

**AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND EPAX SYSTEMS, INC.**

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Epax Systems, Inc., a California corporation ("Contractor" or "Consultant").

The parties hereby agree as follows:

- A. Description of Project or Scope of Services. The project description or scope of services to be provided by Contractor, and any corresponding responsibilities of City or services required to be performed by City are set forth in Exhibit "A".
- B. Term and Time of Completion. Contractor shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
- C. Compensation. City agrees to pay Contractor for work performed in accordance with Exhibit "C".
- D. Insurance. Contractor shall adhere to the insurance requirements outlined in Exhibit "D", unless otherwise waived by the City's Risk Manager.
- E. Agreement to Comply with California Labor Law Requirements. Contractor agrees to comply with all applicable California Labor Law Requirements as set forth in Exhibit "E".

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GENERAL PROVISIONS

- 1. Independent Contractor. Contractor acknowledges, represents and warrants that Contractor is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Contractor shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Contractor's sole responsibility.
- 2. Brokers. Contractor acknowledges, represents and warrants that Contractor has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.

3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Agreement shall upon request be delivered to the City within a reasonable time, and the rights thereto shall be deemed assigned to the City. If applicable, Contractor shall prepare check prints upon request. Said plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials shall be specific for the project herein and shall not be used by the City for any other project without Contractor's consent. Notwithstanding the foregoing, Contractor shall not be obligated to assign any proprietary software or data developed by or at the direction of Contractor for Contractor's own use; provided, however, that Contractor shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.
4. Inspection. If the services set forth in Exhibit "A" shall be performed on City or other public property, the City shall have the right to inspect such work without notice. If such services shall not be performed on City or other public property, the City shall have the right to inspect such work upon reasonable notice. Inspections by the City shall not relieve or minimize the responsibility of Contractor to conduct any inspections Contractor has agreed to perform pursuant to the terms of this Agreement. Contractor shall be solely liable for said inspections performed by Contractor. Contractor shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Contractor hereunder.
5. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Contractor, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Contractor. City shall furnish Contractor, to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Contractor's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Contractor.
6. Records. Contractor, including any of its subcontractors, shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth in Exhibit "A". Contractor, including any of its subcontractors, shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after Contractor's completion of performance of this

Agreement. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.

7. Changes and Extra Work. All changes and/or extra work under this Agreement shall be performed and paid for in accordance with the following:

Only the City Council, City Manager, or the Department Head responsible for the administration of, or supervision of the scope of work under, this Agreement may authorize extra and/or changed work. Contractor expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Contractor to secure the written authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Contractor thereafter shall be entitled to no compensation whatsoever for performance of such work.

If Contractor is of the opinion that any work which Contractor has been directed to perform is beyond the scope of this Agreement and constitutes extra work, Contractor shall promptly notify the City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Agreement and constitutes extra work. In the event that the City determines that such work does constitute extra work, City shall provide extra compensation to Contractor on a fair and equitable basis. A written amendment providing for such compensation for extra work shall be executed by Contractor and the City.

8. Additional Assistance. If this Agreement requires Contractor to prepare plans and specifications, Contractor shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Contractor shall issue any necessary addenda to the plans and specifications as requested. In the event Contractor is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
9. Professional Ability. Contractor acknowledges, represents and warrants that Contractor is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor shall perform in accordance with generally accepted professional practices and standards of Contractor's profession.
10. Business License. Contractor shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the

business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.

11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Contractor of the project or services hereunder, immediately upon written notice to Contractor. In the event of any such termination, Contractor shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Contractor for this Agreement prior to Contractor's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Contractor is not able to cancel such orders. Compensation for Contractor in such event shall be determined by the City in accordance with the percentage of the project or services completed by Contractor; and all of Contractor's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.
12. Termination in the Event of Default. Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages, if any, sustained by the City by virtue of Contractor's breach of this Agreement.
13. Conflict of Interest. Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Contractor further acknowledges, represents and warrants that Contractor has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Contractor acknowledges that in the event that Contractor shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
14. Indemnity. To the maximum extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all

claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of Contractor's performance or work hereunder (including any of its officers, agents, employees, Subcontractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. Notwithstanding the foregoing, nothing in this Section 14 shall be construed to encompass Indemnitees' active negligence to the limited extent that this Agreement is subject to Civil Code Section 2782(b). Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Contractor because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
 - b. Waiver of Right of Subrogation. Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
15. Insurance. Contractor shall comply with the requirements set forth in Exhibit "D". Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
 16. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
 17. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, and employment laws.
 - a. Acknowledgement. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which

such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor's compliance with Labor Code Sections 1810, 1813 and 1815, and Contractor shall include in the written contract between it and each subcontractor copies of Labor Code Sections 1810, 1813 and 1815 and a requirement that each subcontractor shall comply with these aforementioned sections. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor comply with Labor Code Sections 1810, 1813 and 1815, Contractor shall diligently take corrective action to halt or rectify the failure.

