METROPOLITAN TRANSIT SYSTEM AND SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY

RIGHT OF ENTRY PERMIT (DESERT LINE) INSURANCE REQUIREMENTS

1. INSURANCE

Prior to beginning work, Permittee shall have provided MTS with satisfactory certification by a properly qualified representative of the Insurer(s) that the Permittee's insurance complies with this section.

Permittee shall include the MTS Document number, location and type of work being performed on all insurance-related correspondence.

Permittee shall name the following as the Certificate Holder:

San Diego Metropolitan Transit System 1255 Imperial Avenue, Suite 1000 San Diego, CA 92101

All policies required shall be issued by companies who are licensed to do business in the State of California and hold a current policyholder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best.

A. COVERAGE REQUIRED - ALL PERMITS

(1) <u>Liability</u>

- (a) Commercial General Liability. At all times during this contract and, with respect to Products and Completed Operations Liability, for 12 months following the acceptance of the work by MTS, Permittee agrees to maintain Commercial General Liability Insurance for bodily injury and property damage in an occurrence form and with insurance companies acceptable to MTS. Commercial General Liability Insurance must include coverage for the following:
 - Premises/Operations Liability
 - Per Project Aggregate
 - Products/Completed Operations Liability
 - No Explosion, Collapse, and Underground (XCU) exclusion
 - Contractual Liability, with respect to this agreement
 - Personal Injury Liability
 - Broad Form Property Damage
 - Independent Contractors

All such policies shall name in the endorsement as additional insureds the following entities including their directors, officers, agents, and employees as their interests may appear:

- San Diego Metropolitan Transit System (MTS)
- San Diego Trolley, Inc. (SDTI)
- San Diego and Arizona Eastern Railway (SD&AE)
- San Diego and Imperial Valley Railroad (SD&IV)
- Pacific Imperial Railroad (PIR)
- Carrizo Gorge Railway (CZRY)
- Pacific Southwest Railway Museum (PSRM)
- San Diego Transit Corporation (SDTC)
- (b) <u>Automobile Liability</u>. At all times during this contract, Permittee agrees to maintain Automobile Liability Insurance for bodily injury and property damage including coverage for all owned, non-owned, and hired vehicles.
- (c) <u>Workers' Compensation/Employer Liability</u>. At all times during this contract, Permittee agrees to maintain Workers' Compensation and Employers' Liability Insurance in compliance with the applicable statutory requirements.
- B. ADDITIONAL COVERAGES REQUIRED (AS INDICATED)

(1) Railroad Protective or Equivalent REQUIRED

Any exclusions relating to performance of operations within the vicinity of any railroad, bridge, trestle, track, roadbed, tunnel, underpass, or crossing must be deleted by endorsement from all policies. Option: purchase separate Railroad Protective Liability Policy as required.

(2) <u>Pollution Liability</u> REQUIRED

At all times during this contract, and for 24 months following, Permittee agrees to maintain Pollution Legal Liability Insurance with respect to services or operations under this agreement. The extended discovery period must be no less than 24 months.

(3) Primary and Non-Contributory Insurance REQUIRED

Permittee agrees that all general liability coverages required under this insurance section are PRIMARY insurance and that any insurance of MTS, SDTI, SD&AE, SD&IV, PIR, CZRY, PSRM and SDTC shall be excess and noncontributory (endorsement required).

Rev 022713 -2-

C. MINIMUM POLICY LIMITS REQUIRED **Combined Single** Limit (CSL) Commercial General Liability (Per Occurrence) \$1,000,000 General Aggregate \$2,000,000 Completed Operations & Products Aggregate \$2,000,000 \$1,000,000 Automobile Liability Worker's Compensation Employer's Liability \$1,000,000 Additional Coverages (as indicated under Section B, Additional Coverages Required): B (1) Railroad Protective \$1,000,000

D. POLICY PROVISION REQUIRED

B (2) Pollution Liability

All policies and coverages shall contain a provision for 30 days written notice by the Insurer(s) to MTS Contracts Specialist of any cancellation or material reduction of coverage. A ten-day notice is required for non-payment of premium.

E. SPECIAL PROVISIONS

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Permittee, and any approval of said insurance by MTS, SDTI, SD&AE, SD&IV, PIR, CZRY, PRSM and SDTC, or their insurance Contractor(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Permittee pursuant to this agreement, including but not limited to the provisions concerning indemnification.

MTS reserves the right to stop Permittee work in the event of material noncompliance with the insurance requirements outlined above. MTS utilizes the services of a third party insurance monitoring company. Upon request, Permittee agrees to submit any required insurance policies to the third party monitoring company of MTS choosing.

Rev 022713 -3-