

**CITY OF REDONDO BEACH
CITY COUNCIL AGENDA
Tuesday, July 30, 2024**

415 DIAMOND STREET, REDONDO BEACH

ADJOURNED REGULAR MEETING

THE CITY COUNCIL HAS RESUMED PUBLIC MEETINGS IN THE COUNCIL CHAMBER. MEMBERS OF THE PUBLIC MAY PARTICIPATE IN-PERSON, BY ZOOM, eCOMMENT OR EMAIL.

**4:30 P.M.- CLOSED SESSION- ADJOURNED REGULAR MEETING
6:00 P.M.- OPEN SESSION- REGULAR MEETING**

City Council meetings are broadcast live through Spectrum Cable, Channel 8, and Frontier Communications, Channel 41 and/or rebroadcast on Wednesday at 3 p.m. and Saturday at 3 p.m. following the date of the meeting. Live streams and indexed archives of meetings are available via internet. Visit the City's official website at www.Redondo.org/rbtv.

TO WATCH MEETING LIVE ON THE CITY'S WEBSITE:

<https://redondo.legistar.com/Calendar.aspx>

*Click "In Progress" hyperlink under Video section of meeting

TO WATCH MEETING LIVE ON YOUTUBE:

<https://www.youtube.com/c/CityofRedondoBeachIT>

TO JOIN THE MEETING VIA ZOOM (FOR PUBLIC INTERESTED IN SPEAKING. OTHERWISE, PLEASE SEE ABOVE TO WATCH/LISTEN TO MEETING):

Register in advance for this meeting:

https://us02web.zoom.us/webinar/register/WN_Z1LXyHxtRgKpE7SePRKKaw

After registering, you will receive a confirmation email containing information about joining the meeting.

If you are participating by phone, be sure to provide your phone # when registering. You will be provided a Toll Free number and a Meeting ID to access the meeting. Note; press # to bypass Participant ID. Attendees will be muted until the public participation period is opened. When you are called on to speak, press *6 to unmute your line. Note, comments from the public are limited to 3 minutes per speaker.

eCOMMENT: COMMENTS MAY BE ENTERED DIRECTLY ON THE WEBSITE AGENDA PAGE:

<https://redondo.granicusideas.com/meetings>

- 1) Public comments can be entered before and during the meeting.
- 2) Select a SPECIFIC AGENDA ITEM to enter your comment;
- 3) Public will be prompted to Sign-Up to create a free personal account (one-time) and then comments may be added to each Agenda item of interest.
- 4) Public comments entered into eComment (up to 2200 characters; equal to approximately 3 minutes of oral comments) will become part of the official meeting record.

EMAIL: TO PARTICIPATE BY WRITTEN COMMUNICATION, EMAILS MUST BE RECEIVED BEFORE 3:00 P.M. THE DAY OF THE MEETING (EMAILS WILL NOT BE READ OUT LOUD): Written materials pertaining to matters listed on the posted agenda received after the agenda has been published will be added as supplemental materials under the relevant agenda item. Public comments may be submitted by email to cityclerk@redondo.org. Emails must be received before 3:00 p.m. on the date of the meeting to ensure Council and staff have the ability to review materials prior to the meeting.

4:30 P.M. - CLOSED SESSION - ADJOURNED REGULAR MEETING

A. CALL MEETING TO ORDER

B. ROLL CALL

C. SALUTE TO FLAG AND INVOCATION

D. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

E. PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEMS AND NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on Closed Session Items or any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Mayor and Council. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

F. RECESS TO CLOSED SESSION

F.1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.8

NEGOTIATOR:

Mike Witzansky, City Manager

Andy Winje, Public Works Director

PROPERTY:

422 S. PCH

(APN: 7508-020-026)

NEGOTIATING PARTY:

Sandcastle Pacific LLC

UNDER NEGOTIATION:

Both Price and Terms

F.2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(4).

One potential case

- F.3.** [CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9\(d\)\(1\).](#)

[Name of case:](#)

[City of Redondo Beach, a California Charter City; City of Carson, a California Charter City; City of Torrance, a California Charter City; City of Whittier, a California Charter City; City of Del Mar, a California Charter City v. Rob Bonta, in his official capacity as California Attorney General, State of California; and DOES 1 through 50, inclusive](#)
[Case Number: 22STCP01143](#)

- G. RECONVENE TO OPEN SESSION**
- H. ROLL CALL**
- I. ANNOUNCEMENT OF CLOSED SESSION ACTIONS**
- J. ADJOURN TO REGULAR MEETING**

6:00 PM - OPEN SESSION - ADJOURNED REGULAR MEETING

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. SALUTE TO THE FLAG AND INVOCATION**
- D. PRESENTATIONS/PROCLAMATIONS/ANNOUNCEMENTS**
- E. APPROVE ORDER OF AGENDA**
- F. AGENCY RECESS**
- G. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS**

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

- G.1.** [For Blue Folder Documents Approved at the City Council Meeting](#)

H. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Mayor or any City Council Member may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion. The Mayor will call on anyone wishing to address the City Council on any Consent Calendar item on the agenda, which has not been pulled by Council for discussion. Each speaker will be permitted to speak only once and comments will be limited to a total of three minutes.

- H.1.** [APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED AND ADJOURNED REGULAR MEETING OF JULY 30, 2024](#)

CONTACT: ELEANOR MANZANO, CITY CLERK

- H.2. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA
CONTACT: ELEANOR MANZANO, CITY CLERK
- H.3. APPROVE THE FOLLOWING CITY COUNCIL MINUTES: NONE
CONTACT: ELEANOR MANZANO, CITY CLERK
- H.4. EXCUSED ABSENCES FROM VARIOUS COMMISSION AND COMMITTEE MEETINGS
CONTACT: ELEANOR MANZANO, CITY CLERK
- H.5. APPROVE CONTRACTS UNDER \$35,000:

1. APPROVE AN AGREEMENT WITH MARIA SHAFER FOR PREPARATION OF MINUTES FOR CITY COUNCIL AND COMMISSION MEETINGS IN AN AMOUNT OF \$75 PER HOUR FOR THE FIRST SIX MONTHS OF THE AGREEMENT AND \$85 PER HOUR THEREAFTER, FOR THE TERM JULY 30, 2024 TO AUGUST 1, 2025 WITH A ONE-YEAR AUTOMATIC RENEWAL
CONTACT: WENDY COLLAZO, FINANCE DIRECTOR
- H.6. APPROVE THE PLANS AND SPECIFICATIONS FOR THE NORTH PIER PARKING STRUCTURE REPAIRS PROJECT, JOB NO. 70610, AND AUTHORIZE THE CITY CLERK TO ADVERTISE THE PROJECT FOR COMPETITIVE BIDS

APPROVE THE SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES BETWEEN THE CITY OF REDONDO BEACH AND WALKER PARKING CONSULTANTS/ENGINEERS, INC. TO INCREASE THE AMOUNT BY \$65,500 FOR ADDITIONAL CONSULTING SERVICES FOR A NEW NOT TO EXCEED TOTAL OF \$629,500 AND EXTEND THE TERM TO SEPTEMBER 5, 2025
CONTACT: ANDREW WINJE, PUBLIC WORKS DIRECTOR
- H.7. APPROVE THE SECOND AMENDMENT TO THE AGREEMENT WITH CITY NET TO EXTEND THE TERM TO OCTOBER 30, 2024.
CONTACT: MICHAEL W. WEBB, CITY ATTORNEY
- H.8. APPROVE A GRANT AGREEMENT BETWEEN THE CITY OF REDONDO BEACH AND DOING IT WITH LOVE INC., DBA TRADEWINDS, IN AN AMOUNT OF \$ 3,263 FOR THE COMPLETION OF STOREFRONT IMPROVEMENTS AT 142 INTERNATIONAL BOARDWALK
CONTACT: GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR
- H.9. APPROVE THE FIRST AMENDMENT TO THE ON-CALL CONSULTING SERVICE AGREEMENT WITH DAVID EVANS AND ASSOCIATES, INC., TO INCREASE THE NOT TO EXCEED AMOUNT BY \$150,000 FOR A NEW TOTAL NOT TO EXCEED AMOUNT OF \$250,000.
ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2407-059, A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2024-2025 BUDGET MODIFICATION TO APPROPRIATE \$1,338,753 OF GRANT FUNDS TO THE INTERGOVERNMENTAL GRANTS FUND FOR THE EXPANSION OF THE REDONDO BEACH PALLET SHELTER AND IMPLEMENTATION OF THE ALTERNATIVE CRISIS RESPONSE PILOT PROGRAM.

CONTACT: MICHAEL W. WEBB, CITY ATTORNEY

I. EXCLUDED CONSENT CALENDAR ITEMS

J. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Mayor and Council. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

J.1. For eComments and Emails Received from the Public

K. EX PARTE COMMUNICATIONS

This section is intended to allow all elected officials the opportunity to reveal any disclosure or ex parte communication about the following public hearings

L. PUBLIC HEARINGS

M. ITEMS CONTINUED FROM PREVIOUS AGENDAS

N. ITEMS FOR DISCUSSION PRIOR TO ACTION

N.1. DISCUSSION AND POSSIBLE ACTION RELATED TO THE ISSUANCE OF BONDS TO FINANCE THE RENOVATION OR REPLACEMENT OF CRITICAL PUBLIC INFRASTRUCTURE AND CONSIDER RESOLUTION AND ORDINANCE TO SUBMIT TO THE VOTERS AT THE STATEWIDE GENERAL ELECTION ON NOVEMBER 5, 2024.

ADOPT BY TITLE ONLY RESOLUTION NO. 2407-060, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, AND THEIR FINANCING THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3274-24, AN ORDINANCE OF THE CITY OF REDONDO BEACH ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF REDONDO BEACH AT THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY. FOR INTRODUCTION AND FIRST READING.

CONTACT: LUKE SMUDE, ASSISTANT TO THE CITY MANAGER

- N.2.** DISCUSSION AND POSSIBLE ACTION PERTAINING RESOLUTIONS, CALLING AND GIVING NOTICE OF HOLDING A SPECIAL MUNICIPAL ELECTION, BY CONSOLIDATING WITH LA COUNTY STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, TO ADD A BALLOT MEASURE FOR A CHARTER AMENDMENT ARTICLE XXVII MAJOR CHANGE IN ALLOWABLE AND LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i); AND

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2407-062, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF HOLDING A SPECIAL MUNICIPAL ELECTION, CONSOLIDATE WITH THE LA COUNTY STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, AS REQUIRED BY THE PROVISIONS OF THE CHARTER AND FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO PROPOSED CHARTER AMENDMENT ARTICLE XXVII MAJOR CHANGE IN ALLOWABLE AND LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i); AND

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2407-061, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE FOR CERTAIN MEASURE; AND

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2407-063, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS AND REBUTTALS REGARDING CITY MEASURE RELATED TO CHARTER AMENDMENT TO ARTICLE XXVII, MAJOR CHANGES IN ALLOWABLE LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, AND LETTER DESIGNATIONS FOR SUCH MEASURE

CONTACT: ELEANOR MANZANO, CITY CLERK

- N.3.** DISCUSSION AND POSSIBLE ACTION TO PROVIDE DIRECTION TO STAFF RELATING TO THE DRAFT ORDINANCE AMENDING THE CITY'S MUNICIPAL CODE RELATED TO RANKED CHOICE VOTING AS AN INSTANT RUNOFF MODEL.

CONTACT: ELEANOR MANZANO, CITY CLERK

O. CITY MANAGER ITEMS

P. MAYOR AND COUNCIL ITEMS

Q. MAYOR AND COUNCIL REFERRALS TO STAFF

R. RECESS TO CLOSED SESSION

- R.1.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.8

NEGOTIATOR:

Mike Witzansky, City Manager
Andy Winje, Public Works Director

PROPERTY:
422 S. PCH
(APN: 7508-020-026)

NEGOTIATING PARTY:
Sandcastle Pacific LLC

UNDER NEGOTIATION:
Both Price and Terms

- R.2.** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION -
The Closed Session is authorized by the attorney-client privilege, Government Code
Section 54956.9(d)(4).

One potential case

- R.3.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed
Session is authorized by the attorney-client privilege, Government Code Section
54956.9(d)(1).

Name of case:
City of Redondo Beach, a California Charter City; City of Carson, a California Charter
City; City of Torrance, a California Charter City; City of Whittier, a California Charter
City; City of Del Mar, a California Charter City v. Rob Bonta, in his official capacity as
California Attorney General, State of California; and DOES 1 through 50, inclusive
Case Number: 22STCP01143

S. RECONVENE TO OPEN SESSION

T. ADJOURNMENT

The next meeting of the City Council of the City of Redondo Beach will be an Adjourned Regular meeting to be held at 4:30 p.m. (Closed Session) and a Regular meeting to be held at 6:00 p.m. (Open Session) on Tuesday, August 6, 2024, in the Redondo Beach City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California.



Administrative Report

F.1., File # 24-1291

Meeting Date: 7/30/2024

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.8

NEGOTIATOR:

Mike Witzansky, City Manager
Andy Winje, Public Works Director

PROPERTY:

422 S. PCH
(APN: 7508-020-026)

NEGOTIATING PARTY:

Sandcastle Pacific LLC

UNDER NEGOTIATION:

Both Price and Terms



Administrative Report

F.2., File # 24-1293

Meeting Date: 7/30/2024

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(4).

One potential case



Administrative Report

F.3., File # 24-1297

Meeting Date: 7/30/2024

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach, a California Charter City; City of Carson, a California Charter City; City of Torrance, a California Charter City; City of Whittier, a California Charter City; City of Del Mar, a California Charter City v. Rob Bonta, in his official capacity as California Attorney General, State of California; and DOES 1 through 50, inclusive

Case Number: 22STCP01143



Administrative Report

G.1., File # 24-1265

Meeting Date: 7/30/2024

TITLE

For Blue Folder Documents Approved at the City Council Meeting



Administrative Report

H.1., File # 24-1267

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL
From: ELEANOR MANZANO, CITY CLERK

TITLE

APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED AND ADJOURNED
REGULAR MEETING OF JULY 30, 2024

EXECUTIVE SUMMARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF REDONDO BEACH)

AFFIDAVIT OF POSTING

In compliance with the Brown Act, the following materials have been posted at the locations indicated below.

Legislative Body	City Council
Posting Type	Adjourned & Adjourned Regular Agenda
Posting Locations	415 Diamond Street, Redondo Beach, CA 90277 ✓ Adjacent to Council Chambers
Meeting Date & Time	JULY 30, 2024 4:30 p.m. Closed Session 6:00 p.m. Open Session

As City Clerk of the City of Redondo Beach, I declare, under penalty of perjury, the document noted above was posted at the date displayed below.

Eleanor Manzano, City Clerk

Date: JULY 25, 2024



Administrative Report

H.2., File # 24-1269

Meeting Date: 7/30/2024

TITLE

APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA



Administrative Report

H.3., File # 24-1272

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL

From: ELEANOR MANZANO, CITY CLERK

TITLE

APPROVE THE FOLLOWING CITY COUNCIL MINUTES: NONE

EXECUTIVE SUMMARY

Approval of Council Minutes

APPROVED BY:

Eleanor Manzano, City Clerk



Administrative Report

H.4., File # 24-1277

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL
From: ELEANOR MANZANO, CITY CLERK

TITLE

EXCUSED ABSENCES FROM VARIOUS COMMISSION AND COMMITTEE MEETINGS

EXECUTIVE SUMMARY

<u>Commissioner/Member</u>	<u>Board/Commission/Committee</u>	<u>Meeting Date</u>
Damien Marin	Budget & Finance	July 11, 2024
Vivek Gupta	Public Safety	July 15, 2024
Erik Fernandez	Historical	July 17, 2024
Roger Light	Planning	July 18, 2024
Candace Nafissi	Public Works & Sustainability	July 22, 2024
Cindi Arrata	Public Works & Sustainability	July 22, 2024
Marci Klein	Public Art	July 24, 2024
Jeff Gaul	Public Safety	August 19, 2024

On July 11, 2024, the City Clerk received notification from Commissioner Marin, requesting an excused absence for the July 11, 2024, Budget & Finance Commission Meeting for personal reasons.

On July 15, 2024, the City Clerk received notification from Commissioner Gupta, requesting an excused absence for the July 15, 2024, Public Safety Commission Meeting for personal reasons.

On July 15, 2024, the City Clerk received notification from Commissioner Fernandez, requesting an excused absence for the July 17, 2024, Historical Commission Meeting for personal reasons.

On July 6, 2024, the City Clerk received notification from Commissioner Light, requesting an excused absence for the July 18, 2024, Planning Commission Meeting for personal reasons.

On July 15, 2024, the City Clerk received notification from Commissioner Nafissi, requesting an excused absence for the July 22, 2024, Public Works & Sustainability Commission Meeting for personal reasons.

On July 7, 2024, the City Clerk received notification from Commissioner Arrata, requesting an excused absence for the July 22, 2024, Public Works & Sustainability Commission Meeting for personal reasons.

On July 24, 2024, the City Clerk received notification from Commissioner Klein, requesting an excused absence for the July 24, 2024, Public Art Commission Meeting for personal reasons.

On July 8, 2024, the City Clerk received notification from Commissioner Gaul, requesting an excused absence for the August 19, 2024, Public Safety Commission Meeting for personal reasons.

BACKGROUND

As of September 3, 2019, the City Council authorized the City Clerk to revise the policy pertaining to requests for excused absences, whereby Board Members and Commissioners are required to communicate impending absences directly to the City Clerk for processing.

Pursuant to Sec 2-9.107 of Redondo Beach Municipal Code in order for absences from regular meetings of City Commissions to be considered excused absences, permission must be requested from the City Council and approval must be expressed in the official minutes of the Council.

APPROVED BY:

Eleanor Manzano, City Clerk

FISCAL IMPACT

None



Administrative Report

H.5., File # 24-1299

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL
From: WENDY COLLAZO, FINANCE DIRECTOR

TITLE

APPROVE CONTRACTS UNDER \$35,000:

1. APPROVE AN AGREEMENT WITH MARIA SHAFER FOR PREPARATION OF MINUTES FOR CITY COUNCIL AND COMMISSION MEETINGS IN AN AMOUNT OF \$75 PER HOUR FOR THE FIRST SIX MONTHS OF THE AGREEMENT AND \$85 PER HOUR THEREAFTER, FOR THE TERM JULY 30, 2024 TO AUGUST 1, 2025 WITH A ONE-YEAR AUTOMATIC RENEWAL

EXECUTIVE SUMMARY

Approve Contracts Under \$35,000

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Maria Shafer

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND MARIA SHAFER**

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Maria Shafer, an individual ("Consultant" or "Contractor").

The parties hereby agree as follows:

1. Description of Project or Scope of Services. The project description or scope of services to be provided by Consultant, and any corresponding responsibilities of City, or services required to be performed by City are set forth in Exhibit "A."
2. Term and Time of Completion. Consultant shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
3. Compensation. City agrees to pay Consultant for work performed in accordance with Exhibit "C".
4. Insurance. Consultant shall adhere to the insurance requirements outlined in Exhibit "D", unless otherwise waived by the City's Risk Manager.

* * * * *

GENERAL PROVISIONS

1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant 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. Consultant 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 Consultant's sole responsibility.
2. Brokers. Consultant acknowledges, represents and warrants that Consultant 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,

Consultant 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 Consultant's consent. Notwithstanding the foregoing, Consultant shall not be obligated to assign any proprietary software or data developed by or at the direction of Consultant for Consultant's own use; provided, however, that Consultant 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 Consultant to conduct any inspections Consultant has agreed to perform pursuant to the terms of this Agreement. Consultant shall be solely liable for said inspections performed by Consultant. Consultant shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Consultant 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 Consultant, 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 Consultant. City shall furnish Consultant to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Consultant's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Consultant.
6. Records. Consultant, 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". Consultant, 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 Consultant'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. Unless otherwise provided herein, all changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Consultant.

8. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant 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 Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant 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. Consultant acknowledges, represents and warrants that Consultant 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 Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
10. Business License. Consultant 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 Consultant of the project or services hereunder, immediately upon written notice to Consultant. In the event of any such termination, Consultant 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 Consultant for this Agreement, prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant'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 Consultant 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. Consultant 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 Consultant's breach of this Agreement.

13. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant 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. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant 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, Consultant 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 Consultant'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. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant 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 Consultant 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. Consultant, 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. Consultant 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. Consultant 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, employment laws.
18. Non-Discrimination. Consultant 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. Consultant 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, or military and veteran status. Consultant shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Consultant shall include a similar non-discrimination provision in all subcontracts related to the performance of this Agreement.
19. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant 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 Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant 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 Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant 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 Consultant's assets occurs, which reduces Consultant's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

20. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant 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 Consultant 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 Consultant.
24. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant 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 Consultant, 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, Consultant 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 Consultant against City hereunder shall be subject to Government Code §§ 800 *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. Consultant 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. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.
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 Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, 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 Consultant.

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 30th day of July, 2024.

CITY OF REDONDO BEACH,
a chartered municipal corporation

MARIA SHAFER,
an individual

James A. Light, Mayor

DocuSigned by:

FBCF27858594490...
By: _____
Name: Maria Shafer
Title: Independent Contractor

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "A"
SCOPE OF SERVICES

CONSULTANT'S DUTIES

Consultant shall:

1. Prepare minutes for Planning Commission and Harbor Commission Meetings or as assigned by the City.
2. Complete minutes utilizing notes from meetings attended and/or any available video records or audio files, available on the City's website or transmitted electronically.
3. Format the minutes as provided by the relevant City Department.
4. Prepare Minutes in summary style minutes, with particular consideration given to public comments and substantial comments made by individual Commission Members
5. Email Minutes to the designated City employee for review and revision. Upon City's request, make revisions, and submit final draft minutes to the City via email within 72 hours of receipt of the requested corrections.
6. Complete minutes within seven (7) days from start of the project.
7. Edits, additions, or revisions requested by the City, regardless of the level of detail required, shall be performed by the Consultant at no additional charge.

EXHIBIT " B"

TERM AND TIME FOR COMPLETION

TERM. The term of this Agreement shall commence July 30, 2024 and expire August 1, 2025, unless otherwise terminated as herein provided. This Agreement shall automatically renew for one subsequent year under the same terms and conditions contained herein, unless the City provides written notice of the nonrenewal to Consultant at least fifteen (15) days prior to the expiration date of the then current term.

EXHIBIT " C"

COMPENSATION

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

1. **AMOUNT.** Consultant shall be compensated at the rate of Seventy-Five Dollars (\$75) per meeting hour for the first six (6) months of this Agreement for the services. Thereafter, the rate shall automatically increase to Eighty-Five Dollars \$85 per meeting hour. Consultant shall bill to the nearest hour for minutes preparation services, including any time spent on meeting related tasks. In no event shall Consultant bill for transcription that exceeds three (3) hours per one hour of meeting time. These rates apply to the services described in this Agreement.
2. **METHOD OF PAYMENT.** Consultant shall provide invoices to City for approval and payment after each service is completed. The invoice shall indicate the dates of service, hourly rate, hours worked, and total amount for each meeting, and shall be based on the services performed during the prior month. Additionally, the invoice shall provide a grand total of all services rendered. Invoices must be adequately detailed, based on accurate records, and in a form reasonably satisfactory to City. Consultant may be required to provide back-up material upon request.
3. **SCHEDULE FOR PAYMENT.** City agrees to pay Consultant within thirty (30) days of receipt of the invoice; provided, however, that the services are performed to the City's full satisfaction.
4. **NOTICE.** Written notices to City and Consultant shall be given by registered or certified mail, postage prepaid, email, or personally served, and addressed to the following parties.

Consultant: Maria Shafer
6782 California Avenue
Long Beach, CA 90805
Email: mariashafer03@yahoo.com

City: The City Clerk's Office
415 Diamond Street, Door 1
Redondo Beach, CA 90277
Attn. Eleanor Manzano, City Clerk
Email: cityclerk@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 CONSULTANTS

Without limiting Consultant’s indemnification obligations under this Agreement, Consultant 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 Consultant, 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

Consultant 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 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 Consultant 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 are to 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 Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant'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 Consultant.

For any claims related to this project, the Consultant'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 Consultant'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 Consultant'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

Consultant 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

Consultant 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

Consultant 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.



Administrative Report

H.6., File # 24-1242

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL
From: ANDREW WINJE, PUBLIC WORKS DIRECTOR

TITLE

APPROVE THE PLANS AND SPECIFICATIONS FOR THE NORTH PIER PARKING STRUCTURE REPAIRS PROJECT, JOB NO. 70610, AND AUTHORIZE THE CITY CLERK TO ADVERTISE THE PROJECT FOR COMPETITIVE BIDS

APPROVE THE SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES BETWEEN THE CITY OF REDONDO BEACH AND WALKER PARKING CONSULTANTS/ENGINEERS, INC. TO INCREASE THE AMOUNT BY \$65,500 FOR ADDITIONAL CONSULTING SERVICES FOR A NEW NOT TO EXCEED TOTAL OF \$629,500 AND EXTEND THE TERM TO SEPTEMBER 5, 2025

EXECUTIVE SUMMARY

In September 2022, the City Council approved the First Amendment to the Agreement for Consulting Services with Walker Parking Consultants/Engineers, Inc. (Walker) for additional consulting services to obtain a geotechnical report for the existing soils conditions and to evaluate the existing foundations in order to identify required information for the final design of the seismic strengthening, and non-seismic rehabilitation, of the North Pier Parking Structure. The First Amendment also included consulting services for the design phase (design plans, construction document preparation) and construction support phase (contract administration, construction observations, and additional materials testing) for the seismic strengthening of the North Pier Parking Structure and the next phase of non-seismic rehabilitation work for the North and South Pier Parking Structures.

Walker prepared the plans and specifications for the seismic strengthening and the non-seismic rehabilitation of the North Pier Parking Structures, and these plans were then sent to the City's Community Development Department (Building Division) for plan check review.

The plans have been approved by the Building Division for permits with the condition of a deferred submittal of an accessibility code complaint final inspection report, certified by a Certified Access Specialist (CAsp), prior to the final building inspection. As such, the plans and specifications are ready for competitive bidding and are available for review at the Plans and Specifications Review Area located behind the Engineering Services counter in City Hall. The engineer's construction estimate for the project is \$2,100,000, and construction is expected to take 120 working days to complete.

To complete the required follow-up work for the accessibility plan check condition, an amendment to

the Agreement with Walker has been negotiated. Approval of the Amendment would increase the contracted scope of work to include a survey of the Parking Structure's existing Americans with Disabilities Act (ADA) conditions, provide construction plans for any needed improvements, and produce a certified CASp report. The cost of the inspection and design work is \$65,000. Any physical improvements required as a result of the ADA inspection report would be performed by the contractor as a change order to the construction contract or be completed by City crews.

BACKGROUND

The primary Pier Parking Facility (accessed from Torrance Circle) serves the City's Pier and International Boardwalk area and is comprised of two structures, the North Pier Parking Structure and the South Pier Parking Structure. In total, the facility contains approximately 1,018 spaces. The North Pier Parking Structure was completed in the early 1960's and includes three levels, two supported parking levels and one on-grade level that are adjacent to (and in some areas above) leasable space for commercial businesses along the International Boardwalk.

In June 2022, an assessment of the Pier Parking Structures was presented to City Council which suggested work to be done over the next 5 years. The recommended work included seismic strengthening and non-seismic structural rehabilitation to the North Pier Parking Structure.

In September 2022, Council approved an amendment with Walker to prepare the plans and specifications for the recommended work to the North Pier Parking Structure. The project prioritizes the seismic strengthening and non-seismic structural rehabilitation of the Parking Structure that is primarily accessed through the, currently vacant, ground floor lease space formerly operated as the Fun Factory. It is anticipated that the construction cost for the entire North Pier Parking Structure could exceed the project's available budget. In order to provide award flexibility, staff has organized the bid sheet to show the remainder of the work included in these design documents as additive bid items that can be included or removed in the contract depending on the bid amounts and the amount of funding available at time of contract award.

Walker has completed the plans and specifications, and they are available for review in the Plans and Specifications Review Area located behind the Engineering Services counter in City Hall. As stated above, the Building Division has reviewed and approved the plans for permits with the condition of a deferred submittal of a code complaint CASP Certified final inspection report. To meet this requirement, prior to the final building inspection, an amendment to the Walker agreement is needed.

If the amendment is approved, the contract scope will include a survey of the parking structure to identify any necessary ADA improvements, the preparation of plans for those improvements, and provision of the CASp report. The proposed work requires an increase to the not-to-exceed amount of the contract by \$65,5000 and an extension of the term for one additional year.

If the plans and specifications are approved for advertisement as proposed, construction of the project is expected to begin in November/December of this year and be completed before the beginning of Summer 2025.

COORDINATION

This project has been coordinated between the Waterfront and Economic Development Department and the Public Works Department. The Community Development Department has determined the

project is exempt from the requirement of a Coastal Development Permit under Section 10-5.2208(3) of the Redondo Beach Municipal Code and is Categorically Exempt under Section 15301 of the CEQA Guidelines. Following approval of the plans and specifications, the Department will file a Notice of Exemption with the County Recorder's Office.

FISCAL IMPACT

Funding for the ongoing maintenance and repair of the parking structures is included in the City's Capital Improvement Program budget. There is approximately \$2.1M available in the project account. The engineer's estimate for the project's base bid approaches the available amount. It is anticipated that additional funding will be needed at the time of contract award.

Funding:		Anticipated Expenditures:	
CIP Job. No. 70610	\$ 2,161,777	Consultant Amendment	\$ 65,500
*Add'l Funding Needed	\$ 338,723	Constr. Contract	\$ 2,100,000
		Contingency	\$ 210,000
		Project Management	\$ 125,000
Total	\$ 2,500,500	Total	\$ 2,500,500
<i>*Estimate only, with actual value to be determined after bids are opened</i>			

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- CEQA Exemption Declaration
- Notice of Coastal Development Permit Exemption
- Agmt - Second Amendment with Walker Parking Consultants/Engineers, Inc.
- Insurance - Walker Parking Consultants/Engineers, Inc.



CITY OF REDONDO BEACH

EXEMPTION DECLARATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

DATE: July 25, 2024

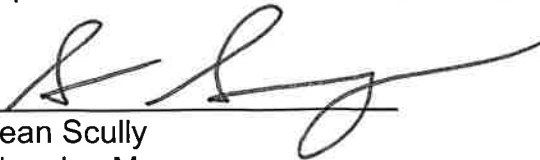
PROJECT LOCATION: 123 International Boardwalk

PROPOSED PROJECT:

The project work consists of both structural and general maintenance restoration repairs to the North Pier Parking Structure located in the City of Redondo Beach. The structural work includes adding new shear walls supported by micro pile foundations, cord and drag steel will be added to the existing topping slabs, and the existing waffle shear wall on grid line Z between the village and pier level will be strengthened as well as double tee stems in the vicinity. The general maintenance restoration repairs include the removal and installation of Traffic Topping/Membrane, removal of existing Traffic Topping/Membrane, Concrete Floor and Ceiling repairs, Concrete Beam and Column Repairs, Concrete Wall repairs, Expansion Joint repairs, remove and replace or repair Metal Rail, Painting of concrete and structural steel, and installation of embedded Galvanic Anodes. The seismic structural repairs must be coordinated and performed concurrently with the general maintenance restoration repairs.

In accordance with Chapter 3, Title 10, Section 10-3.301(a) of the Redondo Beach Municipal Code, the above-referenced project is Categorically Exempt from the preparation of environmental review documents pursuant to Section 15301 Existing Facilities which states, in part, that repair and maintenance of existing public or private structures is exempt from environmental review.

This finding is supported by the fact that the project consists of the maintenance and repair of an existing public parking structure facility, consistent with those actions outlined as exempt from environmental review under the Guidelines for Implementation of the California Environmental Quality Act.


Sean Scully
Planning Manager



City of Redondo Beach
 Community Development Department
 415 Diamond Street, Redondo Beach, CA 90277
 (310) 318-0637

July 25, 2024

NOTICE OF COASTAL DEVELOPMENT PERMIT EXEMPTION

The City of Redondo Beach Community Development Department has determined that the project described below, located in the City's Coastal Zone, is exempt from the requirement for a Coastal Development Permit.

Project Location: **North Pier Parking Structure – 123 International Boardwalk, Redondo Beach**

Project Applicant: City of Redondo Beach Engineering Division
 415 Diamond St.
 Redondo Beach, CA 90277

Applicant's Representative: Same as applicant

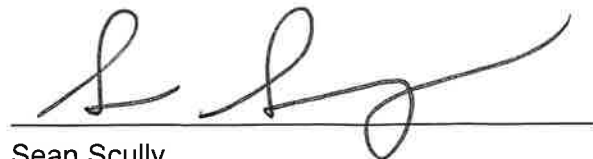
Project Description:

The project work consists of both structural and general maintenance restoration repairs to the North Pier Parking Structure located in the City of Redondo Beach. The structural work includes adding new shear walls supported by micro pile foundations, cord and drag steel will be added to the existing topping slabs, and the existing waffle shear wall on grid line Z between the village and pier level will be strengthened as well as double tee stems in the vicinity. The general maintenance restoration repairs include the removal and installation of Traffic Topping/Membrane, removal of existing Traffic Topping/Membrane, Concrete Floor and Ceiling repairs, Concrete Beam and Column Repairs, Concrete Wall repairs, Expansion Joint repairs, remove and replace or repair Metal Rail, Painting of concrete and structural steel, and installation of embedded Galvanic Anodes. The seismic structural repairs must be coordinated and performed concurrently with the general maintenance restoration repairs.

Determination:

The City of Redondo Beach Community Development Department hereby determines that the project is exempt from the requirement for a Coastal Development Permit pursuant to **Section 10-5.2208(3) Repair and maintenance activities** of the Redondo Beach Municipal Code.

Final Action Body: Planning Commission: _____ City Council: _____
 Planning Division (Administrative) X



Sean Scully
 Planning Manager

Copies of this notice have also been sent via first-class mail to: Project Applicant

**SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND WALKER PARKING CONSULTANTS/ENGINEERS, INC.**

THIS SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("Second Amendment") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Walker Parking Consultants/Engineers, Inc., a Michigan corporation, also registered in California as Walker Consultants, Inc., a Michigan corporation ("Consultant" or "Contractor").

WHEREAS, on September 21, 2021, the parties entered into the Agreement for Consulting Services between the City and Consultant (the "Agreement"); and

WHEREAS, on September 20, 2022, the parties entered into the First Amendment to the Agreement (the "First Amendment"), expanding Consultant's duties to include construction document preparation, contract administration and observations for both seismic and non-seismic rehabilitation of the North Parking Structure and non-seismic rehabilitation of the South Pier Parking Structure; and

WHEREAS, the parties desire to further amend the Agreement to include additional duties under Tasks 4 and 6, specifically as-built parking striping drawings and construction drawings to address accessibility upgrades for both the North and South Pier Parking Structures; and

WHEREAS, the parties desire to increase the Consultant's compensation and extend the term of the Agreement due to the additional duties; and

WHEREAS, the parties acknowledge and agree that Walker Parking Consultants/Engineers, Inc. is registered as Walker Consultants, Inc. in California; and

WHEREAS, the parties desire to amend the Agreement to reflect these additional duties, increased compensation, and extended term.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement:

1. **CONSULTANT'S REGISTRATION.** The Agreement and all subsequent amendments thereto are hereby amended to reflect that Walker Parking Consultants/Engineers, Inc., a Michigan corporation, is also registered in California as Walker Consultants, Inc. All references to Walker Parking Consultants/Engineers, Inc. in the Agreement and prior amendments shall be understood to include Walker Consultants, Inc. as registered in California
2. **PROJECT DESCRIPTION AND SCOPE OF SERVICES.** Exhibit "A" of the Agreement, as amended by Exhibit "A-1" in the First Amendment, is hereby further amended to add Exhibit "A-2", detailing the additional duties under Tasks 4 and 6. Exhibit "A-2" is attached hereto and incorporated by reference.

3. **TERM.** Exhibit "B" of the Agreement, as amended by Exhibit "B-1" in the First Amendment, is hereby further amended to add Exhibit "B-2", extending the term through September 5, 2025. Exhibit "B-2" is attached hereto and incorporated by reference.
4. **COMPENSATION.** Exhibit "C" of the Agreement, as amended by Exhibit "C-1" in the First Amendment, is hereby further amended to add Exhibit "C-2", increasing Consultant's total compensation by \$65,500, setting a new compensation limit of \$629,500. Exhibit "C-2" is attached hereto and incorporated by reference. Consultant shall be compensated for the services described in Exhibit "A-2".
5. **NO OTHER AMENDMENTS.** Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement, First Amendment, and this Second Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreements with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement, First Amendment, and this Second Amendment, the terms of this Second Amendment shall govern.

SIGNATURES FOLLOW ON NEXT PAGE

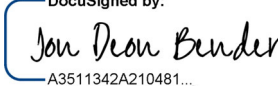
IN WITNESS WHEREOF, the parties have executed this Second Amendment in Redondo Beach, California, as of this 30th day of July, 2024.

CITY OF REDONDO BEACH,
a chartered municipal corporation

WALKER CONSULTANTS, INC.,
a Michigan corporation

James A. Light, Mayor

By:
Name:
Title:

DocuSigned by:

A3511342A210481...

Jon Deon Bender

Managing Principal

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "A-2"

PROJECT DESCRIPTION AND SCOPE OF SERVICES

I. PROJECT DESCRIPTION

The scope of work described herein incorporates and expands upon the Agreement, the First Amendment, and includes additional duties under Tasks 4 and 6, as outlined in this Second Amendment.

II. CONSULTANT'S DUTIES

D. TASK 4. SOUTH PIER PARKING CONSTRUCTION DOCUMENT PREPARATION – NON-SEISMIC REHABILITATION

Consultant shall:

8. Conduct a field survey of the existing parking structure at the Basin Level, Pier Level and Village Level of the South Parking Structure to review existing as-built conditions of the striping for parking in the structure and document the following:
 - a. Location of existing vehicular and pedestrian points of entry/exit.
 - b. Total number and type of parking spaces (standard parking spaces, accessible parking spaces and EV Charging spaces).
 - c. Existing accessible parking locations and accessible routes to the building.
 - d. Interface between accessible parking and building entries.
 - e. Accessible stall striping (parking stalls, access aisles, and access pathways).
 - f. Approximate slopes and cross slopes throughout the parking area.
 - g. Location and size of existing obstructions adjacent to existing parking spaces, including but not limited to, walls, columns, and utilities.
 - h. Existing signage at vehicular entry points and within the parking structure.
9. Use survey data and visual observation to prepare CAD drawings depicting as-built parking striping conditions. These CAD drawings shall serve as a basis for any compliance corrections related to accessibility, as mandated by applicable Building codes.
10. Prepare a written Access Compliance Survey memo highlighting observed deficiencies and discussing strategies to achieve minimum code compliance within the existing parking structure and path of travel.
11. Meet virtually with the City to review updated drawings and the memo.
12. Provide the City with electronic files (CAD and PDF) of the as-built parking plans.

13. Limit this task to the South Pier Parking Structure footprint parking areas and path of travel to the boarded-up Fun Factory entry, excluding the Plaza level.
14. Use information gathered during the field survey to prepare drawings and technical specifications showing the areas of modification recommended to correct any parking areas observed to be non-compliant with current codes. Submit plans suitable for bidding to the City and show:
 - a. Re-stripe pavement markings, including but not limited to, parking stalls, access aisles, accessible pathways, and drive aisle markings.
 - b. Updated parking total tables, noting any reduction in existing parking count needed for accessibility compliance.
 - c. Accessible parking locations and accessible routes to the building.
 - d. Accessible parking signage locations.
 - e. Accessible parking details.
15. Review with the City the accessible parking re-stripe drawings.
16. Comply with published local codes, regulations, laws, and guidelines in effect at the time of submission of the documents for permitting.
17. Submittal documents to be sealed by a Registered Professional Engineer/Architect in the state of California.
18. Submit Accessible Parking Re-Stripe documents to the City for plan check review.
19. Attend meetings as required for City Permit Process approval by the City.
20. Make any changes required by the City and resubmit for final approval.
21. If a written request is provided by the City, prepare a full Certified Access Specialist (CASP) report.

F. TASK 6. NORTH PIER PARKING STRUCTURE CONSTRUCTION DOCUMENT PREPARATION – SEISMIC REHABILITATION

Consultant shall:

10. Conduct a field survey of the existing parking structure at the Pier Level and Village Level of the North Parking Structure to review existing as-built conditions of the striping for parking and document the following:
 - a. Location of existing vehicular and pedestrian points of entry/exit.
 - b. Total number and type of parking spaces, including but not limited to, standard, accessible, and EV Charging.
 - c. Existing accessible parking locations and accessible routes to the building.
 - d. Interface between accessible parking and building entries.

