

EXHIBIT Z
ADDENDUM TO
SUBCONTRACT AGREEMENT
REGARDING OCIP INSURANCE
AND ADDITIONAL TERMS AND CONDITIONS
(Huntington Lodge Project)

The Subcontractor Agreement (“Agreement”) between Griffin Construction, LLC (“Contractor”) and (“Subcontractor”), dated _____, for services performed on the Huntington Lodge project (“Project”) located in Bend, Oregon, is hereby amended and/or modified with respect to insurance provisions set forth therein. Pronghorn Intangibles (“Owner”), as part of an Owner Controlled Insurance Program (“OCIP”), has obtained a primary commercial general liability insurance policy (“OCIP Policy”), also commonly referred to as a Wrap Up Policy, naming it, as well as other designated construction participants, including Contractor, and other eligible and enrolled trades (hereinafter collectively referred to as “Participants”), for certain insurable risks on this Project. The OCIP is administered through Paladin Risk Management (“Program Administrator”) and the OCIP Policy is obtained through Monarch Insurance Services, Inc. (“Insurance Carrier”).

Subcontractor agrees that the following amendments and/or modifications are effective as of the date of the Agreement and the amendments and/or modifications are fully incorporated therein. As consideration for Subcontractor’s acceptance of the terms of this Addendum, certain insurance coverages will be provided for Subcontractor as specified in the full OCIP Policy. In the event of any conflict between this Addendum and the Agreement or other Contract Documents (as defined in the Agreement, or defined as the Agreement and any documents expressly incorporated therein, if undefined), the terms of this Addendum shall control.

I. Subcontractor’s insurance coverage obligations are found in the Agreement at Article 4 (Insurances). Notwithstanding the provisions therein, they are amended or modified as set forth below:

The OCIP Policy is specific to the subject Project and extends coverage to all eligible and enrolled Subcontractors performing Work (as defined in the Agreement, or defined as services performed, if undefined) in connection with the Project on the property. Execution hereof by Subcontractor constitutes Subcontractor’s agreement to enroll in such OCIP Policy and to abide and be bound by (a) all the terms, conditions, limitations, and exclusions of the OCIP Policy and (b) all the provisions and requirements of the OCIP Insurance Program Manual (“Insurance Manual”), Exhibit W, as it may be amended from time to time.

Without in any manner modifying the OCIP policy, enrollment in the OCIP occurs upon the issuance of a Certificate of Enrollment. Enrollment must take place prior to an occurrence for which coverage is sought under the OCIP. Eligible parties shall be enrolled in the OCIP through the Program Administrator (“Eligible Parties”). Certain parties may be ineligible for enrollment into the OCIP if their scope of Work is of the type which would be excluded under the OCIP (“Ineligible Parties”). These Ineligible Parties shall provide insurance as set forth herein and in the Agreement. In limited circumstances, parties may be excluded from the OCIP by Owner in its sole discretion (“Non-Enrolled Parties”). These Non-Enrolled Parties shall provide insurance as set forth herein and in the Agreement.

The OCIP coverages shall cover Enrolled Parties only. Enrolled Parties are: the Owner, Contractor and eligible Subcontractors of all tiers that enroll in the OCIP, and such other trades, persons or entities as Owner may designate, in its sole discretion (each party insured under the OCIP is an “Enrolled Party”). Enrolled Parties shall obtain and maintain, and shall require each of their subcontractors of all tiers to

obtain and maintain, the insurance coverage specified in Subsection I.4, below, and in the Insurance Manual.

The OCIP coverages do not **typically** cover the following "Excluded Parties":

- a. Hazardous materials remediation, removal and/or transport companies and their consultants;
- b. Architects, surveyor, engineers, and soil testing engineers, and their consultants;
- c. Vendors, suppliers, fabricators, material dealers, truckers, haulers, drivers and others who merely transport, pick up, deliver, or carry materials, personnel, parts or equipment, or any other items or persons to or from the Project site;
- d. Subcontractor and each of its or their respective Subcontractors of all tiers that do not perform any actual labor on the Project site; and
- e. Any parties or entities not specifically identified in this Addendum, as well as any parties or entities excluded by Owner in its sole discretion, even if they are otherwise eligible.