- b. Labor Law Requirements. Contractor shall comply with the Agreement to Comply with California Labor Law Requirements set forth in Exhibit "E", which is attached hereto and incorporated by reference. State prevailing wage determinations are available on the California Department of Industrial Relations ("DIR") website located at <https://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>.
18. Non-Discrimination. Contractor shall comply with all applicable federal, state, and local laws, ordinances, regulations, and codes prohibiting discrimination, including but not limited to the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act. Contractor shall not discriminate against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status, or any other legally protected characteristic. Contractor shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Contractor shall include a similar non-discrimination provision in all subcontracts related to the performance of this Agreement.
19. Limitations upon Subcontracting and Assignment. Contractor acknowledges that the services which Contractor shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Contractor shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this

Agreement or the retention of subcontractors by Contractor, Contractor shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Contractor and subcontractor. Any attempt by Contractor to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Contractor or twenty-five percent (25%) or more the voting control of Contractor (whether Contractor is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Contractor or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Contractor's assets occurs, which reduces Contractor's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

20. Subcontractors. Contractor shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Contractor shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
21. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Contractor and City may be used to assist in the interpretation of the exhibits to this Agreement.
22. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
23. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Contractor.
24. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Contractor hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
25. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not

pertain to the project description, proposal, or scope of services (as applicable) to be provided by Contractor, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.

26. Time of Essence. Time is of the essence of this Agreement.
27. Confidentiality. To the extent permissible under law, Contractor shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
28. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
29. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
30. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
31. Claims. Any claim by Contractor against City hereunder shall be subject to Government Code §§ 810 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
32. Interpretation. Contractor acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
33. Warranty; Correction of Work. Contractor warrants that all products and work provided under this Agreement shall:
 - a. be delivered with good title, free of liens and encumbrances;
 - b. conform to the requirements of this Agreement;
 - c. be free from defects in materials and workmanship; and
 - d. be fit for their intended purpose.

Unless otherwise specified, this warranty shall remain in effect for one (1) year from the date of delivery or acceptance by the City, whichever is later, except that consumable items shall be warranted for thirty (30) days.

If, within the applicable warranty period, any product or work is determined by the City to be defective or nonconforming, Contractor shall, upon City's written notice and at its sole cost and expense, promptly repair, correct, or replace such product or work, including all labor, supervision, materials, removal, reinstallation, and related costs. Contractor shall perform such repair, correction, or replacement in accordance with the warranty response standards set forth in Exhibit "A". If Contractor fails to do so, the City may perform the work and Contractor shall reimburse the City for its reasonable costs. All corrected or replaced work shall be subject to the same warranty.

In addition to the foregoing, Contractor shall provide and pass through to the City all applicable manufacturer warranties for the goods, in the same form as set forth in Attachment A-1 to Exhibit A. Such manufacturer warranties are in addition to, and shall not limit, diminish, or supersede, Contractor's obligations under this Section 33. In the event of any conflict between the terms of a manufacturer warranty and this Agreement, the terms of this Agreement shall control.

Nothing in this Section 33 shall limit Contractor's obligation to correct or replace defective work or Contractor's indemnity obligations under Section 14. The warranty set forth in this Agreement shall survive the termination or expiration of this Agreement and shall remain in full force and effect for the applicable warranty periods stated herein and under any assigned or passed through third-party manufacturer warranties.

34. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
35. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Contractor warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Contractor, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Contractor.
36. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.


SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 5th day of May, 2026.