- e. Accessible stall striping, including but not limited to, parking stalls, access aisles, and pathways.
 - f. Approximate slopes and cross slopes throughout the parking area.
 - g. Location and size of existing obstructions adjacent to parking spaces, including but not limited to, walls, columns, and utilities.
 - h. Existing signage at vehicular entry points and within the parking structure.
11. Use survey data and visual observation to prepare CAD drawings depicting as-built parking striping conditions. These CAD drawings must serve as a base for any required corrective accessibility items.
 12. Prepare a written Access Compliance Survey memo highlighting observed deficiencies and discussing strategies to achieve minimum code compliance within the existing parking structure and path of travel.
 13. Meet virtually with the City to review updated drawings and the memo.
 14. Provide the City with electronic files (CAD and PDF) of the as-built parking plans.
 15. Limit this task to the North Parking Structure footprint parking areas and path of travel and does not include the basement level.
 16. Use field survey information to prepare drawings and technical specifications showing recommended modifications to correct any non-compliant parking areas. These plans shall be suitable for bidding and submission to the City and shall include:
 - a. Re-striping pavement markings, including but not limited to, parking stalls, access aisles, pathways, and drive aisle markings.
 - b. Updated parking total tables, noting any reduction in existing parking count needed for accessibility compliance.
 - c. Accessible parking locations and routes to the building.
 - d. Accessible parking signage locations.
 - e. Accessible parking details.
 17. Review with City the accessible parking re-stripe drawings.
 18. Comply with published local codes, regulations, laws, and guidelines in effect at the time of submission of the documents for permitting.
 19. Submittal documents to be sealed by a Registered Professional Engineer/Architect in the state of California.
 20. Submit Accessible Parking Re-Stripe documents to the City for plan check review.
 21. Attend meetings as required for City Permit Process approval by the City.

22. Make changes required by the City and resubmit for final approval.
23. Prepare a full Certified Access Specialist (CASp) report if requested in writing by the City.

EXHIBIT "B-2"

SCHEDULE FOR COMPLETION

TERM. The term of this Agreement shall be extended through September 5, 2025, unless otherwise terminated as herein provided.

EXHIBIT "C-2"

COMPENSATION

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

- I. **AMOUNT.** Consultant shall for the services described in Exhibit "A-2" as set forth below.
 - A. **TASK 4.** City shall have the sole discretion to deny or approve services for Task 4. No work shall be performed without the City's written approval. Consultant's compensation shall not exceed \$132,500 for Task 4, which includes the duties added under the First Amendment, and the further additional duties added under this Second Amendment.
 - B. **TASK 6.** City shall have the sole discretion to deny or approve services for Task 6. No work shall be performed without the City's written approval. Consultant's compensation shall not exceed \$171,000 for Task 6, which includes the duties added under the First Amendment, and the further additional duties added under this Second Amendment.
- II. **EXPENSES.** Consultant shall be reimbursed for expenses, including mileage at the current IRS rate, reproduction costs, and a 10% markup on subcontractor expenses. Consultant must obtain prior written authorization from the City before incurring any expense.
- III. **NOT TO EXCEED AMOUNT.** Notwithstanding the foregoing and in accordance with the Agreement and any amendments thereto, Consultant's total compensation shall not exceed the following amounts:

TASK	NOT TO EXCEED AMOUNT	NOT TO EXCEED REIMBURSABLE EXPENSES	TOTAL NOT TO EXCEED AMOUNT
TASKS 1 AND 2	\$53,000	\$500	\$53,500
TASK 3	\$25,000	\$500	\$25,500
TASK 4	\$132,500		\$132,500
TASK 5	\$65,000		\$65,000
TASK 6	\$171,000		\$171,000
TASK 7	\$48,000		\$48,000
TASK 8	\$35,000		\$35,000
TASK 9	\$24,000		\$24,000
TASK 10	\$50,000		\$50,000
TASK 11	\$25,000		\$25,000
TOTAL NOT TO EXCEED AMOUNT			\$629,500

IV. **METHOD OF PAYMENT.** Consultant shall provide monthly invoices to the City for approval and payment. The invoices must include the following details from the Agreement and any amendments thereto:

- A. Description of the Task: Each task performed, as outlined in the Agreement and any amendments thereto, must be clearly described.
- B. Hourly Rate: The hourly rate for each staff member involved in the task.
- C. Hours Worked: The total number of hours worked on each task by each staff member.
- D. Staff Title: The title of each staff member who performed work on the task.
- E. Expenses (if applicable): A detailed list of any expenses incurred, along with attached copies of receipts to substantiate expense requests.
- F. Prior Written Authorization: Attached copies of the City's prior written authorization for any expenses incurred.

Invoices must be adequately detailed, based on accurate records, and presented in a form reasonably satisfactory to the City. Consultant may be required to provide additional back-up material upon the City's request. This additional material may include, but is not limited to, timesheets, receipts, and detailed explanations of tasks performed.

V. **SCHEDULE FOR PAYMENT.** Consultant shall be paid monthly based on tasks completed to the City's reasonable satisfaction. The City agrees to pay Consultant within thirty (30) days of receipt of monthly invoices, provided that the total amount paid, including all expenses under the agreement and any amendments, shall not exceed \$629,500.

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

Consultant: Walker Consultants
707 Wilshire Blvd., Ste. 3650
Los Angeles, CA 90017
Attention: Deon Bender, Managing Principal
Email: DBender@walkerconsultants.com

City: City of Redondo Beach
Public Works Department, Engineering Services Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: Lauren Sablan, Acting City Engineer
Email: lauren.sablan@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.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/12/2024

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 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	CONTACT NAME: certs@pciaonline.com
Professional Concepts Insurance Agency, Inc.	PHONE (A/C, No, Ext): (800) 969-4041
1127 South Old US Highway 23	FAX (A/C, No): (800) 969-4081
Brighton MI 48114-9861	E-MAIL ADDRESS: certs@pciaonline.com
INSURED	INSURER(S) AFFORDING COVERAGE
Walker Consultants, Inc.	INSURER A: The Travelers Indemnity Co. of CT
707 Wilshire Blvd., Suite 3650	INSURER B: The Phoenix Insurance Company
Los Angeles CA 90017	INSURER C: Travelers Prop Casualty of America
	INSURER D: Travelers Casualty and Surety Company
	INSURER E: XL Specialty Ins. Co.
	INSURER F:

COVERAGES

CERTIFICATE NUMBER: 24-25 #37

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
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> X, C, U GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	Y	680-1J166910-24-47	05/23/2024	05/23/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	Y	BA-8R00910A-24-47-G	05/23/2024	05/23/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X	Y	CUP-1D319744-24-47	05/23/2024	05/23/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
D	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 <input checked="" type="checkbox"/> N	N/A Y	UB-5K320558-24-47-G	05/23/2024	05/23/2025	<input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Professional Liability			DPR5027814	05/23/2024	05/23/2025	Per Claim 5,000,000 Aggregate 7,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Walker Project #37-009397.00, City of Redondo Beach 2021 Restoration North Pier, South Pier, and Plaza Parking Structures.
City of Redondo Beach, The City, its Officers, Elected and appointed Officials, Employees and Volunteers are considered additional insured's with respects to general and auto liability coverages as long as required within a written contract. Waiver of subrogation in favor of certificate holder and additional insured's as long as required within a written contract. Coverage is primary and non-contributory as it applies to general liability, auto liability and umbrella. 30 day written notice provided to certificate

CERTIFICATE HOLDER

lauren.sablan@redondo.org

City of Redondo Beach
Public Works Department
Attn: Lauren Sablan
415 Diamond Street
Redondo Beach, CA 90277

CANCELLATION

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

Mike Cosgrove/SUNNY

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COMMENTS/REMARKS

holder and additional insured's for cancellation of coverages listed. 10 day notice for nonpayment of listed policies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL AGGREGATE LIMIT OTHER THAN PROJECTS AND DESIGNATED PROJECT AND LOCATION AGGREGATE LIMITS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE – LIMITS OF INSURANCE AND DESIGNATED PROJECTS AND LOCATIONS

LIMITS OF INSURANCE

Total Aggregate Limit (Other Than Projects and Products-Completed Operations)	\$ 4,000,000
Designated Location Aggregate Limit (Other Than Products-Completed Operations)	\$ 2,000,000
Designated Project Aggregate Limit (Other Than Products-Completed Operations)	\$ 2,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	\$ 2,000,000

Designated Projects:

Each "project" for which you have agreed, in a written contract which is in effect during this policy period, to provide a separate General Aggregate Limit, provided that the contract is signed by you before the "bodily injury" or "property damage" occurs.

Designated Locations:

All locations listed in Item 3. of the Common Policy Declarations or in any Master Pac Account Exposure Endorsement included in this policy.

PROVISIONS

1. The General Aggregate Limit (Other Than Products-Completed Operations) shown in the Declarations is replaced by the Limits of Insurance shown in the Schedule – Limits Of Insurance And Designated Projects And Locations.
2. The following replaces Paragraph 1. of **SECTION III – LIMITS OF INSURANCE:**
 1. The Limits of Insurance shown in the Declarations or the Schedule – Limits Of Insurance And Designated Projects And Locations, whichever apply, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;

- c. Persons or organizations making claims or bringing "suits"; or
- d. "Projects" or "locations".

3. The following replaces Paragraph 2. of **SECTION III – LIMITS OF INSURANCE:**

2. a. The Total Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations is the most we will pay for the sum of all amounts under the Designated Location Aggregate Limit and all amounts under the General Aggregate Limit. This includes:

(1) Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Damages under Coverage **B**; and

(3) Medical expenses under Coverage **C**.

b. The Designated Project Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

(1) The Designated Project Aggregate Limit is the most we will pay for the sum of:

(a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences"; and

(b) Medical expenses under Coverage **C** for "bodily injury" caused by accidents;

that can be attributed only to operations at a single "project".

(2) The Designated Project Aggregate Limit applies separately to each "project".

(3) The Designated Project Aggregate Limit does not apply to damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph 3. below applies to such damages.

(4) The Designated Project Aggregate Limit does not apply to damages

under Coverage **B**. Instead, the General Aggregate Limit described in Paragraph 2.d. below applies to such damages.

(5) Any payments made for damages or medical expenses to which the Designated Project Aggregate Limit applies will reduce the Designated Project Aggregate Limit for the applicable "project". Such payments will not reduce the Total Aggregate Limit, the General Aggregate Limit described in Paragraph 2.d. below, the Designated Project Aggregate Limit for any other "project" or the Designated Location Aggregate Limit.

c. Subject to the Total Aggregate Limit described in Paragraph 2.a. above, the Designated Location Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

(1) The Designated Location Aggregate Limit is the most we will pay for the sum of:

(a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences"; and

(b) Medical expenses under Coverage **C** for "bodily injury" caused by accidents;

that can be attributed only to operations at a single "location".

(2) The Designated Location Aggregate Limit applies separately to each "location".

(3) The Designated Location Aggregate Limit does not apply to damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph 3. below applies to such damages.

(4) The Designated Location Aggregate Limit does not apply to damages under Coverage **B**. Instead, the General Aggregate Limit described in

Paragraph **2.d.** below applies to such damages.

- (5) Any payments made for damages or medical expenses to which the Designated Location Aggregate Limit applies will reduce:

- (a) The Total Aggregate Limit; and
- (b) The Designated Location Aggregate Limit for the applicable "location".

Such payments will not reduce the General Aggregate Limit described in Paragraph **2.d.** below, the Designated Project Aggregate Limit or the Designated Location Aggregate Limit for any other "location".

- d. Subject to the Total Aggregate Limit described in Paragraph **2.a.** above, the General Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

- (1) The General Aggregate Limit is the most we will pay for the sum of:

- (a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences", and medical expenses under Coverage **C** for "bodily injury" caused by accidents, that cannot be attributed only to operations at a single "project" or a single "location"; and
- (b) Damages under Coverage **B**.

- (2) The General Aggregate Limit does not apply to damages for "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph **3.** below applies to such damages.

- (3) Any payments made for damages or medical expenses to which the

General Aggregate Limit applies will reduce:

- (a) The Total Aggregate Limit; and
- (b) The General Aggregate Limit.

Such payments will not reduce the Designated Project Aggregate Limit for any "project" or the Designated Location Aggregate Limit for any "location".

4. The following replaces Paragraph **3.** of **SECTION III – LIMITS OF INSURANCE:**

3. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay under Coverage **A** for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Any payments made for such damages will not reduce the Total Aggregate Limit, the General Aggregate Limit, the Designated Project Aggregate Limit for any "project" or the Designated Location Aggregate Limit for any "location".

5. The following is added to the **DEFINITIONS** Section:

"Location" means any designated location shown in the Schedule – Limits Of Insurance And Designated Projects and Locations that is owned by or rented to you. For the purposes of determining the applicable aggregate limit of insurance, each "location" that includes a premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or waterway, or by a right-of-way of a railroad, will be considered a single "location".

"Project" means any designated project shown in the Schedule – Limits Of Insurance And Designated Projects And Locations that is away from premises owned by or rented to you and at which you are performing operations pursuant to a contract or agreement. For the purposes of determining the applicable aggregate limit of insurance, each "project" that includes a premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or waterway, or by a right-of-way of a railroad, will be considered a single "project".

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that

is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) 50 feet long or less; and
 - (b) Not being used to carry any person or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is:

- (a) Chartered with a pilot to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity

i. War

"Bodily injury" or "property damage" arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and

accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

However, this exclusion does not apply to liability for damages because of "bodily injury".

q. Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

r. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

s. Asbestos

- (1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

- (2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

- (3) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

t. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the

employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

This exclusion does not apply to "personal injury" caused by malicious prosecution.

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Or Used Prior To Policy Period

(1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or

(2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and

(b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

(1) Copyright;

(2) Patent;

(3) Trade dress;

(4) Trade name;

(5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion does not apply to:

(1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or

(2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

(1) Advertising, "broadcasting" or publishing;

- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

- (1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- (2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury" arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Unsolicited Communication

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

q. Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

r. Asbestos

- (1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.
- (2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.
- (3) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or

assess the effects of, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

s. Employment-Related Practices

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "personal injury".

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

- (3) Because of your operations; provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverages – Coverage A – Bodily Injury And Property Damage Liability** or Paragraph **2.e.** of Section **I – Coverages – Coverage B – Personal And Advertising Injury Liability**, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer

workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs **(1)(a)**, **(b)**, **(c)** and **(d)** above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

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- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
 - (1) 50 feet long or less; and
 - (2) Not being used to carry any person or property for a charge.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. An organization, other than a partnership, joint venture or limited liability company; or
 - b. A trust;
- as indicated in its name or the documents that govern its structure.
- 4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
 - a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
- 5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
 - a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
 - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint

venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization.

5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of any one "occurrence".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or

b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
 - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
 - (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;
 - (iii) An executive officer or director of any other organization; or
 - (iv) A trustee of any trust;
 that is your partner, joint venture member, manager or trustee; or
 - (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.
- However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.
- 3. Legal Action Against Us**
- No person or organization has a right under this Coverage Part:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
- A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph **5.** of Section **III** – Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph **4.** of Section **III** – Limits of Insurance applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below, except when Paragraph **d.** below applies.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is insurance for "premises damage";

(iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

(iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph **4.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies; or

(v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph **5.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies.

(b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. Primary And Non-Contributory Insurance If Required By Written Contract

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":
 - a. Means injury caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
 - a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any of such programming.
6. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

10. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

11. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.

12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

13. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle,

tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection, architectural or engineering activities.

14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

15. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

16. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

17. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

b. An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

18. "Personal and advertising injury" means "personal injury" or "advertising injury".

19. "Personal injury":

a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.

b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

21. "Premises damage" means:

- a.** With respect to the first paragraph of the exceptions in Exclusion **j.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or

- b.** With respect to the exception to Exclusions **c.** through **n.** in the last paragraph of Paragraph **2.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:

- (1) Fire;
- (2) Explosion;
- (3) Lightning;
- (4) Smoke resulting from fire, explosion or lightning; or
- (5) Water.

But "premises damage" under this Paragraph **b.** does not include "property damage" to any premises caused by:

- (1) Rupture, bursting, or operation of pressure relief devices;
- (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines.

22. "Products-completed operations hazard":

- a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your

contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b.** Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

23. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

24. "Slogan":

- a.** Means a phrase that others use for the purpose of attracting attention in their advertising.
- b.** Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

- 25.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 26.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 27.** "Title" means a name of a literary or artistic work.
- 28.** "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 30.** "Your product":
- a.** Means:
 - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
 - c.** Does not include vending machines or other property rented to or located for the use of others but not sold.
- 31.** "Your work":
- a.** Means:
 - (1)** Work or operations performed by you or on your behalf; and
 - (2)** Materials, parts or equipment furnished in connection with such work or operations.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2)** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR ARCHITECTS, ENGINEERS AND SURVEYORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <ul style="list-style-type: none"> A. Non-Owned Watercraft – 75 Feet Long Or Less B. Who Is An Insured – Unnamed Subsidiaries C. Who Is An Insured – Retired Partners, Members, Directors And Employees D. Who Is An Insured – Employees And Volunteer Workers – Bodily Injury To Co-Employees, Co-Volunteer Workers And Retired Partners, Members, Directors And Employees E. Who Is An Insured – Newly Acquired Or Formed Limited Liability Companies F. Blanket Additional Insured – Controlling Interest G. Blanket Additional Insured – Mortgagees, Assignees, Successors Or Receivers | <ul style="list-style-type: none"> H. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Premises I. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations J. Incidental Medical Malpractice K. Medical Payments – Increased Limit L. Amendment Of Excess Insurance Condition – Professional Liability M. Blanket Waiver Of Subrogation – When Required By Written Contract Or Agreement N. Contractual Liability – Railroads |
|---|---|

PROVISIONS

A. NON-OWNED WATERCRAFT – 75 FEET LONG OR LESS

1. The following replaces Paragraph (2) of Exclusion **g.**, **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

(2) A watercraft you do not own that is:

- (a) 75 feet long or less; and
- (b) Not being used to carry any person or property for a charge;

2. The following replaces Paragraph 2.e. of **SECTION II – WHO IS AN INSURED**:

e. Any person or organization that, with your express or implied consent, either

uses or is responsible for the use of a watercraft that you do not own that is:

- (1) 75 feet long or less; and
- (2) Not being used to carry any person or property for a charge;

B. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a.** You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and

- b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a. A limited liability company;
 - b. An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;
- as indicated in its name or the documents that govern its structure.

C. WHO IS AN INSURED – RETIRED PARTNERS, MEMBERS, DIRECTORS AND EMPLOYEES

The following is added to Paragraph 2. of **SECTION II – WHO IS AN INSURED:**

Any person who is your retired partner, member, director or "employee" that is performing services for you under your direct supervision, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no such retired partner, member, director or "employee" is an insured for:

(1) "Bodily injury":

- (a) To you, to your current partners or members (if you are a partnership or joint venture), to your current members (if you are a limited liability company) or to your current directors;
- (b) To the spouse, child, parent, brother or sister of that current partner, member or director as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your retired partners, members, directors or "employees", other than a doctor. Any such retired partners, members, directors or "employees" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

(2) "Personal injury":

- (a) To you, to your current or retired partners or members (if you are a partnership or joint venture), to your current or retired members (if you are a limited liability company), to your other current or retired directors or "employees" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that current or retired partner, member, director, "employee" or "volunteer worker" as a consequence of Paragraph (2)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (2)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(3) "Property damage" to property:

- (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your retired partners, members or directors, your current or retired "employees" or "volunteer workers", any current partner or member (if you are a partnership or joint venture), or any current member (if you are a limited liability company) or current director.

D. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – BODILY INJURY TO CO-EMPLOYEES, CO-VOLUNTEER WORKERS AND RETIRED PARTNERS, MEMBERS, DIRECTORS AND EMPLOYEES

The following is added to Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" to a current or retired co-"employee" while in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" or retired partners, members or directors while performing duties related to the conduct of your business.

E. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES

The following replaces Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

3. Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only:

- (1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or

- (2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organization, if you report such organization in writing to us within 180 days after you acquire or form it;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such

organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
 - b. An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;
- as indicated in its name or the documents that govern its structure.

F. BLANKET ADDITIONAL INSURED – CONTROLLING INTEREST

1. The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that has financial control of you is an insured with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that arises out of:

- a. Such financial control; or
- b. Such person's or organization's ownership, maintenance or use of premises leased to or occupied by you.

The insurance provided to such person or organization does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

2. The following is added to Paragraph 4. of **SECTION II – WHO IS AN INSURED**:

This paragraph does not apply to any premises owner, manager or lessor that has financial control of you.

G. BLANKET ADDITIONAL INSURED – MORTGAGEES, ASSIGNEES, SUCCESSORS OR RECEIVERS

- The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a mortgagee, assignee, successor or receiver and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to its liability as mortgagee, assignee, successor or receiver for "bodily injury", "property damage" or "personal and advertising injury" that:

- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed,

subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of the premises for which that mortgagee, assignee, successor or receiver is required under that contract or agreement to be included as an additional insured on this Coverage Part.

The insurance provided to such mortgagee, assignee, successor or receiver is subject to the following provisions:

- a. The limits of insurance provided to such mortgagee, assignee, successor or receiver will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such person or organization does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or any "personal and advertising injury" caused by an offense that is committed, after such contract or agreement is no longer in effect; or
 - (2) Any "bodily injury", "property damage" or "personal and advertising injury" arising out of any structural alterations, new construction or demolition operations performed by or on behalf of such mortgagee, assignee, successor or receiver.

H. **BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO PREMISES**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to premises owned or occupied by, or rented or loaned to, you and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the existence, ownership, use, maintenance, repair, construction, erection or removal of any of the following for which that governmental entity has issued such permit or authorization: advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away

openings, sidewalk vaults, elevators, street banners or decorations.

I. **BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

- a. Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or
- b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

J. **INCIDENTAL MEDICAL MALPRACTICE**

- 1. The following replaces Paragraph **b.** of the definition of "occurrence" in the **DEFINITIONS** Section:

- b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

- 2. The following replaces the last paragraph of Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED**:

Unless you are in the business or occupation of providing professional health care services, Paragraphs **(1)(a)**, **(b)**, **(c)** and **(d)** above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician, paramedic, athletic trainer, audiologist, dietician, nutritionist,

occupational therapist or occupational therapy assistant, physical therapist or speech-language pathologist; or

- (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- 3. The following replaces the last sentence of Paragraph 5. of **SECTION III – LIMITS OF INSURANCE:**

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

- 4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

Sale Of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of the insured.

- 5. The following is added to the **DEFINITIONS** Section:

"Incidental medical services" means:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

- 6. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis,

that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II – Who Is An Insured.

K. MEDICAL PAYMENTS – INCREASED LIMIT

The following replaces Paragraph 7. of **SECTION III – LIMITS OF INSURANCE:**

- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person, and will be the higher of:

- a. \$10,000; or
- b. The amount shown in the Declarations of this Coverage Part for Medical Expense Limit.

L. AMENDMENT OF EXCESS INSURANCE CONDITION – PROFESSIONAL LIABILITY

The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is Professional Liability or similar coverage, to the extent the loss is not subject to the professional services exclusion of Coverage A or Coverage B.

M. BLANKET WAIVER OF SUBROGATION – WHEN REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If the insured has agreed in a written contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the signing of that contract or agreement.

N. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph **c.** of the definition of "insured contract" in the **DEFINITIONS** Section:
 - c.** Any easement or license agreement;
2. Paragraph **f.(1)** of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Any person or organization that you agree in a written contract to include as an additional insured on this Coverage Part for "bodily injury" or "property damage" included in the products-completed operations hazard, provided that such contract was signed by you before, and is in effect when, the "bodily injury or "property damage" occurs.

Location And Description Of Completed Operations

Any project to which a written contract with the Additional Insured Person(s) or Organization(s) in the Schedule applies.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the

location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Names of Additional Insured Person(s) or Organization(s):

Any person or organization that you agree in a written contract to include as an additional insured on this Coverage Part, provided that such written contract was signed by you before, and is in effect when, the "bodily injury" or "property damage" occurs or the "personal injury" or "advertising injury" offense is committed

Location of Covered Operations:

Any project to which a written contract with the Additional Insured Person(s) or Organization(s) in the Schedule applies.

(Information required to complete this Schedule, if not shown above, will be shown in the Declarations.)

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring, or "personal injury" or "advertising injury" arising out of an offense committed, after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED PERSON OR ORGANIZATION – NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: Number of Days Notice: 45

WHEN WE DO NOT RENEW (Nonrenewal): Number of Days Notice: 45

PERSON OR ORGANIZATION:

ANY PERSON OR ORGANIZATION TO WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OR NONRENEWAL OF THIS POLICY WILL BE GIVEN, BUT ONLY IF:

1. YOU SEND US A WRITTEN REQUEST TO PROVIDE SUCH NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGANIZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF THE CANCELLATION OR NONRENEWAL OF THIS POLICY; AND
2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS SCHEDULE.

ADDRESS:

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.

PROVISIONS

- A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.
- B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY WITH OTHER INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph **A.1.c., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

This includes any person or organization who you are required under a written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

2. The following is added to Paragraph **B.5., Other Insurance** of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Regardless of the provisions of paragraph a. and paragraph **d.** of this part **5. Other Insurance**, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is the first named insured when the written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <ul style="list-style-type: none"> A. BROAD FORM NAMED INSURED B. BLANKET ADDITIONAL INSURED C. EMPLOYEE HIRED AUTO D. EMPLOYEES AS INSURED E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS G. WAIVER OF DEDUCTIBLE – GLASS | <ul style="list-style-type: none"> H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT J. PERSONAL PROPERTY K. AIRBAGS L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS M. BLANKET WAIVER OF SUBROGATION N. UNINTENTIONAL ERRORS OR OMISSIONS |
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PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph **c.** in **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos 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.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph **b.** in **B.5., Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph **A.2.a.(2)**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(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 do not have to furnish these bonds.

2. The following replaces Paragraph **A.2.a.(4)**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(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.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph **B.7., Policy Period, Coverage Territory**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph **C., Limits Of Insurance**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph **C., Limits Of Insurance**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph **D.**, **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph **A.4.b.**, **Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph **A.4.a.**, **Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph **A.4.**, **Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph **B.3.**, **Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion **3.a.** does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs **A.1.b.** and **A.1.c.**, but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
 - b. The airbags are not covered under any warranty; and
 - c. The airbags were not intentionally inflated.
- We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph **A.2.a.**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- (a) You (if you are an individual);
- (b) A partner (if you are a partnership);
- (c) A member (if you are a limited liability company);
- (d) An executive officer, director or insurance manager (if you are a corporation or other organization); or
- (e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph **A.5.**, **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph **B.2., Concealment, Misrepresentation, Or Fraud,** of **SECTION IV – BUSINESS AUTO CONDITIONS:**

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED PERSON OR ORGANIZATION – NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: Number of Days Notice: 45

WHEN WE DO NOT RENEW (Nonrenewal): Number of Days Notice: 45

PERSON OR ORGANIZATION:

ANY PERSON OR ORGANIZATION TO WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OR NONRENEWAL OF THIS POLICY WILL BE GIVEN, BUT ONLY IF:

1. YOU SEND US A WRITTEN REQUEST TO PROVIDE SUCH NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGANIZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF THE CANCELLATION OR NONRENEWAL OF THIS POLICY; AND
2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS SCHEDULE.

ADDRESS:

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.

PROVISIONS

- A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.
- B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.

POLICY NUMBER: UB-5K320558-24-47-G

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

SCHEDULE

DESIGNATED PERSON:

DESIGNATED ORGANIZATION:

ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS
WAIVER.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
ENDORSEMENT – CALIFORNIA
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

The additional premium for this endorsement shall be 2.00 % of the California workers' compensation premium.

Schedule

Person or Organization

ANY PERSON OR ORGANIZATION FOR
WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED
PRIOR TO LOSS TO FURNISH THIS
WAIVER.

Job Description

ENGINEERS PLAN

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

POLICY NUMBER: UB-5K320558-24-47-G

NOTICE OF CANCELLATION TO DESIGNATED PERSONS OR ORGANIZATIONS

The following is added to PART SIX – CONDITIONS :

Notice Of Cancellation To Designated Persons Or Organizations

If we cancel this policy for any reason other than non-payment of premium by you, we will provide notice of such cancellation to each person or organization designated in the Schedule below. We will mail or deliver such notice to each person or organization at its listed address at least the number of days shown for that person or organization before the cancellation is to take effect.

You are responsible for providing us with the information necessary to accurately complete the Schedule below. If we cannot mail or deliver a notice of cancellation to a designated person or organization because the name or address of such designated person or organization provided to us is not accurate or complete, we have no responsibility to mail, deliver or otherwise notify such designated person or organization of the cancellation.

SCHEDULE

Name and Address of Designated Persons or Organizations:	Number of Days Notice
BLANKET NOTICE OF CANCELLATION ANY PERSON OR ORGANIZATION WITH WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OF THIS POLICY WILL BE GIVEN, BUT ONLY: 1. YOU SEE TO IT THAT WE RECEIVE A WRITTEN REQUEST TO PROVIDE SUCH H NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGAN- IZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF F THE CANCELLATION OF THIS POLICY; AND 2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS ENDORSEMENT.	45
THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.	

All other terms and conditions of this policy remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium \$

Insurance Company

Countersigned by _____

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

THIS POLICY, INPART, PROVIDES FOLLOW-FORM LIABILITY COVERAGE. COVERAGE WILL APPLY ON A CLAIMS-MADE BASIS WHEN FOLLOWING CLAIMS-MADE UNDERLYING INSURANCE.

COVERAGE WILL APPLY ON A DEFENSE-WITHIN-LIMITS BASIS WHEN FOLLOWING UNDERLYING INSURANCE UNDER WHICH DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMITS OF INSURANCE. WHEN FOLLOWING SUCH UNDERLYING INSURANCE, PAYMENT OF DEFENSE EXPENSES UNDER THIS POLICY WILL REDUCE, AND MAY EXHAUST, THE LIMITS OF INSURANCE OF THIS POLICY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI – DEFINITIONS**.

SECTION I – COVERAGES

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

1. We will pay on behalf of the insured those sums, in excess of the "applicable underlying limit", that the insured becomes legally obligated to pay as damages to which Coverage **A** of this insurance applies, provided that the "underlying insurance" would apply to such damages but for the exhaustion of its applicable limits of insurance. If a sublimit is specified in any "underlying insurance", Coverage **A** of this insurance applies to damages that are in excess of that sublimit only if such sublimit is shown for that "underlying insurance" in the Schedule Of Underlying Insurance.
2. Coverage **A** of this insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "underlying insurance", except with respect to any

provisions to the contrary contained in this insurance.

3. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**.
4. For the purposes of Paragraph 1. above:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance will be considered to be reduced or exhausted only by the following payments:
 - (1) Payments of judgments or settlements for damages that are covered by that "underlying insurance". However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for damages that would not be covered by this Excess Follow-Form And Umbrella Liability

Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance";

- (2) Payments of "medical expenses" that are covered by that "underlying insurance" and are incurred for "bodily injury" caused by an accident that takes place during the policy period of this Excess Follow-Form And Umbrella Liability Insurance; or
- (3) Payments of defense expenses that are covered by that "underlying insurance", only if such "underlying insurance" includes such payments within the limits of insurance. However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for defense expenses that would not be covered by this Excess Follow-Form And Umbrella Liability Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance".

If the applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance is actually reduced or exhausted by other payments, Coverage A of this insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had such limit not been actually reduced or exhausted by such other payments.

- b. If any "underlying insurance" has a limit of insurance greater than the amount shown for that insurance in the Schedule of Underlying Insurance, this insurance will apply in excess of that greater amount. If any "underlying insurance" has a limit of insurance, prior to any reduction or exhaustion by payment of damages, "medical expenses" or defense expenses described in Paragraph a. above, that is less than the amount shown for that insurance in the Schedule Of Underlying Insurance, this insurance will apply in excess of the amount shown for such insurance in the Schedule Of Underlying Insurance.
5. When the "underlying insurance" applies on a claims-made basis and includes a retroactive

date provision, the retroactive date for Coverage A of this insurance is the same as the retroactive date of that "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

1. We will pay on behalf of the insured those sums in excess of the "self-insured retention" that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which Coverage B of this insurance applies.
2. Coverage B of this insurance applies to "bodily injury" or "property damage" only if:
 - a. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place anywhere in the world;
 - b. The "bodily injury" or "property damage" occurs during the policy period; and
 - c. Prior to the policy period, no insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY**, of **SECTION II – WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
3. Coverage B of this insurance applies to "personal injury" or "advertising injury" caused by an offense arising out of your business, but only if the offense was committed during the policy period anywhere in the world.
4. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**.
5. "Bodily injury" or "property damage":
 - a. Which occurs during the policy period; and
 - b. Which was not prior to, but was during, the policy period known to have occurred by any insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY** of **SECTION II – WHO IS AN INSURED**, or any "employee" authorized by you to give notice of an "occurrence" or claim;

includes any continuation, change or resumption of the "bodily injury" or "property damage" after the end of the policy period.

6. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY**, of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - a. Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - c. Becomes aware by any other means that the "bodily injury" or "property damage" has occurred or has begun to occur.
7. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
8. Coverage B of this insurance does not apply to damages covered by any "underlying insurance" or that would have been covered by any "underlying insurance" but for the exhaustion of its applicable limit of insurance.

C. **COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES**

1. We will reimburse the insured, or pay on the insured's behalf, "crisis management service expenses" to which Coverage C applies.
2. Coverage C of this insurance applies to "crisis management service expenses" that:
 - a. Arise out of a "crisis management event" that first commences during the policy period;
 - b. Are incurred by the insured, after a "crisis management event" first commences and before such event ends; and
 - c. Are submitted to us within 180 days after the "crisis management advisor" advises you that the "crisis management event" no longer exists.
3. A "crisis management event" will be deemed to:
 - a. First commence at the time when any "executive officer" first becomes aware of an "event" or "occurrence" that leads to that "crisis management event"; and
 - b. End when we decide that the crisis no longer exists or when the Crisis

Management Service Expenses Limit has been exhausted, whichever occurs first.

4. The amount we will pay for "crisis management service expenses" is limited as described in **SECTION III – LIMITS OF INSURANCE**.
5. A "self-insured retention" does not apply to "crisis management service expenses".
6. Any payment of "crisis management service expenses" that we make will not be determinative of our obligations under this insurance with respect to any claim or "suit" or create any duty to defend or indemnify any insured for any claim or "suit".

D. **DEFENSE AND SUPPLEMENTARY PAYMENTS**

1. We will have the right and duty to defend the insured:
 - a. Under Coverage A, against a "suit" seeking damages to which such coverage applies, if:
 - (1) The "applicable underlying limit" is the applicable limit of insurance stated for a policy of "underlying insurance" in the Schedule Of Underlying Insurance and such limit has been exhausted solely due to payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; or
 - (2) The "applicable underlying limit" is the applicable limit of any "other insurance" and such limit has been exhausted by payments of judgments, settlements or medical expenses, or related costs or expenses (if such costs or expenses reduce such limits).

For any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance"; or

- b. Under Coverage B, against a "suit" seeking damages to which such coverage applies.
2. We have no duty to defend any insured against any "suit":
 - a. Seeking damages to which this insurance does not apply; or
 - b. If any other insurer has a duty to defend.

3. When we have the duty to defend, we may, at our discretion, investigate and settle any claim or "suit". In all other cases, we may, at our discretion, participate in the investigation, defense and settlement of any claim or "suit" for damages to which this insurance may apply. If we exercise such right to participate, all expenses we incur in doing so will not reduce the applicable limits of insurance.
4. Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements, or defense expenses if such expenses are within the limits of insurance of this policy.
5. We will pay, with respect to a claim we investigate or settle, or "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of:
 - (1) Bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies; or
 - (2) Appeal bonds and bonds to release attachments;

but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of such claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
 - d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest that accrues on the full amount of any judgment after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, these payments will not reduce the applicable limits of insurance, but only if the applicable "underlying insurance" provides for such payments in addition to its limits of insurance. With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE B – UMBRELLA LIABILITY**, these payments will not reduce the applicable limits of insurance.

SECTION II – WHO IS AN INSURED

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

With respect to Coverage A, the following persons and organizations qualify as insureds:

1. The Named Insured shown in the Declarations; and
2. Any other person or organization qualifying as an insured in the "underlying insurance". If you have agreed to provide insurance for that person or organization in a written contract or agreement:
 - a. The limits of insurance afforded to such person or organization will be:
 - (1) The amount by which the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement exceed the total limits of insurance of all applicable "underlying insurance"; or
 - (2) The limits of insurance of this policy; whichever is less; and
 - b. Coverage under this policy does not apply to such person or organization if the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement are wholly within the total limits of insurance of all available applicable "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

With respect to Coverage B:

1. The Named Insured shown in the Declarations is an insured.
2. If you are:
 - a. An individual, your spouse is also an insured, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, your members are also insureds, but only with respect to the conduct of your business. Your managers are also insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, your "officers" and directors are also insureds, but only with respect to their duties as your "officers" or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, your trustees are also insureds, but only with respect to their duties as trustees.
3. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay

damages because of the injury described in Paragraph (1)(a) or (b) above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- (2) "Property damage" to property:

- (a) Owned, occupied or used by; or
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees" or "volunteer workers", any of your partners or members (if you are a partnership or joint venture), or any of your members (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.
4. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you

maintain an ownership interest of more than 50%, on the first day of the policy period is an insured and will qualify as a Named Insured. No such organization is an insured or will qualify as a Named Insured for "bodily injury" or "property damage" that occurred, or "personal injury" or "advertising injury" caused by an offense committed after the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.

5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, is an insured and will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage for such organization does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred; or
 - (2) "Personal injury" or "advertising injury" arising out of an offense committed; before you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Paragraph B. of **SECTION II – WHO IS AN INSURED.**

C. COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES

With respect to Coverage C, the following persons and organizations are insureds and will qualify as Named Insureds:

1. The Named Insured shown in the Declarations.
2. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, on the first day of the policy period. No such organization is an insured or will qualify as a Named Insured for "crisis management service expenses" arising out of a "crisis management event" that first commences after

the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage for such organization does not apply to "crisis management service expenses" arising out of a "crisis management event" that occurred before you acquired or formed the organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis management event" after the date you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay for the amounts described below to which this insurance applies regardless of the number of:

1. Insureds;
2. Claims made or "suits" brought;
3. Number of vehicles involved;
4. Persons or organizations making claims or bringing "suits"; or
5. Coverages provided under this insurance.

As indicated in Paragraph D.1. of **SECTION I – COVERAGES**, for any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance".

B. The General Aggregate Limit is the most we will pay for the sum of all:

1. Damages; and
2. Defense expenses if such expenses are within the limits of insurance of this policy;

except:

1. Damages and defense expenses because of "bodily injury" or "property damage" included in the "auto hazard";
 2. Damages and defense expenses because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; or
 3. Damages and defense expenses for which insurance is provided under any Aircraft Liability coverage included as "underlying insurance" to which no aggregate limit applies.
- C. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all:
1. Damages; and
 2. Defense expenses if such expenses are within the limits of insurance of this policy; because of "bodily injury" or "property damage" included in the "products-completed operations hazard".
- D. Subject to Paragraph B. or C. above, whichever applies, the Occurrence Limit is the most we will pay for the sum of all:
1. Damages, and defense expenses if such expenses are within the limits of insurance of this policy, under Coverage A arising out of any one "event" to which the "underlying insurance" applies a limit of insurance that is separate from any aggregate limit of insurance; and
 2. Damages under Coverage B because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence".

For the purposes of determining the applicable Occurrence Limit, all related acts or omissions committed in the providing or failing to provide first aid or "Good Samaritan services" to any one person will be considered one "occurrence".

- E. The Crisis Management Service Expenses Limit is the most we will pay for the sum of all "crisis management service expenses" arising out of all "crisis management events". Payment of such "crisis management service expenses" is in addition to, and will not reduce, any other limit of insurance of this policy.
- F. The limits of insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV – EXCLUSIONS

This insurance does not apply to:

- A. With respect to Coverage A and Coverage B:

1. Asbestos

- a. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the damages are caused or contributed to by the hazardous properties of asbestos.
- b. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any damages described in Paragraph a. above.
- c. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

2. Employment-Related Practices

Damages because of injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment, applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is

committed before, during or after the time of that person's employment; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of injury to that person as described in Paragraphs a.(1), (2) or (3) above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

3. ERISA, COBRA And Similar Laws

Any obligation of the insured under:

- a. The Employees Retirement Income Security Act Of 1974 (ERISA) or any of its amendments;
- b. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) or any of its amendments; or
- c. Any similar common or statutory law of any jurisdiction.

4. Medical Expenses Or Payments

Any obligation of the insured under any "medical expenses" or medical payments coverage.

5. Nuclear Material

Damages arising out of:

- a. The actual, alleged or threatened exposure of any person or property to; or
- b. The "hazardous properties" of; any "nuclear material".