Excluded Parties and parties no longer enrolled in or covered by the OCIP shall obtain and maintain, and shall require each of their subcontractors of all tiers to obtain and maintain, the insurance coverage specified in the Agreement.

The types of risks covered by this policy are defined and specified in the actual insurance policy. Subcontractor is charged with the responsibility of obtaining from the Broker-of-Record, Rick Humphries, a copy of the OCIP Policy for review. It is Subcontractor's responsibility to obtain professional assurance and/or legal counsel regarding this insurance policy. Owner and Contractor make no representations regarding the scope, adequacy, nature, quality or limits of the OCIP and Subcontractor expressly acknowledges the lack of reliance upon any representations made by Owner or Contractor or its and their representatives regarding the scope, adequacy, nature, quality or limits of the insurance provided by the OCIP Policy. Subcontractor shall hold Owner and Contractor and its and their representatives, including, but not limited to Program Administrator, insurance brokers and/or agents, free and harmless from any and all claims asserting or alleging that the scope, type and/or amount of coverage provided under the OCIP is inadequate or insufficient. The OCIP is intended to be the primary source of coverage for the risks covered thereunder and shall assume primary position to Subcontractor's insurance in the areas of risk covered by the OCIP.

1. Owner shall be responsible for payment of insurance premiums for the OCIP Policy. Subcontractor shall not be responsible in contributing toward the OCIP insurance premium. Subcontractor shall bid net of its general liability insurance cost.
2. The OCIP Policy available limits shared among Owner, Contractor, and eligible and enrolled subcontractors:

Designated Project	Huntington Lodge
Type of Project	Condominiums
Number of Units	104
First Named Insured	Pronghorn Intangibles
Primary Insurance	
Insurance Carrier	Navigators Specialty Insurance Company
Policy Period	07/22/2016 – 07/22/2018
Policy Number	SF16CGL199638IC
Limits	\$5,000,000 Each Occurrence \$5,000,000 General Aggregate \$5,000,000 Products-Completed Operations Aggregate
Deductible	\$25,000 per occurrence

3. The OCIP requires satisfaction of a per occurrence deductible in the amount of \$25,000. Each enrolled Subcontractor is obligated to contribute toward the deductible in the manner set forth herein.

In the event of an occurrence during the course of construction (prior to completion and acceptance of Subcontractor's Work) or after the course of construction (during the policy's statute of repose), which requires Contractor to satisfy all or any portion of the deductible and which arises out of the scope of Work by or for Subcontractor, each "involved" Subcontractor shall contribute the equivalent amount of its general liability policy's deductible in place at the time of loss or \$10,000, whichever is greater.

If the amount collected hereunder exceeds the amount actually expended in satisfaction of the deductible, the contribution from each Subcontractor will be proportionately reduced by an amount so that the total amount collected equals the actual deductible amount incurred.

"Involved" includes, but is not limited to, occurrences where an employee of a subcontractor or third party is injured on the job site and sues for a claim that is covered by the OCIP or if the Work or property of Owner, Contractor, another subcontractor or third party is damaged in any way arising out of or in connection, directly or indirectly, with the scope of Work of the Subcontractor.

This allocation of the deductible is not an indemnity claim and shall remain uninsured by the OCIP. It is a contractual allocation of the mutual obligations of the insureds under the OCIP Policy.

Upon written notice from Owner or Contractor of the required deductible contribution amount provided above and the basis therefore, Subcontractor shall provide said sum to Owner or Contractor within thirty (30) days after receipt of such notice. Subcontractor's failure to remit payment to Owner or Contractor of the required deductible contribution amount in the time frame set forth above may result in, but not be limited to, a loss of coverage for Subcontractor under the OCIP Policy.