CITY OF REDONDO BEACH,
a chartered municipal corporation

EPAX SYSTEMS, INC.,
a California corporation

James A. Light, Mayor

Signed by:

By: _____
Name: Stefan Nielsen
Title: President / COO
4/27/2026 | 5:55 AM PDT

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Signed by:


Diane Strickfaden, Risk Manager
4/27/2026 | 11:59 AM PDT

APPROVED AS TO FORM:

Joy A. Ford, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

A. INCORPORATION OF STANDARD SPECIFICATIONS. The 2024 edition of "Standard Specifications for Public Works Construction" ("Greenbook") is incorporated herein by this reference. In the event of any conflict between this Agreement and the Greenbook, the provisions of this Agreement shall control.

B. CONTRACTOR'S DUTIES

1. Contractor shall furnish, deliver, install and place into operation one (1) new JV Manufacturing 25-yard compactor for organic waste, to be located at a City designated location in its Pier/Harbor area with electrical supply provided by the City.
2. Contractor shall also perform quarterly preventative maintenance and warranty services (collectively "Services") for the term of this Agreement.
3. Supply, Delivery and Installation. Contractor shall provide all labor, materials, equipment, tools, transportation, and supervision to furnish and install the compactor in complete and operational condition.

Equipment Specifications and Pricing

<u>Description</u>	<u>Cost</u>	<u>Qty.</u>	<u>Total</u>
Self-Contained Compactor 25-yard SC-T2-30 cut Down to 84" OAH	37,230	1	37,230
Cart Dumper Over-the-Back to Accommodate Existing Carts	16,100	1	16,100
Flared to the Rear Open Top Hopper to Accommodate Cart Dumper	2,200	1	2,200
Integrated Cart Dumper Controls	3,697	1	3,697
Fixed Breaker Bar Teeth	153	1	153
Full Length Steel Channels Guides 22'	2,871	1	2,871
Pressure Gauge Power Unit Mounted	173	1	173
Hydraulic Connections Mid Run	555	1	555

Oil Level Shut Down with Indicator Light	280	1	280
Multi Cycle Operation	N/C	1	N/C
Universal Understructure	N/C	1	N/C

4. Warranty. Contractor’s warranty obligations are set forth in Section 33 of the Agreement. In addition, Contractor shall provide and pass through to the City the manufacturer’s limited warranty covering defects in materials and workmanship in the same form as Attachment “A-1”. Contractor represents that it is authorized to assign or pass through such manufacturer warranty to the City, and that the warranty attached as Attachment “A-1” will be in full force and effect as of the date of delivery or acceptance by the City, whichever is later.

5. Warranty Response Standards. In performing its warranty obligations under Section 33 and under the manufacturer warranty, Contractor shall:

- a. Be available to receive warranty service requests 24 hours a day, seven days a week;
- b. Respond to the City within four hours of City’s notification; and
- c. Commence warranty repair work within 24 hours of the City’s notification; and
- d. Maintain all necessary parts and accessories to perform warranty repairs with minimal impact to the City’s operations.

If any maintenance or repair work is identified that is outside the scope of Contractor’s warranty’s obligations, Contractor shall obtain written authorization from City-designated staff before performing such work.

6. Quarterly Routine Maintenance. Contractor shall conduct quarterly preventative maintenance checks to include inspection and cleaning of the equipment.

At a minimum the Quarterly Routine Maintenance shall include inspection servicing, and cleaning of:

- a. Hydraulic system condition, including fluid level, leaks, hoses, and fittings
- b. Compaction ram, guides, and wear components for alignment and wear
- c. Electrical systems, controls, wiring, and sensors for proper operation
- d. Structural components, including frame, welds, and mounting points
- e. Safety devices, including emergency stops, interlocks, and guards
- f. Seals, gaskets, and areas subject to liquid leakage
- g. Fasteners, hinges, and anchoring for tightness and integrity
- h. Operational performance, including full cycle function and abnormal noise/vibration

- i. Cleanliness and removal of organic material buildup
- j. Container, doors, and latching mechanisms for proper function

Contractor shall:

- a. Correct all deficiencies identified during inspections;
 - b. Maintain written service records; and
 - c. Provide records to the City upon its request.
7. Parts and Accessories. Contractor shall ensure it has all necessary parts and accessories for the required work available at all times. Contractor shall address routine maintenance and extraordinary emergency maintenance issues with minimal impact to the City's operations.

ATTACHMENT "A-1"
MANUFACTURER WARRANTY

See the attached manufacturer warranty.