As used in this exclusion:

- a. "Hazardous properties" includes radioactive, toxic or explosive properties;
- b. "Nuclear material" means "source material", "special nuclear material" or "by-product material"; and
- c. "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or any of its amendments.

6. Uninsured or Underinsured Motorists, No-Fault And Similar Laws

Any liability imposed on the insured, or the insured's insurer, under any of the following laws:

- a. Uninsured motorists;
- b. Underinsured motorists;

- c. Auto no-fault or other first-party personal injury protection (PIP);
- d. Supplementary uninsured/underinsured motorists (New York); or
- e. Medical expense benefits and income loss benefits (Virginia).

7. War

Damages arising out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

8. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

B. With respect to Coverage B:

1. Expected Or Intended Bodily Injury Or Property Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

2. Contractual Liability

"Bodily injury", "property damage", "personal injury" or "advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

3. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be liable by reason of:

- a. Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises;

- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

4. Employers Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of "bodily injury" described in Paragraph a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

5. Pollution

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".
- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or any other person or organization test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

6. Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

7. Auto

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "auto". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "auto".

This exclusion does not apply to "bodily injury" or "property damage" caused by an "occurrence" that takes place outside of the United States of America (including its territories and possessions), Puerto Rico and Canada.

8. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to a watercraft:

- a. While ashore on premises owned by or rented to any insured; or
- b. That is 50-feet long or less and that:
 - (1) You own; or

- (2) You do not own and is not being used to carry any person or property for a charge.

9. Electronic Data

Damages claimed for the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

10. Damage To Property, Products Or Work

"Property damage" to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person or organization, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations if the "property damage" arises out of those operations;
- f. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it;
- g. "Your product" arising out of "your product" or any part of it; or
- h. "Your work" arising out of "your work" or any part of it and included in the "products-completed operations hazard".

11. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property", or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you, or anyone acting on your behalf, to fulfill the terms of a contract or agreement.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or

"your work" after it has been put to its intended use.

12. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

13. Violation Of Consumer Financial Protection Laws

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury", "property damage", "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

14. Unsolicited Communication

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

15. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

16. Knowing Violation Of Rights Of Another

"Personal injury" or "advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury".

17. Material Published With Knowledge Of Falsity

"Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

18. Material Published Or Used Prior To Policy Period

- a. "Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- b. "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

19. Criminal Acts

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of the insured.

20. Breach Of Contract

"Personal injury" or "advertising injury" arising out of a breach of contract.

21. Quality Or Performance Of Goods – Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

22. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

23. Intellectual Property

"Personal injury" or "advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- a. Copyright;
- b. Patent;
- c. Trade dress;
- d. Trade name;
- e. Trademark;
- f. Trade secret; or
- g. Other intellectual property rights or laws.

This exclusion does not apply to:

- a. "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or

- b. Any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

24. Insureds In Media And Internet Type Business

"Personal injury" or "advertising injury" arising out of an offense committed by an insured whose business is:

- a. Advertising, "broadcasting" or publishing;
- b. Designing or determining content of web-sites for others; or
- c. An Internet search, access, content or service provider.

This exclusion does not apply to Paragraphs **a.(1), (2) and (3)** of the definition of "personal injury".

For the purposes of this exclusion:

- a. Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- b. The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

25. Electronic Chatrooms Or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

26. Unauthorized Use Of Another's Name Or Product

"Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

C. With respect to Coverage C:

Newly Acquired, Controlled Or Formed Entities

"Crisis management service expenses" arising out of a "crisis management event" that involves any organization you newly acquire or form and that occurred prior to the date you acquired or formed that organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis

management event" after the date you acquired or formed such organization.

SECTION V – CONDITIONS

A. APPEALS

1. If the insured or the insured's "underlying insurer" elects not to appeal a judgment which exceeds the "applicable underlying limit" or "self-insured retention", we may do so.
2. If we appeal such a judgment, we will pay all costs of the appeal. These payments will not reduce the applicable limits of insurance. In no event will our liability exceed the applicable limit of insurance.

B. BANKRUPTCY

1. Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.
2. In the event of bankruptcy or insolvency of any "underlying insurer", this insurance will not replace such bankrupt or insolvent "underlying insurer's" policy, and this insurance will apply as if such "underlying insurer" had not become bankrupt or insolvent.

C. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this insurance by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this insurance by mailing or delivering to such first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to such first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this insurance is cancelled, we will send such first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If such first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. No change can be made in the terms of this insurance except with our consent. The terms of this insurance can be amended or waived only by endorsement issued by us and made a part of this policy.

E. CURRENCY

Payments for damages or expenses described in Paragraph 5. of Paragraph D., **DEFENSE AND SUPPLEMENTARY PAYMENTS**, of **SECTION I – COVERAGES** will be in the currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for such payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceeding the date the payment is processed.

F. DUTIES REGARDING AN EVENT, OCCURRENCE, CLAIM OR SUIT

1. You must see to it that we are notified as soon as practicable of an "event" or "occurrence" which may result in a claim under this insurance. To the extent possible, notice should include:
 - a. How, when and where the "event" or "occurrence" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the names and addresses of any witnesses; and
 - c. The nature and location of any injury or damage arising out of the "event" or "occurrence".
2. If a claim is made or "suit" is brought against any insured which may result in a claim under this insurance, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.
3. With respect to Coverage A, the insured must:
 - a. Cooperate with us in the investigation, settlement or defense of any claim or "suit";
 - b. Comply with the terms of the "underlying insurance"; and
 - c. Pursue all rights of contribution or indemnity against any person or organization who may be liable to the insured because of the injury, damage or loss for which insurance is provided under

this policy or any policy of "underlying insurance".

4. With respect to Coverage **B**, the insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain necessary records and other information;
 - c. Cooperate with us in the investigation, settlement or defense of any claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which Coverage **B** may apply.
5. No insured will, except at that insured's own expense, voluntarily make a payment, assume any obligation, make any admission or incur any expense, other than for first aid for "bodily injury" covered by this insurance, without our consent.
6. Knowledge of an "event", "occurrence", claim or "suit" by your agent, servant or "employee" will not constitute knowledge by you, unless your insurance or risk manager, or anyone working in the capacity as your insurance or risk manager, or anyone you designate with the responsibility of reporting an "event", "occurrence", claim or "suit":
 - a. Has received notice of such "event", "occurrence", claim or "suit" from such agent, servant or "employee"; or
 - b. Otherwise has knowledge of such "event", "occurrence", claim or "suit".

G. DUTIES REGARDING A CRISIS MANAGEMENT EVENT

You must:

1. Notify us within 30 days of a "crisis management event" that may result in "crisis management service expenses".
2. Provide written notice of the "crisis management event" as soon as practicable. To the extent possible, notice should include:
 - a. How, when and where that "crisis management event" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the named and addresses of any witnesses;

- c. The nature and location of any injury or damage arising out of that "crisis management event"; and
- d. The reason that "crisis management event" is likely to involve damages covered by this insurance in excess of the "applicable underlying limit" or "self-insured retention" and involve regional or national media coverage.

H. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this insurance:

1. At any time during the policy period;
2. Up to three years after the end of the policy period; and
3. Within one year after final settlement of all claims under this insurance.

I. EXTENDED REPORTING PERIOD OPTION

1. When the "underlying insurance" applies on a claims-made basis, any automatic or basic "extended reporting period" in such "underlying insurance" will apply to this insurance.
2. When the "underlying insurance" applies on a claims-made basis and you elect to purchase an optional or supplemental "extended reporting period" in such "underlying insurance," that "extended reporting period" will apply to this insurance only if:
 - a. A written request to purchase an Extended Reporting Period endorsement for this insurance is made by you and received by us within 90 days after the end of the policy period;
 - b. You have paid all premiums due for this policy at the time you make such request;
 - c. You promptly pay the additional premium we charge for the Extended Reporting Period endorsement for this insurance when due. We will determine that additional premium after we have received your request for the Extended Reporting Period endorsement for this insurance. That additional premium is not subject to any limitation stated in the "underlying insurance" on the amount or percentage of additional premium that may be charged for the "extended reporting period" in such "underlying insurance"; and

- d. That Extended Reporting Period endorsement is issued by us and made a part of this policy.
- 3. Any Extended Reporting Period endorsement for this insurance will not reinstate or increase the Limits of Insurance or extend the policy period.
- 4. Except with respect to any provisions to the contrary contained in Paragraphs 1., 2. or 3. above, all provisions of any option to purchase an "extended reporting period" granted to you in the "underlying insurance" apply to this insurance.

J. INSPECTIONS AND SURVEYS

- 1. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
- 2. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

K. LEGAL ACTION AGAINST US

- 1. No person or organization has a right under this insurance:
 - a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this insurance unless all of its terms have been fully complied with.
- 2. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured. We will not be liable for damages that:
 - a. Are not payable under the terms of this insurance; or
 - b. Are in excess of the applicable limit of insurance.

An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

L. MAINTENANCE OF UNDERLYING INSURANCE

- 1. The insurance afforded by each policy of "underlying insurance" will be maintained for

the full policy period of this Excess Follow-Form And Umbrella Liability Insurance. This provision does not apply to the reduction or exhaustion of the aggregate limit or limits of such "underlying insurance" solely by payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**. As such policies expire, you will renew them at limits and with coverage at least equal to the expiring limits of insurance. If you fail to comply with the above requirements, Coverage A is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you complied with the above requirements.

- 2. The first Named Insured shown in the Declarations must give us written notice of any change in the "underlying insurance" as respects:
 - a. Coverage;
 - b. Limits of insurance;
 - c. Termination of any coverage; or
 - d. Exhaustion of aggregate limits.
- 3. If you are unable to recover from any "underlying insurer" because you fail to comply with any term or condition of the "underlying insurance", Coverage A is not invalidated. However, we will pay for any loss only to the extent that we would have paid had you complied with that term or condition in that "underlying insurance".

M. OTHER INSURANCE

This insurance is excess over any valid and collectible "other insurance" whether such "other insurance" is stated to be primary, contributing, excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply as excess of this insurance.

However, if you specifically agree in a written contract or agreement that the insurance provided to any person or organization that qualifies as an insured under this insurance must apply on a primary basis, or a primary and non-contributory basis, then insurance provided under Coverage A is subject to the following provisions:

1. This insurance will apply before any "other insurance" that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that "other insurance", provided that the injury or damage for which coverage is sought is caused by an "event" that takes place or is committed subsequent to the signing of that contract or agreement by you.
2. This insurance is still excess over any valid and collectible "other insurance", whether primary, excess, contingent or otherwise, which covers that person or organization as an additional insured or as any other insured that does not qualify as a named insured.

N. PREMIUM

1. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums.
2. If the premium is a flat charge, it is not subject to adjustment except as provided in Paragraph 4. below.
3. If the premium is other than a flat charge, it is an advance premium only. The earned premium will be computed at the end of the policy period, or at the end of each year of the policy period if the policy period is two years or longer, at the rate shown in the Declarations, subject to the Minimum Premium.
4. Additional premium may become payable when coverage is provided for additional insureds under the provisions of **SECTION II – WHO IS AN INSURED**.

O. PREMIUM AUDIT

The premium for this policy is the amount stated in Item 5. of the Declarations. The premium is a flat charge unless it is specified in the Declarations as adjustable.

P. PROHIBITED COVERAGE – UNLICENSED INSURANCE

1. With respect to loss sustained by any insured in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to

provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Q. PROHIBITED COVERAGE – TRADE OR ECONOMIC SANCTIONS

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

R. REPRESENTATIONS

By accepting this insurance, you agree:

1. The statements in the Declarations and any subsequent notice relating to "underlying insurance" are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this insurance in reliance upon your representations.

S. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured shown in the Declarations, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

T. WAIVER OR TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us and the insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us, and with respect to Coverage A, the "underlying insurer", enforce them.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against that person or organization, but only for payments we make because of an "event" that takes place or is committed subsequent to the

execution of that contract or agreement by such insured.

2. Reimbursement of any amount recovered will be made in the following order:
 - a. First, to any person or organization (including us or the insured) who has paid any amount in excess of the applicable limit of insurance;
 - b. Next, to us; and
 - c. Then, to any person or organization (including the insured and with respect to Coverage A, the "underlying insurer") that is entitled to claim the remainder, if any.
3. Expenses incurred in the process of recovery will be divided among all persons or organizations receiving amounts recovered according to the ratio of their respective recoveries.

U. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS INSURANCE

1. Your rights and duties under this insurance may not be transferred without our written consent except in the case of death of an individual Named Insured.
2. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

V. UNINTENTIONAL OMISSION OR ERROR

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

W. WHEN LOSS IS PAYABLE

If we are liable under this insurance, we will pay for injury, damage or loss after:

1. The insured's liability is established by:
 - a. A court decision; or
 - b. A written agreement between the claimant, the insured, any "underlying insurer" and us; and
2. The amount of the "applicable underlying limit" or "self-insured retention" is paid by or on behalf of the insured.

SECTION VI – DEFINITIONS

A. With respect to all coverages of this insurance:

1. "Applicable underlying limit" means the sum of:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance subject to the provisions in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; and
 - b. The applicable limit of insurance of any "other insurance" that applies.

The limits of insurance in any policy of "underlying insurance" will apply even if:

- a. The "underlying insurer" claims the insured failed to comply with any term or condition of the policy; or
 - b. The "underlying insurer" becomes bankrupt or insolvent.
2. "Auto hazard" means all "bodily injury" and "property damage" to which liability insurance afforded under an auto policy of "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance.
 3. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
 4. "Event" means an "occurrence", offense, accident, act, error, omission, wrongful act or loss.
 5. "Extended reporting period" means any period of time, starting with the end of the policy period of your claims-made insurance, during which claims or "suits" may be first made, brought or reported for that insurance.
 6. "Medical expenses" means expenses to which any Medical Payments section of any policy of Commercial General Liability "underlying insurance" applies.
 7. "Other insurance" means insurance, or the funding of losses, that is provided by, through or on behalf of:
 - a. Another insurance company;
 - b. Us or any of our affiliated insurance companies;
 - c. Any risk retention group;

- d. Any self-insurance method or program, in which case the insured will be deemed to be the provider of such insurance; or
- e. Any similar risk transfer or risk management method.

"Other insurance" does not include:

- a. Any "underlying insurance"; or
 - b. Any policy of insurance specifically purchased to be excess of the limits of insurance of this policy shown in the Declarations.
8. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all the work called for in your contract has been completed;
 - (b) When all the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification listed in a policy of

Commercial General Liability "underlying insurance" states that products-completed operations are subject to the General Aggregate Limit.

9. "Suit" means a civil proceeding which alleges damages. "Suit" includes:

- a. An arbitration proceeding in which damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding to which the insured submits with our consent.

10. "Underlying insurance":

- a. Means the policy or policies of insurance listed in the Schedule Of Underlying Insurance.
- b. Includes any renewal or replacement of such policies if such renewal or replacement is during the policy period of this Excess Follow-Form And Umbrella Liability Insurance.
- c. Does not include any part of the policy period of any of the policies described in Paragraphs a. or b. above that began before, or that continues after, the policy period of this Excess Follow-Form And Umbrella Liability Insurance.

11. "Underlying insurer" means any insurer which provides a policy of insurance listed in the Schedule Of Underlying Insurance.

- B. With respect to Coverage B and, to the extent that the following terms are not defined in the "underlying insurance", to Coverage A:

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":

- a. Means injury, other than "personal injury", caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
- a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
- a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any such programming.
6. "Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment or for the purpose of conducting a business transaction:
- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account;
 - b. Information bearing on a person's credit worthiness, credit standing or credit capacity;
 - c. Social security number;
 - d. Driver's license number; or
 - e. Birth date.
7. "Consumer financial protection law" means:
- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
 - b. California's Song-Beverly Credit Card Act and any of its amendments; or
 - c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
10. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b.** You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

- 11.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

- 12.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

- 13.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads.
- b.** Vehicles maintained for use solely on or next to premises you own or rent.
- c.** Vehicles that travel on crawler treads.
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers.
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical

exploration, lighting and well servicing equipment; or

- (2)** Cherry pickers and similar devices used to raise or lower workers.

- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1)** Equipment designed primarily for:

- (a)** Snow removal;
- (b)** Road maintenance, but not construction or resurfacing; or
- (c)** Street cleaning;

- (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

- 14.** "Occurrence" means:

- a.** With respect to "bodily injury" or "property damage":

- (1)** An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in "bodily injury" or "property damage". All "bodily injury" or "property damage" caused by such exposure to substantially the same general harmful conditions will be deemed to be caused by one "occurrence"; or

- (2)** An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor, unless you are in the business or occupation of providing professional health care services;

- b. With respect to "personal injury", an offense arising out of your business that results in "personal injury". All "personal injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits"; and
 - c. With respect to "advertising injury", an offense committed in the course of advertising your goods, products and services that results in "advertising injury". All "advertising injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits".
- 15. "Officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 16. "Personal injury":
 - a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
- 17. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 18. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.
- 19. "Self-insured retention" is the greater of:
 - a. The amount shown in the Declarations which the insured must first pay under Coverage B for damages because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence"; or
 - b. The applicable limit of insurance of any "other insurance" that applies.
- 20. "Slogan":
 - a. Means a phrase that others use for the purpose of attracting attention in their advertising.
 - b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization other than you.

21. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
22. "Title" means the name of a literary or artistic work.
23. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
24. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed by you.
25. "Your product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
26. "Your work":
 - a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

C. With respect to Coverage C:

1. "Crisis management advisor" means any public relations firm or crisis management firm approved by us that is hired by you to perform "crisis management services" in connection with a "crisis management event".
2. "Crisis management event" means an "event" or "occurrence" that your "executive officer" reasonably determines has resulted, or may result, in:
 - a. Damages covered by this Coverage **A** or Coverage **B** that are in excess of the total applicable limits of the "underlying insurance" or "self-insured retention"; and
 - b. Significant adverse regional or national media coverage.
3. "Crisis management service expenses" means amounts incurred by you, after a "crisis management event" first commences and before such event ends:
 - a. For the reasonable and necessary:
 - (1) Fees and expenses of a "crisis management advisor" in the performance for you of "crisis management services" solely for a "crisis management event"; and
 - (2) Costs for printing, advertising, mailing of materials or travel by your directors, officers, employees or agents or a "crisis management advisor" solely for a "crisis management event"; and
 - b. For the following expenses resulting from such "crisis management event", provided that such expenses have been approved by us:
 - (1) Medical expenses;
 - (2) Funeral expenses;
 - (3) Psychological counseling;
 - (4) Travel expenses;
 - (5) Temporary living expenses;
 - (6) Expenses to secure the scene of a "crisis management event"; or
 - (7) Any other expenses pre-approved by us.

UMBRELLA

4. "Crisis management services" means those services performed by a "crisis management advisor" in advising you or minimizing potential harm to you from a "crisis management event" by maintaining or restoring public confidence in you.
5. "Executive officer" means your:
 - a. Chief Executive Officer;
 - b. Chief Operating Officer;
 - c. Chief Financial Officer;
 - d. President;
 - e. General Counsel;
 - f. General partner (if you are a partnership); or
 - g. Sole proprietor (if you are a sole proprietorship);or any person acting in the same capacity as any individual listed above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED PERSON OR ORGANIZATION – NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: Number of Days Notice: 45

WHEN WE DO NOT RENEW (Nonrenewal): Number of Days Notice: 45

PERSON OR ORGANIZATION:

ANY PERSON OR ORGANIZATION TO WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OR NONRENEWAL OF THIS POLICY WILL BE GIVEN, BUT ONLY IF:

1. YOU SEND US A WRITTEN REQUEST TO PROVIDE SUCH NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGANIZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF THE CANCELLATION OR NONRENEWAL OF THIS POLICY; AND
2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS SCHEDULE.

ADDRESS:

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.

PROVISIONS

- A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.
- B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/12/2024

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 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	CONTACT NAME: certs@pciaonline.com
Professional Concepts Insurance Agency, Inc.	PHONE (A/C, No, Ext): (800)969-4041
1127 South Old US Highway 23	FAX (A/C, No): (800)969-4081
Brighton MI 48114-9861	E-MAIL ADDRESS: certs@pciaonline.com
INSURED	INSURER(S) AFFORDING COVERAGE
Walker Consultants, Inc.	INSURER A: The Travelers Indemnity Co. of CT
707 Wilshire Blvd., Suite 3650	INSURER B: The Phoenix Insurance Company
Los Angeles CA 90017	INSURER C: Travelers Prop Casualty of America
	INSURER D: Travelers Casualty and Surety Company
	INSURER E: XL Specialty Ins. Co.
	INSURER F:

COVERAGES

CERTIFICATE NUMBER: 24-25 #37

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
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> X,C,U GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	Y	680-1J166910-24-47	05/23/2024	05/23/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	Y	BA-8R00910A-24-47-G	05/23/2024	05/23/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X	Y	CUP-1D319744-24-47	05/23/2024	05/23/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
D	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 <input checked="" type="checkbox"/> N	N/A Y	UB-5K320558-24-47-G	05/23/2024	05/23/2025	<input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Professional Liability			DPR5027814	05/23/2024	05/23/2025	Per Claim 5,000,000 Aggregate 7,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Walker Project #37-009397.00, City of Redondo Beach 2021 Restoration North Pier, South Pier, and Plaza Parking Structures.
City of Redondo Beach, The City, its Officers, Elected and appointed Officials, Employees and Volunteers are considered additional insured's with respects to general and auto liability coverages as long as required within a written contract. Waiver of subrogation in favor of certificate holder and additional insured's as long as required within a written contract. Coverage is primary and non-contributory as it applies to general liability, auto liability and umbrella. 30 day written notice provided to certificate

CERTIFICATE HOLDER

lauren.sablan@redondo.org

City of Redondo Beach
Public Works Department
Attn: Lauren Sablan
415 Diamond Street
Redondo Beach, CA 90277

CANCELLATION

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

Mike Cosgrove/SUNNY

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COMMENTS/REMARKS

holder and additional insured's for cancellation of coverages listed. 10 day notice for nonpayment of listed policies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL AGGREGATE LIMIT OTHER THAN PROJECTS AND DESIGNATED PROJECT AND LOCATION AGGREGATE LIMITS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE – LIMITS OF INSURANCE AND DESIGNATED PROJECTS AND LOCATIONS

LIMITS OF INSURANCE

Total Aggregate Limit (Other Than Projects and Products-Completed Operations)	\$ 4,000,000
Designated Location Aggregate Limit (Other Than Products-Completed Operations)	\$ 2,000,000
Designated Project Aggregate Limit (Other Than Products-Completed Operations)	\$ 2,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	\$ 2,000,000

Designated Projects:

Each "project" for which you have agreed, in a written contract which is in effect during this policy period, to provide a separate General Aggregate Limit, provided that the contract is signed by you before the "bodily injury" or "property damage" occurs.

Designated Locations:

All locations listed in Item 3. of the Common Policy Declarations or in any Master Pac Account Exposure Endorsement included in this policy.

PROVISIONS

1. The General Aggregate Limit (Other Than Products-Completed Operations) shown in the Declarations is replaced by the Limits of Insurance shown in the Schedule – Limits Of Insurance And Designated Projects And Locations.
2. The following replaces Paragraph 1. of **SECTION III – LIMITS OF INSURANCE:**
 1. The Limits of Insurance shown in the Declarations or the Schedule – Limits Of Insurance And Designated Projects And Locations, whichever apply, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;

- c. Persons or organizations making claims or bringing "suits"; or
- d. "Projects" or "locations".

3. The following replaces Paragraph 2. of SECTION III – LIMITS OF INSURANCE:

2. a. The Total Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations is the most we will pay for the sum of all amounts under the Designated Location Aggregate Limit and all amounts under the General Aggregate Limit. This includes:

(1) Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Damages under Coverage **B**; and

(3) Medical expenses under Coverage **C**.

b. The Designated Project Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

(1) The Designated Project Aggregate Limit is the most we will pay for the sum of:

(a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences"; and

(b) Medical expenses under Coverage **C** for "bodily injury" caused by accidents;

that can be attributed only to operations at a single "project".

(2) The Designated Project Aggregate Limit applies separately to each "project".

(3) The Designated Project Aggregate Limit does not apply to damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph 3. below applies to such damages.

(4) The Designated Project Aggregate Limit does not apply to damages

under Coverage **B**. Instead, the General Aggregate Limit described in Paragraph 2.d. below applies to such damages.

(5) Any payments made for damages or medical expenses to which the Designated Project Aggregate Limit applies will reduce the Designated Project Aggregate Limit for the applicable "project". Such payments will not reduce the Total Aggregate Limit, the General Aggregate Limit described in Paragraph 2.d. below, the Designated Project Aggregate Limit for any other "project" or the Designated Location Aggregate Limit.

c. Subject to the Total Aggregate Limit described in Paragraph 2.a. above, the Designated Location Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

(1) The Designated Location Aggregate Limit is the most we will pay for the sum of:

(a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences"; and

(b) Medical expenses under Coverage **C** for "bodily injury" caused by accidents;

that can be attributed only to operations at a single "location".

(2) The Designated Location Aggregate Limit applies separately to each "location".

(3) The Designated Location Aggregate Limit does not apply to damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph 3. below applies to such damages.

(4) The Designated Location Aggregate Limit does not apply to damages under Coverage **B**. Instead, the General Aggregate Limit described in

Paragraph **2.d.** below applies to such damages.

- (5) Any payments made for damages or medical expenses to which the Designated Location Aggregate Limit applies will reduce:

- (a) The Total Aggregate Limit; and
- (b) The Designated Location Aggregate Limit for the applicable "location".

Such payments will not reduce the General Aggregate Limit described in Paragraph **2.d.** below, the Designated Project Aggregate Limit or the Designated Location Aggregate Limit for any other "location".

- d. Subject to the Total Aggregate Limit described in Paragraph **2.a.** above, the General Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

- (1) The General Aggregate Limit is the most we will pay for the sum of:

- (a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences", and medical expenses under Coverage **C** for "bodily injury" caused by accidents, that cannot be attributed only to operations at a single "project" or a single "location"; and
- (b) Damages under Coverage **B**.

- (2) The General Aggregate Limit does not apply to damages for "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph **3.** below applies to such damages.

- (3) Any payments made for damages or medical expenses to which the

General Aggregate Limit applies will reduce:

- (a) The Total Aggregate Limit; and
- (b) The General Aggregate Limit.

Such payments will not reduce the Designated Project Aggregate Limit for any "project" or the Designated Location Aggregate Limit for any "location".

4. The following replaces Paragraph **3.** of **SECTION III – LIMITS OF INSURANCE:**

3. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay under Coverage **A** for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Any payments made for such damages will not reduce the Total Aggregate Limit, the General Aggregate Limit, the Designated Project Aggregate Limit for any "project" or the Designated Location Aggregate Limit for any "location".

5. The following is added to the **DEFINITIONS** Section:

"Location" means any designated location shown in the Schedule – Limits Of Insurance And Designated Projects and Locations that is owned by or rented to you. For the purposes of determining the applicable aggregate limit of insurance, each "location" that includes a premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or waterway, or by a right-of-way of a railroad, will be considered a single "location".

"Project" means any designated project shown in the Schedule – Limits Of Insurance And Designated Projects And Locations that is away from premises owned by or rented to you and at which you are performing operations pursuant to a contract or agreement. For the purposes of determining the applicable aggregate limit of insurance, each "project" that includes a premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or waterway, or by a right-of-way of a railroad, will be considered a single "project".

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that

is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) 50 feet long or less; and
 - (b) Not being used to carry any person or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is:

- (a) Chartered with a pilot to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity

i. War

"Bodily injury" or "property damage" arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and

accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

However, this exclusion does not apply to liability for damages because of "bodily injury".

q. Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

r. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

s. Asbestos

- (1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

- (2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

- (3) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

t. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the

employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

This exclusion does not apply to "personal injury" caused by malicious prosecution.

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Or Used Prior To Policy Period

(1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or

(2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and

(b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

(1) Copyright;

(2) Patent;

(3) Trade dress;

(4) Trade name;

(5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion does not apply to:

(1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or

(2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

(1) Advertising, "broadcasting" or publishing;

(2) Designing or determining content of websites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

(1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and

(2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury" arising out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Unsolicited Communication

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

q. Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

r. Asbestos

(1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.

(2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.

(3) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or

assess the effects of, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

s. Employment-Related Practices

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "personal injury".

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

- (3) Because of your operations; provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.
2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverages – Coverage A – Bodily Injury And Property Damage Liability** or Paragraph **2.e.** of Section **I – Coverages – Coverage B – Personal And Advertising Injury Liability**, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer

workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs **(1)(a)**, **(b)**, **(c)** and **(d)** above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

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- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 - e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
 - (1) 50 feet long or less; and
 - (2) Not being used to carry any person or property for a charge.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. An organization, other than a partnership, joint venture or limited liability company; or
 - b. A trust;
- as indicated in its name or the documents that govern its structure.
4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
 - b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
 - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint

venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization.

5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of any one "occurrence".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or

b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
 - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
 - (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;
 - (iii) An executive officer or director of any other organization; or
 - (iv) A trustee of any trust;
 that is your partner, joint venture member, manager or trustee; or
 - (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.
- However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.
- 3. Legal Action Against Us**
- No person or organization has a right under this Coverage Part:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
- A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph **5.** of Section **III** – Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph **4.** of Section **III** – Limits of Insurance applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below, except when Paragraph **d.** below applies.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is insurance for "premises damage";

(iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

(iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph **4.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies; or

(v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph **5.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies.

(b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. Primary And Non-Contributory Insurance If Required By Written Contract

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":
 - a. Means injury caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
 - a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any of such programming.
6. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

10. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

11. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.

12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a.** It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b.** You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

13. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle,

tracks, roadbeds, tunnel, underpass or crossing;

- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

- (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection, architectural or engineering activities.

14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

15. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

- b.** While it is in or on an aircraft, watercraft or "auto"; or

- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

16. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

- b.** Vehicles maintained for use solely on or next to premises you own or rent;

- c.** Vehicles that travel on crawler treads;

- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

17. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

- b. An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

18. "Personal and advertising injury" means "personal injury" or "advertising injury".

19. "Personal injury":

- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.

- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

21. "Premises damage" means:

- a.** With respect to the first paragraph of the exceptions in Exclusion **j.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b.** With respect to the exception to Exclusions **c.** through **n.** in the last paragraph of Paragraph **2.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:
 - (1)** Fire;
 - (2)** Explosion;
 - (3)** Lightning;
 - (4)** Smoke resulting from fire, explosion or lightning; or
 - (5)** Water.

But "premises damage" under this Paragraph **b.** does not include "property damage" to any premises caused by:

- (1)** Rupture, bursting, or operation of pressure relief devices;
- (2)** Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3)** Explosion of steam boilers, steam pipes, steam engines or steam turbines.

22. "Products-completed operations hazard":

- a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1)** Products that are still in your physical possession; or
 - (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a)** When all of the work called for in your contract has been completed.
 - (b)** When all of the work to be done at the job site has been completed if your

contract calls for work at more than one job site.

- (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b.** Does not include "bodily injury" or "property damage" arising out of:
 - (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3)** Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

23. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

24. "Slogan":

- a.** Means a phrase that others use for the purpose of attracting attention in their advertising.
- b.** Does not include a phrase used as, or in, the name of:
 - (1)** Any person or organization, other than you; or
 - (2)** Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

- 25.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 26.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 27.** "Title" means a name of a literary or artistic work.
- 28.** "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 30.** "Your product":
- a.** Means:
 - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
 - c.** Does not include vending machines or other property rented to or located for the use of others but not sold.
- 31.** "Your work":
- a.** Means:
 - (1)** Work or operations performed by you or on your behalf; and
 - (2)** Materials, parts or equipment furnished in connection with such work or operations.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2)** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR ARCHITECTS, ENGINEERS AND SURVEYORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <ul style="list-style-type: none"> A. Non-Owned Watercraft – 75 Feet Long Or Less B. Who Is An Insured – Unnamed Subsidiaries C. Who Is An Insured – Retired Partners, Members, Directors And Employees D. Who Is An Insured – Employees And Volunteer Workers – Bodily Injury To Co-Employees, Co-Volunteer Workers And Retired Partners, Members, Directors And Employees E. Who Is An Insured – Newly Acquired Or Formed Limited Liability Companies F. Blanket Additional Insured – Controlling Interest G. Blanket Additional Insured – Mortgagees, Assignees, Successors Or Receivers | <ul style="list-style-type: none"> H. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Premises I. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations J. Incidental Medical Malpractice K. Medical Payments – Increased Limit L. Amendment Of Excess Insurance Condition – Professional Liability M. Blanket Waiver Of Subrogation – When Required By Written Contract Or Agreement N. Contractual Liability – Railroads |
|---|---|

PROVISIONS

A. NON-OWNED WATERCRAFT – 75 FEET LONG OR LESS

1. The following replaces Paragraph (2) of Exclusion **g.**, **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

(2) A watercraft you do not own that is:

- (a) 75 feet long or less; and
- (b) Not being used to carry any person or property for a charge;

2. The following replaces Paragraph 2.e. of **SECTION II – WHO IS AN INSURED**:

e. Any person or organization that, with your express or implied consent, either

uses or is responsible for the use of a watercraft that you do not own that is:

- (1) 75 feet long or less; and
- (2) Not being used to carry any person or property for a charge;

B. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a.** You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and

- b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a. A limited liability company;
 - b. An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;
- as indicated in its name or the documents that govern its structure.

C. WHO IS AN INSURED – RETIRED PARTNERS, MEMBERS, DIRECTORS AND EMPLOYEES

The following is added to Paragraph 2. of **SECTION II – WHO IS AN INSURED:**

Any person who is your retired partner, member, director or "employee" that is performing services for you under your direct supervision, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no such retired partner, member, director or "employee" is an insured for:

(1) "Bodily injury":

- (a) To you, to your current partners or members (if you are a partnership or joint venture), to your current members (if you are a limited liability company) or to your current directors;
- (b) To the spouse, child, parent, brother or sister of that current partner, member or director as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your retired partners, members, directors or "employees", other than a doctor. Any such retired partners, members, directors or "employees" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

(2) "Personal injury":

- (a) To you, to your current or retired partners or members (if you are a partnership or joint venture), to your current or retired members (if you are a limited liability company), to your other current or retired directors or "employees" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that current or retired partner, member, director, "employee" or "volunteer worker" as a consequence of Paragraph (2)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (2)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(3) "Property damage" to property:

- (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your retired partners, members or directors, your current or retired "employees" or "volunteer workers", any current partner or member (if you are a partnership or joint venture), or any current member (if you are a limited liability company) or current director.

D. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – BODILY INJURY TO CO-EMPLOYEES, CO-VOLUNTEER WORKERS AND RETIRED PARTNERS, MEMBERS, DIRECTORS AND EMPLOYEES

The following is added to Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" to a current or retired co-"employee" while in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" or retired partners, members or directors while performing duties related to the conduct of your business.

E. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES

The following replaces Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

3. Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only:

- (1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or

- (2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organization, if you report such organization in writing to us within 180 days after you acquire or form it;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such

organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
 - b. An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;
- as indicated in its name or the documents that govern its structure.

F. BLANKET ADDITIONAL INSURED – CONTROLLING INTEREST

1. The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that has financial control of you is an insured with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that arises out of:

- a. Such financial control; or
- b. Such person's or organization's ownership, maintenance or use of premises leased to or occupied by you.

The insurance provided to such person or organization does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

2. The following is added to Paragraph 4. of **SECTION II – WHO IS AN INSURED**:

This paragraph does not apply to any premises owner, manager or lessor that has financial control of you.

G. BLANKET ADDITIONAL INSURED – MORTGAGEES, ASSIGNEES, SUCCESSORS OR RECEIVERS

- The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a mortgagee, assignee, successor or receiver and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to its liability as mortgagee, assignee, successor or receiver for "bodily injury", "property damage" or "personal and advertising injury" that:

- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed,

subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of the premises for which that mortgagee, assignee, successor or receiver is required under that contract or agreement to be included as an additional insured on this Coverage Part.

The insurance provided to such mortgagee, assignee, successor or receiver is subject to the following provisions:

- a. The limits of insurance provided to such mortgagee, assignee, successor or receiver will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such person or organization does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or any "personal and advertising injury" caused by an offense that is committed, after such contract or agreement is no longer in effect; or
 - (2) Any "bodily injury", "property damage" or "personal and advertising injury" arising out of any structural alterations, new construction or demolition operations performed by or on behalf of such mortgagee, assignee, successor or receiver.

H. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO PREMISES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to premises owned or occupied by, or rented or loaned to, you and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the existence, ownership, use, maintenance, repair, construction, erection or removal of any of the following for which that governmental entity has issued such permit or authorization: advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away

openings, sidewalk vaults, elevators, street banners or decorations.

I. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

- a. Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or
- b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

J. INCIDENTAL MEDICAL MALPRACTICE

- 1. The following replaces Paragraph **b.** of the definition of "occurrence" in the **DEFINITIONS** Section:

- b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

- 2. The following replaces the last paragraph of Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED**:

Unless you are in the business or occupation of providing professional health care services, Paragraphs **(1)(a)**, **(b)**, **(c)** and **(d)** above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician, paramedic, athletic trainer, audiologist, dietician, nutritionist,

occupational therapist or occupational therapy assistant, physical therapist or speech-language pathologist; or

- (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.
- 3. The following replaces the last sentence of Paragraph 5. of **SECTION III – LIMITS OF INSURANCE**:
For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".
- 4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:
Sale Of Pharmaceuticals
"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of the insured.
- 5. The following is added to the **DEFINITIONS** Section:
"Incidental medical services" means:
 - a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or
 - b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.
- 6. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:
This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis,

that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II – Who Is An Insured.

K. MEDICAL PAYMENTS – INCREASED LIMIT

The following replaces Paragraph 7. of **SECTION III – LIMITS OF INSURANCE**:

- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person, and will be the higher of:
 - a. \$10,000; or
 - b. The amount shown in the Declarations of this Coverage Part for Medical Expense Limit.

L. AMENDMENT OF EXCESS INSURANCE CONDITION – PROFESSIONAL LIABILITY

The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is Professional Liability or similar coverage, to the extent the loss is not subject to the professional services exclusion of Coverage A or Coverage B.

M. BLANKET WAIVER OF SUBROGATION – WHEN REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a written contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed;
subsequent to the signing of that contract or agreement.

N. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph **c.** of the definition of "insured contract" in the **DEFINITIONS** Section:
 - c.** Any easement or license agreement;
2. Paragraph **f.(1)** of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Any person or organization that you agree in a written contract to include as an additional insured on this Coverage Part for "bodily injury" or "property damage" included in the products-completed operations hazard, provided that such contract was signed by you before, and is in effect when, the "bodily injury or "property damage" occurs.

Location And Description Of Completed Operations

Any project to which a written contract with the Additional Insured Person(s) or Organization(s) in the Schedule applies.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the

location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Names of Additional Insured Person(s) or Organization(s):

Any person or organization that you agree in a written contract to include as an additional insured on this Coverage Part, provided that such written contract was signed by you before, and is in effect when, the "bodily injury" or "property damage" occurs or the "personal injury" or "advertising injury" offense is committed

Location of Covered Operations:

Any project to which a written contract with the Additional Insured Person(s) or Organization(s) in the Schedule applies.

(Information required to complete this Schedule, if not shown above, will be shown in the Declarations.)

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring, or "personal injury" or "advertising injury" arising out of an offense committed, after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED PERSON OR ORGANIZATION – NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: Number of Days Notice: 45

WHEN WE DO NOT RENEW (Nonrenewal): Number of Days Notice: 45

PERSON OR ORGANIZATION:

ANY PERSON OR ORGANIZATION TO WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OR NONRENEWAL OF THIS POLICY WILL BE GIVEN, BUT ONLY IF:

1. YOU SEND US A WRITTEN REQUEST TO PROVIDE SUCH NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGANIZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF THE CANCELLATION OR NONRENEWAL OF THIS POLICY; AND
2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS SCHEDULE.

ADDRESS:

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.

PROVISIONS

A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.

B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY WITH OTHER INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph **A.1.c., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

This includes any person or organization who you are required under a written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

2. The following is added to Paragraph **B.5., Other Insurance** of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Regardless of the provisions of paragraph a. and paragraph **d.** of this part **5. Other Insurance**, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is the first named insured when the written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| A. BROAD FORM NAMED INSURED | H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT |
| B. BLANKET ADDITIONAL INSURED | I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT |
| C. EMPLOYEE HIRED AUTO | J. PERSONAL PROPERTY |
| D. EMPLOYEES AS INSURED | K. AIRBAGS |
| E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS | L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS |
| F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS | M. BLANKET WAIVER OF SUBROGATION |
| G. WAIVER OF DEDUCTIBLE – GLASS | N. UNINTENTIONAL ERRORS OR OMISSIONS |

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph **c. in A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos 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.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph **b. in B.5., Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph **A.2.a.(2)**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(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 do not have to furnish these bonds.

