIT	\$ 1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	\$
					AGGREGATE	\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	12345678	12/01/2000	12/01/2001	<input checked="" type="checkbox"/> STATUTORY LIMITS	
					EACH ACCIDENT	\$ 1,000,000
					DISEASE - POLICY LIMIT	\$ 1,000,000
					DISEASE - EACH EMPLOYEE	\$ 1,000,000
	OTHER					
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS TEAL CONSTRUCTION COMPANY, INC. AND PROJECT OWNER ARE ADDITIONAL INSUREDS ON ALL LIABILITY POLICIES PER CG 2010(11-85) ATTACHED. COVERAGE UNDER THESE POLICIES IS PRIMARY AND NON-CONTRIBUTORY TO ANY OTHER COVERAGE AVAILABLE TO THE ADDITIONAL INSUREDS. WAIVER OF SUBROGATION IS AFFORDED UNDER ALL POLICIES.						
CERTIFICATE HOLDER TEAL CONSTRUCTION COMPANY 1335 BRITTMORE HOUSTON, TX 77043			CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. AUTHORIZED REPRESENTATIVE <i>John L. Wortham & Son, L.L.P.</i>			
ACORD 20-9 (9/93)			© ACORD CORPORATION 1993			

PLAN "B"

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ACORD CERTIFICATE OF INSURANCE				DATE (MM/DD/YY) 12/01/2000	
PRODUCER JOHN L. WORTHAM & SON, L.L.P. P.O. BOX 1388 HOUSTON, TEXAS 77251-1388			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.		
INSURED XYZ (B) SUBCONTRACTING COMPANY "PLAN B"			COMPANIES AFFORDING COVERAGE COMPANY (800) - A BEST INSURANCE COMPANY COMPANY (800) - B GREAT INSURANCE COMPANY COMPANY C COMPANY D		
070118-01000-1999A-000001 DEB/DXS 1/1					
COVERAGES 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.					
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	12345678	12/01/2000	12/01/2001	GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMP/OP AGG \$ 500,000 PERSONAL & ADV INJURY \$ 500,000 EACH OCCURRENCE \$ 500,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	87654321	12/01/2000	12/01/2001	COMBINED SINGLE LIMIT \$ 500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
B	EXCESS LIABILITY OCCURRENCE <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	987654321	12/01/2000	12/01/2001	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	54321987	12/01/2000	12/01/2001	<input checked="" type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT \$ 500,000 DISEASE - POLICY LIMIT \$ 500,000 DISEASE - EACH EMPLOYEE \$ 500,000
	OTHER				
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS TEAL CONSTRUCTION COMPANY, INC. AND PROJECT OWNER ARE ADDITIONAL INSUREDS ON ALL LIABILITY POLICIES PER CG 2010(11-85) ATTACHED. COVERAGE UNDER THESE POLICIES IS PRIMARY AND NON-CONTRIBUTORY TO ANY OTHER COVERAGE AVAILABLE TO THE ADDITIONAL INSUREDS. WAIVER OF SUBROGATION IS AFFORDED UNDER ALL POLICIES.					
CERTIFICATE HOLDER TEAL CONSTRUCTION COMPANY 1335 BRITTMORE HOUSTON, TX 77043			CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL SEND MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. AUTHORIZED REPRESENTATIVE <i>John L. Wortham & Son, L.L.P.</i>		
ACORD 205-S (3/99)			© ACORD CORPORATION 1999		

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Teal Construction Company Insurance Requirements for Subcontractors

Endorsements to the Certificate "A" or "B":

Additional Insured (CG 2010-11-85 or equal) - Adds another individual or entity (Teal) to the subcontractor's policy which extends coverage to that individual or entity (Teal).

Waiver of Subrogation - Relinquishes the right of an insurance company to collect claim expenses from Teal for damages paid on behalf of the subcontractor.

Notice of Cancellation 30 Days - Provisions in the policy mandating that the sub's insurance company is to provide (Teal) advance notice of cancellation or non-renewal of a policy.

Primary Wording and Non Contributory Endorsement -

- Primary Wording makes the Sub's policy pay first when a claim occurs.
- Non Contributory means Teal's policy will not contribute to the claim.