WARRANTY

TERM

As limited herein, the CRAM-A-LOT® products (the "goods") you have purchased are warranted by J.V. Manufacturing, Inc. ("seller") through the specified period to be free of defects in material and workmanship. This warranty does not apply to any damage including, but not limited to, damage caused by negligence, misuse, modifications, alterations, or accidents by purchaser or third parties.

Unless terminated or limited as hereinafter provided, this warranty shall continue in full force for a period of three years, and shall govern all transactions between the parties hereto following the completion of installation of the product at the end user's facility, and evidenced by a signed and dated installation report. If the installation is not provided by the manufacturer, the warranty period shall be considered to start on the date of shipment. This warranty is non-transferable from original purchaser, except in instances of distribution by authorized resellers. This warranty applies only to Cram-A-Lot goods installed within the continental United States, Alaska, and Hawaii.

Owning CRAM-A-LOT® quality is as easy as 1-2-3! J.V. Manufacturing, Inc will furnish without charge:

Compactors, Containers, Vertical Balers, and Cart Tippers:

- 1) All parts and labor expenses through the first year of ownership or 1,200 machine hours, whichever comes first to remedy any faults proven to be the result of defective materials or workmanship.
- 2) All parts through the second year or 2,400 machine hours, of ownership, whichever comes first to remedy any faults proven to be the result of defective materials or workmanship.
- 3) All labor expenses through the third year of ownership or 3,600 machine hours, whichever comes first to remedy any structural faults proven to be the result of defective materials or workmanship.

Pre-Crushers and Horizontal Balers including 2 Ram Auto tie:

- 1) All parts and labor expenses through the first year of ownership or 3,000 machine hours, whichever comes first to remedy any faults proven to be the result of defective materials or workmanship.
- 2) All parts through the second year or 6,000 machine hours, whichever comes first to remedy any faults proven to be the result of defective materials or workmanship.
- 3) All labor expenses through the third year of ownership or 9,000 machine hours, whichever comes first to remedy any structural faults proven to be the result of defective materials or workmanship.

LIMITED WARRANTY

Seller's liability under warranty shall be limited to the repair and replacement of parts and the necessary labor and services required to repair the goods and shall be in lieu of any other remedy available under applicable law and shall not to exceed the purchase price of the goods. IT IS EXPRESSLY AGREED THAT THIS WARRANTY WILL BE IN LIEU OF ALL OTHER WARRANTIES WHETHER EXPRESS OR IMPLIED, OF FITNESS AND IN LIEU OF THE WARRANTY OF MERCHANTABILITY, AND ALL SUCH OTHER WARRANTIES ARE HEREBY REVOKED AND DISCLAIMED.

WARRANTY "VOID" UPON NON-PAYMENT.

- *Seller neither assumes nor authorizes any representative or person to assume for seller any other liability in connection with the sale or shipment of our products.
- *Seller reserves the right to make changes or improvements in our products without notice and without incurring any obligation to prospective customers.
- *Seller reserves the right to make changes or improvements in our products without incurring any obligation to similarly alter products previously purchased.
- *Except in the case of damages or defect attributable to the Seller, Buyer shall not make any claim against Seller for any damaged or defective product or part.
- *If Seller breaches or repudiates this contract, Buyer shall not be entitled to recover any incidental damages as that term is defined in the Uniform Commercial Code.
- *If Seller breaches or repudiates this contract, Buyer shall not be entitled to any consequential damages as defined in the Uniform Commercial Code.
- *Seller does not warrant that any product purchased shall conform to: (1). any affirmation of fact or promise relating to it, or (2). any description of it. No affirmation, promise, or description relating to any product purchased shall be deemed part of the basis of the parties bargain.
- *No agent, employee, or representative of Seller has any authority to bind Seller to any affirmation, representation, or warranty concerning the goods sold under this contract, and unless an affirmation, representation, or warranty made by agent, employee, or representative is specifically included within this contract, it will not be enforceable by Buyer.

ITEMS NOT COVERED

Seller waives the standard warranty on the following components and systems: Downstroke baler bale ejection system - to include dump rods, dump handles, dump trays, chains, and associated components; compactor pin-off systems; Sonozaire hoses and fittings; broken or lost machine keys; broken or bent limit switch arms; all fuses and thermal / voltage / current limiting devices; hydraulic quick disconnects; guide rails, guide channels, wheel-stops, and anchor bolts.