2. The following replaces Paragraph **A.2.a.(4)**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(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.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph **B.7., Policy Period, Coverage Territory**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph **C., Limits Of Insurance**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph **C., Limits Of Insurance**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph **D.**, **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph **A.4.b.**, **Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph **A.4.a.**, **Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph **A.4.**, **Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph **B.3.**, **Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion **3.a.** does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs **A.1.b.** and **A.1.c.**, but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- b. The airbags are not covered under any warranty; and
- c. The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph **A.2.a.**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- (a) You (if you are an individual);
- (b) A partner (if you are a partnership);
- (c) A member (if you are a limited liability company);
- (d) An executive officer, director or insurance manager (if you are a corporation or other organization); or
- (e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph **A.5.**, **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph **B.2., Concealment, Misrepresentation, Or Fraud,** of **SECTION IV – BUSINESS AUTO CONDITIONS:**

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED PERSON OR ORGANIZATION – NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: Number of Days Notice: 45

WHEN WE DO NOT RENEW (Nonrenewal): Number of Days Notice: 45

PERSON OR ORGANIZATION:

ANY PERSON OR ORGANIZATION TO WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OR NONRENEWAL OF THIS POLICY WILL BE GIVEN, BUT ONLY IF:

1. YOU SEND US A WRITTEN REQUEST TO PROVIDE SUCH NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGANIZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF THE CANCELLATION OR NONRENEWAL OF THIS POLICY; AND
2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS SCHEDULE.

ADDRESS:

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.

PROVISIONS

A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.

B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.

POLICY NUMBER: UB-5K320558-24-47-G

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

SCHEDULE

DESIGNATED PERSON:

DESIGNATED ORGANIZATION:

ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS
WAIVER.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
ENDORSEMENT – CALIFORNIA
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

The additional premium for this endorsement shall be 2.00 % of the California workers' compensation premium.

Schedule

Person or Organization

ANY PERSON OR ORGANIZATION FOR
WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED
PRIOR TO LOSS TO FURNISH THIS
WAIVER.

Job Description

ENGINEERS PLAN

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

POLICY NUMBER: UB-5K320558-24-47-G

NOTICE OF CANCELLATION TO DESIGNATED PERSONS OR ORGANIZATIONS

The following is added to PART SIX – CONDITIONS :

Notice Of Cancellation To Designated Persons Or Organizations

If we cancel this policy for any reason other than non-payment of premium by you, we will provide notice of such cancellation to each person or organization designated in the Schedule below. We will mail or deliver such notice to each person or organization at its listed address at least the number of days shown for that person or organization before the cancellation is to take effect.

You are responsible for providing us with the information necessary to accurately complete the Schedule below. If we cannot mail or deliver a notice of cancellation to a designated person or organization because the name or address of such designated person or organization provided to us is not accurate or complete, we have no responsibility to mail, deliver or otherwise notify such designated person or organization of the cancellation.

SCHEDULE

Name and Address of Designated Persons or Organizations:	Number of Days Notice
BLANKET NOTICE OF CANCELLATION ANY PERSON OR ORGANIZATION WITH WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OF THIS POLICY WILL BE GIVEN, BUT ONLY: 1. YOU SEE TO IT THAT WE RECEIVE A WRITTEN REQUEST TO PROVIDE SUCH H NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGAN- IZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF F THE CANCELLATION OF THIS POLICY; AND 2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS ENDORSEMENT.	45

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH
WRITTEN REQUEST FROM YOU TO US.

All other terms and conditions of this policy remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium \$

Insurance Company

Countersigned by _____

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

THIS POLICY, INPART, PROVIDES FOLLOW-FORM LIABILITY COVERAGE. COVERAGE WILL APPLY ON A CLAIMS-MADE BASIS WHEN FOLLOWING CLAIMS-MADE UNDERLYING INSURANCE.

COVERAGE WILL APPLY ON A DEFENSE-WITHIN-LIMITS BASIS WHEN FOLLOWING UNDERLYING INSURANCE UNDER WHICH DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMITS OF INSURANCE. WHEN FOLLOWING SUCH UNDERLYING INSURANCE, PAYMENT OF DEFENSE EXPENSES UNDER THIS POLICY WILL REDUCE, AND MAY EXHAUST, THE LIMITS OF INSURANCE OF THIS POLICY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI – DEFINITIONS**.

SECTION I – COVERAGES

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

1. We will pay on behalf of the insured those sums, in excess of the "applicable underlying limit", that the insured becomes legally obligated to pay as damages to which Coverage A of this insurance applies, provided that the "underlying insurance" would apply to such damages but for the exhaustion of its applicable limits of insurance. If a sublimit is specified in any "underlying insurance", Coverage A of this insurance applies to damages that are in excess of that sublimit only if such sublimit is shown for that "underlying insurance" in the Schedule Of Underlying Insurance.
2. Coverage A of this insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "underlying insurance", except with respect to any

provisions to the contrary contained in this insurance.

3. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**.
4. For the purposes of Paragraph 1. above:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance will be considered to be reduced or exhausted only by the following payments:
 - (1) Payments of judgments or settlements for damages that are covered by that "underlying insurance". However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for damages that would not be covered by this Excess Follow-Form And Umbrella Liability

Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance";

- (2) Payments of "medical expenses" that are covered by that "underlying insurance" and are incurred for "bodily injury" caused by an accident that takes place during the policy period of this Excess Follow-Form And Umbrella Liability Insurance; or
- (3) Payments of defense expenses that are covered by that "underlying insurance", only if such "underlying insurance" includes such payments within the limits of insurance. However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for defense expenses that would not be covered by this Excess Follow-Form And Umbrella Liability Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance".

If the applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance is actually reduced or exhausted by other payments, Coverage A of this insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had such limit not been actually reduced or exhausted by such other payments.

- b. If any "underlying insurance" has a limit of insurance greater than the amount shown for that insurance in the Schedule of Underlying Insurance, this insurance will apply in excess of that greater amount. If any "underlying insurance" has a limit of insurance, prior to any reduction or exhaustion by payment of damages, "medical expenses" or defense expenses described in Paragraph a. above, that is less than the amount shown for that insurance in the Schedule Of Underlying Insurance, this insurance will apply in excess of the amount shown for such insurance in the Schedule Of Underlying Insurance.
5. When the "underlying insurance" applies on a claims-made basis and includes a retroactive

date provision, the retroactive date for Coverage A of this insurance is the same as the retroactive date of that "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

1. We will pay on behalf of the insured those sums in excess of the "self-insured retention" that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which Coverage B of this insurance applies.
2. Coverage B of this insurance applies to "bodily injury" or "property damage" only if:
 - a. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place anywhere in the world;
 - b. The "bodily injury" or "property damage" occurs during the policy period; and
 - c. Prior to the policy period, no insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY**, of **SECTION II – WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
3. Coverage B of this insurance applies to "personal injury" or "advertising injury" caused by an offense arising out of your business, but only if the offense was committed during the policy period anywhere in the world.
4. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**.
5. "Bodily injury" or "property damage":
 - a. Which occurs during the policy period; and
 - b. Which was not prior to, but was during, the policy period known to have occurred by any insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY** of **SECTION II – WHO IS AN INSURED**, or any "employee" authorized by you to give notice of an "occurrence" or claim;

includes any continuation, change or resumption of the "bodily injury" or "property damage" after the end of the policy period.

6. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY**, of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - a. Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - c. Becomes aware by any other means that the "bodily injury" or "property damage" has occurred or has begun to occur.
7. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
8. Coverage B of this insurance does not apply to damages covered by any "underlying insurance" or that would have been covered by any "underlying insurance" but for the exhaustion of its applicable limit of insurance.

C. **COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES**

1. We will reimburse the insured, or pay on the insured's behalf, "crisis management service expenses" to which Coverage C applies.
2. Coverage C of this insurance applies to "crisis management service expenses" that:
 - a. Arise out of a "crisis management event" that first commences during the policy period;
 - b. Are incurred by the insured, after a "crisis management event" first commences and before such event ends; and
 - c. Are submitted to us within 180 days after the "crisis management advisor" advises you that the "crisis management event" no longer exists.
3. A "crisis management event" will be deemed to:
 - a. First commence at the time when any "executive officer" first becomes aware of an "event" or "occurrence" that leads to that "crisis management event"; and
 - b. End when we decide that the crisis no longer exists or when the Crisis

Management Service Expenses Limit has been exhausted, whichever occurs first.

4. The amount we will pay for "crisis management service expenses" is limited as described in **SECTION III – LIMITS OF INSURANCE**.
5. A "self-insured retention" does not apply to "crisis management service expenses".
6. Any payment of "crisis management service expenses" that we make will not be determinative of our obligations under this insurance with respect to any claim or "suit" or create any duty to defend or indemnify any insured for any claim or "suit".

D. **DEFENSE AND SUPPLEMENTARY PAYMENTS**

1. We will have the right and duty to defend the insured:
 - a. Under Coverage A, against a "suit" seeking damages to which such coverage applies, if:
 - (1) The "applicable underlying limit" is the applicable limit of insurance stated for a policy of "underlying insurance" in the Schedule Of Underlying Insurance and such limit has been exhausted solely due to payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; or
 - (2) The "applicable underlying limit" is the applicable limit of any "other insurance" and such limit has been exhausted by payments of judgments, settlements or medical expenses, or related costs or expenses (if such costs or expenses reduce such limits).

For any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance"; or

- b. Under Coverage B, against a "suit" seeking damages to which such coverage applies.
2. We have no duty to defend any insured against any "suit":
 - a. Seeking damages to which this insurance does not apply; or
 - b. If any other insurer has a duty to defend.

3. When we have the duty to defend, we may, at our discretion, investigate and settle any claim or "suit". In all other cases, we may, at our discretion, participate in the investigation, defense and settlement of any claim or "suit" for damages to which this insurance may apply. If we exercise such right to participate, all expenses we incur in doing so will not reduce the applicable limits of insurance.
4. Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements, or defense expenses if such expenses are within the limits of insurance of this policy.
5. We will pay, with respect to a claim we investigate or settle, or "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of:
 - (1) Bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies; or
 - (2) Appeal bonds and bonds to release attachments;

but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of such claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
 - d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest that accrues on the full amount of any judgment after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, these payments will not reduce the applicable limits of insurance, but only if the applicable "underlying insurance" provides for such payments in addition to its limits of insurance. With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE B – UMBRELLA LIABILITY**, these payments will not reduce the applicable limits of insurance.

SECTION II – WHO IS AN INSURED

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

With respect to Coverage A, the following persons and organizations qualify as insureds:

1. The Named Insured shown in the Declarations; and
2. Any other person or organization qualifying as an insured in the "underlying insurance". If you have agreed to provide insurance for that person or organization in a written contract or agreement:
 - a. The limits of insurance afforded to such person or organization will be:
 - (1) The amount by which the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement exceed the total limits of insurance of all applicable "underlying insurance"; or
 - (2) The limits of insurance of this policy; whichever is less; and
 - b. Coverage under this policy does not apply to such person or organization if the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement are wholly within the total limits of insurance of all available applicable "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

With respect to Coverage B:

1. The Named Insured shown in the Declarations is an insured.
2. If you are:
 - a. An individual, your spouse is also an insured, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, your members are also insureds, but only with respect to the conduct of your business. Your managers are also insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, your "officers" and directors are also insureds, but only with respect to their duties as your "officers" or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, your trustees are also insureds, but only with respect to their duties as trustees.
3. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
- Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.
- (2) "Property damage" to property:
 - (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
 - you, any of your "employees" or "volunteer workers", any of your partners or members (if you are a partnership or joint venture), or any of your members (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.
4. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you

maintain an ownership interest of more than 50%, on the first day of the policy period is an insured and will qualify as a Named Insured. No such organization is an insured or will qualify as a Named Insured for "bodily injury" or "property damage" that occurred, or "personal injury" or "advertising injury" caused by an offense committed after the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.

5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, is an insured and will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage for such organization does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred; or
 - (2) "Personal injury" or "advertising injury" arising out of an offense committed; before you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Paragraph B. of **SECTION II – WHO IS AN INSURED.**

C. COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES

With respect to Coverage C, the following persons and organizations are insureds and will qualify as Named Insureds:

1. The Named Insured shown in the Declarations.
2. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, on the first day of the policy period. No such organization is an insured or will qualify as a Named Insured for "crisis management service expenses" arising out of a "crisis management event" that first commences after

the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage for such organization does not apply to "crisis management service expenses" arising out of a "crisis management event" that occurred before you acquired or formed the organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis management event" after the date you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay for the amounts described below to which this insurance applies regardless of the number of:
 1. Insureds;
 2. Claims made or "suits" brought;
 3. Number of vehicles involved;
 4. Persons or organizations making claims or bringing "suits"; or
 5. Coverages provided under this insurance.

As indicated in Paragraph D.1. of **SECTION I – COVERAGES**, for any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance".

- B. The General Aggregate Limit is the most we will pay for the sum of all:
 1. Damages; and
 2. Defense expenses if such expenses are within the limits of insurance of this policy; except:

1. Damages and defense expenses because of "bodily injury" or "property damage" included in the "auto hazard";
 2. Damages and defense expenses because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; or
 3. Damages and defense expenses for which insurance is provided under any Aircraft Liability coverage included as "underlying insurance" to which no aggregate limit applies.
- C. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all:
1. Damages; and
 2. Defense expenses if such expenses are within the limits of insurance of this policy; because of "bodily injury" or "property damage" included in the "products-completed operations hazard".
- D. Subject to Paragraph B. or C. above, whichever applies, the Occurrence Limit is the most we will pay for the sum of all:
1. Damages, and defense expenses if such expenses are within the limits of insurance of this policy, under Coverage A arising out of any one "event" to which the "underlying insurance" applies a limit of insurance that is separate from any aggregate limit of insurance; and
 2. Damages under Coverage B because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence".

For the purposes of determining the applicable Occurrence Limit, all related acts or omissions committed in the providing or failing to provide first aid or "Good Samaritan services" to any one person will be considered one "occurrence".

- E. The Crisis Management Service Expenses Limit is the most we will pay for the sum of all "crisis management service expenses" arising out of all "crisis management events". Payment of such "crisis management service expenses" is in addition to, and will not reduce, any other limit of insurance of this policy.
- F. The limits of insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV – EXCLUSIONS

This insurance does not apply to:

- A. With respect to Coverage A and Coverage B:

1. Asbestos

- a. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the damages are caused or contributed to by the hazardous properties of asbestos.
- b. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any damages described in Paragraph a. above.
- c. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

2. Employment-Related Practices

Damages because of injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment, applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is

committed before, during or after the time of that person's employment; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of injury to that person as described in Paragraphs a.(1), (2) or (3) above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

3. ERISA, COBRA And Similar Laws

Any obligation of the insured under:

- a. The Employees Retirement Income Security Act Of 1974 (ERISA) or any of its amendments;
- b. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) or any of its amendments; or
- c. Any similar common or statutory law of any jurisdiction.

4. Medical Expenses Or Payments

Any obligation of the insured under any "medical expenses" or medical payments coverage.

5. Nuclear Material

Damages arising out of:

- a. The actual, alleged or threatened exposure of any person or property to; or
- b. The "hazardous properties" of; any "nuclear material".

As used in this exclusion:

- a. "Hazardous properties" includes radioactive, toxic or explosive properties;
- b. "Nuclear material" means "source material", "special nuclear material" or "by-product material"; and
- c. "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or any of its amendments.

6. Uninsured or Underinsured Motorists, No-Fault And Similar Laws

Any liability imposed on the insured, or the insured's insurer, under any of the following laws:

- a. Uninsured motorists;
- b. Underinsured motorists;

- c. Auto no-fault or other first-party personal injury protection (PIP);
- d. Supplementary uninsured/underinsured motorists (New York); or
- e. Medical expense benefits and income loss benefits (Virginia).

7. War

Damages arising out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

8. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

B. With respect to Coverage B:

1. Expected Or Intended Bodily Injury Or Property Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

2. Contractual Liability

"Bodily injury", "property damage", "personal injury" or "advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

3. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be liable by reason of:

- a. Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises;

- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

4. Employers Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of "bodily injury" described in Paragraph a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

5. Pollution

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".
- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or any other person or organization test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

6. Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

7. Auto

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "auto". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "auto".

This exclusion does not apply to "bodily injury" or "property damage" caused by an "occurrence" that takes place outside of the United States of America (including its territories and possessions), Puerto Rico and Canada.

8. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to a watercraft:

- a. While ashore on premises owned by or rented to any insured; or
- b. That is 50-feet long or less and that:
 - (1) You own; or

- (2) You do not own and is not being used to carry any person or property for a charge.

9. Electronic Data

Damages claimed for the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

10. Damage To Property, Products Or Work

"Property damage" to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person or organization, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations if the "property damage" arises out of those operations;
- f. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it;
- g. "Your product" arising out of "your product" or any part of it; or
- h. "Your work" arising out of "your work" or any part of it and included in the "products-completed operations hazard".

11. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property", or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you, or anyone acting on your behalf, to fulfill the terms of a contract or agreement.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or

"your work" after it has been put to its intended use.

12. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

13. Violation Of Consumer Financial Protection Laws

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury", "property damage", "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

14. Unsolicited Communication

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

15. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

16. Knowing Violation Of Rights Of Another

"Personal injury" or "advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury".

17. Material Published With Knowledge Of Falsity

"Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

18. Material Published Or Used Prior To Policy Period

- a. "Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- b. "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

19. Criminal Acts

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of the insured.

20. Breach Of Contract

"Personal injury" or "advertising injury" arising out of a breach of contract.

21. Quality Or Performance Of Goods – Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

22. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

23. Intellectual Property

"Personal injury" or "advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- a. Copyright;
- b. Patent;
- c. Trade dress;
- d. Trade name;
- e. Trademark;
- f. Trade secret; or
- g. Other intellectual property rights or laws.

This exclusion does not apply to:

- a. "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or

- b. Any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

24. Insureds In Media And Internet Type Business

"Personal injury" or "advertising injury" arising out of an offense committed by an insured whose business is:

- a. Advertising, "broadcasting" or publishing;
- b. Designing or determining content of web-sites for others; or
- c. An Internet search, access, content or service provider.

This exclusion does not apply to Paragraphs **a.(1), (2) and (3)** of the definition of "personal injury".

For the purposes of this exclusion:

- a. Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- b. The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

25. Electronic Chatrooms Or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

26. Unauthorized Use Of Another's Name Or Product

"Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

C. With respect to Coverage C:

Newly Acquired, Controlled Or Formed Entities

"Crisis management service expenses" arising out of a "crisis management event" that involves any organization you newly acquire or form and that occurred prior to the date you acquired or formed that organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis

management event" after the date you acquired or formed such organization.

SECTION V – CONDITIONS

A. APPEALS

1. If the insured or the insured's "underlying insurer" elects not to appeal a judgment which exceeds the "applicable underlying limit" or "self-insured retention", we may do so.
2. If we appeal such a judgment, we will pay all costs of the appeal. These payments will not reduce the applicable limits of insurance. In no event will our liability exceed the applicable limit of insurance.

B. BANKRUPTCY

1. Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.
2. In the event of bankruptcy or insolvency of any "underlying insurer", this insurance will not replace such bankrupt or insolvent "underlying insurer's" policy, and this insurance will apply as if such "underlying insurer" had not become bankrupt or insolvent.

C. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this insurance by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this insurance by mailing or delivering to such first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to such first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this insurance is cancelled, we will send such first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If such first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. No change can be made in the terms of this insurance except with our consent. The terms of this insurance can be amended or waived only by endorsement issued by us and made a part of this policy.

E. CURRENCY

Payments for damages or expenses described in Paragraph 5. of Paragraph D., **DEFENSE AND SUPPLEMENTARY PAYMENTS**, of **SECTION I – COVERAGES** will be in the currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for such payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceding the date the payment is processed.

F. DUTIES REGARDING AN EVENT, OCCURRENCE, CLAIM OR SUIT

1. You must see to it that we are notified as soon as practicable of an "event" or "occurrence" which may result in a claim under this insurance. To the extent possible, notice should include:
 - a. How, when and where the "event" or "occurrence" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the names and addresses of any witnesses; and
 - c. The nature and location of any injury or damage arising out of the "event" or "occurrence".
2. If a claim is made or "suit" is brought against any insured which may result in a claim under this insurance, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.
3. With respect to Coverage A, the insured must:
 - a. Cooperate with us in the investigation, settlement or defense of any claim or "suit";
 - b. Comply with the terms of the "underlying insurance"; and
 - c. Pursue all rights of contribution or indemnity against any person or organization who may be liable to the insured because of the injury, damage or loss for which insurance is provided under

this policy or any policy of "underlying insurance".

4. With respect to Coverage **B**, the insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain necessary records and other information;
 - c. Cooperate with us in the investigation, settlement or defense of any claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which Coverage **B** may apply.
5. No insured will, except at that insured's own expense, voluntarily make a payment, assume any obligation, make any admission or incur any expense, other than for first aid for "bodily injury" covered by this insurance, without our consent.
6. Knowledge of an "event", "occurrence", claim or "suit" by your agent, servant or "employee" will not constitute knowledge by you, unless your insurance or risk manager, or anyone working in the capacity as your insurance or risk manager, or anyone you designate with the responsibility of reporting an "event", "occurrence", claim or "suit":
 - a. Has received notice of such "event", "occurrence", claim or "suit" from such agent, servant or "employee"; or
 - b. Otherwise has knowledge of such "event", "occurrence", claim or "suit".

G. DUTIES REGARDING A CRISIS MANAGEMENT EVENT

You must:

1. Notify us within 30 days of a "crisis management event" that may result in "crisis management service expenses".
2. Provide written notice of the "crisis management event" as soon as practicable. To the extent possible, notice should include:
 - a. How, when and where that "crisis management event" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the named and addresses of any witnesses;

- c. The nature and location of any injury or damage arising out of that "crisis management event"; and
- d. The reason that "crisis management event" is likely to involve damages covered by this insurance in excess of the "applicable underlying limit" or "self-insured retention" and involve regional or national media coverage.

H. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this insurance:

1. At any time during the policy period;
2. Up to three years after the end of the policy period; and
3. Within one year after final settlement of all claims under this insurance.

I. EXTENDED REPORTING PERIOD OPTION

1. When the "underlying insurance" applies on a claims-made basis, any automatic or basic "extended reporting period" in such "underlying insurance" will apply to this insurance.
2. When the "underlying insurance" applies on a claims-made basis and you elect to purchase an optional or supplemental "extended reporting period" in such "underlying insurance," that "extended reporting period" will apply to this insurance only if:
 - a. A written request to purchase an Extended Reporting Period endorsement for this insurance is made by you and received by us within 90 days after the end of the policy period;
 - b. You have paid all premiums due for this policy at the time you make such request;
 - c. You promptly pay the additional premium we charge for the Extended Reporting Period endorsement for this insurance when due. We will determine that additional premium after we have received your request for the Extended Reporting Period endorsement for this insurance. That additional premium is not subject to any limitation stated in the "underlying insurance" on the amount or percentage of additional premium that may be charged for the "extended reporting period" in such "underlying insurance"; and

- d. That Extended Reporting Period endorsement is issued by us and made a part of this policy.
- 3. Any Extended Reporting Period endorsement for this insurance will not reinstate or increase the Limits of Insurance or extend the policy period.
- 4. Except with respect to any provisions to the contrary contained in Paragraphs 1., 2. or 3. above, all provisions of any option to purchase an "extended reporting period" granted to you in the "underlying insurance" apply to this insurance.

J. INSPECTIONS AND SURVEYS

- 1. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
- 2. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

K. LEGAL ACTION AGAINST US

- 1. No person or organization has a right under this insurance:
 - a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this insurance unless all of its terms have been fully complied with.
- 2. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured. We will not be liable for damages that:
 - a. Are not payable under the terms of this insurance; or
 - b. Are in excess of the applicable limit of insurance.

An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

L. MAINTENANCE OF UNDERLYING INSURANCE

- 1. The insurance afforded by each policy of "underlying insurance" will be maintained for

the full policy period of this Excess Follow-Form And Umbrella Liability Insurance. This provision does not apply to the reduction or exhaustion of the aggregate limit or limits of such "underlying insurance" solely by payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**. As such policies expire, you will renew them at limits and with coverage at least equal to the expiring limits of insurance. If you fail to comply with the above requirements, Coverage A is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you complied with the above requirements.

- 2. The first Named Insured shown in the Declarations must give us written notice of any change in the "underlying insurance" as respects:
 - a. Coverage;
 - b. Limits of insurance;
 - c. Termination of any coverage; or
 - d. Exhaustion of aggregate limits.
- 3. If you are unable to recover from any "underlying insurer" because you fail to comply with any term or condition of the "underlying insurance", Coverage A is not invalidated. However, we will pay for any loss only to the extent that we would have paid had you complied with that term or condition in that "underlying insurance".

M. OTHER INSURANCE

This insurance is excess over any valid and collectible "other insurance" whether such "other insurance" is stated to be primary, contributing, excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply as excess of this insurance.

However, if you specifically agree in a written contract or agreement that the insurance provided to any person or organization that qualifies as an insured under this insurance must apply on a primary basis, or a primary and non-contributory basis, then insurance provided under Coverage A is subject to the following provisions:

1. This insurance will apply before any "other insurance" that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that "other insurance", provided that the injury or damage for which coverage is sought is caused by an "event" that takes place or is committed subsequent to the signing of that contract or agreement by you.
2. This insurance is still excess over any valid and collectible "other insurance", whether primary, excess, contingent or otherwise, which covers that person or organization as an additional insured or as any other insured that does not qualify as a named insured.

N. PREMIUM

1. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums.
2. If the premium is a flat charge, it is not subject to adjustment except as provided in Paragraph 4. below.
3. If the premium is other than a flat charge, it is an advance premium only. The earned premium will be computed at the end of the policy period, or at the end of each year of the policy period if the policy period is two years or longer, at the rate shown in the Declarations, subject to the Minimum Premium.
4. Additional premium may become payable when coverage is provided for additional insureds under the provisions of **SECTION II – WHO IS AN INSURED**.

O. PREMIUM AUDIT

The premium for this policy is the amount stated in Item 5. of the Declarations. The premium is a flat charge unless it is specified in the Declarations as adjustable.

P. PROHIBITED COVERAGE – UNLICENSED INSURANCE

1. With respect to loss sustained by any insured in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to

provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Q. PROHIBITED COVERAGE – TRADE OR ECONOMIC SANCTIONS

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

R. REPRESENTATIONS

By accepting this insurance, you agree:

1. The statements in the Declarations and any subsequent notice relating to "underlying insurance" are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this insurance in reliance upon your representations.

S. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured shown in the Declarations, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

T. WAIVER OR TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us and the insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us, and with respect to Coverage A, the "underlying insurer", enforce them.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against that person or organization, but only for payments we make because of an "event" that takes place or is committed subsequent to the

execution of that contract or agreement by such insured.

2. Reimbursement of any amount recovered will be made in the following order:
 - a. First, to any person or organization (including us or the insured) who has paid any amount in excess of the applicable limit of insurance;
 - b. Next, to us; and
 - c. Then, to any person or organization (including the insured and with respect to Coverage A, the "underlying insurer") that is entitled to claim the remainder, if any.
3. Expenses incurred in the process of recovery will be divided among all persons or organizations receiving amounts recovered according to the ratio of their respective recoveries.

U. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS INSURANCE

1. Your rights and duties under this insurance may not be transferred without our written consent except in the case of death of an individual Named Insured.
2. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

V. UNINTENTIONAL OMISSION OR ERROR

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

W. WHEN LOSS IS PAYABLE

If we are liable under this insurance, we will pay for injury, damage or loss after:

1. The insured's liability is established by:
 - a. A court decision; or
 - b. A written agreement between the claimant, the insured, any "underlying insurer" and us; and
2. The amount of the "applicable underlying limit" or "self-insured retention" is paid by or on behalf of the insured.

SECTION VI – DEFINITIONS

A. With respect to all coverages of this insurance:

1. "Applicable underlying limit" means the sum of:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance subject to the provisions in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; and

- b. The applicable limit of insurance of any "other insurance" that applies.

The limits of insurance in any policy of "underlying insurance" will apply even if:

- a. The "underlying insurer" claims the insured failed to comply with any term or condition of the policy; or

- b. The "underlying insurer" becomes bankrupt or insolvent.

2. "Auto hazard" means all "bodily injury" and "property damage" to which liability insurance afforded under an auto policy of "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance.

3. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

4. "Event" means an "occurrence", offense, accident, act, error, omission, wrongful act or loss.

5. "Extended reporting period" means any period of time, starting with the end of the policy period of your claims-made insurance, during which claims or "suits" may be first made, brought or reported for that insurance.

6. "Medical expenses" means expenses to which any Medical Payments section of any policy of Commercial General Liability "underlying insurance" applies.

7. "Other insurance" means insurance, or the funding of losses, that is provided by, through or on behalf of:

- a. Another insurance company;
- b. Us or any of our affiliated insurance companies;
- c. Any risk retention group;

- d. Any self-insurance method or program, in which case the insured will be deemed to be the provider of such insurance; or
- e. Any similar risk transfer or risk management method.

"Other insurance" does not include:

- a. Any "underlying insurance"; or
 - b. Any policy of insurance specifically purchased to be excess of the limits of insurance of this policy shown in the Declarations.
8. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all the work called for in your contract has been completed;
 - (b) When all the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification listed in a policy of

Commercial General Liability "underlying insurance" states that products-completed operations are subject to the General Aggregate Limit.

9. "Suit" means a civil proceeding which alleges damages. "Suit" includes:

- a. An arbitration proceeding in which damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding to which the insured submits with our consent.

10. "Underlying insurance":

- a. Means the policy or policies of insurance listed in the Schedule Of Underlying Insurance.
- b. Includes any renewal or replacement of such policies if such renewal or replacement is during the policy period of this Excess Follow-Form And Umbrella Liability Insurance.
- c. Does not include any part of the policy period of any of the policies described in Paragraphs a. or b. above that began before, or that continues after, the policy period of this Excess Follow-Form And Umbrella Liability Insurance.

11. "Underlying insurer" means any insurer which provides a policy of insurance listed in the Schedule Of Underlying Insurance.

- B. With respect to Coverage B and, to the extent that the following terms are not defined in the "underlying insurance", to Coverage A:

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":

- a. Means injury, other than "personal injury", caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
- a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
- a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any such programming.
6. "Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment or for the purpose of conducting a business transaction:
- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account;
 - b. Information bearing on a person's credit worthiness, credit standing or credit capacity;
 - c. Social security number;
 - d. Driver's license number; or
 - e. Birth date.
7. "Consumer financial protection law" means:
- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
 - b. California's Song-Beverly Credit Card Act and any of its amendments; or
 - c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
10. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b.** You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

- 11.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

- 12.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

- 13.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads.
- b.** Vehicles maintained for use solely on or next to premises you own or rent.
- c.** Vehicles that travel on crawler treads.
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers.
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical

exploration, lighting and well servicing equipment; or

- (2)** Cherry pickers and similar devices used to raise or lower workers.

- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1)** Equipment designed primarily for:

- (a)** Snow removal;
- (b)** Road maintenance, but not construction or resurfacing; or
- (c)** Street cleaning;

- (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

- 14.** "Occurrence" means:

- a.** With respect to "bodily injury" or "property damage":

- (1)** An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in "bodily injury" or "property damage". All "bodily injury" or "property damage" caused by such exposure to substantially the same general harmful conditions will be deemed to be caused by one "occurrence"; or

- (2)** An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor, unless you are in the business or occupation of providing professional health care services;

- b. With respect to "personal injury", an offense arising out of your business that results in "personal injury". All "personal injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits"; and
 - c. With respect to "advertising injury", an offense committed in the course of advertising your goods, products and services that results in "advertising injury". All "advertising injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits".
- 15. "Officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 16. "Personal injury":
 - a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
- 17. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 18. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.
- 19. "Self-insured retention" is the greater of:
 - a. The amount shown in the Declarations which the insured must first pay under Coverage B for damages because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence"; or
 - b. The applicable limit of insurance of any "other insurance" that applies.
- 20. "Slogan":
 - a. Means a phrase that others use for the purpose of attracting attention in their advertising.
 - b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization other than you.

21. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
22. "Title" means the name of a literary or artistic work.
23. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
24. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed by you.
25. "Your product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
26. "Your work":
 - a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

C. With respect to Coverage C:

1. "Crisis management advisor" means any public relations firm or crisis management firm approved by us that is hired by you to perform "crisis management services" in connection with a "crisis management event".
2. "Crisis management event" means an "event" or "occurrence" that your "executive officer" reasonably determines has resulted, or may result, in:
 - a. Damages covered by this Coverage **A** or Coverage **B** that are in excess of the total applicable limits of the "underlying insurance" or "self-insured retention"; and
 - b. Significant adverse regional or national media coverage.
3. "Crisis management service expenses" means amounts incurred by you, after a "crisis management event" first commences and before such event ends:
 - a. For the reasonable and necessary:
 - (1) Fees and expenses of a "crisis management advisor" in the performance for you of "crisis management services" solely for a "crisis management event"; and
 - (2) Costs for printing, advertising, mailing of materials or travel by your directors, officers, employees or agents or a "crisis management advisor" solely for a "crisis management event"; and
 - b. For the following expenses resulting from such "crisis management event", provided that such expenses have been approved by us:
 - (1) Medical expenses;
 - (2) Funeral expenses;
 - (3) Psychological counseling;
 - (4) Travel expenses;
 - (5) Temporary living expenses;
 - (6) Expenses to secure the scene of a "crisis management event"; or
 - (7) Any other expenses pre-approved by us.

UMBRELLA

4. "Crisis management services" means those services performed by a "crisis management advisor" in advising you or minimizing potential harm to you from a "crisis management event" by maintaining or restoring public confidence in you.
5. "Executive officer" means your:
 - a. Chief Executive Officer;
 - b. Chief Operating Officer;
 - c. Chief Financial Officer;
 - d. President;
 - e. General Counsel;
 - f. General partner (if you are a partnership); or
 - g. Sole proprietor (if you are a sole proprietorship);or any person acting in the same capacity as any individual listed above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED PERSON OR ORGANIZATION – NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: Number of Days Notice: 45

WHEN WE DO NOT RENEW (Nonrenewal): Number of Days Notice: 45

PERSON OR ORGANIZATION:

ANY PERSON OR ORGANIZATION TO WHOM YOU HAVE AGREED IN A WRITTEN CONTRACT THAT NOTICE OF CANCELLATION OR NONRENEWAL OF THIS POLICY WILL BE GIVEN, BUT ONLY IF:

1. YOU SEND US A WRITTEN REQUEST TO PROVIDE SUCH NOTICE, INCLUDING THE NAME AND ADDRESS OF SUCH PERSON OR ORGANIZATION, AFTER THE FIRST NAMED INSURED RECEIVES NOTICE FROM US OF THE CANCELLATION OR NONRENEWAL OF THIS POLICY; AND
2. WE RECEIVE SUCH WRITTEN REQUEST AT LEAST 14 DAYS BEFORE THE BEGINNING OF THE APPLICABLE NUMBER OF DAYS SHOWN IN THIS SCHEDULE.

ADDRESS:

THE ADDRESS FOR THAT PERSON OR ORGANIZATION INCLUDED IN SUCH WRITTEN REQUEST FROM YOU TO US.

PROVISIONS

- A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.
- B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.



Administrative Report

H.7., File # 24-1275

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL

From: MICHAEL W. WEBB, CITY ATTORNEY JOY ABAQUIN FORD, QUALITY OF LIFE PROSECUTOR

TITLE

APPROVE THE SECOND AMENDMENT TO THE AGREEMENT WITH CITY NET TO EXTEND THE TERM TO OCTOBER 30, 2024.

EXECUTIVE SUMMARY

The agreement with City Net originally had a 'not to exceed amount' of \$226,800. The services rendered since January at the beginning of the agreement did not reach that amount leaving available funding, so staff is requesting to extend the term of the agreement to October 30, 2024.

BACKGROUND

City Net is a non-profit organization that has assisted several cities in the counties of Los Angeles, Orange, Riverside and Santa Barbara. City Net's organization and mission are effective in helping individuals who have been chronically homeless for a number of years.

On November 7, 2023, the City Council approved a new agreement with City Net for housing navigation services for six months with a focus on Homeless Court and people experiencing homelessness in their vehicles. On May 21, 2024, the Mayor and City Council approved the First Amendment to the agreement to include a census of Redondo's homeless population.

The City Attorney's Office is currently coordinating a census with City Net and Hermosa to be executed in September of this year. Moreover, City Net's services since the beginning of the agreement has not exhausted the 'not to exceed amount,' leaving funding available for continued services. Staff is asking that the Mayor and City Council approve the second amendment to extend the agreement term for continued services to October 30, 2024.

COORDINATION

The City Attorney's Office coordinated with City Net in connection with the preparation of this report.

FISCAL IMPACT

The 'not to exceed' amount in the original agreement was \$226,800. In the Fiscal Year 2023-2024 Budget, \$170,000 of general funding was allocated to City Net. The balance of the amount will be

covered by grant funding.

ATTACHMENTS

- Second Amendment to the Agreement with City Net
- First Amendment to the Agreement with City Net
- Agreement with City Net

**SECOND AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES
BETWEEN
THE CITY OF REDONDO BEACH
AND
CITY NET**

THIS SECOND AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES ("Second Amendment") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and City Net, a California Nonprofit 501(c)(3) corporation ("Consultant").

WHEREAS, on November 7, 2023, the parties hereto originally entered into that certain Agreement for Project Services between the City and Consultant ("Agreement"); and

WHEREAS, on May 21, 2024, the parties hereto entered into the First Amendment to the Agreement for Project Services between the City and Consultant (the First Amendment); and

WHEREAS, City and Consultant desire to amend the Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Agreement:

1. Term and time of Completion. Exhibit B is amended to include the following:
The expiration of this Agreement shall be extended to October 30, 2024.
2. Modification. Except as expressly set forth herein, the Agreement shall continue in full force and effect. The Agreement and First Amendment together with this Second Amendment constitutes the entire agreement between the parties and supersede any previous oral or written agreement. In the event of any inconsistency between this Second Amendment, the First Amendment and the Agreement the terms of this Second Amendment shall prevail. This Second Amendment may be modified or amended only by a subsequent writing executed by all of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this Second Amendment as of this 30th day of July, 2024.

CITY OF REDONDO BEACH
A chartered municipality

CITY NET
a California Nonprofit 501(c)(3) Corporation

James A. Light, Mayor

DocuSigned by:
Matt Bates
337A3123BD0F495...
By: _____
Name: ~~Matt Bates~~
Title: Chief operating officer

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

DocuSigned by:
Diane Strickfaden
ABED8CF35EEF48C...

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/5/2024

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 Digital Insurance LLC - Clayton, MO 8235 Forsyth Blvd #1200 Clayton MO 63105	CONTACT NAME: Tracey Bruce PHONE (A/C, No, Ext): 314-746-4700 E-MAIL: tracey.bruce@onedigital.com ADDRESS: tracey.bruce@onedigital.com	FAX (A/C, No): 314-889-3700
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Philadelphia Indemn Insurance		18058
INSURER B : Service American Indemnity Co		39152
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

COVERAGES

CERTIFICATE NUMBER: 50748872

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
A	<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 type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2663022	3/1/2024	3/1/2025	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2663022	3/1/2024	3/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB903241	3/1/2024	3/1/2025	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
B	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 <input type="checkbox"/>	N/A	SATIS0488702	3/1/2024	3/1/2025	PER STATUTE E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional			PHPK2663022	3/1/2024	3/1/2025	Limit Aggregate 1,000,000 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Sexual/Physical Abuse: Philadelphia Indemnity Ins. Co. Policy #PHPK2507706, Effective 3/1/24 - 3/1/25, Limits: Each Abusive Conduct Limit: \$1,000,000, Aggregate Limit: \$1,000,000

Cyber: Arch Specialty Insurance Company Policy #C4LPY047969CYBER2022A, Effective 3/1/24 - 3/1/25, Limit: \$2,000,000 Retention \$5,000
10 Days Notice of Cancellation for non-payment/ 30 Days Notice other than non-payment- Coverage is Primary & Non-Contributory. Waiver of Subrogation
Included when required by written contract.

CERTIFICATE HOLDER**CANCELLATION**

City of Redondo Beach
415 Diamond Street
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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**FIRST AMENDMENT TO AGREEMENT FOR PROJECT SERVICES
BETWEEN
THE CITY OF REDONDO BEACH
AND
CITY NET**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES ("First Amendment") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and City Net, a California Nonprofit 501(c)(3) corporation ("Consultant").