4. A Subcontractor who is enrolled in the OCIP shall, prior to commencement of its Work and prior to entry onto the Project, provide to Contractor and evidence of all Required Insurance coverages as set forth in this Addendum in the form of a certificate from a carrier or carriers that has or have a current AM Best rating of A- or better:

a. Commercial General Liability Insurance, written on a full occurrence policy form, provides coverage on a primary and non-contributory basis to the OCIP, and covers work and operations away from the Project (**off-site**), with minimum limits of liability of not less than:

\$1,000,000	Each Occurrence
\$2,000,000	General Aggregate
\$2,000,000	Products/Completed Operations Aggregate

b. Commercial Auto Insurance, including liability for "any auto" or for all owned, non-owned, leased and hired automobiles, trucks, trailers, and semi-trailers, including but not limited to any machinery or apparatus attached thereto, with minimum limits of not less than:

\$1,000,000	Combined Single Limit per Accident for bodily injury and property damage
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c. Workers' Compensation Insurance compliant with State law, and Employer's Liability, with minimum limits of not less than:

\$500,000	Bodily Injury by Accident (per accident)
\$500,000	Bodily Injury by Disease (policy limit)
\$500,000	Bodily Injury by Disease (per employee)

5. Unless stipulated otherwise in Section I.4 above, Subcontractor agrees to maintain continuous coverage for the above insurance and provide all policy endorsements, as required, during the entire course of Subcontractor's Work and through the warranty period as agreed upon between Contractor and Subcontractor, and during the term of the OCIP, whichever ends later.

- The General Liability and Commercial Auto Insurance provided by Subcontractor shall name the following as Additional Insured and Additional Insured Endorsements shall be provided:
- Pronghorn Intangibles
- Griffin Construction, LLC

The required Additional Insured Endorsements shall be delivered to Contractor prior to the earlier of commencement of Subcontractor's Work or its entry onto the Project.

6. Subcontractor's General Liability, Commercial Auto Insurance and Workers' Compensation policies shall provide waiver of subrogation endorsements in favor of the above named Additional Insureds. Subcontractor waives all of its rights of recovery, and waives all rights of recovery (including but not limited to subrogation) of its insurers and against Owner and Contractor for damages that are covered by the OCIP. Subcontractor further waives all of its rights of recovery, and waives all rights of recovery (including but not limited to subrogation) of its insurers under the non-OCIP insurance policies maintained by Subcontractor in connection with its Work on the Project, against Owner and Contractor. Subcontractor shall cause its respective insurance policies as required above to contain such waivers of subrogation, by endorsement. A waiver of subrogation shall be effective as to any individual or entity even if such individual or entity (1) would otherwise have a duty of indemnification, contractual or otherwise; (2) did not pay the insurance premium directly or indirectly; and (3) whether or not such individual or entity has an insurable interest in the property damaged.

7. The Project is an OCIP, accordingly Subcontractor shall provide proof by endorsement that its general liability policy does not exclude coverage for Subcontractor's Work and operations away from and/or adjacent to the OCIP Project (off-site).

8. Subcontractor shall provide Contractor and Owner with thirty (30) days prior written notice for cancellation, material change in terms and non-renewal of coverage of its General Liability, Auto, Workers' Compensation employer's liability policies, including its Professional Liability policy, if required. If a policy is cancelled or non-renewed, Subcontractor shall immediately provide replacement certificates and endorsements for the replacement coverage, consistent with the requirements of this Addendum. Any delay or failure on the part of Contractor in enforcing this requirement shall not be deemed a waiver of, or estoppel to assert, the requirement or the obligation on the part of Subcontractor or any other party to provide insurance.

9. If Subcontractor is out of business, suspended or otherwise unavailable at the time a claim, proceeding or suit is asserted against Owner or Contractor arising out of the Work, then, to the fullest extent permitted by law, and effective immediately upon the assertion of such claim, proceeding or suit, Subcontractor assigns each and every and all of its rights under any and all of its applicable or potentially applicable insurance policies to Owner and Contractor. Subcontractor shall include a substantially identical provision in its contracts with all its subcontractors in connection with the Work.

10. Enrollment of Subcontractors and their eligible sub tier contractors is mandatory. Subcontractor acknowledges and agrees that all of its eligible sub tier contractors of any level, if any, who perform Work on the Project shall be enrolled in the OCIP. Failure of Subcontractor to do so will amount to a material breach of the Agreement. Subcontractor assumes full responsibility for its sub tier contractors and the Work that they do. Subcontractor assumes full responsibility for any and all

sub tier contractors' compliance with and, where required, the submission to Contractor of all insurance requirements set forth in the Agreement, as well as all other requirements contained in this Addendum, the Agreement and the Insurance Manual.