Other items not covered under this warranty include: Adjustments required as the result of routine operations including adjustments to limit, pressure, and proximity switches. Adjustments to lasers, transducers, and relief valves. Addition of hydraulic oil. Replacement of wear items including UHMW shoes, hold down bars, rails, wiper bars, nose rollers, ground rollers, & casters. Door seal replacement. Costs related to disposal of hazardous waste, hydraulic oil, etc., shop fees, and spill or clean up charges.

ITEMS WITH LIMITED COVERAGE

The following items are covered under this warranty for the initial 90 days after installation: Tightening of hydraulic fittings and electric terminal connections, door seal leaks, full enclosure leaks, lights and light bulbs.

RETURN OF PRODUCTS OR SERVICE PARTS FOR REPAIR OR CREDIT

Unless Seller shall have authorized or permitted the return of any products or parts, in writing, or by phone with Return Material Authorization (RMA) Number assigned by J.V. Manufacturing, Inc. to the specified product or parts, seller shall not be obligated to accept from Buyer any products or parts returned, nor to make any exchange thereof, nor to credit Buyer therefor.

NOTICE OF CLAIMS

A) Buyer must notify Seller immediately by e-mail, phone, writing, or fax, of any defect, malfunction, or nonconformity after he or she knows or has reason to know the basis of any claim, and in no event more than ten days thereafter. Within 24 hours after receiving notice from the buyer, Seller will authorize repair or replacement of the defective part. (1) J.V. Manufacturing, Inc., at its sole discretion, will have the option to make repairs or authorize a distributor or third party to make repairs. (2) All claims for repairs must be accompanied with a Warranty Job Order Number. Failure to obtain a Job Order Number will relieve Seller from all liability.

B) Failure to give the notice prescribed by Subsection shall relieve the seller from all liability on any claim in respect to any transaction growing out of this warranty.

C) The provisions of this shall survive the termination of any other portions of this warranty.

COMMON CARRIER AGENT OF DISTRIBUTOR

Whenever Seller shall deliver or cause to be delivered to a common carrier any goods ordered by Buyer, whether the particular carrier shall have been designated in the shipping or routing instructions of the Buyer or not, Seller shall not be responsible for any delays or damages in shipment and the common carrier, to which Seller shall deliver goods shipped to the Buyer, is declared to be the agent of the Buyer.

COMPLETENESS OF INSTRUMENT

This instrument contains all of the agreements, understandings, representations, conditions, warranties, and covenants made between parties hereto. Unless set forth herein, neither party shall be liable for any representations made, and all modifications and amendments hereto must be in writing.

NO IMPLIED WAIVER

The failure of either party at any time to require performance by the other party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

CONTROLLING LAW

The validity, interpretation, and performance of this warranty shall be controlled by and construed under the laws of the State of Arkansas, the state in which this warranty is being executed. It is understood, however, that this is a general form of warranty, designed for use in the United States wherever the Seller may desire to sell its products and that any provision herein which in any way contravenes the laws of any state or jurisdiction shall be deemed not to be a part of this warranty therein.

BUYER NOT AN AGENT

This warranty does not constitute the Buyer as the agent or legal representative of the Company, or the Company as the agent or legal representative of the Buyer for any purpose whatsoever. Neither party is granted any express or implied right or authority by the other party to assume or create any obligation or responsibility on behalf of or in the name of the other party, or to bind the other party in any manner or thing whatsoever.

FINALITY OF THE WRITING

The parties intend this document to be the final expression of their agreement and it is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this document. Acceptance or acquiescence in a course of performance rendered under this document shall not be relevant to determine the meaning of this contract even when the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection.

EXHIBIT "B"

TERM AND TIME OF COMPLETION

TERM. This Agreement shall commence on May 6, 2026 and shall continue through May 5, 2029 unless otherwise terminated as herein provided.

Contractor shall deliver the compactor to the City within seven weeks of receipt of Purchase Order.

EXHIBIT "C"

COMPENSATION

Provided Contractor is not in default under this Agreement, Contractor shall be compensated as provided below.

A. **AMOUNT.** Contractor shall be paid in accordance with the following rate schedule.

Compactor	
Description	Amount
System Cost	\$ 63,259
Preferred Customer Discount 2.5%	\$ (1,582)
Freight	\$ 3,300
Installation and Training	\$ 2,100
Sales tax 9.75%	\$ 6,013
TOTAL	\$ 73,090

Quarterly Routine Maintenance	
Description	Annual Amount
Year 1	\$ 3,400
Year 2	\$ 3,400
Year 3	\$ 3,400

In no event shall the total compensation paid to Contractor exceed \$83,290 during the term of this Agreement.