WHEREAS, on November 7, 2023, the parties hereto originally entered into that certain Agreement for Project Services between the City and Consultant ("Agreement"); and

WHEREAS, City and Consultant desire to amend the Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Agreement:

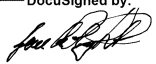
1. Scope of Services. Exhibit A is amended to include the following:
The Homeless Census Scope of Work and Homeless Census Cost Proposal
2. Compensation. Exhibit C is amended to provide additional compensation for a homeless census in the amount of \$57,985.74 for a not to exceed amount of \$284,785.74. The compensation matrix for the census is attached hereto and incorporated herein by this reference.
3. Modification. Except as expressly set forth herein, the Agreement shall continue in full force and effect. The Agreement together with this First Amendment constitutes the entire agreement between the parties and supersede any previous oral or written agreement. In the event of any inconsistency between this First Amendment and the Agreement the terms of this First Amendment shall prevail. This First Amendment may be modified or amended only by a subsequent writing executed by all of the parties.


[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this First Amendment as of this 21st day of May, 2024.

CITY OF REDONDO BEACH
A chartered municipality

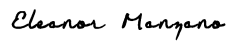
CITY NET
a California Nonprofit 501(c)(3) Corporation

DocuSigned by:

6BC0853B8F644F1...
James A. Light, Mayor

DocuSigned by:

337A3123BD0F495...
By: Matt Bates
Name: Matt Bates
Title: Parent

ATTEST:

APPROVED:

DocuSigned by:

72F2AC716C214CF...
Eleanor Manzano, City Clerk

DocuSigned by:

ABED8CF35EEF48C...
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

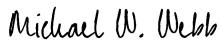
DocuSigned by:

669049EDE03D402...
Michael W. Webb, City Attorney

Exhibit "A"

Scope of Work



PROJECT

City Net proposes to partner with the cities of Redondo Beach and Hermosa Beach to plan, implement and report on homelessness in Redondo Beach and Hermosa Beach. This homeless census¹ will provide critical data so the city can make informed decisions on resource allocation and accurately gauge intervention effectiveness against a statistical baseline.

TIMELINE

- | | |
|--|--|
| 1. Planning and Mapping: | Immediately upon contract completion |
| 2. Survey Question Development: | Immediately upon contract completion |
| 3. Unsheltered Count: | Day 1 TBD (early morning) and Day 2 TBD (late evening) |
| 4. Report (summary data): | Two weeks after Day 2 above |
| 5. Report (final report): | Six weeks after Day 2 above |
| 6. Public Dissemination: | TBD pending city preference |

ACTIVITIES

Planning and Mapping

City Net will partner with Redondo Beach and Hermosa Beach staff and Redondo Beach and Hermosa Beach Public Safety to create survey maps of the city. Maps will emphasize known locations of unsheltered homelessness. Maps will be physically walked and/or driven in advance by City Net, with detailed notes and instructions written for the data collection teams to follow on the days of the census.

City Net will also work at this time with Redondo Beach and Hermosa Beach staff to develop customized survey questions which, in addition to standard demographic questions, will focus on topics such as community ties and local service priorities.

Census Activities

Unsheltered Count

City Net will complete an unsheltered homeless census over multiple days and times (typically an early Tuesday morning and late Thursday evening of the same week) to cover the entire

¹ We are proposing a “census”, as differentiated from other related activities:

1. A “point-in-time count” (PIT) is an enumeration of unsheltered and sheltered homeless neighbors in a city. It yields a number and limited demographic data of the total homeless population. Many County PITs rely on survey methodology (see below) and statistical sampling.
2. A “survey” takes a statistically representative sample of the homeless population and projects estimates of the total population based on the findings of the smaller sample population.
3. A “census” seeks to collect information through interviewing every possible member of the population. It yields a number, and, in this proposal, demographic, housing, social, economic and other information on the total homeless population.



Redondo Beach and Hermosa Beach Homeless Census Scope of Work Spring/Summer2024

geography of the city as well as homeless neighbors that spend the day in Redondo Beach and Hermosa Beach but sleep elsewhere. We will offer survey incentives to encourage survey participation.

We will conduct both early morning and late evening census activities because this will allow us to include anyone who might be away from their normal spot during the time of either census event. The census will rely on teams consisting of experienced City Net street outreach and engagement staff. Redondo Beach and Hermosa Beach Public Safety personnel (as able or as needed for safety, access, etc.), and trained volunteers may be included depending on the need/map size.

Sheltered Count

City Net will work with Redondo Beach and Hermosa Beach to secure, through any local partner shelters, a sheltered homeless count on the days of the unsheltered count. Recognizing that participation in the project is voluntary, we may not be able to access all sheltered data. We will aggregate sheltered numbers with the unsheltered data to the degree possible to provide the most complete possible depiction of homelessness in the city.

Subpopulation Count

City Net will prioritize subpopulations (Veterans, transitional-aged youth, domestic violence victims, vehicle/RV occupants) in the census. Questions will be included in the survey to provide specific resources to subpopulations.

Data Entry and Database Management

City Net will use GIS technology to complete the census electronically (using ARC GIS's Survey123 app) and collected data will be housed securely in an online database. City Net will maintain the data on behalf of the city and will provide the city with aggregate data. Using data security practices consistent with HMIS, individual client data of those who consent to have their information stored in HMIS is only viewable by qualified staff at participating agencies. To participate in HMIS, leaders at each agency must sign an Agency Agreement that includes a commitment to protecting client data and maintaining confidentiality, and agency staff must pass multiple trainings on the importance of client privacy.

If desired City Net will also include a question to the client permitting City Net to share the client's name and contact information with the city so that the city may follow up with services.

Reporting

City Net will solicit input from city stakeholders to ensure that desired data is captured and



City Net

**Redondo Beach and Hermosa Beach
Homeless Census Scope of Work
Spring/Summer2024**

reflected in the report. City Net will analyze the data and report findings on analysis of the data, recommendations, and next steps for the city to consider. City Net will work with Redondo Beach and Hermosa Beach staff to identify the best context for any desired public presentation(s).

Exhibit "C"

Cost Proposal



Redondo Beach and Hermosa Beach Homeless Census, Summer 2024 date TBD					
Labor					
Title/Role	Description	Full Comp	# staff	Hrs/ staff	TOTAL
Census Manager	Project management and supervision, community meetings	\$53.24	1	112	\$5,962.88
Mapping/Reporting	GIS mapping, data management, report writing	\$44.54	4	112	\$19,953.92
Outreach and Engagement	Census taking, 2 six hour shifts at 1.5 OT rate	\$57.31	14	24	\$19,256.16
Data management	Survey setup, data compilation and analysis	\$36.61	2	24	\$1,757.28
Executive leadership	Project oversight, quality control, communications, problem solving, reporting	\$104.23	2	24	\$5,003.04
Finance and billing	Payroll, billing, financial controls	\$52.78	1	20	\$1,055.60
Human resources	Staff recruiting, hiring, training, disputes	\$43.82	1	20	\$876.40
Operations	Inventory, purchasing, logistics, technical support	\$41.29	1	20	\$825.80
Labor Subtotal:					\$54,691.08
Operations and Program Expenses					
Item	Description	TOTAL			
Client Services	Gift Card incentives for client participation	\$2,500.00			
Client Services	Printing/binding/delivery costs for final reports	\$3,000.00			
Materials and Supplies	Personal Protective Equipment (PPE) for staff and clients (masks, gloves, face shields, proximity suits, trash bags, etc.)	\$900.00			
Materials and Supplies	Uniforms, copies, forms, office supplies, equipment, etc.	\$700.00			
Materials and Supplies	IT support and ARC GIS client management software licenses	\$1,600.00			
Materials and Supplies	Vehicle expenses (lease, fuel, vehicle insurance, maintenance)	\$1,666.67			
Materials and Supplies	Office space and office equipment/furniture rental	\$1,306.00			
Materials and Supplies	Financial audit	\$178.00			
Materials and Supplies	Liability Insurance	\$1,800.00			
Materials and Supplies	Materials contingencies	\$1,944.00			
Operations and Program Expenses Subtotal:					\$15,594.67
Indirect Costs					
Category	Description	TOTAL			
Non-federal entity 10% de minimis rate	Per 2 CFR 200.414-11, de minimis rate established for non-Federal entities who do not have negotiated Indirect Cost Rate. This fee is charged at a rate of 10% to offset expenses incurred by the organization but not billable as direct project expenses.	\$7,028.57			
Indirect subtotal:					\$7,028.57
Credits					
Credit for multi-city participation at 25%					-\$19,328.58
Credits subtotal:					-\$19,328.58
Project TOTAL					\$57,985.74



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/5/2024

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 Digital Insurance LLC - Clayton, MO 8235 Forsyth Blvd #1200 Clayton MO 63105	CONTACT NAME: Tracey Bruce PHONE (A/C, No, Ext): 314-746-4700 E-MAIL ADDRESS: tracey.bruce@onedigital.com	FAX (A/C, No): 314-889-3700
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Philadelphia Indemn Insurance		18058
INSURER B : Service American Indemnity Co		39152
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

License#: 8012081
KINGCAU-01**COVERAGES****CERTIFICATE NUMBER: 50748872****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
A	<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 type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2663022	3/1/2024	3/1/2025	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2663022	3/1/2024	3/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB903241	3/1/2024	3/1/2025	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
B	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 <input type="checkbox"/>	N/A	SATIS0488702	3/1/2024	3/1/2025	PER STATUTE E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional			PHPK2663022	3/1/2024	3/1/2025	Limit Aggregate 1,000,000 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Sexual/Physical Abuse: Philadelphia Indemnity Ins. Co. Policy #PHPK2507706, Effective 3/1/24 - 3/1/25, Limits: Each Abusive Conduct Limit: \$1,000,000, Aggregate Limit: \$1,000,000

Cyber: Arch Specialty Insurance Company Policy #C4LPY047969CYBER2022A, Effective 3/1/24 - 3/1/25, Limit: \$2,000,000 Retention \$5,000
10 Days Notice of Cancellation for non-payment/ 30 Days Notice other than non-payment- Coverage is Primary & Non-Contributory. Waiver of Subrogation
Included when required by written contract.**CERTIFICATE HOLDER****CANCELLATION**City of Redondo Beach
415 Diamond Street
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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**AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND CITY NET**

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and City Net, a California nonprofit 501(c)(3) 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".

* * * * *

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 provided for by a subsequent written amendment executed by City and Contractor.
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. 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, employment laws, and non-discrimination laws.

18. 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.

19. 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.
20. 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.
21. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
22. 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.
23. 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.

24. 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.
25. Time of Essence. Time is of the essence of this Agreement.
26. 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.
27. 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."
28. 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.
29. 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.
30. Claims. Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 *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.
31. 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.
32. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Contractor warrants as follows: Contractor possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Contractor, at Contractor's expense, including shipping.

Contractor shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.

33. 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.
34. 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.
35. 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 7th day of November, 2023.

CITY OF REDONDO BEACH,
a chartered municipal corporation

For 
B25B45C684724DB...
William C. Brand, Mayor
Todd Loewenstein,
Mayor Pro Tempore

City Net,
a California nonprofit 501(c)(3) corporation


38E74AEBDAE640F...
By: Brad Fieldhouse
Name: Brad Fieldhouse
Title: Executive Director

ATTEST:


72F2AC716C214CF...
Eleanor Manzano, City Clerk

APPROVED:


ABED8CF35EEF48C...
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

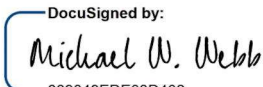

669049EDE03D402...
Michael W. Webb, City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

CONTRACTOR'S DUTIES

Contractor shall perform the following duties:

1. Contractor shall provide two (2) case managers to provide Homeless Outreach and Housing Navigation services to people experiencing homelessness in Redondo Beach forty (40) hours a week, to include at least one day on the weekend.
2. Number of contacts with people experiencing homelessness:
 - Contractor shall serve fifty (50) unduplicated clients experiencing homelessness in the City as a result of this project.
 - Of the fifty (50) clients served, contractor will identify those that have been previously assessed and entered into Homeless Management Information System (HMIS) to reconnect them with a service provider and newly engaged clients will complete assessment and be entered into HMIS.
 - Of the fifty (50) clients served, at least fifty percent (50%) must be clients living in a vehicle that includes but is not limited to cars, vans, or recreational vehicles.
3. Number housed:
 - Contractor shall make every effort to house ten (10) single adults experiencing homelessness in the City to permanent housing, Rapid Rehousing, or other housing search and placement program (entered in HMIS and verification of referral connection in case file).
4. HMIS data quality shall be at least 95% accurate.
5. Contractor shall submit monthly CES outcome reports to the City no later than the 5th of each month.
6. Contractor personnel shall:
 - Coordinate with the City Attorney's Office, law enforcement, city staff, elected officials, community members and other key stakeholders.
 - Participate in the City's Homeless Court and appear in court on a monthly basis.
 - Attend necessary meetings and be available to provide updates and trainings when requested.
7. The services provided by Contractor to the City under this agreement shall be in addition to any services that may be provided to the City as a result of funding and coordination with Harbor Interfaith, People Assisting the Homeless, the South Bay Cities Council of Governments, or any other agency.

EXHIBIT "B"

SCHEDULE FOR COMPLETION

TERM. The term of this Agreement shall commence May 1, 2023 and expire June 30, 2024 ("Term"), unless otherwise terminated as herein provided.

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 hourly rates, and expense and administration costs in the attached schedule, which is incorporated herein. In no event shall the total amount paid to Contractor exceed \$226,800.
- B. **METHOD OF PAYMENT.** Contractor shall provide monthly invoices indicating the job title, services and tasks performed, hours worked, hourly rate, total amount, operation and program expenses (if applicable), and administrative expenses incurred during the prior month to City for approval and payment. Invoices must be itemized, adequately detailed, based on accurate records, and in a form reasonably satisfactory to City. Contractor may be required to provide back-up material upon request.
- C. **SCHEDULE FOR PAYMENT.** Contractor shall be paid within forty five days (45) of City's receipt of the invoice; provided, however, that services are completed to the City's full satisfaction.
- D. **NOTICE.** Written notices to City and Contractor shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Contractor: City Net
4508 Atlantic Avenue, Suite 292
Long Beach, CA 90807
Attention: Matt Bates, Vice President

City: City of Redondo Beach
City Attorney's Office
415 Diamond Street
Redondo Beach, CA 90277
Attention: Michael W. Webb, City Attorney

All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by registered or certified mail. 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.



Redondo Beach Homeless Street Outreach and Engagement Jan 1, 2024 through June 30, 2024							
1 team, full-time M-F, with staff support and client services funds							
Labor							
Category	Title/Role	Description	Full Comp	Hrs/ week	Wks	FTE	TOTAL
Client services	Program Supervisor	Direct program activities, staff management/supervision and project coordination.	\$50.83	8	26	0.20	\$10,514.55
Client services	Case Manager I	Street outreach and engagement, case management	\$36.88	40	26	1.00	\$38,144.46
Client services	Case Manager II	Street outreach and engagement, case management	\$40.45	40	26	1.00	\$41,836.86
Client services	Data Analyst	Data management, reporting to/compliance with HMIS	\$37.35	6	26	0.15	\$5,794.59
Client services	Community Engagement	Align with stakeholder activities and generate resources for client needs	\$47.39	4	26	0.10	\$4,901.48
Staff support	Regional Program Director	Project compliance with management, operations and public safety standards to achieve programmatic outcomes	\$63.52	2	26	0.05	\$3,284.89
Staff support	Executive leadership	Quality control, problem solving	\$105.68	2	26	0.05	\$5,465.17
Staff support	Finance	Payroll, billing, financial controls	\$53.91	3	26	0.08	\$4,181.88
Staff support	Human Resources	Staff recruiting, hiring, training, disputes	\$44.57	3	26	0.08	\$3,457.36
Staff support	Operations	Inventory, purchasing, technical support	\$41.42	3	26	0.08	\$3,213.01
Overtime Allocation	Standard overtime allocation at 2% of labor						\$2,415.88
Labor Subtotal:						2.78	\$120,794.23
Client Services							
Category	Description						TOTAL
Transportation	Client/staff transport (1 vehicle): vehicle lease, gas, vehicle insurance, maintenance						\$12,480.00
Housing Assistance	Fees, rental assistance and move-in costs for: rapid rehousing, sober living homes, room and board, rooms for rent, relocations, emergency shelter vouchers, etc. Also fees for documentation, local transportation, work expenses, etc.						\$30,000.00
Safety Equipment	Personal Protective Equipment for staff and clients (masks, gloves, safety footwear, trash bags, etc.)						\$832.50
Client Services Subtotal:							\$43,312.50
Operations and Program Expenses							
Category	Description						TOTAL
Rent	Office space and office equipment/furniture rental						\$4,495.50
Equipment	Phones, computers (hardware and software) and equipment						\$5,677.65
Materials/Supplies	Uniforms, copies, forms, office supplies, equipment, etc.						\$1,207.13
Materials/Supplies	IT support and client management software licenses						\$1,456.88
Materials/Supplies	Financial audit						\$832.50
Materials/Supplies	Liability Insurance						\$624.38
Operations and Program Expenses Subtotal:							\$14,294.03
Indirect Costs							
Category	Description						TOTAL
De minimis rate for non-federal entity	Per 2 CFR 200.414-11, de minimis rate established for non-Federal entities who do not have negotiated Indirect Cost Rate. This fee is charged at a rate of 10% to offset expenses incurred by the organization but not billable as direct project expenses.						\$17,840.08
Indirect subtotal:							\$17,840.08
Project TOTAL							\$196,240.83

Notes

Rates current as of 10/19/23. Annual renewal(s) would require review of rates for costs, materials and supplies plus COLA tied to local consumer price index. New contracts require 90-day startup time and 20% advance payment. Advance payment will be credited proportionately on each monthly invoice.

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 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 are to 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.



Administrative Report

H.8., File # 24-1280

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL

From: GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

APPROVE A GRANT AGREEMENT BETWEEN THE CITY OF REDONDO BEACH AND DOING IT WITH LOVE INC., DBA TRADEWINDS, IN AN AMOUNT OF \$ 3,263 FOR THE COMPLETION OF STOREFRONT IMPROVEMENTS AT 142 INTERNATIONAL BOARDWALK

EXECUTIVE SUMMARY

The City Council has identified the revitalization of the International Boardwalk as a primary goal and adopted several related objectives as part of the City's Strategic Plan. One objective was the implementation of a Storefront Improvement Program (Program) to restore and enhance the physical appearance of the businesses along International Boardwalk. In 2022, the City Council approved \$200,000 for the program, which provides up to 50% of matching grant funds to partially reimburse tenants for executed storefront improvements.

The proposed Agreement with Tradewinds would partially reimburse the retail store owner for storefront improvements at 142 International Boardwalk. The proposed improvements include replacing old wood panels and trim along the business facade, new siding, caulking, the patching of nail holes, new paint, and a new logo on the front door. In total, the project is estimated to cost \$6,525. The grant agreement would reimburse 50% of the cost, for a total of \$3,263.

BACKGROUND

In October 2022 the City Council approved a new Storefront Improvement Program for International Boardwalk tenants and appropriated \$200,000 in funding to assist in revitalization of the area. The program provides matching grant funds (up to 50% of the project cost) to reimburse tenants that perform improvements to their storefronts. Eligible improvements under the Program include, but are not limited to, exterior paint, removal and replacement of old signs and awnings, repair and replacement of windows and entry doors, new façade, landscaping, necessary ADA improvements, and remediation of any City code violations. All improvements made with Program grant funds must comply with applicable local, state, and federal regulations.

If approved for grant funding under the Program, applicants must sign a grant agreement with the City for a term not to exceed three years. The Grant Agreement details the terms and conditions associated with the Program, as well as required future maintenance obligations for the recipient. Grant funds are disbursed on a reimbursement basis. Once the proposed improvements are completed, applicants will be required to submit a business sworn statement that all improvements

have been completed, City inspection approvals, and proof of payment to contractors. In addition, the recipient of the grant must have all City permits and fee obligations paid prior to reimbursement. Grants are processed in the normal City accounts payable cycle of net 60 days.

The proposed Grant Agreement with Tradewinds being presented for approval is attached and includes the following:

Address	Proposed Work	Project Cost	Funding Request
142 International Boardwalk Blvd	<ul style="list-style-type: none"> Remove old wood panels and trim Replace trim and siding Caulk trim, door, and patch nail holes Prime and paint doors, siding, and window casings Nautical logos like Anchor, Compass, and Tradewinds logo on door 	\$6,525	\$3,262.50
Total:		\$6,525	\$3,262.50

Staff has reviewed the grant application internally and worked with the applicant to ensure that all improvements comply with local, state, and federal regulations. The proposed project will have a positive impact on the International Boardwalk's aesthetic, and staff is recommending that Council approve the grant funding agreement.

COORDINATION

The Waterfront and Economic Development Department coordinated this report with the City Manager's Office. The City Attorney's Office approved the Grant Agreement as to form.

FISCAL IMPACT

The storefront improvement program initially received a \$200,000 General Fund appropriation. The current program balance is \$190,000. Approval of the grant agreement would dedicate \$3,263 of the available balance.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Grant Agreement with Tradewinds - 142 International Boardwalk

GRANT AGREEMENT

This Grant Agreement ("Agreement") is entered into effective July 30, 2024, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and DOING IT WITH LOVE INC., a California corporation under the laws of California (the "Grantee"), owner of property located at 142 INTERNATIONAL BOARDWALK ("Project Property"), on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, the City has established a Commercial Storefront Improvement Program (the "Program") pursuant to the adopted Commercial Storefront Improvement Program Guidelines ("Program Guidelines") for the public purpose of encouraging the improvement and revitalization of the exterior façades of existing commercial buildings in the International Boardwalk Commercial Corridor;

WHEREAS, the Program is administered by the City and funded by the General fund;

WHEREAS, the Project Property is a commercial business located within the International Boardwalk Commercial Corridor and is eligible for participation in the Program;

WHEREAS, the City agrees to reimburse the Grantee for a percentage of eligible costs for the completion of storefront improvements at the Project Property as described in Exhibit A;

WHEREAS, the Grantee desires to participate in the Program pursuant to the terms and provisions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

The City agrees to reimburse the Grantee for up to 50% of eligible costs associated with the completion of storefront improvements at the Project Property in an amount not to exceed \$3,262.50, upon submittal of all properly executed and notarized forms set forth in Section 4 of this Agreement, and upon the City's approval of all costs.

The improvement costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items necessary for the proper execution and completion of the scope of work as shown on the plans, design drawings, specifications and estimates approved by the City. Such plans, design drawings, specifications, and estimates are attached hereto as **Exhibit A**.

SECTION 2: WORK COMPLETION

Grantee agrees that all work will be completed by a licensed contractor within 180 days of the date of this Agreement, unless otherwise authorized by the City. The City's program coordinator, or an authorized representative, shall periodically review the progress of the

contractor's work on the storefront improvement pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings and the storefront improvements at the Project Property, when convenient to all parties, for inspection of the Storefront Improvement Program work. Such inspections shall not replace any required permit inspections by the City's Building Inspectors. All work which is not in conformance with the approved plans, design drawings and specifications shall be immediately remedied by the Grantee and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings and specifications and the terms of the Agreement.

SECTION 3: FAILURE TO COMPLETE WORK

If the Grantee, or his/her designated contractor should fail to complete the approved improvements provided for herein, in conformity with the approved plans and specifications, or within the terms of this Agreement, the City's financial obligation shall cease.

SECTION 4: REIMBURSEMENT REQUIREMENTS

Upon completion of the improvements by the Grantee, and upon final inspections by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) owner's sworn statement; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work; and 4) proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving a completed owner's statement, architect's statement (if applicable), contractor's statement, proof of payment and final lien waivers, for the approved costs as set forth in Section 1. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement, (or) complete all improvements in accordance with the approved plans and specifications in the time specified will be deemed a breach of this Agreement.

SECTION 5: MAINTENANCE OF WORK, REMEDIES FOR BREACH

Upon completion of the work pursuant to this Agreement and for the duration of the Term (defined below), the Grantee and any subsequent operator of the Project Property, such as a new lessee, shall properly maintain the completed work in finished form and without change or alteration. The foregoing maintenance obligations shall include all such obligations set forth in the Program Guidelines. For the duration of the Term, the Grantee and any subsequent operator of the Project Property, including but not limited to, Business Owner shall not enter into any contract for or take any other steps to alter, change or remove any or all of the completed work, nor shall the Grantee or any subsequent transferee undertake any other changes, by contract or otherwise, to the improvements made in performing the work, unless the proposed changes are first reviewed and approved by the City. Approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings, and specifications approved pursuant to this Agreement.

In the event the Grantee or any subsequent operator breaches this Section 5 (Maintenance of Work), the City may thereupon recover the entire amount of the grant from the Grantee and/or the subsequent operator of the Project Property, together with reasonable attorney fees and costs

incurred in enforcing this provision.

In the event the Project Property is sold within three (3) years of this Agreement, the property owner, whether they are the original applicant or not, agrees to repay the City a prorated amount equal to the proportion of the three (3) years remaining, rounded to the nearest year.

SECTION 6: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee 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 the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) 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. , the Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee 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 the Grantee 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. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 7: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved improvements provided for in this Agreement.

SECTION 8: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Project Property for a period of three (3) years after the execution of this Agreement. It shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

SECTION 9: GRANT FORFEITURE

The Grantee acknowledges that he/she will forfeit the grant for failure to pay any outstanding fees or taxes to the City of Redondo Beach or for failure to correct any violations of city codes and ordinances on the property in question or on any other property within the limits of the City of Redondo Beach that is owned by Grantee during said three (3) year period.

IN WITNESS THEREOF, the parties have executed this Grant Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH,
a chartered municipal corporation

By: _____
James A. Light, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

DOING IT WITH LOVE INC.
a California corporation

By: _____
Darren Eichhorn, Business Owner

Consent of Property Owner:

Property Owner has read the foregoing Agreement and consents to the proposed improvements as described.

CITY OF REDONDO BEACH,
a chartered municipal corporation

By: _____
James A. Light, Mayor

Exhibit A

The City agrees to reimburse the Grantee for a percentage of eligible costs for the completion of storefront improvements at the Project Property as described in the Scope of Work below and as shown in the photos and estimates set forth below:

Improvement

Cost

Remove old wood panels and trim
Install new Hardie trim and Hardie siding.
Caulk trim, door and
Patch all nail holes.
Prime and paint roll gates, new siding and trim window casings.
ROYAL NAVY COLORS (BLUE, Red and white trim)
Nautical logos like Anchor, Compass and Tradewinds Logo on roll gates

Estimated Project Cost: \$6,525

Total Project Cost: \$6,525

Total Grant Funds Approved: \$3,262.50

Superior Handymen

25840 Narbonne Ave Unit 1
Lomita, Ca 90717 US
(310) 344-7898
Superior.Handymen19@gmail.com

FIRST CHOICE - Darren**Estimate**

ADDRESS

Darren Eichhorn
50 Pier Ave Hermosa Beach, CA 90254 United States

ESTIMATE
DATE

1113
05/18/2024

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
	Sales	Remove old wood panels and trim Install new hardie planks and hardie boards trim Caulk around door and window casings Patch nail holes Paint new siding and trim	1	6,525.00	6,525.00

TOTAL

\$6,525.00

Accepted By

Accepted Date







Administrative Report

H.9., File # 24-1298

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL

From: MICHAEL W. WEBB, CITY ATTORNEY JOY ABAQUIN FORD,
QUALITY OF LIFE PROSECUTOR

TITLE

APPROVE THE FIRST AMENDMENT TO THE ON-CALL CONSULTING SERVICE AGREEMENT WITH DAVID EVANS AND ASSOCIATES, INC., TO INCREASE THE NOT TO EXCEED AMOUNT BY \$150,000 FOR A NEW TOTAL NOT TO EXCEED AMOUNT OF \$250,000.

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2407-059, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2024-2025 BUDGET MODIFICATION TO APPROPRIATE \$1,338,753 OF GRANT FUNDS TO THE INTERGOVERNMENTAL GRANTS FUND FOR THE EXPANSION OF THE REDONDO BEACH PALLET SHELTER AND IMPLEMENTATION OF THE ALTERNATIVE CRISIS RESPONSE PILOT PROGRAM.

EXECUTIVE SUMMARY

On April 9, 2024, the Mayor and Council approved an agreement with Health Net to accept an award of \$1,338,753 for the expansion of the Redondo Beach Pallet Shelter as well as for an Alternative Crisis Response (ACR) Pilot Program. Health Net wired the funds to the City in July 2024. The City can now move forward with capital improvements to the Pallet Shelter to expand it. Civil and transportation engineering will be required for the expansion. These professional services can be provided by David Evans and Associates.

In an effort to accelerate CIP project delivery, Public Works Department staff has negotiated on-call professional service agreements with engineering, architecture and surveying firms to allow for quick assignment of smaller tasks by setting up the contract conditions in advance. On-call service contracts are, by definition, fully defined as to the scope, amount and encumbrance of a funding source. To overcome these uncertainties, these contracts include a mechanism for staff to receive quotes and award work on a task by task basis, with a "not to exceed" limit for the amount of work awarded to a consulting firm over the life of the contract. Funding for each task comes from projects and programs that have already received Council appropriations.

The City Council has awarded a number of these contracts in the past, including one to David Evans and Associates. They have been successfully used in a number of projects to accelerate project delivery timelines. Staff is now bringing an additional amendment to an existing contract forward for approval by the City Council. The proposed amendment is included as an attachment.

Staff recommends that the Mayor and Council adopt the resolution to appropriate that funding to the Intergovernmental Grants Fund, add the Pallet Shelter expansion to the CIP list, and approve the First Amendment to the on-call consulting service agreement with David Evans and Associates, Inc.

BACKGROUND

Health Net has awarded \$1,338,753 to the City for an Alternative Crisis Response (ACR) Pilot Program (\$570,000) and expansion of the Pallet Shelter (\$768,750). An appropriation is required to record the revenue and create budget for expenditures. The City spent \$300,057 of the funding designated for the Pallet Shelter in FY 2023-24 upon receipt of a support letter from Health Net issued in December 2023 confirming grant funding.

In addition to this grant funding, the City is working with the County to get a draft agreement for the grant from Supervisor Holly Mitchell for \$800,000 for the balance of the Pallet Shelter expansion. That will come to Council at a future meeting.

The City is also working on a contract with a potential service provider for the ACR Pilot Program. An agreement will also come to Council at a future meeting.

With the funding now available, the City can move forward with the capital improvements to expand the Pallet Shelter. This will require civil work that can be provided by David Evans and Associates. David Evans and Associates is a civil and municipal engineering consultant who specializes in many facets of municipal engineering disciplines.

During the City's process for the FY 2018-19 budget cycle, a Budget Response Report identified several tools that would be useful in accelerating the pace of delivery of CIP projects. One tool that staff strongly recommended is on-call contracting for professional services. On-call service contracts are, by definition, not fully defined as to the scope, amount and encumbrance of a funding source. To overcome these uncertainties, the contracts include a mechanism for staff to receive quotes and award work on a task-by-task basis, with a "not to exceed" limit for the amount of work awarded to a vendor. This allows staff to quickly assign smaller work tasks (e.g. geotechnical engineering, surveying, etc.) without having to develop and present an individual contract to the City Council for award. Funding sources for on-call contracts are not identified at the time of award. Rather, as tasks are assigned to an on-call vendor, the funding is assigned (using the purchase order) from the already appropriated funding source for the particular project to which the work applies.

The Engineering Services Division and the City Attorney's Office worked together to develop a contract template for solicitation of RFP's for on-call consulting services. The template is usually a two-year term with a not to exceed value of \$100,000 over the two years. Many of these contracts have been renewed for additional two-year terms, and new vendors have been awarded contracts as the City's need for on-call firms grows and changes. These agreements provide the City with a deep and broad "bench" of firms to supplement staff efforts to deliver CIP projects.

Given the grant deadlines and priority of the expansion of the Pallet Shelter, staff is recommending increasing the not to exceed amount with David Evans and Associates by \$150,000 to \$250,000 to allow the accelerated delivery of project design.

Staff recommends that the Mayor and Council 1) approve the resolution to appropriate the funding to the Intergovernmental Grants Fund; 2) add the Pallet Shelter expansion to the CIP list; and 3)

approve the First Amendment to the agreement with David Evans and Associates.

COORDINATION

The City Attorney's Office coordinated with the Engineering Department and the Finance Department in connection with the preparation of this report.

FISCAL IMPACT

No additional funding impacts occur by approving the contract amendment because the Health Net grant will fund the required professional services from David Evans and Associates. Funding is committed as tasks are assigned by staff and only from funds that the Council appropriates to the project. In addition, this grant will also fund the entirety of an ACR Pilot Program and almost half of the budget to expand the Pallet Shelter, which includes these professional services. The other half of the Pallet Shelter expansion will be funded by a grant from Supervisor Mitchell.

ATTACHMENTS

- First Amendment to the On-Call consulting Service Agreement with David Evans and Associates, Inc.
- Resolution No. CC-2407-059

**FIRST AMENDMENT TO THE AGREEMENT
FOR CONSULTING SERVICES BETWEEN
THE CITY OF REDONDO BEACH
AND DAVID EVANS AND ASSOCIATES, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("First Amendment") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and David Evans Associates, Inc., an Oregon corporation (hereinafter "Consultant" or "Contractor").

WHEREAS, on January 23, 2024, the parties originally entered into the Agreement for Consulting Services between the City and Consultant (the "Agreement");

WHEREAS, the parties desire to increase the Consultant's compensation and update the notice provisions; and

WHEREAS, the parties desire to amend the Agreement.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendment to the Agreement:

1. **COMPENSATION.** Exhibit "C" of the Agreement is hereby amended to add Exhibit "C-1", increasing the Consultant's compensation limit by \$150,000, setting a new limit of \$250,000. Exhibit "C" is further amended to update the notice provisions. Exhibit "C-1" is attached hereto and incorporated by reference.
2. **NO OTHER AMENDMENTS.** Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement and this First Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreements with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement and this First Amendment, the terms of this First Amendment shall govern.

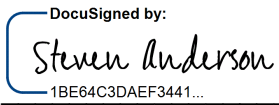
SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this First Amendment in Redondo Beach, California, as of this 30th day of July, 2024.

CITY OF REDONDO BEACH,
a chartered municipal corporation

DAVID EVANS AND ASSOCIATES, INC.,
an Oregon corporation

James A. Light, Mayor

DocuSigned by:

By: _____
Name: Steven Anderson
Title: Associate

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "C-1"

COMPENSATION

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

- I. **AMOUNT.** Consultant shall perform the work for all City Engineer or designee approved Task Proposal(s) in accordance with the hourly rate schedule attached to and incorporated into Exhibit "C" of the Agreement.
- II. **EXPENSES.** Consultant shall be reimbursed for expenses in accordance with the schedule attached to Exhibit "C" of the Agreement. If Consultant requires reimbursement for expenses not provided on the rate schedule in the Agreement, including but not limited to, mileage, reproduction costs, and subcontractor markup, Consultant shall not be reimbursed without a subsequent written amendment, which shall be at the sole discretion of the city.
- III. **NOT TO EXCEED AMOUNT.** In no event shall the total amount paid to the Consultant, including reimbursable expenses, exceed \$250,000 during the term of this Agreement and any amendments hereto.
- IV. **METHOD OF PAYMENT.** Consultant shall provide monthly invoices to City for approval and payment for those services performed in the month prior to invoice submission. Invoices must include the following information.
 - A. Task number.
 - B. All personnel who performed work on the Task.
 - C. Description of the work performed.
 - D. Number of hours worked.
 - E. Hourly rate.
 - F. All City approved and documented subcontractor invoices.
 - G. If applicable, expenses incurred.

Invoices must be itemized, adequately detailed, be based on the work performed and time spent in the prior month, and in a form reasonably satisfactory to the City. Invoices must attach the prior written authorization of the City and copies of receipts to substantiate expense requests. Consultant may be required to provide back-up material upon request. If no work is performed in a given month, no invoice is required.

Within the approved amount of each approved Task Proposal, and with the written approval of the city, a portion of the amount from the line item of the task may be allocated to another line item task so long as the total amount approved for the Task Proposal as described in Exhibit "A" of the Agreement is not exceeded.

- V. **SCHEDULE FOR PAYMENT.** City agrees to pay Consultant within thirty (30) days after receipt of Consultant's monthly invoice; provided, however, that services are

completed to the City's reasonable satisfaction and there is no dispute over the amount.

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

Consultant: David Evans and Associates, Inc.
17542 E. 17th Street, Suite 150
Tustin, CA 92780
Attention: Steven Anderson

City: City of Redondo Beach
Public Works Department, Engineering Services Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: Lauren Sablan, Acting City Engineer

All notices, including notices of address changes, provided under this Agreement are deemed received as follows: (1) on the third day after mailing if sent by registered or certified mail; or (2) 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.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/1/2024

1/17/2024

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 Lockton Companies 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000 kcasu@lockton.com	CONTACT NAME: PHONE (A/C. No. Ext): FAX (A/C. No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Zurich American Insurance Company INSURER B: The Continental Casualty Company INSURER C: American Guarantee and Liab. Ins. Co. INSURER D: American Zurich Insurance Company INSURER E: INSURER F:	NAIC # 16535 20443 26247 40142
INSURED 1330770 DAVID EVANS AND ASSOCIATES, INC. 2100 S RIVER PARKWAY, SUITE 100 PORTLAND OR 97201		

COVERAGES MAIN**CERTIFICATE NUMBER:** 20209297**REVISION NUMBER:** XXXXXXXX

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
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	GLO9830389	12/1/2023	12/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
C	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	BAP9830390	12/1/2023	12/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	N	N	SXS 6468058-00	12/1/2023	12/1/2024	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
D	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 <input checked="" type="checkbox"/> N	Y N/A	WC9336626	12/1/2023	12/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	PROFESSIONAL LIABILITY	N	N	AEH591924704	12/1/2023	12/1/2024	PER CLAIM \$1,000,000 ANNUAL AGGREGATE \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: PROJECT NUMBER: CRDB0000-0002 PROJECT NAME: ON-CALL PROFESSIONAL DESIGN & PROJECT SERVICES. THE CITY, ITS ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND VOLUNTEERS ARE ADDITIONAL INSUREDS AS RESPECTS GENERAL LIABILITY AND AUTO LIABILITY, AND THESE COVERAGES ARE PRIMARY AND NON-CONTRIBUTORY, IF REQUIRED BY WRITTEN CONTRACT. WAIVER OF SUBROGATION APPLIES TO GENERAL LIABILITY, AUTO LIABILITY AND WORKERS COMPENSATION/EMPLOYER'S LIABILITY WHERE ALLOWED BY STATE LAW AND IF REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER**CANCELLATION** See Attachments**20209297**CITY OF REDONDO BEACH, PUBLIC WORKS DEPARTMENT
ATTN: ANDREW WINJE, CITY ENGINEER

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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Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

POLICY NO. GLO 9830389

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Any person or organization you are required to add	Any Location where you have agreed, through a written contract, agreement or permit, to provide
as an additional insured in a written contract or	Additional insured coverage except where such
written agreement.	Contract or agreement is prohibited by law.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule of this endorsement, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated in such Schedule.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Additional Insured – Owners, Lessees Or Contractors – Completed Operations

POLICY NO. GLO 9830389

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Any person or organization you are required to add as an additional insured under a written contract or written agreement.	Any location or project where you are required to provide additional insured status in a written contract or written agreement, except where such contract or agreement is prohibited by law.

Section II – **Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule of this endorsement, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in such Schedule, performed for that additional insured and included in the "products-completed operations hazard".

All other terms, conditions, provisions and exclusions of this policy remain the same.

POLICY NUMBER: GLO 9830389

Other Insurance Amendment - Primary And Non-Contributory



This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

1. The following paragraph is added to the Other Insurance Condition of Section IV - Commercial General Liability Conditions:

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

- a. The additional insured is a Named Insured under such other insurance; and
- b. You are required by a written contract or written agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of Section IV - Commercial General Liability Conditions:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

All other terms and conditions of this policy remain unchanged.

U-GL-1327-A CW

Waiver Of Subrogation (Blanket) Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.				
GLO 9830389	12/01/2023	12/01/2024				

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:

If you are required by a written contract or agreement, which is executed before a loss, to waive your rights of recovery from others, we agree to waive our rights of recovery. This waiver of rights shall not be construed to be a waiver with respect to any other operations in which the insured has no contractual interest.

POLICY NUMBER: BAP 9830390COMMERCIAL AUTO

CA 20 48 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

**AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM**

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

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: David Evans and Associates, Inc.

Endorsement Effective Date: 12/1/2023

SCHEDULE

Name Of Person(s) Or Organization(s): Any person or organization you are required to provide additional insured status on a primary basis, in a written contract or agreement, except where such contract or agreement is prohibited by law.
--

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
--

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph **A.1.** of Section **II** - Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph **D.2.** of Section **I** - Covered Autos Coverages of the Auto Dealers Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: DAVID EVANS AND ASSOCIATES, INC.