(Subcontractor with Leased Employees)

Alternate Employer Endorsement - Workers' Compensation endorsement for an employee leasing company that leases employees to a subcontractor to protect the subcontractor against claims of the leased employees.

Subcontractor should be required to provide Teal with evidence that the sub is included on the Leasing Company's Workers' Compensation Policy as an "Alternate Employer."

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Minimum Insurance Requirements

- 1 Subcontractor shall promptly obtain insurance for the Work as specified in this Subcontract Agreement. Subcontractor must use Contractor's standard insurance certificate form. Subcontractor shall provide the required insurance certificate(s) to Contractor prior to commencing the Work and shall be liable to Contractor for the consequences of Subcontractor's failure or delay in obtaining the required insurance policies and coverages. Subcontractor acknowledges that it may not enter the jobsite *unless and until* Contractor receives and approves the specified insurance certificate(s).
- 2 Each insurance certificate must state that the insurance carrier is required to give Contractor thirty (30) days prior written notice of cancellation, material change that reduces or restricts the coverages or liability limits of any insurance policy provided hereunder, or non-renewal. Subcontractor's insurance certificate(s) shall also include the **PROJECT NAME** in a conspicuous location. The insurance requirements described in this Agreement are not intended to and shall not in any way limit or qualify the liabilities and obligations Subcontractor assumes pursuant to this Subcontract Agreement.
- 3 The insurance policies required Articles 4.1(B) and (C) and 4.2(B), (C) and (D) below shall (1) name **OWNER, CONTRACTOR, CONTRACTOR'S SURETY, ARCHITECT, DESIGN CONSULTANTS, INCLUDING ALL ENGINEERS, AND ALL OF CONTRACTOR'S OTHER INDEMNITEES (AND THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, JOINT VENTURERS, CO-VENTURERS, AFFILIATES, SUBSIDIARIES, SUCCESSORS, ASSIGNS, AGENTS AND EMPLOYEES) (HEREINAFTER COLLECTIVELY REFERRED TO AS "INDEMNIFIED PARTIES"** (collectively "Indemnified Parties") as additional insureds in regard to both ongoing and completed operations, (2) contain a waiver of subrogation in favor of Indemnified Parties, and (3) state that such policies are primary and non-contributory with any insurance carried by Indemnified Parties. Subcontractor shall be responsible for all deductibles. In addition, the insurance policies required Articles 4.1(A) and 4.2(A) below shall contain a waiver of subrogation in favor of Indemnified Parties. The following endorsement forms shall be incorporated into each such policy:
 - (a) Additional Insured (CG 2010 (11-85) or equivalent and
 - (b) Waiver of Subrogation (CG 2404 (11-85) or equivalent
- 4 During the full term of the Work and of this Agreement, Subcontractor shall at all times maintain the following insurance coverage (either option "A" or "B" below) in primary and/or excess form, with limits not less than those described below, with insurers licensed to do business in the State and in forms or policies acceptable to Owner and Contractor:

4.1 Option "A":

A. Worker's Compensation Insurance:

Worker's Compensation: Statutory

Employer's Liability: \$1,000,000.00

The Worker's Compensation Policy shall cover all Subcontractors' jobsite employees and include a waiver of subrogation in favor of Indemnified Parties executed on endorsement form required at paragraph 3 above.

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B. General Liability Insurance:

General Aggregate: \$2,000,000 (Endorsed for designated project CG 2503 (03-97)).
Products & Completed Operations Aggregate: \$1,000,000
Personal & Advertising Injury Limit: \$1,000,000
Each Occurrence Limit: \$1,000,000
Fire Damage (any one fire) Limit: \$50,000
Medical Expenses (Any one person) Limit: \$5,000

C. Auto Liability Insurance (form ISO CA 0001 or equivalent):

Bodily Injury and Property Damage: \$1,000,000 Combined Single Limit
The Auto Liability Policy shall be written on a standard form and cover any automobile, including without limitation, all owned, non-owned and hired automobiles.

D. Subcontractor's Equipment Insurance:

At Subcontractor's option, Subcontractor may provide equipment insurance that shall protect Subcontractor against losses caused by physical damage to all Subcontractor's tools, equipment and materials which are used to prosecute the Work but which are not incorporated into the Work. Subcontractor's equipment insurance must include a waiver of subrogation in favor of Indemnified Parties.