B. **METHOD OF PAYMENT.** Contractor shall submit one invoice to City for approval and payment after delivery and installation of the compactor. Contractor shall provide an annual invoice for maintenance to City for approval and payment for services performed in the prior year. Each invoice shall indicate the description of goods and services, the dates of delivery or service, itemized costs (such as freight, installation and training), applicable taxes and discounts, maintenance year reference, corresponding amount, and the total fee. Invoices must be itemized, adequately detailed, based on accurate records, and in a form reasonably satisfactory to the City. Contractor may be required to provide backup material upon request.

C. **SCHEDULE FOR PAYMENT.** The City will make full payment within forty-five (45) days of its receipt of the invoice; provided, however, that the services are completed to the City's reasonable satisfaction. Notwithstanding the foregoing, the City may withhold up to five percent (5%) as retention and may also withhold

amounts in good-faith dispute, to the maximum extent permitted by law. Retention will be released after project completion, except for disputed amounts.

- D. **NOTICE.** Written notices to City and Select Contractor shall be given by registered or certified mail, postage prepaid, email, or personally served, and addressed to the following parties.

Contractor: EPAX Systems
14641 Arminta Street
Panorama City, CA 91402
Attention: Stefan Nielsen
Email: stefan@epaxsystems.com

City: City of Redondo Beach
Public Works Department
531 N. Gertruda Ave.
Redondo Beach, CA 90277
Attention: Andrea Delap
Email: andrea.delap@redondo.org

All notices, including notices of address changes, provided under this Agreement are deemed received as follows: (1) on the second business day after emailing, provided that no “bounce-back” or similar message indicating non-delivery is received; (2) on the third day after mailing if sent by registered or certified mail; or (3) upon personal delivery. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party in accordance with this section.

EXHIBIT "D"

INSURANCE REQUIREMENTS FOR CONTRACTORS

Without limiting Contractor's indemnification obligations under this Agreement, Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit of \$4,000,000 shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies shall contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor.

For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Contractor's part.

Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Risk Management

Contractor acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.

EXHIBIT "E"

AGREEMENT TO COMPLY WITH CALIFORNIA LABOR LAW REQUIREMENTS

1. Contractor acknowledges that the project as defined in this Agreement is a "public work" as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code ("Chapter 1"), and that this Agreement is subject to (a) Chapter 1, including without limitation Labor Code Section 1771 and (b) the rules and regulations established by the Director of Industrial Relations ("DIR") implementing such statutes. Contractor shall perform all work on the project as a public work. Contractor shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.

2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.

3. Pursuant to Labor Code Section 1771.4, Contractor shall post job site notices, as prescribed by regulation.

4. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Contractor shall post such rates at each job site covered by this Agreement.

5. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the City, forfeit the maximum amount allowable by law for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

6. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform the City of the location of the records.

7. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code title 8, section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

8. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 and 1/2 times the basic rate of pay.

9. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

10. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor's compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Contractor shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any failure.

11. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless, and defend (at Contractor's expense with counsel acceptable to the City) the City, its officials, officers, employees, agents, independent contractors, and volunteers from and against any demand or claim for damages, compensation, fines, penalties, or other amounts arising out of or incidental to any acts or omissions listed in this Exhibit "E" by any person or entity (including Contractor, its subcontractors, and each of their officials, officers, employees, and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. This indemnification obligation shall survive the termination of the Agreement.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/24/2026

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 REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER IOA Insurance Services 611 North Brand Boulevard, Suite 1300 Glendale CA 91203	CONTACT NAME: PHONE (A/C, No, Ext): 323-951-4200	FAX (A/C, No): 323-951-4260
	E-MAIL ADDRESS:	
License#: 0E67768		INSURER(S) AFFORDING COVERAGE
		NAIC #
INSURED Epax Systems Inc. 14641 Arminta Street Panorama City CA 91402	INSURER A: California Automobile Insurance Company	
	INSURER B: Great American E & S Insurance Company	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	