SCHEDULE

Name(s) Of Person(s) Or Organization(s):

ANY PERSON OR ORGANIZATION THAT REQUIRES YOU TO WAIVE YOUR
RIGHTS OF RECOVERY IN A WRITTEN CONTRACT OR AGREEMENT WITH THE
NAMED INSURED.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
--

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
WC 00 03 13 (Ed. 04-84)

POLICY NUMBER: WC9336626

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that required you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

SCHEDULE

Any person or organization that requires you to waive your rights of recovery in a written contract or agreement with the Named Insured.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

RESOLUTION NO. CC-2407-059

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2024-2025 BUDGET MODIFICATION TO APPROPRIATE \$1,338,753 OF HEALTH NET GRANT FUNDS TO THE INTERGOVERNMENTAL GRANTS FUND FOR THE EXPANSION OF THE REDONDO BEACH PALLET SHELTER AND IMPLEMENTATION OF THE ALTERNATIVE CRISIS RESPONSE PILOT PROGRAM.

WHEREAS, it is the intention of the City Council of the City of Redondo Beach ("City Council") to review the adopted budget from time to time; and

WHEREAS, the City of Redondo Beach's adopted budget needs to be modified to appropriate monies to fund necessary expenditures; and

WHEREAS, Health Net is awarding the City \$570,003 for an Alternative Crisis Response Pilot Program; and

WHEREAS, in the Fiscal Year 2023-2024 adoption, Council directed staff to pursue grant money and fully explore expanding the pallet shelter; and

WHEREAS, the estimated cost to expand the pallet shelter facility into the adjacent lot to the North is an estimated \$1,568,750; and

WHEREAS, on December 20, 2023, Los Angeles County Supervisor Holly Mitchell presented a support letter approving \$800,000 of Second District homelessness funds for the expansion of the Pallet Shelter with the understanding that Redondo Beach will secure the remaining funds to advance the project; and

WHEREAS, on December 18, 2023, Health Net provided the City of Redondo Beach with a support letter to fund the remaining balance to expand the Pallet Shelter; and

WHEREAS, City Council approved the Agreement with Health Net to accept the award of \$768,750 ON April 9, 2024; and

WHEREAS, the City has approved the receipt and appropriation of past funding for similar programs.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the amounts allocated in the budget of Fiscal Year 2024-2025 and the amounts required to meet conditions which have arisen during the budget year require a modification in the budget appropriation; and, upon recommendation of the City Manager, the budget appropriation as adopted for Fiscal Year 2024-2025 is modified as follows:

One million three hundred thirty-eight thousand seven hundred fifty-three dollars (\$1,338,753) in grant funds from Health Net shall be appropriated to the Intergovernmental

Grant Fund and expended for the implementation of an Alternative Crisis Response Pilot Program and the expansion of the Redondo Beach Pallet Shelter.

SECTION 2. That pursuant to Section 11(f) of the City Charter, the City Clerk is hereby directed and instructed to correct the budget records of said City for Fiscal Year 2024-2025 in accordance with the above modification.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 30th day of July, 2024.

James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2407-059 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 30th day of July, 2024, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk



Administrative Report

J.1., File # 24-1273

Meeting Date: 7/30/2024

TITLE

For eComments and Emails Received from the Public



Administrative Report

N.1., File # 24-1279

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL
From: LUKE SMUDE, ASSISTANT TO THE CITY MANAGER

TITLE

DISCUSSION AND POSSIBLE ACTION RELATED TO THE ISSUANCE OF BONDS TO FINANCE THE RENOVATION OR REPLACEMENT OF CRITICAL PUBLIC INFRASTRUCTURE AND CONSIDER RESOLUTION AND ORDINANCE TO SUBMIT TO THE VOTERS AT THE STATEWIDE GENERAL ELECTION ON NOVEMBER 5, 2024.

ADOPT BY TITLE ONLY RESOLUTION NO. 2407-060, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, AND THEIR FINANCING THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3274-24, AN ORDINANCE OF THE CITY OF REDONDO BEACH ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF REDONDO BEACH AT THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY. FOR INTRODUCTION AND FIRST READING.

EXECUTIVE SUMMARY

Consistent with the direction provided by the City Council at its July 16, 2024 meeting, this report continues the necessary steps required to place a General Obligation (GO) Bond measure for the replacement of Fire Station #1, Fire Station #2, Police Headquarters, and the renovation of the Police Annex on the November 5, 2024, General Election ballot.

The process for approving and issuing GO bonds is governed by the California Constitution and California law. The first steps of that process require the City to adopt a Resolution of Necessity and introduce an ordinance approving and submitting to City voters the proposition incurring bonded indebtedness. If the City Council approves the two proposed documents, staff will return on August 6, 2024, for the second reading and adoption of the ordinance and the approval of a resolution placing the public safety infrastructure bond measure on the November 5, 2024 ballot.

BACKGROUND

The City retained the services of Fairbank, Maslin, Maullin, Metz & Associates (FM3) to conduct a voter opinion survey on a potential ballot measure to approve a GO Bond payable from ad valorem property taxes to fund the renovation or replacement of a number of City facilities, including Fire Stations, Police Headquarters and Police Annex, the Public Works Yard along with the possible inclusion of additional funding for the acquisition of open space in the City. The polling data was presented to Council on July 16 and showed community support for a bond that improved Fire and Police facilities only. Following discussion of the item, Council directed staff to engage the City's Bond Counsel and Municipal Advisor to prepare the required legal and financial documents to advance a GO Bond Measure totaling \$93,348,835 to replace Fire Station #1, Fire Station #2, Police Headquarters, and to renovate the Police Annex.

Facility	Amount
Fire Station #1 (Replace)	\$19,289,959
Fire Station #2 (Replace)	\$28,764,328
Police Headquarters (Replace)	\$32,362,000
Police Annex (Renovate)	\$12,932,548
TOTAL	\$93,348,835

This figure is based on data provided from the Facilities Cost Analysis completed by Griffin Structures, Inc. detailing the investment required to renovate or replace these facilities, along with additional contingency in line with reasonable best practices in engineering and construction. Following the meeting, the City's Municipal Advisor and Bond Counsel indicated the ballot should reflect a simplified number. As such, the total amount of the GO Bond presented to voters will be rounded-up to \$93,350,000.

The proposed GO Bond is payable from ad valorem property taxes and is a special tax measure that requires voter approval. If approved by voters, the expenditure of proceeds of the GO Bonds, when issued, would be restricted to capital costs associated with the replacement and renovation of the Fire and Police facilities. The revenue derived from the ad valorem property tax levy would be used solely to pay debt service on the GO Bonds.

The documents being presented to Council with this report include the following:

Resolution of Necessity

The Resolution of Necessity is required by California Government Code section 43607. In adopting this Resolution, the Council is finding and determining that the public interest or necessity demands the acquisition, construction, or completion of the proposed municipal improvements, and that the costs of the improvements will require an expenditure of the City greater than allowed by the City's current annual levy. Adoption of the Resolution of Necessity requires a two-thirds vote of all Council members (4 yes votes).

Ordinance

Government Code section 43608 requires adoption of an Ordinance that includes a description of the object and purpose of bonds, the estimated costs of the improvements, and the manner of holding the election. In addition, the Ordinance will be provided to voters as

part of the voter information guide. Adoption of the Ordinance requires a two-thirds vote of all Council members (4 yes votes).

Use of the GO Bond proceeds will be limited to capital costs for improvements associated with the replacement of Fire Station #1, Fire Station #2, Police Headquarters, and renovation of the Police Annex. In addition to construction costs, eligible costs include fees for design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management, planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction (if needed); addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects; and financing and interest costs on the bonds.

Under existing law, the measure will be approved only if 2/3 of the voters in the City voting on the proposition vote in favor of passage. However, Proposition 5 has qualified for the November 5, 2024, Statewide ballot. Proposition 5 would, among other things, change existing law related to the approval threshold for the issuance of GO bonds for public infrastructure. If voters approve Proposition 5 in the November 5, 2024 statewide election, Proposition 5 will apply to the City's GO Bond measure and approval of the Bonds for replacement and renovation of the fire and police facilities will require that 55% (not 2/3) of the voters in the City voting on the proposition vote in favor.

One of the specified accountability requirements from Proposition 5 is to have a citizens' oversight committee. Under current law, citizen oversight is not a requirement, however if Proposition 5 and the City measure pass, citizen oversight will be required and staff will work with Council to establish an oversight committee that meets the requirements of Proposition 5.

At this time, staff recommends Council approve both the Resolution of Necessity and the first reading of the Ordinance ordering submission of the GO Bond Measure to the voters. If approved, the Ordinance will be brought back for second reading on August 6 and, if adopted, take effect immediately. Staff would also present another resolution for Council consideration on August 6 that would properly consolidate the GO Bond Measure with the City's other November General Election matters.

COORDINATION

This item was coordinated with the City Clerk's Office, the City Attorney's Office, and the Financial Services Department

FISCAL IMPACT

There is no fiscal impact associated with this item. Future costs will be incurred to employ a Bond Underwriter, and to continue working with the City's Municipal Advisor and Bond Counsel to prepare the necessary documents to prepare the item for consideration as part of the November 5, 2024 to be called with the Statewide General Election.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

Reso - No. 2407-060 Resolution of Necessity

Ord - No. 3274-24 Ordering Submission of the GO Bond Measure to the Voters

RESOLUTION NO. CC-2407-060

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, AND THEIR FINANCING THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS

WHEREAS, the City of Redondo Beach (the “City”) is a charter city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, as mentioned in the City’s Capital Improvement Program (CIP), the City desires to undertake the acquisition, construction, reconstruction, rehabilitation or replacement of the City’s police and fire facilities (together, the “Improvements”); and

WHEREAS, the City has outgrown its aging police and fire facilities, which were built in the 1950s when the City’s population was approximately one-third of the current population; and

WHEREAS the current fire stations, where constructed in 1959 for a total staff of 39 firefighters serving a population of 50,000. Today the fire department responds to over 8,000 annual emergency calls with a total staff of 69 personnel serving a population of 70,000 in the same facilities. These stations lack adequate space for personnel and paramedic equipment, hindering operational efficiency; and

WHEREAS on June 28, 2024, the Los Angeles Civil Grand Jury issued a report on *Earthquake Safety Readiness* directing cities to prioritize government building resilience and to initiate retrofitting and rebuilding of these buildings to ensure earthquake resilience; and

WHEREAS, the City falls within a region that is susceptible to earthquakes due to its proximity to several active fault lines which includes the Palos Verdes Fault, Newport-Inglewood Fault and San Andreas Fault. Redondo Beach is part of the broader Los Angeles area, which is classified as Seismic Zone 4. This is the highest seismic risk zone in the United States, indicating a high potential for significant seismic activity; and

WHEREAS, the City’s 911 communication center, police station and fire stations are critical infrastructure and critical components of the emergency response system and must adhere to stringent building codes designed to enhance earthquake resilience and ensure readiness in a disaster. This includes requirements for seismic retrofitting and/or replacement of older buildings to enhance the earthquake resilience of these buildings. These centers are the first point of contact in emergencies, providing immediate response and coordination in any disaster; and

WHEREAS, the fire stations are in need of repair, replacement and upgrades, including but not limited to, addressing structural cracking, seismic retrofitting, mold, asbestos and outdated plumbing and electrical systems, and adding or updating female sleeping quarters and restrooms in order to help recruit and retain fire fighters and paramedics; and

WHEREAS, the police station, which was constructed in 1957 for a total staff of 48, lacks adequate space for current personnel and equipment, hindering operational efficiency for the now roughly 240 Police Department employees; and

WHEREAS the current police station is in need of repair, replacement and upgrades, including but not limited to, mold, asbestos and lead, outdated plumbing and electrical systems, meeting California Structural Performance Category (SPC) requirements to survive a strong earthquake, addressing significant roof leaks during storms, updating inadequate restrooms to meet ADA requirements, and updating facilities to utilize more efficient, economical and environmentally friendly energy systems; and

WHEREAS a new police station would be able to accommodate space for new state-of-the-art technology to enhance the communications center, drone operations, jail operations, and a more contemporary Emergency Operations Center to keep the City secure during the management of emergency incidents; and

WHEREAS a new police station will incorporate modern security measures to better protect officers and arrestees, allow for community integration and meeting spaces, and foster positive relationships between law enforcement and residents to better accommodate the needs of the community; and

WHEREAS, the undertaking of the Improvements by the City constitutes the acquisition, construction, reconstruction, rehabilitation and/or replacement of “municipal improvements” and “public infrastructure” because the Improvements are (1) part of the structures, facilities and equipment owned and operated under the control of the City, (2) part of the basic, underlying features of the City’s physical landscape, community identity, and organization, (3) once acquired or completed, open to the public for use and/or benefiting the public, and (4) necessary or convenient to carry out the objects, purposes and powers of the City; and

WHEREAS, the City is authorized to call an election for the proposition of incurring a bonded indebtedness and to issue such bonds to finance municipal improvements constituting public infrastructure of the City pursuant to certain provisions of the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”); and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition, construction, reconstruction, rehabilitation or replacement of the Improvements; and

WHEREAS, in order to initiate proceedings under the Bond Law to provide for the issuance of general obligation bonds, the City Council of the City (the “City Council”) must make certain findings and determinations.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Redondo Beach as follows:

SECTION 1: The public interest and necessity demand, and it is the intention of the City Council to require, the acquisition, construction, reconstruction, rehabilitation or replacement of the Improvements, and to issue the Bonds to finance the cost thereof, subject to completion of the proceedings required by the Bond Law.

SECTION 2: The City Council hereby finds and determines that the estimated costs of the Improvements will require an expenditure by the City greater than the amount allowed for it by the annual tax levy of the City. The principal amount of the Bonds will not exceed the estimated cost of the Improvements.

SECTION 3: This Resolution is adopted, and the Bonds, if approved by the qualified voters voting on the issuance of the Bonds, are to be issued pursuant to the Bond Law.

SECTION 4: The City Council hereby finds that adoption of this Resolution to initiate placement of the proposed measure on the November 5, 2024 ballot is not a “project” under the California Environmental Quality Act (“CEQA”), because neither this Resolution nor the proposed ballot measure involves any commitment to a specific project which may result in a potentially significant physical impact on the environment pursuant to Title 14, California Code of Regulations (CEQA Guidelines) Section 15378(b)(4). The proposed ballot measure is for the creation of a government funding mechanism which does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment.”

SECTION 5: This Resolution shall take effect upon its adoption by two-thirds of all members of the City Council.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Redondo Beach on July 30, 2024.

Jim Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2407-060 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 30th day of July, 2024, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

ORDINANCE NO. 3274.24

AN ORDINANCE OF THE CITY OF REDONDO BEACH ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF REDONDO BEACH AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY

WHEREAS, the City of Redondo Beach (the “City”) is a charter city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, as mentioned in the City’s Capital Improvement Program (CIP), the City desires to undertake the acquisition, construction, reconstruction, rehabilitation or replacement of the City’s police and fire facilities (together, the “Improvements”); and

WHEREAS, the City has outgrown its aging police and fire facilities, which were built in the 1950s when the City’s population was approximately one-third of the current population; and

WHEREAS the current fire stations, where constructed in 1959 for a total staff of 39 firefighters serving a population of 50,000. Today the fire department responds to over 8,000 annual emergency calls with a total staff of 69 personnel serving a population of 70,000 in the same facilities. These stations lack adequate space for personnel and paramedic equipment, hindering operational efficiency; and

WHEREAS on June 28, 2024, the Los Angeles Civil Grand Jury issued a report on *Earthquake Safety Readiness* directing cities to prioritize government building resilience and to initiate retrofitting and rebuilding of these buildings to ensure earthquake resilience; and

WHEREAS, the City falls within a region that is susceptible to earthquakes due to its proximity to several active fault lines which includes the Palos Verdes Fault, Newport-Inglewood Fault and San Andreas Fault. Redondo Beach is part of the broader Los Angeles area, which is classified as Seismic Zone 4. This is the highest seismic risk zone in the United States, indicating a high potential for significant seismic activity; and

WHEREAS, the City’s 911 communication center, police station and fire stations are critical infrastructure and critical components of the emergency response system and must adhere to stringent building codes designed to enhance earthquake resilience and ensure readiness in a disaster. This includes requirements for seismic retrofitting and/or replacement of older buildings to enhance the earthquake resilience of these buildings. These centers are the first point of contact in emergencies, providing immediate response and coordination in any disaster; and

WHEREAS, the fire stations are in need of repair, replacement and upgrades, including but not limited to, addressing structural cracking, seismic retrofitting, mold, asbestos and outdated plumbing and electrical systems, and adding or updating female sleeping quarters and restrooms in order to help recruit and retain fire fighters and paramedics; and

WHEREAS, the police station, which was constructed in 1957 for a total staff of 48, lacks adequate space for current personnel and equipment, hindering operational efficiency for the now roughly 240 Police Department employees; and

WHEREAS the current police station is in need of repair, replacement and upgrades, including but not limited to, mold, asbestos and lead, outdated plumbing and electrical systems, meeting California Structural Performance Category (SPC) requirements to survive a strong earthquake, addressing significant roof leaks during storms, updating inadequate restrooms to meet ADA requirements, and updating facilities to utilize more efficient, economical and environmentally friendly energy systems; and

WHEREAS a new police station would be able to accommodate space for new state-of-the-art technology to enhance the communications center, drone operations, jail operations, and a more contemporary Emergency Operations Center to keep the City secure during the management of emergency incidents; and

WHEREAS a new police station will incorporate modern security measures to better protect officers and arrestees, allow for community integration and meeting spaces, and foster positive relationships between law enforcement and residents to better accommodate the needs of the community; and

WHEREAS, the undertaking of the Improvements by the City constitutes the acquisition, construction, reconstruction, rehabilitation or replacement of “municipal improvements” and “public infrastructure” because the Improvements are (1) part of the structures, facilities and equipment owned and operated under the control of the City, (2) part of the basic, underlying features of the City’s physical landscape, community identity, and organization, (3) once completed, open to the public for use and/or benefiting the public, and (4) necessary or convenient to carry out the objects, purposes and powers of the City; and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) to finance the cost of the acquisition, construction, reconstruction, rehabilitation or replacement of the Improvements; and

WHEREAS, under existing law, approval of the Bonds requires 2/3 of the voters in the City voting on the proposition to vote in favor; and

WHEREAS, Assembly Constitutional Amendment No. 1, as amended by Assembly Constitutional Amendment No. 10, has qualified for the November 5, 2024 Statewide ballot as “Proposition 5” and would, among other things, change existing law to authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure if the proposition proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the proposition includes specified accountability requirements; and

WHEREAS, the foregoing amendments effectuated by Proposition 5, if approved at the November 5, 2024 Statewide ballot, would apply to any proposition authorizing general obligation bonds of a city that is submitted at the same election as Proposition 5; and

WHEREAS, the proposition to approve the Bonds complies with all the provisions of Proposition 5, including all of its accountability requirements, so that, if Proposition 5 is approved

on November 5, 2024, approval of the Bonds shall require that 55% (not 2/3) of the voters in the City voting on the proposition vote in favor; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

NOW, THEREFORE, the City Council of the City of Redondo Beach does hereby ordain as follows:

SECTION 1. PURPOSE AND INTENT. Pursuant to the authority provided by the California Government Code and California Elections Code, the City Council proposes to order the submission of a proposition authorizing the City to issue general obligation bonds (the “Bonds”) to the qualified voters of the City at the general municipal election to be held on November 5, 2024.

SECTION 2. FINDINGS. The City Council hereby makes the following findings with respect to the proposed measure for the Bonds:

- (i) On July 30, 2024, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, AND THEIR FINANCING THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS,” pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the Improvements, which are municipal improvement projects constituting public infrastructure of the City.
- (ii) In order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, it is necessary for the City Council to adopt an ordinance ordering the submission of the proposition of incurring bonded indebtedness for such purpose to the qualified voters of the City at a municipal election.
- (iii) The City Council desires to submit said ballot measure to the qualified voters of the City at the Statewide general election to be held in the City on November 5, 2024, and to consolidate the bond election with other elections held within the City on that date.

SECTION 3. CALL FOR ELECTION. The City Council hereby orders that there be submitted to the qualified voters of the City a proposition on incurring bonded indebtedness for the purposes set forth in this Ordinance, at the Statewide general election to be held on November 5, 2024.

SECTION 4. BALLOT PROPOSITION. The City Council hereby submits to the qualified voters of the City, at the Statewide general election to be held on November 5, 2024, a proposition on issuing the Bonds. The statement of the measure shall be in substantially the form set forth in the resolution of the City placing the measure on the ballot.

SECTION 5. OBJECT AND PURPOSE OF BONDS. The object and purpose of the Bonds is to finance some or all of the costs of the Improvements. The authorized Improvements also include all work, facilities and expenditures necessary and incidental to the projects described above.

Examples of such work, facilities, and expenditures include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects; and financing and interest costs on the Bonds.

The final costs, locations, designs, layouts and other components of the Improvements will be determined as plans are finalized, construction bids are awarded, and projects are completed. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

SECTION 6. ESTIMATED COSTS OF IMPROVEMENTS. The estimated costs of the Improvements is \$93,350,000. The estimated cost includes legal or other fees, the costs of printing the Bonds, and other costs and expenses incidental to or connected with the authorization, issuance and sale of the Bonds. To the extent the Improvements financed are revenue-producing public works, the cost of the Improvements may also include bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

SECTION 7. PRINCIPAL AMOUNT OF BONDS. The amount of the principal of the Bonds shall not exceed \$93,350,000.

SECTION 8. MAXIMUM INTEREST RATE. The maximum rate of interest to be paid on the Bonds shall be the statutory maximum of 12% per annum. Said interest shall be payable semiannually, except that interest for the first year after the date of the Bonds may be made payable at the end of said year.

SECTION 9. ISSUANCE AND SALE OF BONDS. The City proposes to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above if the requisite number of qualified voters voting on the proposition vote in favor thereof. The Bonds will be general obligations of the City payable from and secured by ad valorem taxes levied and collected in the manner prescribed by the laws of the State of California. The revenue generated from the ad valorem tax levied and collected will be used for the payment of debt service on the Bonds. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

SECTION 10. MANNER OF CONDUCTING ELECTION. The election on the Bonds held on November 5, 2024 shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the election with which it is consolidated.

SECTION 11. PROCEDURE FOR VOTING ON PROPOSITION. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the proposition on the ballot, in accordance with procedures to be adopted by the authorized officers of the County of Los Angeles (the "County") charged with conducting the election.

SECTION 12. ACCOUNTABILITY REQUIREMENTS. In accordance with Proposition 5 and Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds:

- (i) The proceeds from the sale of the Bonds shall be used only for the purposes specified in this Ordinance, and not for any other purpose, including City employee salaries and other operating expenses. The administrative cost of the City for the Improvements shall not exceed 5% of the proceeds from the sale of the Bonds.
- (ii) The proceeds from the sale of the Bonds shall only be spent on projects and programs that serve the jurisdiction of the City.
- (iii) This Ordinance shall be the ordinance through which projects will be funded and the City hereby certifies that it has evaluated alternative funding sources.
- (iv) The City shall conduct an annual, independent performance audit to ensure that the Bond funds are expended pursuant to the local program specified in clause (iii).
- (v) The City shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the Improvements.
- (vi) The City shall post the audits required by clauses (iv) and (v) in a manner that is easily accessible to the public.
- (vii) The City shall submit the audits required by clauses (iv) and (v) to the California State Auditor for review.
- (viii) The City shall appoint a citizens' oversight committee to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters. Members appointed to the oversight committee shall receive educational training about bonds and fiscal oversight.
- (ix) Any entity owned or controlled by a member of the City Council shall be prohibited from bidding on any work funded by the proposition.
- (x) A separate account shall be created and held by the City, into which the proceeds of the Bonds shall be deposited and applied solely for the purpose of financing the Improvements.
- (xi) The Finance Director of the City shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

SECTION 13. IDENTIFICATION OF TAX. The tax imposed by this measure is an ad valorem tax levied upon taxable real property in the City, and will be used to pay the principal and interest on the Bonds.

SECTION 14. OFFICIAL ACTIONS. The Mayor, the City Manager, the Finance Director, the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the Bond measure on the ballot.

SECTION 15. INTERPRETATION. The provisions of this Ordinance, being necessary for the health, welfare, and safety of the City and its residents, is to be liberally interpreted to carry out its purposes. No error, irregularity or informality, and no neglect or omission of any officer, in any proceeding taken related to the submission of the proposition incurring bonded indebtedness to the qualified voters of the City shall void or invalidate any such proceeding, any Bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on the Bonds.

SECTION 16. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications, and to this end the provisions this Ordinance are declared to be severable.

SECTION 17. PUBLICATION OF ORDINANCE. This Ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance. If there are no such newspapers, it shall be posted in three public places in the City for two succeeding weeks. No other notice need be given.

SECTION 18. EFFECTIVE DATE. In accordance with Section 36937(a) of the California Government Code and Section 9.16(a) of the City's Charter, this Ordinance shall become effective immediately, as an ordinance relating to an election, upon its adoption by two-thirds vote of all the members of this City Council.

INTRODUCED at a regular meeting of the City Council on the 30th day of July 2024, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

PASSED AND ADOPTED at a regular meeting of the City Council on the ____ day of August 2024, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Jim Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk



Administrative Report

N.2., File # 24-1300

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL

From: ELEANOR MANZANO, CITY CLERK

TITLE

DISCUSSION AND POSSIBLE ACTION PERTAINING RESOLUTIONS, CALLING AND GIVING NOTICE OF HOLDING A SPECIAL MUNICIPAL ELECTION, BY CONSOLIDATING WITH LA COUNTY STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, TO ADD A BALLOT MEASURE FOR A CHARTER AMENDMENT ARTICLE XXVII MAJOR CHANGE IN ALLOWABLE AND LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i); AND

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2407-062, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF HOLDING A SPECIAL MUNICIPAL ELECTION, CONSOLIDATE WITH THE LA COUNTY STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, AS REQUIRED BY THE PROVISIONS OF THE CHARTER AND FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO PROPOSED CHARTER AMENDMENT ARTICLE XXVII MAJOR CHANGE IN ALLOWABLE AND LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i); AND

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2407-061, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE FOR CERTAIN MEASURE; AND

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2407-063, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS AND REBUTTALS REGARDING CITY MEASURE RELATED TO CHARTER AMENDMENT TO ARTICLE XXVII, MAJOR CHANGES IN ALLOWABLE LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, AND LETTER DESIGNATIONS FOR SUCH MEASURE

EXECUTIVE SUMMARY

At the City Council meeting on July 23, 2024, the City Council provided direction to staff to bring back resolutions to call and give notice of holding a Special Municipal Election, by Consolidating with LA County Statewide General Election to be held on Tuesday, November 5, 2024, to add a ballot

measure for a charter amendment for Article XXVII Major Change in Allowable And Land Use Sections 27.2, 27.4(b), and 27.6(h) and (i), per provisions of the City Charter.

Charter Sections Revision

- 27.2 Definitions.
(amend correcting the sequence, typographical errors, and creating an alpha sequence)
- 27.4(b) Vote of the People on major change in allowable land use.
(amend “mailed” to “make available” due to changes in technology)
- 27.6(h) & (i) Exceptions.
(add text due to a Court ruling that is pre-empted by State law as to the housing element process for Section 27.6(h) and (i))

The City Council is asked to review and/or revise the drafted Ballot Question as they see fit (limited to no more than 75 words); and to assign first, second and third choice of Ballot Measure letter designation; and designate an author(s) to write the argument(s) in support of this Ballot Measure; and subsequently adopt the Resolutions.

COORDINATION

The City Clerk's Office has coordinated with the City Attorney's office.

FISCAL IMPACT

The Ballot Measure costs have been included in the FY23-24 Budget for this Election.

APPROVED BY:

Eleanor Manzano, City Clerk

ATTACHMENTS

- 2407-062 Calling and Giving Notice to proposed Charter amendment Article XXVII
- 2407-061 Resolution Requesting to Consolidate with the Statewide General Election
- 2407-063 Setting Priorities for filing written agreement and rebuttals, directing the City Attorney to prepare an impartial analysis, and letter designations.

RESOLUTION NO. CC-2407-062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF HOLDING A SPECIAL MUNICIPAL ELECTION, CONSOLIDATE WITH THE LA COUNTY STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, AS REQUIRED BY THE PROVISIONS OF THE CHARTER AND FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO PROPOSED CHARTER AMENDMENT ARTICLE XXVII MAJOR CHANGE IN ALLOWABLE AND LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i),

WHEREAS, at the City Council meeting held on July 23, 2024, the City Council approved proposed amendments to the City Charter Article XXVII Section 27.2, 27.4(b), and 27.6(h) and (i) -Major Change in Allowable Land Use for submission to the voters, that would confirm which provisions are pre-empted by State Law; and

WHEREAS, in a ruling filed on October 20, 2023, a Superior Court Judge found that Article XXVII of the Redondo Beach Charter is pre-empted by statewide law as it relates to the housing element process, nullifying its requirement of voter approval of zoning changes contemplated by a draft housing element; and

WHEREAS, pursuant to authority provided by Sections 1415(a)(2)(A) and 9222 of the California Elections Code, the City Council of the City of Redondo Beach submits to the voters proposed amendments to the City Charter Article XXVII, Sections 27.2, 27.4(b), 27.6(h) and (i); and

WHEREAS, the City Council is authorized and directed by statute to submit the proposed charter amendments to the voters.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: That pursuant to the California Constitution, Article XI and the Government Code, Title 4, Division 2, Chapter 2 (commencing at section 34450) and the Election Code Division 9, Chapter 3, Article 3 (commencing at section 9255) of the State of California, that the City Council, pursuant to its right and authority, does hereby order submitted to the voters at a Special Municipal Election, consolidated with the LA County Statewide General Election on November 5, 2024, for the purpose of submitting the following proposed charter amendment:

MEASURE __

PROPOSED CHARTER AMENDMENT. Shall Sections 27.2, 27.4(b), and 27.6(h) and (i), of City Charter Article XXVII for Major Changes in Allowable Land Use be amended correcting the sequence, typographical errors, and creating an alpha sequence for Section 27.2; and change “mailed” to “make available” due to changes in technology for Section 27.4(b) and add text due to a Court ruling that is pre-empted by State law as to the housing element process for Section 27.6(h) and (i)?	YES	
	NO	

SECTION 2. That the text of the proposed charter amendments to be submitted to the voters are attached as Exhibit "A".

SECTION 3. That the vote requirement for the measures to pass is a majority (50%+1) of the votes cast.

SECTION 4. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 5. That the City Clerk/Elections Official is authorized, instructed and directed to coordinate with the County of Los Angeles Registrar-Recorder/County Clerk to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 6. That the polls/vote centers for the election shall be open at 7:00 a.m. of the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls/vote centers shall be closed, pursuant to Election Code Section 10242, except as provided in Sections 14212, 14401 of the Elections Code of the State of California.

SECTION 7. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 8. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 9. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 30th day of July, 2024.

James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2407-XXX was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 30th day of July, 2024, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Eleanor Manzano, CMC
City Clerk

EXHIBIT "A"

PROPOSED CHARTER AMENDMENT MEASURE __

THE PEOPLE OF THE CITY OF REDONDO BEACH, CALIFORNIA, HEREBY AMEND SECTIONS 27.2, 27.4 (b), AND 27.6 (h) & (i) OF ARTICLE XXVII OF THE CHARTER OF THE CITY OF REDONDO BEACH TO READ AS FOLLOWS:

(NOTE: New provisions or language added to the existing Charter section are shown in **BOLDFACE type**; words and figures deleted from the existing charter section are shown in ~~strikeout type~~.)

§ 27.2 Definitions.

The definitions set forth in this section apply to the provisions of this article only and do not affect any other provision of law.

(a) "Aggrieved person" means the proponent of a major change in allowable land use, any property owner or City resident, and any other person entitled to CEQA notice pursuant to Public Resources Code Section 21092.2.

(b) "As built condition" means the dwelling units, office and other nonresidential units, buildings and baseline traffic conditions existing at the time the City issues the notice of preparation of an environmental impact report for the major change in allowable land use, or, where no such notice is issued, when the City commences environmental analysis for the major change. Illegal dwellings and other conditions that exist in violation of the City's zoning ordinance or its local coastal program and are subject to the City's power of abatement, may not be accounted for in the as built condition for the purpose of determining a "significant increase," as defined in subdivision (c) below.

~~"Significantly increase" or "Significant Increase" means any one or more of the following increases over or changes compared to the as built condition of a neighborhood:~~

- ~~(1) The traffic generated by the project produces: (i) more than 150 additional morning or evening peak hour trips; or (ii) an increase in intersection capacity utilization (ICU) of 0.01 or more at any critical intersection operating at a level of service (LOS) of "E" or worse or having an ICU of 0.9 or higher; or (iii) any increase in ICU at any City intersection from less than 0.9 to 0.9 or higher; or (iv) any change in LOS at any critical intersection or on any critical corridor from better than "E" to "E" or worse. For purposes of determining traffic increases attributable to a major change in allowable land use, baseline and projected ICU and LOS conditions shall be determined considering weekday peak hour conditions at such time of the year when local public schools are in session.~~
- ~~(2) The density increase generated by the project produces more than twenty-five (25) additional residential dwelling units.~~
- ~~(3) The intensity of use generated by the project produces more than 40,000 additional square feet of residential, office or other nonresidential floor area.~~

~~The voters declare that dividing a major change in allowable land use that would otherwise require their approval into partial changes that would not by themselves require their approval, frustrates their intent to have control over major changes in allowable land use and is contrary to the purposes of this article. For the purposes of this article, a "significant increase" occurs if the combination of a proposed minor change in allowable land use with one or more other minor or major changes in allowable land use in the same neighborhood approved within eight (8) years preceding issuance of the notice of preparation of an environmental impact report for the proposed minor change, or, where no such notice is issued, within eight (8) years preceding commencement of the City's environmental analysis for the proposed minor change, meets any increase or change threshold for traffic, density or intensity of use defined in this subdivision.~~

(c) "Critical corridors" and "Critical intersections," as used herein, refer to:

- (1) Pacific Coast Highway corridor from Prospect Avenue to Artesia Boulevard;
- (2) Aviation Boulevard within or bordering Redondo Beach;
- (3) Prospect Avenue within or bordering Redondo Beach;
- (4) Hawthorne Boulevard where it borders Redondo Beach;
- (5) Herondo/Anita/190th Streets within or bordering Redondo Beach;
- (6) Artesia Boulevard within or bordering Redondo Beach;
- (7) Torrance Boulevard within Redondo Beach;
- (8) Catalina Avenue within Redondo Beach;
- (9) Intersection of Aviation Boulevard and Artesia Boulevard;
- (10) Intersection of Herondo/Anita Streets and Pacific Coast Highway;
- (11) Intersection of Torrance Boulevard and Pacific Coast Highway;
- (12) Intersection of Palos Verdes Boulevard and Pacific Coast Highway;
- (13) Intersection of Artesia Boulevard and Inglewood Avenue;
- (14) Intersection of 190th Street and Inglewood Avenue;
- (15) Intersection of Torrance Boulevard and Prospect Avenue;
- (16) Intersection of Catalina Avenue and Torrance Boulevard;
- (17) Intersection of Catalina Avenue and Beryl Street;
- (18) Intersection of Catalina Avenue and Esplanade;
- (19) Intersection of Catalina Avenue and Pacific Coast Highway;

(20) Any other corridor operating at ninety (90%) percent of capacity or worse; and

(21) Any other intersection operating a LOS "E" or worse.

(d) "General plan" means the General Plan of the City of Redondo Beach.

(e) "Major change in allowable land use" means any proposed amendment ~~proposed amendment~~, change, or replacement of the General Plan (including its local coastal element, as defined in Public Resources Code Section 30108.55), of the City's zoning ordinance (as defined and contained in Title 10, Chapter 2 of the Redondo Beach Municipal Code) or of the zoning ordinance for the coastal zone (as defined and contained in Title 10, Chapter 5 of the Redondo Beach Municipal Code) meeting any one or more of the following conditions:

~~"Peak hour trips" means the number of peak hour vehicle trips a major change in allowable land use would generate on a daily basis. Peak hour trips generated shall be calculated by using the most recent version of the Trip Generation Manual of the Institute of Transportation Engineers (ITE) in effect on the date the City issued the notice of preparation of an environmental impact report for a major change in allowable land use, or, where no such notice is issued, when the City commences environmental analysis for the major change.~~

(1) The proposed changed in allowable land use would significantly increase traffic, density or intensity of use above the as built condition in the neighborhood where the major change is proposed.

(2) The proposed change in allowable land use would change a public use to a private use. A major change in allowable land use in this category shall include a change of use on (i) land designated for a public use or a public right-of-way; (ii) land designated as utility right-of-way; (iii) land donated, bequeathed or otherwise granted to the City; (iv) land used or designated for Redondo Beach school property; (v) land allocated to the Beach Cities Health District; (vi) land owned, controlled or managed by the City, including all land and water within the City's Harbor Enterprise; (vii) the beaches, as defined in subdivision (a)(4) of Section 10-5.2204 of the Redondo Beach Municipal Code; and (viii) the tidelands and all other public trust lands, as defined in subdivision (a)(139) of Section 10-5.402 of the Redondo Beach Municipal Code.

(3) The proposed change in allowable land use would change a nonresidential use to residential or a mixed use resulting in a density of a greater than 8.8 dwelling units per acre whether or not any such unit is used exclusively for residential purposes.

(f) "Minor change in allowable land use" means any proposed amendment to the General Plan (including its local coastal element, as defined in Public Resources Code Section 30108.55), the City's zoning ordinance (as defined and contained in Title 10, Chapter 2 of the Redondo Beach Municipal Code), the zoning ordinance for the coastal zone (as defined and contained in Title 10, Chapter 5 of the Redondo Beach Municipal Code) that does not fall within the definition of a major change in allowable land use.

(g) "Neighborhood" means all properties located either entirely or partially within 1,000

feet of any parcel or lot that is subject to a proposed change in allowable land use.

(h) "Peak hour trips" means the number of peak hour vehicle trips a major change in allowable land use would generate on a daily basis. Peak hour trips generated shall be calculated by using the most recent version of the Trip Generation Manual of the Institute of Transportation Engineers (ITE) in effect on the date the City issued the notice of preparation of an environmental impact report for a major change in allowable land use, or, where no such notice is issued, when the City commences environmental analysis for the major change

(i) "Proponent" means any individual, firm, association, syndicate, partnership, corporation, trust or any other legal entity applying with the City for a change in allowable land use. If the City itself initiates the change, it shall be deemed the proponent for the purposes of this article.

(j) "Significantly increase" or "Significant Increase" means any one or more of the following increases over or changes compared to the as built condition of a neighborhood:

- (1) The traffic generated by the project produces: (i) more than 150 additional morning or evening peak hour trips; or (ii) an increase in intersection capacity utilization (ICU) of 0.01 or more at any critical intersection operating at a level of service (LOS) of "E" or worse or having an ICU of 0.9 or higher; or (iii) any increase in ICU at any City intersection from less than 0.9 to 0.9 or higher; or (iv) any change in LOS at any critical intersection or on any critical corridor from better than "E" to "E" or worse. For purposes of determining traffic increases attributable to a major change in allowable land use, baseline and projected ICU and LOS conditions shall be determined considering weekday peak hour conditions at such time of the year when local public schools are in session.**
- (2) The density increase generated by the project produces more than twenty-five (25) additional residential dwelling units.**
- (3) The intensity of use generated by the project produces more than 40,000 additional square feet of residential, office or other nonresidential floor area.**

The voters declare that dividing a major change in allowable land use that would otherwise require their approval into partial changes that would not by themselves require their approval, frustrates their intent to have control over major changes in allowable land use and is contrary to the purposes of this article. For the purposes of this article, a "significant increase" occurs if the combination of a proposed minor change in allowable land use with one or more other minor or major changes in allowable land use in the same neighborhood approved within eight (8) years preceding issuance of the notice of preparation of an environmental impact report for the proposed minor change, or, where no such notice is issued, within eight (8) years preceding commencement of the City's environmental analysis for the proposed minor change, meets any increase or change threshold for traffic, density or intensity of use defined in this subdivision.

§ 27.4 Vote of the People on major change in allowable land use.

- (a) Each major change in allowable land use shall be put to a vote of the People; provided, however, that no such change shall be submitted to the voters unless the City Council has first approved it. A major change in allowable land use shall become effective only after approval by the City Council and a majority of the voters of the City voting "YES" on a ballot measure proposing such change at either a regular or special municipal election. An advisory election does not satisfy the voter approval requirement.
- (b) The sample ballot materials ~~mailed~~ **made available** to the registered voters prior to an election shall describe any major change in allowable land use in a manner that clearly discloses both the scope and main features of the project (including sequencing or phasing, as may be the case) that the major change in allowable land use consists of or depends on, and the location and the acreage of the project site. The description shall include the text of the proposed amendment to the General Plan, to the City's zoning ordinance or to the zoning ordinance for the coastal zone, or of any proposed adoption of, or amendment to, a specific plan. The description shall clearly compare the project and its traffic impacts both to the as built condition, and to existing applicable land use designations and zoning classifications, providing accurate comparative data concerning existing as well as proposed densities (in units per acre) and intensities of use (in square footage, types of use and traffic impacts). If a site-specific development is proposed in connection with a major change in allowable land use, and densities or intensities of use in such site-specific development are less than the densities or intensities the major change proposes, the text of the ballot shall clearly disclose the maximum total residential, commercial, industrial or other nonresidential buildout potential, and traffic impacts under buildout, compared to the as built condition. Easily readable maps shall be used to assist the voters in the project description. All of the information called for by this subdivision shall be posted on the City's website no later than thirty (30) days prior to the City Council's action on a major change in allowable land use, and such information shall be updated no later than ten (10) days following the City Council's approval, if the Council has changed the project.
- (c) For all major changes in allowable land use approved by the City Council after the effective date of this article of the City Charter, the election required by this article shall be set for the general municipal election next following City Council approval of the major change; or, by mutual agreement with the proponent, the City Council may call a special municipal election, with the cost of the special election being borne solely by the proponent. For all major changes in allowable land use approved by the City Council on or after the date of publication, pursuant to Election Code Section 9205, of the notice of intention to circulate the initiative petition to add this article to the City Charter, but before the effective date of this article, the election required by this article shall be set for the general municipal election next following the effective date of this article; or, by mutual agreement with the proponent, the City Council may call a special municipal election, with the cost of the special election being borne solely by the proponent.
- (d) The popular vote required by this article shall be in addition to all other applicable review and approval requirements for such major change, including environmental

review in compliance with the California Environmental Quality Act (CEQA).

- (e) All subsequent City permits and approvals necessary to implement all or part of a major change in allowable land use shall conform to the voter-approved change. Under no circumstances shall any subsequent permit or approval authorize, allow or otherwise accommodate higher densities, intensities of use, or trip generation than the densities, intensities and trip generation approved by the City Council and the voters. No certificate of occupancy for any structure built as part of a project that depends on a major change in allowable land use shall issue until all mitigations of traffic impacts, including control signals, increases in right-of-way capacity via widening roads, or other right-of-way or intersection improvements, as may be required by the City Council, have been developed and implemented, and the City Engineer has certified completion and operation of all traffic impact mitigations in full compliance with the City Council's approval action.

§ 27.6 Exceptions.

- (a) This article shall not apply to any major change in allowable land use that is limited to allowing the development of a public school or a hospital. Nor shall this article apply to preclude completion of a site-specific development that depends on a major change in allowable land use approved before the effective date of this article, if before such date, the holder of any permit or other entitlement for use for such development has lawfully and in-good faith acquired a vested right, under state law, to carry out the development to completion.
- (b) The provisions of this article shall not apply to the extent that they would violate state or federal laws.
- (c) This article shall not be applied in a manner that would result in the unconstitutional taking of private property.
- (d) This article shall not apply to affordable housing projects required by state or federal law.
- (e) This article shall not apply to any major change in allowable land use of property with non-conforming residential units that were occupied on the date of publication, pursuant to Elections Code Section 9205, of the notice of intention to circulate the initiative petition adding Article XXVII to the City Charter so long as the proposed change in allowable land use meets the following conditions: the existing residential units are rendered conforming under the proposed change; the proposed change does not allow an increase in the number of residential units on the property; and the proposed change does not create a significant increase in traffic or intensity of use.
- (f) This article shall not apply to affordable housing projects for low and moderate income housing as defined by state law.
- (g) If modifications to the Local Coastal Program ("LCP") are suggested or required as a result of the California Coastal Commission's review of the LCP amendments for the Kensington Assisted Living Facility Project, any such modifications adopted by the City Council shall not be subject to this article and shall not require further voter

approval. Should such modifications to the LCP also require that the City Council adopt any other legislative amendments to ensure consistency, the City Council's adoption of those legislative amendments shall not be subject to this Article and shall not require further voter approval.

- (h) This article shall not apply to an amendment to or update of the housing element of the City's General Plan.**
- (i) This article shall not apply to an amendment to or update of any other element of the General Plan (including its local coastal element, as defined in Public Resources Code Section 30108.55), of the City's zoning ordinance (as defined and contained in Title 10, Chapter 2 of the Redondo Beach Municipal Code) or of the zoning ordinance for the coastal zone (as defined and contained in Title 10, Chapter 5 of the Redondo Beach Municipal Code) that implements a program in the City's General plan housing element. This includes, but is not limited to, an action required to meet the City's obligation to accommodate its Regional Housing Needs Assessment ("RHNA") allocation. However, this article shall apply to amendments or updates that are not made in connection with the required housing element update process of the City's obligation to maintain adequate capacity to meet its RHNA allocation. - This subdivision (i) shall be effective until the earlier of (1) the date that Government Code section 65913.4 is repealed or (2) January 1, 2036.**

RESOLUTION NO. CC-2407-061

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE FOR CERTAIN MEASURE.

WHEREAS, the City Council of the City of Redondo Beach called a Special Municipal Election to be held on November 5, 2024, for the purpose of submitting to the voters a certain measure; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of Los Angeles canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide General Election on Tuesday, November 5, 2024, for the purpose of City measure being placed on the ballot.

SECTION 2. That the measure to appear on the ballot is as follows:

MEASURE __

PROPOSED CHARTER AMENDMENT. Shall Sections 27.2, 27.4(b), and 27.6(h)(i), of City Charter Article XXVII for Major Changes in Allowable Land Use be amended correcting the sequence, typographical errors, and creating an alpha sequence for Section 27.2; and change “mailed” to “make available” due to changes in technology for Section 27.4(b) and add text due to a Court ruling that is pre-empted by State law as to the housing element process for Section 27.6(h) and (i)?	YES	
	NO	

SECTION 3. The City Clerk/Elections Official is directed to forward, without delay, to the Board of Supervisors of the County of Los Angeles, and to the Los Angeles County Elections Department, each, a certified copy of this Resolution and the proposed amendments attached as Exhibit “A”.

SECTION 4. That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

SECTION 5. That the ballots to be used at the election shall be in form and content as required by law and conducted in the manner prescribed in Elections Code Section 10418.

SECTION 6. That the County Election Department is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the special election.

SECTION 7. That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 8. That the City of Redondo Beach recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 9. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 30th day of July, 2024.

James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2407-061 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 30th day of July, 2024, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Eleanor Manzano, CMC
City Clerk

RESOLUTION NO. CC-2407-063

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS AND REBUTTALS REGARDING CITY MEASURE RELATED TO CHARTER AMENDMENT TO ARTICLE XXVII, MAJOR CHANGES IN ALLOWABLE LAND USE SECTIONS 27.2, 27.4(b), AND 27.6(h) AND (i), AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, AND LETTER DESIGNATIONS FOR SUCH MEASURE

WHEREAS, a Special Municipal Election to be consolidated with the Statewide General Election, to be held in the City of Redondo Beach, California on November 5, 2024, at which time there will be submitted to the voters the following charter amendment:

MEASURE __

PROPOSED CHARTER AMENDMENT. Shall Sections 27.2, 27.4(b), and 27.6(h)(i), of City Charter Article XXVII for Major Changes in Allowable Land Use be amended correcting the sequence, typographical errors, and creating an alpha sequence for Section 27.2; and change “mailed” to “make available” due to changes in technology for Section 27.4(b) and add text due to a Court ruling that is pre-empted by State law as to the housing element process for Section 27.6(h) and (i)?	YES
	NO

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to Section 9282(b) of the California Elections Code, the City Council, or any member or members of a legislative body authorized by the City Council, or any individual voter who is eligible to vote on the measure, or bona fide association of citizens, or any combination of voters and associations may file a written argument for or against a city measure.

SECTION 2. That pursuant to the above the City Council does authorize the following member(s) of its body: Councilmember(s)_____ for ___, Councilmember(s)_____ for ___, Councilmember(s)_____ for ___, to file written arguments In Favor of or Against City measure(s) as specified above **not exceeding 300 words**, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The arguments may be changed or withdrawn until **Friday, August 16, 2024 by 5:00 p.m.**, after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 3. The arguments shall be filed with the City Clerk/Elections Official, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement To Be Filed By Author(s) of Argument.

SECTION 4. That based on the time reasonably necessary to prepare and print the arguments and sample ballots and to permit the ten-calendar-day public examination period, the Los Angeles County Registrar Records/County Clerk has authorized **Friday, August 16, 2024**

by 5:00 p.m., as the date after which no arguments for or against a City measure may be submitted to the City Clerk/Elections Official for printing and distribution to the voters.

SECTION 5. That if more than one argument for or against the measures is submitted to the City Clerk/Elections Official within the time prescribed, pursuant to Section 9287 of the California Elections Code, City Clerk/Elections Official shall select, pursuant to Section 6, one of the arguments in favor and one of the arguments against the Measure for printing and distribution to the voters.

SECTION 6. That the City Clerk/Elections Official shall give preference and priority, in the order named, to the arguments of the following:

- (a) The City Council, or member(s) or members of the body authorized by the City Council.
- (b) The individual voter, or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.
- (c) Bona fide associations of citizens.
- (d) Individual voters who are eligible to vote on the measure.

SECTION 7. That pursuant to Section 9285(a)(1) of the California Elections Code, after the City Clerk/Elections Official has selected the arguments for and against each measure which will be printed and distributed to the voters, the Election Official shall send a copy of the argument in favor of each measure to the authors of the argument against each measure, and a copy of the argument against each measure to the authors of the argument in favor of each measure.

SECTION 8. That pursuant to Section 9285(a)(2) of the California Elections Code that author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument.

SECTION 9. That pursuant to Section 9285(a)(3) of the California Elections Code rebuttal arguments may **not exceed 250 words**.

SECTION 10. That pursuant to Section 9285(a)(4) of the California Elections Code rebuttal arguments relating to a city measure shall be filed with the Elections Official no later than 10 days after the final filing date for primary arguments, the Election Official has fixed **August 26, 2024 by 5:00pm**. The rebuttal argument shall be accompanied by the Form of Statement To Be Filed By Author(s) of Argument.

SECTION 11. That rebuttal arguments shall be filed with the City Clerk/Elections Official, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers.

SECTION 12. That pursuant to Section 9285(a)(5) of the California Elections Code all rebuttals may not be signed by more than five persons and shall be printed in the same manner as a primary argument and shall immediately follow the primary argument which it seeks to rebut.

SECTION 13. The City Clerk/Elections Official shall transmit a copy of the measure to the City Attorney.

- a. The City Attorney shall prepare an impartial analysis of the measure **not exceeding 500 words** showing the effect of the measure on the existing law and the operation of the measure.
- b. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city.
- c. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the Elections Official's office at (310) 318-0656 and a copy will be mailed at no cost to you."
- d. The impartial analysis shall be filed with the City Clerk/Elections Official by **Friday, August 26, 2024 by 5:00 p.m.**

SECTION 14. That the City Council approves the letter designations of "___", "___", and "___" as the first, second, and third choice for the submission to the Los Angeles County Clerk/Registrar Recorder for identification of the ballot measure.

SECTION 15. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 30th day of July, 2024.

James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2407-063 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 30th day of July, 2024, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Eleanor Manzano, CMC
City Clerk



Administrative Report

N.3., File # 24-0523

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL
From: ELEANOR MANZANO, CITY CLERK

TITLE

DISCUSSION AND POSSIBLE ACTION TO PROVIDE DIRECTION TO STAFF RELATING TO THE DRAFT ORDINANCE AMENDING THE CITY'S MUNICIPAL CODE RELATED TO RANKED CHOICE VOTING AS AN INSTANT RUNOFF MODEL.

EXECUTIVE SUMMARY

The City Clerk and City Attorney's Office jointly presented to the City Council at its Regular Meeting on January 23, 2024, and sought direction relating to implementing Ranked Choice Voting (RCV) and to prepare an ordinance detailing the process and present the item to Council in April 2024.

Ranked Choice Voting is a method that allows voters to rank candidates on the ballot in order of preference and the ballots are tabulated (counted) in rounds that simulate a series of runoffs until a candidate receives 50% plus 1, and therefore is determined to be the winner. RCV is also known and referred to as "instant runoff voting." RCV only applies to City Offices candidates, and does not include Redondo Beach Unified School District Members of the Board of Education.

This proposed draft ordinance will repeal Redondo Beach Municipal Code ("RBMC") Section [2-2.202](https://ecode360.com/42642408) of Title 2, Chapter 2, Article 2, Section 2-2.202 (Administration - Elections, Notice of runoff elections) and then amend Title 2, Chapter, 2, by adding Article 4 (Administration - Elections, Instant Runoff Voting).

A proposed draft ordinance has been prepared for your review, input, and to provide direction to staff in the areas listed below.

1. Maximum Ranking Number of Candidates due to HART equipment limitation at this time is 6. Select the total number of rankings with no more than 6.

Note: The City of Berkeley, which has been conducting RCV Elections since 2010, initially had a maximum of 3 and increased the number to 5 in 2022. They use Dominion equipment which now has a maximum of 10 rankings.

2. Write-In Candidate
Select the total number of ballot write-in with no more than 6.

Note: The number selected should be consistent with the Maximum Ranking Number of

Candidates (No. 1 Above).

Other points of interests on the proposed draft ordinance include the items listed below.

- **Skipped Ranking** occurs during any of the following:
When a voter skips ranking a candidate; and
When a voter includes a non-qualified write-in candidate.

For example, a ballot contains rankings for a second-choice candidate, third choice candidate, fourth choice candidate, but skips (did not select) a candidate for their first choice. Assuming that the voter's second choice is a continuing candidate, the ballot shall be transferred to the voter's second choice.

- **Undervote Ballot** is when a voter has not voted for a candidate indicated at *any* ranking, will be declared an undervote, the ballot becomes exhausted and does not continue in the series.
- **Overvote and Exhausted Ballots** is when a voter has voted for more than 1 candidate in a ranking (round), because they overvoted, the ballot becomes exhausted (invalid) and does not continue in the series.
- **Ties** In the event that two or more candidates tie for the fewest number of votes, the candidate to eliminate shall be chosen by lot.
If there are only two candidates in the *final round* and they are tied, the winner will be the candidate who received the higher number of votes in round one.
- **Unofficial Election Night Report** - On Election Day, the City Clerk will conduct unofficial count of all ballots received by the City Clerk prior to election day. This will not constitute a "round" of county and no candidates will be eliminated based on the report. On Final Day, the City Clerk will conduct all rounds of ranking until reaching the final two candidates; and will then provide Final Report(s).

In conducting research to prepare this ordinance, City Clerk staff contacted various sources to receive input, discuss best practices, and consider concerns relating to RCV. Staff contacted the following, City of Berkeley City Clerk, County of Humboldt Registrar of Voters, and HART representative. Based on staff research, these are the areas that vary from the different cities that have conducted/will conduct RCV and require City Council direction.

Furthermore, as a status update, the City Clerk's Office has been researching and will present a Voter Education and Outreach Plan to the City Council in August 2024.

Additionally, this City will be the first to conduct RCV in the County of Los Angeles, serving as a model to other cities in the Southern California area.

BACKGROUND

The City of Redondo Beach held its General Municipal Election on March 7, 2023, conducted by All-Mail Ballot. The electorate successfully voted, by an overwhelming 76.67%, for Measure CA5. The

ballot measure amended Charter Section 18.4, "Majority Vote; Instant Run Off Election" which replaced runoff elections for the Elected Offices of the City with an instant run off voting system.

At the last Regular City Council Meeting on April 2, 2024, the City Council directed the City Attorney to prepare an ordinance amending the City's Municipal Code to implement a voting method in March 2025 related to an instant runoff voting system, which on January 23, 2024, the City Council approved to move forward with RCV.

COORDINATION

This report was prepared in coordination with the City Attorney's Office.

FISCAL IMPACT

There is minimal fiscal impact associated with this item.

SUBMITTED BY:

Eleanor Manzano, City Clerk

ATTACHMENTS

- Proposed Draft Ordinance
- RCV Case - San Francisco, Dudum v. Arntz

ORDINANCE NO. XXXX-24

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, REPEAL TITLE 2, CHAPTER 2, ARTICLE 2, SECTION 2-2.202 (NOTICES OF RUNOFF ELECTIONS) AND ADDING ARTICLE 4 TO MUNICIPAL CODE TITLE 2, CHAPTER 2, TO PROVIDE FOR INSTANT RUNOFF VOTING

WHEREAS, on March 7, 2023, the voters of the City of Redondo Beach adopted Measure CA5, an amendment to the City Charter of the City of Redondo Beach, replacing runoff elections for elections for elective offices of the City with ranked choice voting, also known as instant runoff voting; and

WHEREAS, CA5 amended Charter section 18.4 which now includes the following language: "The City Council must by ordinance provide for an instant runoff voting system in the elections of each city elective office listed in Article VI, Article VIII, and Article X. A majority (more than half), of the votes cast for all candidates, or a majority of the operative votes on continuing ballots in subsequent rounds, is required for the election of a candidate to each such office as determined by an instant runoff voting system process detailed in the ordinance the council must enact"; and

WHEREAS, this ordinance is intended to implement the direction of section 18.4 of the Charter.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. REPEAL OF CODE SECTIONS. Section 2-2.202 of Title 2, Chapter 2, Article 2, Section 2-2.202 of the Redondo Beach Municipal Code is hereby repealed.

SECTION 2. AMENDMENT OF CODE. Title 2, Chapter 2, Article 4 is hereby added to the Redondo Beach Municipal Code and shall read as follows:

"Section 1. Title 2, Chapter 2, Article 4 is hereby added to the Redondo Beach Municipal Code as follows:

ARTICLE 4 – ELECTIONS – INSTANT RUNOFF VOTING

2-2.401 Definitions

2-2.402 General Provisions

2-2.403 Ballot

2-2.404 Tabulation

2-2.405 Ties

ORDINANCE NO. ****-24

REPEALING SECTION 2-2.202 OF TITLE 2, CHAPTER 2, ARTICLE 2, SECTION 2-2.202 AND ADDING SECTIONS 2-2.401 THROUGH 2-2.410 OF ARTICLE 4, TO TITLE 2, CHAPTER 2 OF RBMC PROVIDING FOR INSTANT RUNOFF VOTING
PAGE 1

2-2.406 Skipped Rankings
2-2.407 Undervotes, Overvotes and Exhausted Ballots
2-2.408 Reports
2-2.409 Continuing the Tally to Two Candidates
2-2.410 Manual Tally

2-2.401 Definitions.

- A. "Choice" means an indication on a ballot of a voter's assigned ranking of candidates (i.e. first choice, second choice, third choice, etc.) for any single office according to the voter's preference.
- B. "Continuing ballot" shall mean a ballot that counts towards a continuing candidate.
- C. "Continuing candidate" shall mean a candidate that has not been eliminated.
- D. "Exhausted ballot" means any ballot that cannot be advanced because no further continuing candidates are ranked on that ballot.
- E. "Majority of votes" shall mean more than fifty percent (50%) of the votes cast on continuing ballots.
- F. "Next ranked" means the highest ranked choice for a continuing candidate.
- G. "Overvote" means any ballot with more than one candidate indicated for the same ranking.
- H. "Ranked choice voting" shall mean an election system in which voters rank the candidates for office in order of preference, and the ballots are counted in rounds that, in the case of a single-winner election, simulate a series of runoffs until one candidate receives a majority of votes. Also known as "instant runoff voting."
- I. "Round of counting" or "round" means a step in the counting process during which votes for all continuing candidates are tabulated for the purpose of determining whether a candidate has achieved a majority of the votes cast for a particular office, and, absent a majority, which candidate or candidates must be eliminated. No round of counting or elimination of candidates can occur before all eligible ballots are received by the City Clerk.
- J. "Skipped ranking" means a ballot contains a higher ranking with no candidate indicated, and contains a lower ranking with a candidate indicated.
- K. "Undervote" means any ballot that has no candidates indicated at any ranking.
- L. "Unofficial Election Night Report" means an initial unofficial report regarding the results of ballots received by the City Clerk before election day. This does not constitute a round of counting and no candidates will be eliminated based on the report.
- M. "Vote" means a ballot choice that is counted toward the election of a candidate. During each round of counting, each continuing ballot contains one vote. All first choices are votes and lower ranked choices are potential runoff votes that may, in accordance with the requirements of this chapter, be credited to and become votes for a candidate.
- N. "Voting equipment" means all ballots and/or voting devices, vote tabulating systems and/or similar or related systems to be used in the conduct of the City's election,

ORDINANCE NO. ****-24

REPEALING SECTION 2-2.202 OF TITLE 2, CHAPTER 2, ARTICLE 2, SECTION 2-2.202 AND ADDING SECTIONS 2-2.401 THROUGH 2-2.410 OF ARTICLE 4, TO TITLE 2, CHAPTER 2 OF RBMC PROVIDING FOR INSTANT RUNOFF VOTING
PAGE 2

including but not limited to paper ballot systems, optical scan systems, and direct recording electronic systems.

2-2.402 General Provisions.

A. Ranked choice voting elections in the elections of each city elective office listed in Article VI, Article VIII, and Article X shall be conducted according to the procedures in this section.

B. Ranked choice voting shall commence with the 2025 General Municipal Election.

2-2.403 Ballot.

A. The ranked choice voting ballot shall allow voters to rank six choices.

B. The ballot shall not interfere with a voter's ability to rank a write-in candidate.

C. Instructions provided to voters shall conform substantially to the following specifications, but may be modified based on ballot design and voting equipment used:

"Vote by ranking candidates in your order of choice. You may rank as many or as few candidates as you choose. Select a different candidate for each ranking. Select only one candidate in each ranking. Ranking more candidates will not hurt your higher ranked candidates. Do not skip rankings."

2-2.404 Tabulation.

The ballots shall be counted in rounds.

A. In the first round, every ballot shall count as a vote towards the first choice candidate.

B. After any round, if any candidate receives a majority of votes from the continuing ballots, that candidate shall be declared the winner.

C. If no candidate receives a majority, the candidate receiving the fewest number of votes shall be eliminated.

D. Every ballot counting towards the eliminated candidate shall be advanced to the next-ranked continuing candidate. All the continuing ballots for all continuing candidates shall be counted again in a new round.

2-2.405 Ties.

In the event that two or more candidates tie for the fewest number of votes, the candidate to eliminate shall be chosen by lot.

If there are only two candidates in the final round and they are tied, the winner will be the candidate who received the higher number of votes in round one.

2-2.406 Skipped Rankings.

In the first or any round, in the event that any ballot reaches a ranking with no candidate indicated, that ballot shall immediately be advanced to the next ranking.

2-2.407 Undervotes, Overvotes, and Exhausted Ballots.

After each round, any ballot that is not continuing is either an undervote, overvote, or

exhausted ballot. Any ballot that has been declared an undervote, overvote, or exhausted shall remain so and shall not count towards any candidate in that round or in subsequent rounds.

2-2.408 Reports.

The following reports shall be produced for public review.

A. The "summary report" for a contest shall mean a report that lists the candidate vote totals in each round, and the cumulative numbers of undervotes, overvotes, and exhausted ballots in each round.

B. The "ballot image report" for a contest shall mean a report that lists, for each ballot, the candidate or candidates indicated at each ranking, the precinct of the ballot, and whether the ballot was cast by a vote-by-mail ballot. In the report, the ballots shall be listed in an order that does not permit the order in which they were cast in each precinct to be reconstructed.

C. The "comprehensive report" for a contest shall mean a report that lists the vote totals in the summary report by precinct. The report shall list, for each round, the number of ballots cast in each precinct that:

1. were tallied as votes for each candidate in that round,
2. have been declared undervotes,
3. have been declared overvotes, cumulatively for all previous rounds and inclusive of the reported round of tabulation, and
4. have been declared exhausted cumulatively for all previous rounds and inclusive of the reported round of tabulation.

D. Mode and manner of release. Preliminary versions of the summary report and ballot image report shall be made available as soon as possible after the commencement of the canvass of votes cast. The summary report, ballot image report, comprehensive report, and preliminary versions of the summary report and ballot image report shall be made available to the public during the canvass via the Internet and by other means. The ballot image report and preliminary versions of the ballot image report shall be made available in a plain text electronic format. In any case, preliminary versions of these reports shall be made available to the public prior to the commencement of the manual tally.

2-2.409 Continuing the Tally to Two Candidates.

If a winner is declared when there are three or more continuing candidates (including the winner), and if the vote tabulating system allows for it, additional rounds of tallying shall occur until there are only two candidates left for reporting purposes only.

2-2.410 Manual Tally.

A. A preliminary version of the comprehensive report shall be made available to the public prior to the selection of precincts for the public one percent manual tally, as provided by state law.

B. After each round of the manual tally, the second and third choice votes shall be assigned based of the candidate totals in the summary round-by-round report for

the entire contest.

SECTION 3. INCONSISTENT PROVISIONS. Any provisions of the Redondo Beach Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 5. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall be published by one insertion in the official newspaper of said city, and same shall go into effect and be in full force and operation from thirty (30) days after its final passage and adoption.

PASSED, APPROVED AND ADOPTED this ____ day of August, 2024.

James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Ordinance No. O- was introduced at a regular meeting of the City Council held on the _____, 2024, and approved and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the _____, 2024, and there after signed and approved by the Mayor and attested by the City Clerk, and that said Ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

DUDUM V. ARNTZ
ELECTIONS – RANK CHOICE VOTING CASE

DUDUM v. ARNTZ

No. 10-17198.

- **View Case**

640 F.3d 1098 (2011)

Ron DUDUM; Matthew Sheridan; Elizabeth Murphy; Katherine Webster; Marina Franco; Dennis Flynn, Plaintiffs-Appellants, v. John ARNTZ, Director of Elections of the City and County of San Francisco; City and County of San Francisco, a municipal corporation; San Francisco Department of Elections; San Francisco Elections Commission, Defendants-Appellees.

United States Court of Appeals, Ninth Circuit.

Argued and Submitted March 15, 2011.

Filed May 20, 2011.

Attorney(s) appearing for the Case

[James R. Parrinello](#), [Christopher E. Skinnell](#), Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, San Rafael, CA, for the plaintiffs-appellants.

[Therese M. Stewart](#), Chief Deputy City Attorney, and [Jonathan Givner](#), [Andrew Shen](#), and [Mollie Lee](#), Deputy City Attorneys, San Francisco, CA, for the defendants-appellees.

Before: RICHARD A. PAEZ, MARSHA S. BERZON, and CARLOS T. BEA, Circuit Judges.

DUDUM V. ARNTZ ELECTIONS – RANK CHOICE VOTING CASE

Facts

San Francisco sought to improve upon the electoral system it employed in some municipal elections. Originally, San Francisco implemented a runoff election system. This system's flaws included the prevalence of strategic voting and wasted ballots. To resolve these issues, San Francisco amended its city charter. Thus, a restricted instant-runoff voting (IRV) system supplanted the prior runoff election system. Under this system, voters could select a maximum of three candidates in a single round of voting. Voters would rank these selections from most to least favorable. A series of tabulations would follow, resulting in the removal of inadequate candidates. This process would persist until the candidate with a majority of votes remained. Dudum (plaintiff) brought suit, alleging that this impinged on equal protection. Dudum appealed from the district court's ruling, which favored San Francisco's IRV system.

DUDUM V. ARNTZ
ELECTIONS – RANK CHOICE VOTING CASE

[Dudum v. Arntz, 640 F.3d 1098 | Casetext Search + Citator](#)

OPINION

BERZON, Circuit Judge:

In 1873, Charles Lutwidge Dodgson, better known by his pen name, Lewis Carroll, spotted what he took to be an "extraordinary injustice": using simple plurality voting to determine the winners of elections. Dodgson, celebrated for his whimsical classics *Alice's Adventures in Wonderland* and *Through the Looking Glass*, was also a mathematician who developed election systems — meaning, simply, methods for translating preferences, or votes, into winners of elections. Dodgson disliked simple plurality voting because, in fields with several candidates, it can elect a candidate who receives the most first-place votes but is strongly *disfavored* by a majority of the electorate. Dodgson's innovative election systems were designed to remedy that limitation, and are still praised today because they tend to elect candidates with widespread electoral support.

See Charles L. Dodgson, *A Discussion of the Various Methods of Procedure in Conducting Elections* (1873), reprinted in 3 THE PAMPHLETS OF LEWIS CARROLL 33, 35 (Francine F. Abeles Charlie Lovett eds., 2001).

See, e.g., Francine F. Abeles, *Introduction to the Political Pamphlets and Letters*, in 3 THE PAMPHLETS OF LEWIS CARROLL, *supra*, at 1, 21 22; Douglas J. Amy, BEHIND THE BALLOT BOX 187-89 (2000); Samuel Merrill, MAKING MULTICANDIDATE ELECTIONS MORE DEMOCRATIC 70 (1988).

While Dodgson preferred his systems to simple plurality voting, he recognized that his innovations were themselves imperfect. In a letter accompanying one of his pamphlets, Dodgson lamented: "A really scientific method for arriving at the result which is, on the whole, most satisfactory to a body of electors, seems to be still a desideratum."

See Charles L. Dodgson, *Circular Accompanying A Method of Taking Votes on More Than Two Issues* (1877), reprinted in 3 THE PAMPHLETS OF LEWIS CARROLL, *supra*, at 59, 59 (emphasis omitted).

Over a century later, Dodgson's wish remains unfulfilled. No perfect election system has been devised. Nonetheless, some governmental entities continue to experiment with innovative methods for electing candidates. At issue here is one such system, used by San Francisco for the election of certain city officials.

FACTUAL AND PROCEDURAL HISTORY

In March 2002, San Francisco voters approved a ballot measure, Proposition A, amending the City Charter to adopt a new electoral system for certain municipal elections. Before adoption of Proposition A, most city officials were selected in a two-round election: The city first held a general election. Then, unless one candidate won an outright majority in the first-round election, the two candidates who had garnered the most votes faced each other in a runoff election. Proposition A implemented instant runoff voting ("IRV") to replace the two-round runoff election system for the following city offices: Mayor, Sheriff, District Attorney, City Attorney, Treasurer,

DUDUM V. ARNTZ ELECTIONS – RANK CHOICE VOTING CASE

Assessor-Recorder, Public Defender, and members of the Board of Supervisors. See S.F. CHARTER § 13.102(b).

San Francisco Charter § 13.102, which codifies Proposition A, refers to the City's voting system as both "instant runoff" voting and "ranked-choice" voting. See S.F. CHARTER § 13.102. Election experts also sometimes call this form of voting the "alternative vote system." See, e.g., Samuel Issacharoff, *et al.*, THE LAW OF DEMOCRACY 1095 (2d ed. 2002). We refer to the City's system using the initialism for instant runoff voting, although, as will become clear, the label is somewhat misleading.

IRV allows voters to rank, in order of preference, candidates for a single office. The Department of Elections (the "Department") then tabulates the voters' preferences as follows: First, all first-choice rankings indicated on the ballots are counted. If a candidate wins a majority of these first-choice votes, he wins the election. *Id.* § 13.102(c). If not, the candidate who received the fewest first-choice votes is "eliminated," meaning that that candidate cannot win the election. The second-choice votes on the ballots that had selected the eliminated candidate are then distributed to those voters' second-choice candidates. Some candidates' vote totals, as a result, now reflect a combination of first- and second-choice votes. *Id.* If all candidates ranked by a voter are eliminated, that voters' ballot is "exhausted," meaning that it is not recounted as the tabulation continues. *Id.* § 13.102(a). As long as no candidate receives a majority of the votes from the "continuing" ballots — that is, the nonexhausted ballots — the process of eliminating candidates, transferring preferences, and "exhausting" ballots repeats. A candidate is declared elected when he receives a majority of the operative votes on the "continuing" ballots. *Id.* § 13.102(d).

Two or more candidates can be "eliminated" at the same time if the total number of votes they receive is less than the number of votes received by the next-lowest ranked candidate. See S.F. CHARTER § 13.102(e).

San Francisco's Charter provides that IRV ballots are to allow voters to rank a number of candidates equal to the total number of candidates running in an election. *Id.* § 13.102(b). For instance, if ten candidates are running for mayor, then voters are to be able to rank all ten of them. But the Charter also provides that if the voting system or equipment used by the Department cannot "feasibly accommodate" ranking that many choices, the Director of Elections can limit the number of candidates voters may rank to no fewer than three. *Id.* We refer to this variant as "restricted IRV."

As it has turned out, in all of the City's IRV elections since Proposition A passed, the Department has restricted the number of rankings on each ballot to three. San Francisco maintains, and the plaintiffs, several San Francisco voters (collectively "Dudum"), do not dispute, that this choice is one of necessity: The voting machines currently in use are not equipped to tabulate unlimited rankings; cost and logistical concerns make accommodating the unlimited option untenable; and providing a ballot on which voters may rank every candidate in a large field could result in confusion, voter error, and inaccuracies in vote calculation.

The Department makes publicly available on its website tables showing the election results for the City's past IRV elections. These tables tally the total ballots cast in each election; provide synopses of vote distribution during the tabulation process and of the final votes attributed to each candidate; and show the numbers of ballots "exhausted" as the tabulations

DUDUM V. ARNTZ ELECTIONS – RANK CHOICE VOTING CASE

proceeded. See, e.g., City and County of San Francisco Dep't of Elections Website, Elections Archives by Year, *available at* <http://www.sfgov2.org/index.aspx?page=1671> (last visited May 12, 2011). These tables provide helpful illustrations of how restricted IRV has worked in practice.

In an order filed simultaneously with this opinion, we grant Dudum's request for judicial notice of the City's official election results as posted on the Department's website. See [Fed.R.Evid. 201\(b\)](#) (allowing a court to take judicial notice of a fact "not subject to reasonable dispute in that it is . . . capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned"); *Daniels-Hall v. Nat'l Educ. Ass'n*, [629 F.3d 992, 998-99](#) (9th Cir. 2010) (taking judicial notice of official information posted on a governmental website, the accuracy of which was undisputed); *United States v. Camp*, [723 F.2d 741, 744](#) n. ** (9th Cir. 1984) (taking judicial notice of a verifiable public record).

Dudum filed suit in federal court seeking injunctive relief against San Francisco and its election officials (collectively "San Francisco" or "the City"). Principally, Dudum maintains that when more than four candidates run for a particular office, the restricted IRV system precludes some groups of voters from participating to the same extent as others. That argument is premised on an analogy: It would be unconstitutional, Dudum asserts, to prevent qualified voters from casting ballots in a runoff election; "exhausting" the ballot of a voter who would have ranked more than three candidates if allowed to do so, Dudum contends, is no different. Dudum also points out that the City's Charter declares that "exhausted" ballots are " *not counted* in further stages of the tabulation," S.F. CHARTER § 13.102(a) (emphasis added), and argues that not including the votes of certain voters in the later tabulation stages once all three of their chosen candidates have been eliminated is similar to disenfranchisement of those voters, and so unconstitutional. In support of those arguments, Dudum points to several recent elections in which significant numbers of ballots were "exhausted" before tabulation was completed, sometimes in numbers greater than the final margin of victory. Dudum maintains that as a result of the mandatory "exhaustion" feature and its impact, the restricted IRV system violates the First Amendment, the Equal Protection and Due Process clauses of the Fourteenth Amendment, and the Civil Rights Act, [42 U.S.C. § 1983](#). He requests declaratory and injunctive relief prohibiting the City from using the system in future elections.

Dudum challenges only the three-candidate limitation, including the corollary to that limitation that ballots are treated as "exhausted" when three ranked candidates on a ballot are eliminated. Ballots can also be "exhausted" for tabulation purposes under unrestricted IRV. For instance, in both systems, ballots can be "exhausted" when a voter chooses to rank fewer candidates than the system permits and the ranked candidates are eliminated. Likewise, a ballot is "exhausted" if a vote of a given rank would otherwise be attributed to a candidate, but the voter indicated that same rank for more than one candidate. See S.F. CHARTER § 13.102(a).

The parties stipulated that several thousand votes have been "exhausted" in each of various elections between 2004 and 2008. For example, in the 2004 supervisory elections for District Five, 16.2% of all ballots cast were "exhausted" as a result of the elimination of the three candidates ranked on those ballots. The City suggests that the 2004 District Five race was an outlier, pointing to the 2008 supervisory race for District Nine and the 2006 supervisory race for District Six. In those races, only 3.4% and 0.2% of ballots were "exhausted" as a result of the elimination of all the candidates ranked on the ballots.

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Dudum again points to the 2004 race for District 5 Supervisor, in which 22 candidates were on the ballot and the winner was determined in the 19th stage of tabulations. By that stage, 37.44% of ballots cast had been "exhausted." Of those, voters had exercised all three available choices on 16.2% of the ballots. Because the margin of victory in that election was only 311 votes, the argument goes, those involuntarily "exhausted" ballots may have affected the outcome had they not been limited to the three ranks and so not been "exhausted" before the tabulation was complete.

Agreeing that material facts are not in dispute, the parties filed cross-motions for summary judgment. The district court granted summary judgment for the City on all claims. Dudum appealed.

DISCUSSION A. Overview

"Common sense, as well as constitutional law, compels the conclusion that government must play an active role in structuring elections." *Burdick v. Takushi* [504 U.S. 428, 433](#), [112 S.Ct. 2059](#), [119 L.Ed.2d 245](#) (1992). As a way of "structuring elections," San Francisco's IRV system is fairly innovative in the context of American elections, yet has a storied pedigree.

First developed in the 1870s by W.R. Ware, a professor at the Massachusetts Institute of Technology, instant runoff (or "ranked-choice" or "alternative vote") systems have been used in the United States and elsewhere at various times since then. See Issacharoff, *supra*, at 1095; Jeffrey C. O'Neill, *Everything That Can Be Counted Does Not Necessarily Count*, 2006 MICH. ST. L. REV. 327, 334. Australia, Ireland, and London use IRV for certain elections, see Issacharoff, *supra*, at 1095, and several U.S. cities use versions of the restricted IRV system at issue here, including Oakland and Berkeley, California, and Minneapolis, Minnesota, among others. See CHARTER OF THE CITY OF OAKLAND, § 1105(k)(1); BERKELEY MUNICIPAL CODE § 2.14.030(A); MINNEAPOLIS MUNICIPAL CODE § 167.30.

Like all electoral systems, including widely-used systems such as plurality voting and two-round runoff elections, IRV offers a "package[]" of potential advantages and disadvantages." Issacharoff, *supra*, at 1089. Dodgson's disappointed "desideratum" observation, made in 1877, remains true. To this day, "there is no such thing as the perfect electoral system." David M. Farrell, ELECTORAL SYSTEMS: A COMPARATIVE INTRODUCTION 47 (2001).

For instance, in the familiar simple plurality system, sometimes called "first-past-the-post" elections, voters chose one candidate, and the winner is the candidate with the most votes. See *id.* at 19. Plurality voting is widely used in the United States for single-office elections, including races for mayors and governors. See Amy, *supra*, at 142.

Plurality voting has the benefit of simplicity: It is easy for voters to use, and also easy for voters to understand how their votes are tabulated and the winning candidate determined. *Id.* at 143. Plurality voting also avoids the expense and burden of holding a runoff election. *Id.*

But the system has less auspicious features as well. In contests with several candidates, it privileges candidates with a robust and organized core of support, even if they are strongly disapproved of by most of the electorate. *Id.* at 144; Farrell, *supra*, at 21-26. Likewise, plurality voting allows a candidate to win with a small minority of the total votes cast when many candidates are on the ballot. Amy, *supra*, at 144; Farrell, *supra*, at 26.

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A two-round runoff system, sometimes called a "double-ballot" election, see Peter C. Fishburn, *Social Choice and Plurality-like Electoral Systems*, in *ELECTORAL LAWS AND THEIR POLITICAL CONSEQUENCES* 193, 195 (Bernard Grofman ed., 1986), similarly has both significant strengths and trouble-some weaknesses. In such a system, long used in many local elections and in some state races, voters select a single candidate in the first round of voting, much like plurality voting. If no candidate receives a majority of the vote, a second round of voting is held, in which voters choose between the two candidates who received the highest number of votes in the first round. See Amy, *supra*, at 147. Two-round runoff systems result in the election of candidates with majority support of those voters who turn out for the second election. *Id.* at 148.

The two-round runoff system is distinct from, yet similar to, party primaries, in which political parties select a nominee to run in a general election. See generally *Cal. Democratic Party v. Jones*, [530 U.S. 567, 572-82](#), [120 S.Ct. 2402](#), [147 L.Ed.2d 502](#) (2000) (discussing state regulation of party primary systems).

That majority support, however, is misleading in some respects. When the second- and third-place candidates, or second-, third-, and fourth-place candidates, are relatively close in a first-round election, a runoff scheme can arbitrarily eliminate a candidate who might otherwise have won the election at the runoff stage. *Id.* at 150. Also, an elected candidate will likely receive support from voters who strongly preferred candidates eliminated in the first-round election, as voters may choose between the two candidates left standing on a "lesser of two evils" basis. And, of course, the system requires the expense and burden of holding two separate elections, *id.* at 149, and results in two different, albeit overlapping, electorate pools, the relative sizes of which can be affected by the choice of dates for the runoff round. *Id.* at 149-50.

For example, in San Francisco's 2010 supervisorial election for District 10, the top five candidates received the following percentages of all first-choice votes: Lynette Sweet, 12.07%; Tony Kelly, 11.80%; Malia Cohen, 11.78%; Marlene Tran, 11.51%; and Steve Moss, 11.06%. Cohen received only 5 fewer first-rank votes than Kelly. But, in a two-round run-off system, Cohen would not have proceeded to the runoff election. As it turned out, Cohen won the election under the City's IRV system, because she garnered more second-and third-choice votes than any other candidate. See City and County of S.F. Dep't of Elections Website, Official Ranked-Choice Results Rep., Nov. 2, 2010 Consolidated Statewide Direct Primary Election, Bd. of Supervisors, Dist. 10, *available at* <http://www.sfelections.org/results/20101102/data/dl O.html> (last visited May 12, 2011) [hereinafter 2010 Election Results].

Unrestricted and restricted IRV systems eliminate the need for a separate runoff and ordinarily will result in the election of a candidate with more wide-spread support than would simple plurality voting. See *id.* at 55; Farrell, *supra*, at 65. IRV systems also tend to produce fewer votes cast only for losing candidates — in academic parlance, "wasted votes" — than does straight plurality voting, because votes that would otherwise be cast for losing candidates can be redistributed to candidates with a chance of winning. Likewise, IRV systems "allow[] the voters more say over who they want to represent them: if it is not to be their first choice, then they can choose a second." Farrell, *supra*, at 65.

See Amy, *supra*, at 16 ("Wasted votes are votes that do not elect someone. If your candidate loses, you have cast a wasted vote.").

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Under restricted or unrestricted IRV, a candidate who did not receive the most number of first-choice votes can be elected. Whether that feature is a disadvantage or an advantage is, of course, debatable. Where, for instance, there is no candidate with a majority, and the vote spread between the top plurality candidates is small, the more nuanced IRV systems can be seen as better tests of the depth of voter support for each candidate than a simple first-past-the-post plurality system. Additionally, while both IRV systems allow voters to rank their preferences, neither system allows voters to *reconsider* their choices after seeing which candidates have a chance of winning. In other words, voters must submit their preferences before polls close, and, even though they might have chosen differently with more specific information about other voters' selections, they are not provided an opportunity to revise their choices. See Farrell, *supra*, at 173. A two-round runoff system, in contrast, provides voters that opportunity through a new round of balloting in a runoff election. Finally, both IRV systems are unfamiliar to many voters, and so some voters might not entirely understand how their votes will affect the election. See Amy, *supra*, at 156.

To illustrate: In San Francisco's 2010 supervisorial election for District 2, Janet Reilly won the highest percentage of all the first-choice votes (41.08%), and Mark Farrell received the second highest percentage of those votes (40.26%). Farrell ultimately won the election, because he received more second-choice votes in the second (and final) calculation stage than did Reilly. See 2010 Election Results, Bd. of Supervisors, Dist. 2, *available* at <http://www.sfelections.org/results/20101102/data/d2.html> (last visited May 12, 2011). In other instances, the plurality winner after the first stage will eventually be elected. For example, in the 2010 supervisorial election for District 6, Jane Kim received the highest percentage of all first-choice votes (31.40%) and was eventually elected, after twelve stages of calculation. See 2010 Election Results, Bd. of Supervisors, Dist. 6, *available* at <http://www.sfelections.org/results/20101102/data/d6.html> (last visited May 12, 2011).

A voting system called "Condorcet" voting addresses a related problem. In Condorcet voting, each voter ranks his candidate preferences, and the winner is determined by considering all pairwise contests between candidates. "For example, for three candidates (A, B, and C), there are three pairwise contests (A-B, A-C, and B-C). The winner is the candidate who wins all of her pairwise contests." O'Neill, *supra*, at 335. Like IRV, Condorcet voting does not require two elections, and academics tend to like it because it selects candidates who are highly rated by the majority of voters. But it has problems as well: It allows for the election of a candidate with few first-place votes. Moreover, when there are more than two candidates, the system can fail to produce a winning candidate (e.g., A beats B, B beats C, and C beats A). See Amy, *supra*, at 188-89; Merrill, *supra*, at 15; O'Neill, *supra*, at 337-38 337 n. 64.

Moreover, all voting systems in elections with more than two candidates can be manipulated through strategic voting. See Farrell, *supra*, at 171-74; Fishburn, *supra*, at 198; O'Neill, *supra*, at 340-41. In a plurality voting scheme, a voter might choose a candidate who is not his first-choice preference, but who he believes has a realistic chance of winning. In a two-round runoff system, a voter might cast a vote in the first-stage election for a weak candidate, so that his actual first-choice candidate will face that weak candidate in the runoff. See Fishburn, *supra*, at 199. The risk of strategic voting exists in IRV but is less severe than in plurality voting or the first stage of a runoff election: Voters are more free to vote their true preferences, because they face less of a threat of having their votes entirely "wasted" on unsuccessful candidates. See Amy, *supra*, at 52; Merrill, *supra*, at 105; O'Neill, *supra*, at 340.

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In sum, restricted IRV, like every election system, offers a menu of benefits and limitations. But that observation does not mean it is a constitutionally acceptable system, so we now turn to Dudum's constitutional objections to the City's restricted IRV system.

B. The Burden on Voters

Restrictions on voting can burden equal protection rights as well as "interwoven strands of `liberty`" protected by the First and Fourteenth Amendments — namely, "the right of individuals to associate for the advancement of political beliefs, and the right of qualified voters, regardless of their political persuasion, to cast their votes effectively." *Anderson v. Celebrezze*, [460 U.S. 780, 787](#), [103 S.Ct. 1564](#), [75 L.Ed.2d 547](#) (1983) (quoting *Williams v. Rhodes*, [393 U.S. 23, 30](#), [89 S.Ct. 5](#), [21 L.Ed.2d 24](#) (1968)). At the same time, and even though "voting is of the most fundamental significance under our constitutional structure," "States retain the power to regulate their own elections." *Burdick*, [504 U.S. at 433](#), [112 S.Ct. 2059](#) (internal quotations omitted). As our short review has indicated, each available election system, "whether it governs the registration and qualifications of voters, the selection and eligibility of candidates, or the voting process itself, inevitably affects — at least to some degree — the individual's right to vote." *Id.* (quoting *Anderson*, [460 U.S. at 788](#), [103 S.Ct. 1564](#)).

Recognizing the need of States and municipalities "to assure that elections are operated equitably and efficiently," *id.*, we apply a "flexible standard" when considering constitutional challenges to election regulations:

A court considering a challenge to a state election law must weigh "the character and magnitude of the asserted injury to the rights protected by the First and Fourteenth Amendments that the plaintiff seeks to vindicate" against "the precise interests put forward by the State as justifications for the burden imposed by its rule," taking into consideration "the extent to which those interests make it necessary to burden the plaintiffs rights."

Id. at 434, [112 S.Ct. 2059](#) (quoting *Anderson*, [460 U.S. at 789](#), [103 S.Ct. 1564](#)). When the burdens on voting imposed by the government are "severe," strict scrutiny applies, and the "regulation must be `narrowly drawn to advance a state interest of compelling importance.'" *Id.* (quoting *Norman v. Reed*, [502 U.S. 279, 289](#), [112 S.Ct. 698](#), [116 L.Ed.2d 711](#) (1992)). But voting regulations are rarely subjected to strict scrutiny. *See Lemons v. Bradbury*, [538 F.3d 1098, 1104](#) (9th Cir. 2008). We have repeatedly upheld as "'not severe' restrictions that are generally applicable, even-handed, politically neutral, and . . . protect the reliability and integrity of the election process." *Rubin v. City of Santa Monica*, [308 F.3d 1008, 1014](#) (9th Cir. 2002). Where non-severe, "[l]esser burdens" on voting are at stake, we apply "less exacting review, and a State's important regulatory interests will usually be enough to justify reasonable, nondiscriminatory restrictions." *Timmons v. Twin Cities Area New Party*, [520 U.S. 351, 358](#), [117 S.Ct. 1364](#), [137 L.Ed.2d 589](#) (1997) (internal quotations omitted); *see also Caruso v. Yamhill County ex rel. Cnty. Comm'r*, [422 F.3d 848, 859](#) (9th Cir. 2005).

Dudum does not suggest separate analyses for his First Amendment, Due Process, or Equal Protection claims. The Supreme Court has addressed such claims collectively using a single analytic framework. *See Anderson*, [460 U.S. at 787](#) n. 7, [103 S.Ct. 1564](#) ("[W]e base our conclusions directly on the First and Fourteenth Amendments and do not engage in a separate Equal Protection Clause analysis. We rely, however, on the analysis in a number of our prior election cases resting on the Equal Protection Clause of the Fourteenth

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Amendment."); *LaRouche v. Fowler*, [152 F.3d 974, 987-88](#) (D.C. Cir. 1998) (using "a single basic mode of analysis" for such claims). We do the same here.

We have already explained some of the structural limitations inherent in restricted IRV. For instance, voters are unable to reconsider their choices after seeing which candidates have a chance of winning, and some voters might be unfamiliar with the system. Dudum does not, however, challenge those inherent features of the City's IRV system. Instead, Dudum concentrates on challenging the three-rank restriction aspect of San Francisco's system. We consider below the characteristics of restricted IRV Dudum does challenge, to determine the degree to which those features burden voters' constitutional rights, if at all, and if so, whether the burdens are so severe as to trigger strict scrutiny.

1.

Dudum first contends that the treatment accorded "exhausted" ballots as the vote tabulation proceeds under the City's restricted IRV scheme is akin to prohibiting certain voters from voting in an election, and so imposes a severe, or at least a serious, burden on voters' constitutional rights. To support that characterization, Dudum points out that IRV replaced a two-round runoff system, and that explanations of how IRV works often analogize the successive vote calculation steps to a series of elections. For instance, the supervisors who supported adoption of Proposition A stated in their official ballot argument that "[t]he 'instant' runoff works much like December's 'delayed' runoff."

But the analogy is just that — an analogy. Upon examination, the analogy is off the mark in describing the real impacts of restricted IRV on voters' opportunities to cast ballots.

In actuality, all voters participating in a restricted IRV election are afforded a single and equal opportunity to express their preferences for three candidates; voters can use all three preferences, or fewer if they choose. Most notably, once the polls close and calculations begin, no new *votes* are cast. To determine the winner of the election based on that single set of votes cast, restricted IRV uses an algorithm. The ballots, each representing three or fewer preferences, are the initial inputs; the sequence of calculations mandated by restricted IRV is used to arrive at a single output — one winning candidate. The series of calculations required by the algorithm to produce the winning candidate are simply steps of a single tabulation, not separate rounds of voting.

An algorithm is "any well-defined computational procedure that takes some value, or set of values, as *input* and produces some value, or set of values, as *output*. An algorithm is thus a sequence of computational steps that transform the input into the output." Thomas H. Cormen, *et al.*, INTRODUCTION TO ALGORITHMS 5 (2d ed. 2002); *see also* 1 NEW ENCYCLOPAEDIA BRITANNICA 266 (15th ed. 2007) (defining algorithm as a "systematic mathematical procedure that produces — in a finite number of steps — the answer to a question or the solution of a problem").

In contrast, a two-round runoff system involves at least two rounds of voting, or *inputs*, explaining why it is sometimes referred to as a "double-ballot" election. *See Fishburn, supra*, at 195. For instance, in a two-round runoff system, even if a voter's chosen candidate in the first round successfully proceeds to the runoff election, that voter is still afforded an opportunity in the runoff election to select a different candidate, or not to vote at all. In a restricted IRV system, in contrast, if that voter chooses a successful candidate in one round, he is *not* afforded the

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opportunity to switch his vote to a different candidate as the tabulation progresses. That is so because restricted IRV considers only one round of inputs, i.e., votes.

Restricted IRV, of course, can be used *in place of* a two-round runoff election, which is what occurred in San Francisco and explains why the city supervisors compared the two. But restricted IRV does not *replicate* a two-round runoff system because, as we just explained, in two-round runoffs, voters cast ballots twice — that is, make and record their choices twice — whereas IRV allows only one chance to vote.

Dudum's contention that restricted IRV threatens to exclude some voters from *voting* is therefore incorrect. The contention sidesteps the basic fact that there is only one round of voting in restricted IRV.

Aside from his two-round analogy, Dudum points to several cases in which qualified individuals were denied an opportunity to vote on certain issues and the resulting burden on the right to vote was treated as significant. But because restricted IRV involves only one round of voting, those cases are inapplicable here.

Partnoy v. Shelley, 277 F.Supp.2d 1064 (S.D.Cal. 2003), for example, concerned a requirement that, unless voters voted either "yes" or "no" on the recall of a governor, their votes on any successor candidates for governor would not be counted. *Id.* at 1071. The defendants argued that the recall and the successor issues were part of one compound question, and no one was prevented from voting on that one question. The court disagreed, reasoning that the voters were faced with two separate questions and holding that it would be a severe burden to force voters to choose between either voting on an issue upon which they did not want to vote or having their votes for a gubernatorial successor not counted. *Id.* at 1074-75. The court held the requirement unconstitutional, because it concluded that the state failed to advance narrowly-tailored compelling interests to justify it. *Id.* at 1079.

Assuming it was correctly decided — which we do not determine — *Partnoy* is not instructive here. In that case there were two questions before the voters: Should the governor be recalled? If so, who should succeed him? Those two questions were conceptually separate; a voter could wish to express a view on only one of the questions, or have a strategic reason to vote on one but not the other. In contrast, voters in the San Francisco elections are asked to cast a vote on *one* issue: Who should be elected to the particular office?

Nor is *Ayers-Schaffner v. DiStefano*, [37 F.3d 726](#) (1st Cir. 1994) — again, assuming without deciding that we would decide it the same way as did the First Circuit — at all instructive. In that case, after concluding that an election was defective, the state ordered a second curative election but limited participation to people who had voted in the original balloting. *Id.* at 727. The court held that the state's restriction imposed a severe burden on the excluded voters' right to vote, *id.* at 728, and, as the state failed to advance compelling interests justifying the limitation, it was unconstitutional. *Id.* at 730.

The problem in *Ayers-Schaffner* was that otherwise eligible voters were not allowed to vote in a determinative election. Here, to reiterate, voters who participate in the restricted IRV system are not excluded from any election or opportunity to vote, so no comparable burden is imposed on voting rights.

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Finally, Dudum notes that in two-round runoff elections, some jurisdictions use an IRV-like system to tabulate the votes from certain absentee ballots. See [ARK. CODE § 7-5-406](#); S.C. CODE § 7-15-405. According to Dudum, IRV must be equivalent to a series of elections, because in those jurisdictions absentee voters have votes counted using an IRV-like approach in more than one election.

This example is not particularly relevant, as it concerns a hybrid system which, unlike the San Francisco IRV scheme, *does* treat groups of voters differently with regard both to numbers of ballots cast and to the method of tabulating the ballots. The hybrid system, in effect, adds together apples and oranges: Absentee voters, a small subset of the electorate, must rank their choices among a large pool of candidates on a single ballot; in-person voters, in contrast, cast two ballots, and in the runoff round choose between only two candidates. The hybrid system is one of convenience given the time delays. But it is a less-than-perfect way for the absentee voters to participate in the second-round runoff election — albeit better than not participating at all.

If anything, properly understood, Dudum's example highlights that IRV is *not* equivalent to two-round runoff elections: In the hybrid system, each in-person voter has the opportunity to vote differently in the runoff, even if he voted in the first-round for a candidate who continues to the second round; in contrast, an absentee voter who voted for a candidate who makes the runoff has his vote automatically cast again for that candidate, even if he would now prefer the other candidate. In other words, the absentee voter is not afforded the same opportunity as in-person voters to reassess his preferences in the runoff election; the in-person voter *votes* twice using two ballots, but the absentee voter *votes* once using a single ballot. Pure IRV systems, like the City's, do not involve any such differential treatment of voters. All voters can rank up to three choices on a single ballot, cast those ballots at the same time, and have their preferences calculated in the same manner.

We, of course, express no views on the constitutionality of this hybrid election system.

In sum, the City's restricted IRV system is not analogous to limitations on voting in successive elections, because in San Francisco's system, no voter is denied an opportunity to cast a ballot at the same time and with the same degree of choice among candidates available to other voters. Neither Dudum's analogies nor the cases he relies upon persuade us that the City's election system imposes any serious burdens on voters' constitutional rights by providing unequal opportunities to cast ballots.

2.

Aside from characterizing San Francisco's restricted IRV system as a limitation on casting ballots, Dudum tries a second tack: He maintains that the tabulation scheme under San Francisco's system burdens voters' constitutional rights to vote by effectively discarding, rather than counting, the votes from "exhausted" ballots.

In support of this characterization, Dudum points to the text of two provisions in the San Francisco Charter: First, according to the Charter, voters whose ballots are "exhausted" do not have their ballots "counted in further stages of the tabulation." S.F. CHARTER § 13.102(a). Second, a candidate wins the election when he receives "a majority of the votes from the continuing ballots," meaning the nonexhausted ballots. *Id.* § 13.102(c) (d) (emphasis added).

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Dudum reads this text as meaning that "exhausted" ballots are discarded, and so not counted, in determining the election's ultimate outcome.

An examination of how restricted IRV works, however, indicates that the supposed inequity Dudum has identified is one of surface appearances and semantics, not substance. The algorithm used to determine the winner in an election conducted pursuant to the City's IRV system can be elaborated so that the outcome is mathematically identical, yet the features forming the basis of Dudum's characterization of the system as not counting some votes disappear. In essence, a more complete explication of the tabulation process demonstrates that "exhausted" ballots *are* counted in the election, they are simply counted as votes for losing candidates, just as if a voter had selected a losing candidate in a plurality or runoff election.

To illustrate, the tabulation scheme could be spelled out and recorded more fully than it is now as follows: When a candidate receives the fewest votes in a stage, any ballots that would otherwise be "exhausted" by that candidate's last-place finish could continue to be reflected as a vote for that candidate in subsequent rounds. Votes that the candidate received from ballots with second- or third-choice candidates remaining would still be transferred to the second- or third-choice candidates. In other words, even though last-place candidates could no longer mathematically win the election, and could not obtain further votes, one could clutter the tabulation process by showing their votes on the tabulation tables even after they had been proven incapable of prevailing. The winner could then be defined as the candidate who receives a plurality of the *total votes cast* (including votes cast for candidates mathematically eliminated in prior stages), as long as he also receives a majority of the votes cast for candidates who were not mathematically eliminated previously. As this example illustrates, the restricted IRV system does *not* necessarily produce a majority result; a plurality of the total votes cast can prevail, as the majority is only of the last stage of calculation, when many candidates have been mathematically eliminated. *Cf. Merrill, supra*, at 13 (characterizing IRV as a plurality system).

One might question why receiving a majority of the votes cast for non-eliminated candidates should be the triggering event ending the election. That is, why shouldn't the final step occur when all the recorded votes have been distributed in accord with the tabulation rules, with the winning candidate being the person with more votes than the other remaining candidate after the losers are eliminated and their votes redistributed?

The answer is that, if a candidate receives a majority of the votes cast for non-eliminated candidates, it is mathematically impossible for that candidate to lose if the tabulation is extended until all ranked votes are distributed. To see why that is so, consider an election in which, after several IRV tabulations, 100 ballots containing votes for non-eliminated candidates remain. Candidate A receives 51 of those votes. The votes attributable to him can be thought of as the numerator, and that number plus the remaining 49 votes (spread over the other non-eliminated candidates) the denominator. In later stages of tabulation, the votes counted in the denominator may be redistributed, but the denominator can never *increase* beyond 100 votes. Thus, even if no further votes are attributed to candidate A, he will always have at least 51 % of the votes cast for non-eliminated candidates. And, in fact, the denominator could very well *decrease* as candidates are mathematically eliminated, and last-ranked votes continue to be recounted for those eliminated candidates (rather than being redistributed to non-eliminated candidates and retained in the denominator). Of course, if the denominator decreases, or if more votes are distributed to candidate A, his majority position can only increase.

It is true that further rounds of tabulation might affect the ultimate vote distribution for non-

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winning candidates. Imagine that candidates B, C, and D have 24, 13, and 12 votes respectively (totaling 49 votes) when candidate A receives his 51 votes. If, after candidate D is eliminated, every vote attributed to him is redistributed to candidate C, then candidate C will have one vote more (25 votes) than candidate B (24 votes). But no matter how the non-elected candidates are ranked, candidate A wins. Thus, there is no practical difference (in terms of who will be elected) between ending the tabulation when only two candidates remain or when any candidate receives a majority of the votes cast for non-eliminated candidates.

Moreover, in addition to maintaining a *majority* of the votes cast for non-eliminated candidates, candidate A will always have a *plurality* of the total votes cast: As we just explained, his 51 votes will always be more than any of the non-eliminated candidates. Likewise, each previously eliminated candidate at some point received the fewest votes in a stage, meaning, of course, fewer votes than candidate A. Moreover, the respective vote totals of each previously eliminated candidate can only *decrease* thereafter — they cannot obtain further votes, and some of the 1 stand 2nd-rank votes that were attributed to them likely will have been distributed to the 2nd- and 3rd-choice candidates on those ballots.

Dudum does not dispute the legality of plurality systems. Rather, he presents simple plurality voting as a preferable alternative to restricted IRV. We are aware of no successful challenge to plurality voting generally. *Cf. Edelstein v. City Cnty. of S.F.*, [29 Cal.4th 164, 183, 126 Cal.Rptr.2d 727, 56 P.3d 1029](#) (Cal. 2002) ("Plurality rule is not anathema to the federal or state Constitutions.").

This "show your work" alternative — to quote many high school teachers — is more cumbersome than San Francisco's actual tabulation regime, but it accomplishes precisely the same result. As pertinent to Dudum's challenge, the rephrasing makes explicit what is implicit in the current scheme: "Exhausted" ballots *are* counted in the election, they are just counted for losing candidates in the tally of total votes. In the terms used by election experts, these are "wasted" votes, not because they aren't counted, but because they were cast for candidates not ultimately elected. Notably, both IRV and restricted IRV tend to result in *fewer* entirely "wasted" votes than plurality voting, because voters whose first-choice candidate is eliminated may choose the winning candidate as their second- or third-choice pick. See Amy, *supra*, at 155.

A voter might regard as objectionable San Francisco's IRV system, even as thus more fully reticulated, because he would prefer to have his vote recorded in the final step of tabulation in favor of his first-choice candidate rather than his third-choice pick. Such an objection would have little force, as the election results reported by the City would reflect the first-choice vote up until the tabulation stage in which the designated candidate received the fewest votes and so could not prevail. Alternatively, a voter could decide to vote for only one candidate, and the ballot would be recorded as a vote for that candidate throughout the tabulation process and in the final election report.

All this is to say that "exhausted" ballots represent votes for losing candidates. "Exhausted" ballots are not disregarded in tabulating election results, and the result of not "counting" them is identical to counting them while explicitly recognizing that the system often produces a winner who attains a plurality, not a majority, of the total votes cast. Given this substantive equivalence, Dudum's objection that votes may not be "counted" at the determinative tabulation steps reflects only the Charter's current *phrasing*, not any actual burden on voting rights.

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The only court to have addressed a similar argument has reached the same conclusion. At issue in *McSweeney v. City of Cambridge*, [422 Mass. 648](#), [665 N.E.2d 11](#) (1996), was an unrestricted form of preferential voting called the "single transferable vote." Rejecting the argument that voting rights were seriously burdened because "exhausted" ballots are not counted in the election, the court noted that "[exhausted ballots] too are read and counted; they just do not count toward the election of any of the nine successful candidates. Therefore it is no more accurate to say that these ballots are not counted than to say that the ballots designating a losing candidate in a two-person, winner-take-all race are not counted." *Id.* at 652, [665 N.E.2d 11](#); see also *Moore v. Election Comm'rs of Cambridge*, [309 Mass. 303](#), [319](#), [35 N.E.2d 222](#) (1941) (reaching the same conclusion), *abrogated on other grounds as recognized in McSweeney*, [422 Mass. at 653-54](#), [665 N.E.2d 11](#).

The "single transferable vote" system resembles IRV but it is used to elect multiple candidates to a representative body, whereas IRV is used to elect a single candidate to office. See Issacharoff, *supra*, at 1096.

McSweeney went on to decide the case on different grounds, but its reasoning on the counting argument mirrors our own.

In short, Dudum's contention that the City's system discards votes is incorrect. Instead, the system "counts" all the ballots, but the final tabulation recognizes that some of the ballots ranked only losing candidates. Like his inaccurate comparison of the algorithm used in restricted IRV to a series of elections, Dudum's "counting" argument reveals an at most minimal — and perhaps nonexistent — burden on voters' constitutional rights.

3.

Dudum's final contention regarding the voting burden imposed by the restricted IRV system is that even if restricted IRV does not prevent some voters from voting (it doesn't, as we explain above), and even if all votes are counted (they are, for the reasons just given), San Francisco's restricted IRV system is nonetheless unconstitutional because it results in the *dilution* of certain votes. Specifically, Dudum maintains that "some voters — those who vote for continuing candidates — only have one vote counted in 'the election'; other voters, however, have votes counted for three different candidates." Therefore, the argument goes, the City's IRV system violates the equal protection guarantee of "one person, one vote." See *Bd. of Estimate of New York v. Morris*, [489 U.S. 688](#), [692](#), [109 S.Ct. 1433](#), [103 L.Ed.2d 717](#) (1989) (quoting *Reynolds v. Sims*, [377 U.S. 533](#), [565](#), [84 S.Ct. 1362](#), [12 L.Ed.2d 506](#) (1964)). At its core, Dudum's argument is that some voters are literally allowed more than one vote (i.e., they may cast votes for their first-, second-, and third-choice candidates), while others are not.

The "one person, one vote" cases involve instances in which citizens from heavily-populated districts select the same number of legislative representatives as voters from sparsely populated districts, with the result that their votes have less potential impact on the legislative process. See *Reynolds*, [377 U.S. at 563](#), [84 S.Ct. 1362](#). To rectify that "dilution" problem, the Supreme Court has interpreted the Equal Protection Clause to require that the seats in state legislatures "must be apportioned on a population basis." *Id.* at 568, [84 S.Ct. 1362](#); see also *Bd. of Estimate*, [489 U.S. at 693](#), [109 S.Ct. 1433](#) (discussing cases).

Once again, Dudum's contention mis-characterizes the actual operation of San Francisco's restricted IRV system and so cannot prevail. In fact, the option to rank multiple *preferences* is

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not the same as providing additional *votes*, or more heavily-weighted votes, relative to other votes cast. Each ballot is counted as no more than one vote at each tabulation step, whether representing the voters' first-choice candidate or the voters' second- or third-choice candidate, and each vote attributed to a candidate, whether a first-, second- or third-rank choice, is afforded the same mathematical weight in the election. The ability to rank multiple candidates simply provides a chance to have several preferences recorded and counted *sequentially*, not at once.

Several courts have rejected variants of Dudum's dilution argument. Most recently, *Minnesota Voters Alliance v. City of Minneapolis*, [766 N.W.2d 683](#) (Minn. 2009), was a challenge to an IRV scheme on the ground that voters whose first-choice candidates were eliminated were afforded multiple opportunities to affect the election. See *id.* at 690. The court rejected that argument, reasoning that votes for continuing candidates were counted throughout the process, and "in each round every voter's vote carri[ed] the same value." *Id.* at 693.

Other courts have reached the same conclusion. See *McSweeney*, [422 Mass. at 652](#), [665 N.E.2d 11](#) (noting, in the context of an unrestricted preferential voting scheme, that "it would be misleading to say that some ballots are counted two or more times. Although these ballots are examined two or more times, no ballot can help elect more than one candidate."); *Stephenson v. Ann Arbor Bd. of Canvassers*, No. 75-10166 AW (Mich. Cir.Ct. Nov. 1975) (same).

Dudum attempts to distinguish *Minnesota Voters'*?, rejection of the dilution claim by arguing that San Francisco's system is different than Minneapolis's, because the former restricts voters to choosing three candidates. Dudum's observation, however, either cuts *against* his dilution claim or exposes the dilution argument as just a rehash of his "not counting" argument.

As the parties recognize, the Minneapolis election system actually does limit voters to ranking three candidates. But the court in *Minnesota Voters* did not address that limitation.

If the purported problem is that some voters have votes counted for more than one candidate as the tabulations progress (although never for more than one at any tabulation stage), then *restricting* the number of candidates voters can rank should reduce Dudum's dilution concerns, not exacerbate them. And insofar as Dudum's dilution argument shifts to a concern that the voters whose ballots become "exhausted" have their votes diluted because their votes do not "count" in the determinative calculation stages, we have already explained that that is so only because their candidates have no chance of prevailing. Any distinction between San Francisco's and Minnesota's systems (as considered in *Minnesota Voters*) therefore does not help Dudum's dilution claim.

* * *

Again, "every electoral law and regulation necessarily has *some* impact on the right to vote." *Weber v. Shelley*, [347 F.3d 1101, 1106](#) (9th Cir. 2003). The City's restricted IRV scheme is no different. Like every electoral system, it offers an amalgam of advantages and disadvantages. The burdens Dudum identifies, however, are largely ephemeral, disappearing upon examination. The restricted IRV scheme does *not* provide disparate opportunities for any voter to cast additional ballots or votes. The appearance that some votes are not "counted" is just a product of how the algorithm operates for efficiency's sake; the result would be identical were the "exhaustion" feature eliminated, and the "exhausted" ballots recorded and counted throughout the process for what they are — votes for losing candidates. As the votes from

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"exhausted" ballots *are* taken into account in the election, as much as "wasted" votes ever are, the practical burden on voters is no different than in other election systems. Finally, Dudum's vote dilution argument fails as well, because the ability to rank preferences sequentially does not affect the ultimate weight accorded any vote cast in the election.

We express no views on any characteristics of restricted IRV beyond those discussed.

Therefore, *if* the characteristics of the City's system Dudum has identified impose any burdens on the right to vote, they are minimal at best. For the sake of completeness, we shall assume *some* burden is imposed, however limited, and so consider whether the restricted IRV system serves governmental interests sufficient to justify that minimal at best burden under the flexible balancing analysis. See, e.g., *Burdick*, [504 U.S. at 437, 439](#), [112 S.Ct. 2059](#) (holding that "any burden imposed" by the challenged regulation was "a very limited one," but nonetheless considering the governmental interests advanced); *Lemons*, [538 F.3d at 1104](#) (weighing the pertinent governmental interests, even though the burdens imposed were "minimal").

C. The Governmental Interests

Because restricted IRV does not impose severe burdens on voting rights, we do not apply strict scrutiny. See, e.g., *Timmons*, [520 U.S. at 358](#), [117 S.Ct. 1364](#); *Pest Comm. v. Miller*, [626 F.3d 1097, 1106](#) (9th Cir. 2010). And here, the City's "important regulatory interests" are more than substantial enough to justify the minimal at best burdens imposed by the City's chosen system. *Timmons*, [520 U.S. at 358](#), [117 S.Ct. 1364](#); *Nader v. Cronin*, [620 F.3d 1214, 1217](#) (9th Cir. 2010).

1.

Before addressing the City's proffered interests, we emphasize that the City is *not* required to show that its system is narrowly tailored — that is, is the one best tailored to achieve its purposes. See *Timmons*, [520 U.S. at 358](#), [117 S.Ct. 1364](#). Latching onto a phrase from *Anderson v. Celebrezze*, Dudum contends otherwise, insisting that the governmental restrictions must be " *necessary* to burden the plaintiffs rights," [460 U.S. at 789](#), [103 S.Ct. 1564](#) (emphasis added). But later cases refute Dudum's reading of *Anderson*, making clear that when a challenged rule imposes only limited burdens on the right to vote, there is no requirement that the rule is the only or the best way to further the proffered interests. See *Timmons*, [520 U.S. at 365](#), [117 S.Ct. 1364](#) ("[B]ecause the burdens the [challenged] ban imposes on the party's associational rights are not severe, the State need not narrowly tailor the means it chooses to promote [its interests]."); *Pest Comm.*, [626 F.3d at 1110](#) (holding that the district court correctly applied the flexible balancing test and "was not obliged to consider whether Nevada's system could or should be more narrowly tailored"); *Caruso*, [422 F.3d at 862](#) (same).

We note that a sliding-scale balancing analysis, rather than pre-set tiers of scrutiny, apply to challenges to voting regulations. Thus, there may be instances where a burden is not severe enough to warrant strict scrutiny review but is serious enough to require an assessment of whether alternative methods would advance the proffered governmental interests. Cf. *Crawford v. Marion Cnty. Election Bd.*, [553 U.S. 181, 190](#) n. 8, [128 S.Ct. 1610](#), [170 L.Ed.2d 574](#) (2008) (opinion of Stevens, J.).

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Such respect for governmental choices in running elections has particular force where, as here, the challenge is to an electoral *system*, as opposed to a discrete election *rule* (e.g., voter ID laws, candidacy filing deadlines, or restrictions on what information can be included on ballots). Discrete election rules generally further limited identifiable interests; a reviewing court can assess the likely effects of entirely eliminating the challenged rule. *Cf. Burdick*, [504 U.S. at 430](#), [112 S.Ct. 2059](#) (state prohibition on write-in voting); *Anderson*, [460 U.S. at 782](#), [103 S.Ct. 1564](#) (state early-filing deadline); *Rubin*, [308 F.3d at 1011](#) (regulation prohibiting a candidate from designating himself a "peace activist" on the election ballot). In contrast, the City must use *some* overall system for casting ballots, tabulating votes, and determining the outcome of elections. It cannot select a system that best serves *all* the multiplicity of interests implicated in an election, as no such system exists. Moreover, given the need to adopt some overall election system, we cannot as a practical matter assess the likely effects of eliminating one election system without considering what system would replace it, and what new burdens that replacement choice would likely impose.

Dudum challenges only the three-candidate limitation, not IRV generally. In light of that limited challenge, one would expect Dudum to argue that the interests advanced by the City *in favor of the three-candidate restriction* are inadequate. But Dudum does not contest those specific justifications. Instead, he argues that the interests advanced in favor of IRV *generally* can be served just as well by either a plurality system or a two-round runoff scheme. Dudum's logic seems to be that if the three-candidate limit imposes a burden on voting rights, and if the City maintains that it cannot eliminate that restriction, then restricted IRV should be compared to election systems whose constitutionality is not in question.

In the end, then, Dudum is effectively asking the court to choose between electoral systems (i.e., between restricted IRV, plurality voting, or two-round runoff elections). As explained, however, electoral systems serve diverse interests with various degrees of success. That is why, absent a truly serious burden on voting rights, "it is the job of democratically-elected representatives to weigh the pros and cons of various [election] systems." *Weber*, [347 F.3d at 1107](#).

2.

The City advances several interests justifying the minimal at best burdens of which Dudum complains. Some of those interests concern the three-candidate restriction, and some support IRV as compared to the two-round runoff system it replaced.

First, the City adduces evidence that (1) the current voting machines cannot process ballots allowing unlimited ranking, and (2) permitting voters to rank more than three candidates might exceed the memory capacity of the machines now in use. The City maintains that the state certification necessary for new voting software or hardware or for redesigned ballots could take months or years, so allowing unlimited choices would disrupt the City's preparation for upcoming elections. Moreover, contends the City, (1) because some elections include many candidates, allowing unlimited rankings would require either extremely large, confusing ballots or multiple ballots for each voter; (2) multiple ballots could lead to calculation errors; and (3) in testing, voters regarded ballots offering four choices as confusing. Notably, Dudum introduced no evidence suggesting that San Francisco *could* conduct unrestricted elections without running into the problems identified, and does not now argue that the City's interests are inadequate to justify the three-candidate restriction.

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Assuming for the moment the constitutional validity of IRV systems generally, then, the three-candidate restriction furthers important interests in maintaining the orderly administration of San Francisco's elections and in avoiding voter confusion. See, e.g., *Eu v. San Francisco Cnty. Democratic Cent. Comm.*, [489 U.S. 214, 225-26](#), [109 S.Ct. 1013](#), [103 L.Ed.2d 271](#) (1989) (noting that "protecting voters from confusion" is a "compelling governmental interest"); *Lubin v. Panish*, [415 U.S. 709, 715](#), [94 S.Ct. 1315](#), [39 L.Ed.2d 702](#) (1974) ("[K]eeping . . . ballots within manageable, understandable limits is of the highest order," because "'laundry list' ballots discourage voter participation and confuse and frustrate those who do participate."); *Bullock v. Carter*, [405 U.S. 134, 145](#), [92 S.Ct. 849](#), [31 L.Ed.2d 92](#) (1972) ("[T]he State understandably and properly seeks to prevent the clogging of its election machinery [and] avoid voter confusion."); *Pest Comm.*, [626 F.3d at 1107-08](#) (recognizing that avoiding voter confusion is an important state interest); *Rubin*, [308 F.3d at 1017](#) (acknowledging the "legitimate goal of achieving a straightforward, neutral, non-confusing ballot"). So, without more, Dudum's challenge to the three-candidate restriction fails.

Dudum objects that the interests the City now relies on were not advanced upon adoption of Proposition A and so are impermissible *post hoc* rationales. We are far from sure that the normal ability of litigants to advance arguments justifying their out-of-court behavior is suspended in election challenges where, as here, the burden imposed on voting is minimal at best. For instance, in *Timmons v. Twin Cities Area New Party*, the Court expressly relied on a state interest admittedly not advanced in its briefs, but mentioned during oral argument, implying that the interest also was not advanced prior to the litigation (or else the Court presumably would have noted that fact). See [520 U.S. at 366](#) n. 10, [117 S.Ct. 1364](#). In any event, the *post hoc* rationale point doesn't matter in this case, as the City's justifications for the three-candidate limit were set forth in the text of Proposition A itself. Proposition A explained that the Director of Elections may limit the number of choices a voter may rank if "the voting system, vote tabulation system or similar or related equipment used by the City and County cannot feasibly accommodate choices equal to the total number of candidates running for each office." S.F. CHARTER § 13.102(b). The interests in avoiding changes to the voting system and equipment that would be confusing or risk seriously disrupting the administration of elections are aspects of the "feasibly accommodate" concern identified in Proposition A, not *post hoc* rationales.

We could stop there, as Dudum purports to challenge only the three-rank restriction, not IRV generally. But even if we expand the comparative inquiry to other election systems, as Dudum would have us do, his challenge fares no better.

The City points to evidence that restricted IRV will save money compared to a two-round runoff system (the election system in place prior to IRV), as each runoff election costs the City between \$1.5 million and \$3 million. The interest in alleviating the costs and administrative burdens of conducting additional elections can be "a legitimate state objective" that also justifies the use of IRV, given the minimal at best burdens the system imposes on voters' constitutional rights to vote. See, e.g., *Bullock*, [405 U.S. at 147](#), [92 S.Ct. 849](#); *Lemons*, [538 F.3d at 1104](#) (holding that the minimal burden imposed by a state's system for verifying referendum petition signatures was justified by the "administrative burden" another system threatened to impose); *Weber*, [347 F.3d at 1106](#) (recognizing a state's interest in saving money).

Further, restricted IRV advances the City's legitimate interests in providing voters an opportunity to express nuanced voting preferences and electing candidates with strong plurality

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support. See *Storer v. Brown*, [415 U.S. 724, 732](#), [94 S.Ct. 1274](#), [39 L.Ed.2d 714](#) (1974) (noting a state interest in "assur[ing] that the winner is the choice of a majority, or at least a strong plurality, of those voting"). Unlike a two-round runoff election, restricted IRV will not always produce a candidate with majority support. But restricted IRV also does not limit voters' choices to only two candidates, and so it allows voters to express a wider range of preferences. Moreover, in practice, the ability to express more nuanced preferences means that candidates with *greater* plurality support (although not necessarily majority support) tend to be elected, as compared to a traditional plurality system. See *McSweeney*, [422 Mass. at 654](#), [665 N.E.2d 11](#) ("[A] preferential scheme, far from seeking to infringe on each citizen's equal franchise . . . seeks more accurately to reflect voter sentiment . . . [and] `to enlarge the possibility of a voter[] being represented therein by giving the voter an opportunity to express more than one preference among candidates.'" (quoting *Moore*, [309 Mass. at 331](#), [35 N.E.2d 222](#))).

In sum, we have no difficulty holding that these important governmental interests are more than sufficient to outweigh the extremely limited burdens — if any — that the restricted IRV features Dudum challenges impose upon San Francisco's voters.

CONCLUSION

If the aspects of the City's restricted IRV scheme Dudum challenges impose any burdens on voters' constitutional rights to vote, they are minimal at best. Moreover, the City has advanced valid, sufficiently-important interests to justify using its system. We, of course, express no views on the wisdom of using IRV, restricted IRV, or any other electoral method. There is no perfect election system, and our search for one would prove no more successful than a hunt for the mythical snark. Happily, we are not required to engage in any such endeavor. We hold only that Dudum has not established that the City's chosen system is unconstitutional.

See Lewis Carroll, *The Hunting of the Snark: An Agony in Eight Fits* (MacMillan Co. 1876).

AFFIRMED.