4.2 Option "B":

A. Worker's Compensation Insurance:

Worker's Compensation: Statutory
Employer's Liability: \$500,000
The Worker's Compensation Policy shall cover all Subcontractors' jobsite employees and include a waiver of subrogation in favor of Indemnified Parties executed on endorsement form required at paragraph 3 above.

B. General Liability Insurance:

General Aggregate: \$1,000,000 (Endorsed for designated project (CG 2503 (03-97))).
Products & Completed Operations Aggregate: \$500,000
Personal & Advertising Injury Limit: \$500,000
Each Occurrence Limit: \$500,000
Fire Damage (any one fire) Limit: \$50,000
Medical Expenses (Any one person) Limit: \$5,000

C. Auto Liability Insurance (form ISO CA 0001 or equivalent):

Bodily Injury and Property Damage: \$500,000 Combined Single Limit
The Auto Liability Policy shall be written on a standard form and cover any automobile, including without limitation, all owned, non-owned and hired automobiles.

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D. Excess (Umbrella) Insurance:

Bodily Injury and Property Damage: \$1,000,000 per occurrence and in aggregate
The Excess (Umbrella) Policy shall provide coverage that is as broad as and for the same term as the primary policy and the limits shall be in addition to those provided by the coverages required in 4.2(A), (B) and (C).

4.3 The General Liability Policy, whether furnished under either option "A" or "B" above, shall be an occurrence policy and shall include the following minimum coverages: Premises/Operations, Independent Contractors, Products Liability, Completed Operations, and Broad Form Contractual Liability to cover the Indemnity and other applicable sections of this Subcontract Agreement, Broad Form Property Damage, Personal Injury Liability with exclusions related to contractual liability deleted, and Explosion-Collapse-Underground Liability and pollution liability (if required by Contractor or the Contract Documents). Design responsibility of Subcontractor shall also be covered by the policy. The policy also shall not contain an employers' liability exclusion and/or action-over exclusion for claims made by employees of subcontractor against Owner, Contractor and/or other Indemnified Parties.

4.4 Subcontractor's general liability, auto liability, and umbrella liability policies, whether furnished under either option "A" or "B" above, must include coverage for cross liability and provide for severability of interests.

4.5 If Subcontractor uses an employee leasing service, Leasing Company or Leasing Service shall name Subcontractor as an Alternate Employer under its workers' compensation policy with a 30 day advance notice of cancellation, material change or non-renewal.

5 *Subcontractor's Equipment Insurance:*

Subcontractor shall have the option of procuring its own equipment insurance which shall protect Subcontractor against losses caused by physical damage to all Subcontractor's tools, equipment and materials which are used to prosecute the Work but which are not incorporated into the Work. Subcontractors equipment insurance must include a waiver of subrogation in favor of Indemnified Parties.

6 *Builder's Risk Insurance:*

Owner or Contractor may provide Builder's Risk insurance for the entire Project, insuring against all risks of direct physical loss or damage to materials, equipment, machinery and other property incorporated in the Project, *subject to* policy exclusions and deductibles. Subcontractor shall verify that Builders Risk Insurance has been provided for each Project; if no such insurance is provided, Subcontractor assumes all risk of loss of or damage to any materials, equipment, tools, appliances or other items of value provided to the Project by or through Subcontractor, regardless of any transfer of title to same, through the date of final payment to Contractor by Owner. Builder's Risk insurance, if provided, will not provide coverage for tools, equipment or other items which Subcontractor uses in connection with the Work and which are not intended to become a permanent part of the Work. Subcontractor waives its right of subrogation against Owner and Contractor for damage caused by fire or other perils. If Subcontractor makes a claim on the Builder's Risk policy, Subcontractor shall pay its pro rata share of the policy's deductible amount, up to and including one hundred percent (100%) if applicable.

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- 7 Contractor's minimum requirements are set forth on the attached alternative sample certificates for options "A" and "B." The Subcontract Agreement will not be executed by Contractor until an original Certificate of Insurance, in compliance with the requirements herein, is received directly from your insurance agent.