COVERAGES **CERTIFICATE NUMBER:** 121294683 **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 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.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	<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 <input type="checkbox"/> OTHER:	Y	Y	PLF501736	4/8/2026	4/8/2027	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
							MED EXP (Any one person)	\$ 20,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	BA040000020012	1/11/2026	1/11/2027	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			XSF501737	4/8/2026	4/8/2027	EACH OCCURRENCE	\$ 2,000,000
							AGGREGATE	\$ 2,000,000
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Certificate Holder is included as Additional Insured with respect to General Liability (per form to follow from carrier) & Auto Liability when required by written contract. General Liability (per form to follow from carrier) and Auto Liability is Primary and Non-Contributory when required by written contract. Waiver of Subrogation applies to General Liability (per form to follow from carrier) and Auto Liability when required by written contract and to the extent permitted by law. Umbrella Liability Follows Form.

The City its Officers, Elected & Appointed Officials, Employees & Volunteers are Certificate Holders and Additional Insureds with respects to the General Liability when required by written contract per form #ESG3206 01/16 attached

CERTIFICATE HOLDER	CANCELLATION
City of Redondo Beach Public Works Department 531 N Gertruda Ave. Redondo Beach CA 90277 USA	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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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO 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 the endorsement.

The following is added to the **Section II - Liability Coverage**, Paragraph **A.1. Who Is An Insured** Provision:

Any person or organization that you are required to include as additional insured on the Coverage Form in a written contract or agreement that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Mercury Business Auto Broadening Endorsement

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

- I. NEWLY ACQUIRED OR FORMED ENTITY (BROAD FORM NAMED INSURED)
- II. EMPLOYEES AS INSUREDS
- III. SUPPLEMENTARY PAYMENTS
- IV. ADDITIONAL TRANSPORTATION EXPENSE
- V. ACCIDENTAL AIRBAG DEPLOYMENT COVERAGE
- VI. GLASS REPAIR – DEDUCTIBLE WAIVER
- VII. TWO OR MORE DEDUCTIBLES
- VIII. AMENDED DUTIES IN EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS
- IX. UNINTENTIONAL ERROR, OMISSION, OR FAILURE TO DISCLOSE HAZARDS
- X. PRIMARY AND NONCONTRIBUTORY IF REQUIRED BY CONTRACT
- XI. BODILY INJURY REDEFINED TO INCLUDE RESULTANT MENTAL ANGUISH
- XII. PERSONAL EFFECTS COVERAGE
- XIII. LOSS OF USE EXPENSES
- XIV. DEVICES DESIGNED FOR USE WITH AUDIO, VISUAL OR DATA ELECTRONIC EQUIPMENT
- XV. PHYSICAL DAMAGE DEDUCTIBLE – VEHICLE TRACKING SYSTEM
- XVI. CHAINS, TARPS, AND BINDERS COVERAGE

BUSINESS AUTO COVERAGE FORM

I. NEWLY ACQUIRED OR FORMED ENTITY (Broad Form Named Insured)

SECTION II – COVERED AUTOS LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured, the following is added:

Any business entity newly acquired or formed by you during the policy period provided you own 50% or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of 180 days following acquisition or formation of the business entity. Coverage under this provision is afforded only until the end of the policy period. Coverage does not apply to an “accident” which occurred before you acquired or formed the organization.

II. EMPLOYEES AS INSUREDS

SECTION II – COVERED AUTOS LIABILITY COVERAGE, A. COVERAGE, 1. Who Is An Insured, the following is added:

Any “employee” of yours is an “insured” while using a “covered auto” you do not “own”, lease, hire, rent, or borrow, which is used in connection with your business.

III. SUPPLEMENTARY PAYMENTS

SECTION II – COVERED AUTOS LIABILITY COVERAGE, A. Coverage, 3. Coverage Extensions, a. Supplementary Payments, Subparagraphs **(2)** and **(4)** are replaced by the following:

- (2)** Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We are not obligated to furnish these bonds.
- (4)** All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

IV. ADDITIONAL TRANSPORTATION EXPENSE

SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Coverage Extensions, a. Transportation Expenses, is amended by:

Replacing \$20 per day with \$50 per day, and the \$600 maximum with \$1,000 maximum. If your business shown in the “Declarations” is other than an auto dealership, we will also pay up to \$1,000 for reasonable and necessary costs incurred by you to return a stolen “covered auto” from the place where it is recovered to its usual garaging location.