11. Certificate Holder shall be:

Griffin Construction, LLC
1411 NW Murphy Court
Prineville, OR. 97754

12. Proof of Required Insurance, as stipulated above, shall be provided, for review of compliancy within 3 days after request, to:

Paladin Risk Management
Attn.: Essie Fugate
essie@paladinriskmanagement.com

13. Nothing contained in these insurance provisions or elsewhere in the Contract Documents shall relieve the Subcontractor or any of its sub tier contractors of their respective obligations to exercise due care in the performance of their duties in connection with the Work and to complete the Work in strict compliance with the Contract Documents.

14. If at any time Subcontractor's insurance fails to meet the requirements stated herein, all payments may be held until the non-compliance has been corrected to Contractor and Owner's satisfaction. In the event Subcontractor fails to secure or maintain any policy of insurance required under these insurance requirements, Contractor, at its sole discretion and election, may terminate this Contract, and Contractor shall retain all rights and remedies hereunder for breach of the Agreement.

15. None of the requirements contained in these insurance requirements as to types, limits or acceptability of insurance coverage to be maintained by Subcontractor or its sub tier contractors are intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Subcontractor and/or its sub tier contractors under the Agreement or at law, including, without limitation, Subcontractor's and/or its sub tier contractors' indemnification obligations and liability in excess of the limits of the coverages required herein. No forbearance, act or omission by or on behalf of Owner or Contractor, including, without limitation, permitting Subcontractor or any of its sub tier contractors to commence Work or to continue Work, or releasing any payment, or receiving any certificates, endorsements, waivers, policies or other insurance documents or information, not in compliance with any provision of these insurance requirements or any of the other Contract Documents, shall constitute a release of, waiver of or estoppel to assert any right of Owner and Contractor under any of the Contract Documents or otherwise, nor a release of, waiver of or estoppel to assert any duty or obligation owed by Subcontractor or any of its sub tier contractors, under the Contract Documents or otherwise. Contractor shall not be obligated to review certificates of insurance or to advise Subcontractor of any deficiencies in coverage. Contractor's receipt of an insurance certificate from Subcontractor shall not be deemed a waiver of Contractor's right to enforce the terms of the Agreement nor a waiver of Subcontractor's obligation to obtain the coverages required herein.

16. Subcontractor acknowledges and agrees that it is solely responsible for safety in connection with its Work at the Project site. Subcontractor acknowledges and agrees to comply fully with all safety and health, hazardous and toxic materials and hazard communications standards requirements, including, without limitation, as set forth in the Contract Documents. Nothing in this Addendum or any other Contract Document shall be deemed to render Owner or Contractor an employer of Subcontractor or any of its sub tier contractors, or any of its or their personnel or employees.

17. Should a claim be made by any third party, Owner shall maintain unilateral authority and entitlement to select counsel to represent the Participants' interests, to the extent that the claim is

within the limits of the deductible. To the fullest extent permitted by law, Subcontractor agrees to waive any potential or actual conflict of interest in the selection of counsel by Owner.

II. Subcontractor’s indemnity and defense obligations are found in the Agreement at Article 5 (Liability and Indemnity). Notwithstanding the provisions therein the following is hereby incorporated into the Agreement as though fully set forth therein:

Notwithstanding the requirements and obligations set forth in the Agreement’s Article 5 regarding Indemnification, Owner, Contractor, and Subcontractor are Participants under the OCIP Policy. Article 5 shall apply in the event the OCIP Policy does not in fact fully protect, indemnify and defend the Indemnified Parties. The obligations of Subcontractor pertaining to indemnification under Article 5 are excess to any such OCIP Insurance and shall not take effect until and unless the insurance provided under the OCIP is exhausted, insufficient, inapplicable to the particular claims or otherwise unavailable. In the event that the OCIP is exhausted, inapplicable or unavailable, Subcontractor’s obligations under Section Article 5 shall immediately be triggered. Subcontractor’s obligations to defend and indemnify Owner, Contractor, and other Indemnified Parties shall exist whether or not there is available insurance coverage. Subcontractor and its insurance providers shall waive any and all of its and their rights of subrogation against Indemnified Parties.

Griffin Construction, LLC	
_____ Contractor	_____ Subcontractor
By:	By:
_____ Title:	_____ Title:
_____ Date:	_____ Date: