

EXHIBIT 3

INSURANCE/INDEMNITY REQUIREMENTS

1. OCSD shall maintain in force for the duration of this Agreement the insurance coverages specified below. Each policy required by these provisions shall be written as a primary policy, not contributing with or in excess of any coverage, which the City may carry. A copy of each policy or a certificate satisfactory to the City shall be delivered to the City prior to commencement of work.

Unless otherwise specified, each policy shall be written on an "occurrence" form with an admitted insurance carrier licensed to do business in the State of Oregon.

In the event statutory limits of liability of a public body for claims arising out of a single accident or occurrence is increased above the combined single limit coverage requirements specified below, the City shall have the right to require OCSD to increase the its coverages to the statutory limit for such claims, and to increase the aggregate coverage to twice the amount of the statutory limit.

The adequacy of all insurance required by these provisions shall be subject to approval by the City. Failure to maintain any insurance coverage required by this contract shall be cause for immediate termination by the City.

i) Comprehensive General Liability.
OCSD shall maintain a broad form comprehensive general liability insurance policy with coverage of not less than \$1,000,000 combined single limit per occurrence, with aggregate of \$2,000,000. Coverage shall be for

bodily injury, personal injury or property damage. Such policy shall contain a contractual liability endorsement to cover the OCSD's indemnification obligations under this contract. The policy shall also contain an endorsement naming the City, its officers, agents and employees as additional insureds, in a form satisfactory to the City, and expressly providing that the interest of the City shall not be affected by the Contractor's breach of policy provisions.

ii) Comprehensive Automobile Liability.
OCSD shall maintain a comprehensive automobile liability insurance policy with coverage of not less than \$500,000 combined single limit per occurrence, with aggregate of \$1,000,000 for bodily injury, personal injury or property damage. The coverage shall include both hired and non-owned auto liability. The policy shall also contain an endorsement naming the City, its officers, agents and employees as additional insureds, in a form satisfactory to the City, and expressly providing that the interest of the City shall not be affected by the Contractor's breach of policy provisions.

Each policy shall name the City of Oregon City and its officers, agents, and employees as additional named insureds and each policy shall contain an endorsement entitling the City to not less than 30 days prior written notice of any material change, nonrenewal or cancellation.

2. Indemnity/Hold Harmless - To the fullest extent permitted by law, and except to the

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extent otherwise void under ORS 30.140, OCSD shall indemnify, defend (with counsel approved by the City) and hold harmless the City and the City's officers, agents, and employees from and against all liabilities, damages, losses, claims, expenses (including reasonable attorney fees), demands and actions of any nature whatsoever which arise out of, result from or are related to the following:

- Any damage, injury, loss, expense, inconvenience or delay caused by damage to the work prior to acceptance by the City.
- Any accident or occurrence which happens or is alleged to have happened in or about the Project site or any place where the work is being performed, or in the vicinity of either, at any time prior to the time the work is fully completed in all respects.
- Any failure of OCSD to observe or perform any duty or obligation under this Agreement which is to be observed or performed by OCSD, or any breach of any agreement, representation or warranty of OCSD'S work.
- The negligent acts or omissions of OCSD, a contractor, subcontractor or anyone directly or indirectly employed by them or any one of them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.
- Any lien filed upon the project or bond claim in connection with the work described in this Agreement.

Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Exhibit. In claims against any person or entity indemnified under this Agreement by an employee of the OCSD, a contractor, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Agreement shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for OCSD under workers' compensation acts, disability benefit acts or other employee benefit acts.