V. ACCIDENTAL AIRBAG DEPLOYMENT COVERAGE

SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 3.a., is amended to add the following:
This exclusion does not apply to the accidental discharge of an airbag.

VI. GLASS REPAIR – DEDUCTIBLE WAIVER

SECTION III - PHYSICAL DAMAGE COVERAGE, D. Deductible, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

VII. TWO OR MORE DEDUCTIBLES

SECTION III -PHYSICAL DAMAGE COVERAGE, D. Deductible, the following is added:

If two or more "company" policies or coverage forms apply to the same accident:

1. If the applicable Business Auto deductible is the smallest, it will be waived; or
2. If the applicable Business Auto deductible is not the smallest, it will be reduced by the amount of the smallest deductible; or
3. If the loss involves two or more Business Auto coverage forms or policies the smallest deductible will be waived.

For the purpose of this endorsement "company" means the company providing this insurance and any of the affiliated members of the Mercury Insurance Group of companies.

VIII. AMENDED DUTIES IN EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in **SECTION IV, BUSINESS AUTO CONDITIONS, A. Loss Conditions, 2. Duties In The Event Of Accident, Claim, Suit, Or Loss, a.**, In the event of "accident", you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

IX. UNINTENTIONAL ERROR, OMISSION, OR FAILURE TO DISCLOSE HAZARDS

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 2. Concealment, Misrepresentation, or Fraud, the following is added:

Any unintentional omission of or error in information given by you, or unintentional failure to disclose all exposures or hazards existing as of the effective date or at any time during the policy period shall not invalidate or adversely affect the coverage for such exposure or hazard or prejudice your rights under this insurance. However, you must report the undisclosed exposure or hazard to us as soon as reasonably possible after its discovery. This provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

X. PRIMARY AND NONCONTRIBUTORY IF REQUIRED BY CONTRACT

SECTION IV – BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance, the following is added and supersedes any provision to the contrary:

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

XI. BODILY INJURY REDEFINED TO INCLUDE RESULTANT MENTAL ANGUISH

SECTION V – DEFINITIONS, D. "Bodily Injury" is amended by adding the following:

"Bodily injury" also includes mental anguish but only when the mental anguish arises from other bodily injury, sickness, or disease.

XII. PERSONAL EFFECTS COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Coverage Extensions, the following is added:

Personal Effects

We will pay up to \$500 for "loss" to personal effects which:

(1) Are owned by you or a driver listed in the "Declarations"; and

(2) Are in or on a "covered auto" at the time of "loss".

This coverage applies only in the event of a total theft of a "covered auto". No additional deductible applies to the coverage. Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment are not considered personal effects.

XIII. LOSS OF USE EXPENSES

If you pay the premium for Hired Auto Physical Damage, we will pay expenses for which you become legally responsible to pay for loss of use of an "auto" due to "loss" or "accident" covered by Hired Auto Physical Damage. However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600. The insurance provided by this provision is excess over any other collectible insurance.

XIV. DEVICES DESIGNED FOR USE WITH AUDIO, VISUAL OR DATA ELECTRONIC EQUIPMENT

SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions, 4.a., is replaced by the following:

a. Under Comprehensive Coverage we will pay up to \$200 for "loss" to tapes, records, discs or other similar audio, visual, data electronic devices designed for use with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment:

(1) Are your property or that of a driver listed in the "Declarations"; and

(2) Are in a "covered auto" at the time of "loss".

This coverage applies only in the event of a total theft of a "covered auto". No additional deductible applies to this coverage.

XV. PHYSICAL DAMAGE DEDUCTIBLE – VEHICLE TRACKING SYSTEM

SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible, is amended by adding the following:

Any Comprehensive Deductible shown in the "Declarations" will be reduced by 50% for any "loss" caused by theft if the "covered auto" is equipped with a vehicle tracking device such as a radio tracking device or a global position device and that device was the method of recovery of that "covered auto" by the "insured" or law enforcement.

XVI. CHAINS, TARPS, AND BINDERS COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limits Of Insurance, the following is added:

The most we will pay for the "loss" to chains, tarpaulins, binders, and cargo securing devices will be \$500.

The chains, tarpaulins, binders, or cargo securing devices must be in or on the "covered auto" at the time of "loss".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

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

SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer of Rights Of Recovery Against Others To Us, the following is added:

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any “accident” or “loss”, provided that the “accident” or “loss” arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.