

**FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN  
CITY OF BEAUMONT AND LISA WISE CONSULTING, INC. FOR PROFESSIONAL  
PLANNING SERVICES FOR THE CITY OF BEAUMONT HOUSING ELEMENT  
UPDATE**

THIS FOURTH AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR (“Amendment”) is made and effective as of the 15<sup>th</sup> day of November, 2022 by and between the CITY OF BEAUMONT (“CITY”), a general law city, whose address is 550 E. 6<sup>th</sup> Street, Beaumont, CA 92223 and LISA WISE CONSULTING, INC., a California Corporation, whose address is 983 Osos Street, San Luis Obispo, CA 93401 (“CONTRACTOR”) in consideration of the mutual promises and purpose contained herein, the parties agree as follow:

**RECITALS**

This Fourth Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

- A. On October 20, 2020, CITY and CONTRACTOR entered into that certain agreement entitled “Agreement of Services by Independent Contractor” (“Agreement”).
- B. Term of Agreement states “...this agreement shall automatically terminate after one (1) year unless extended by the parties with the approval for the City Council (“CITY”).
- C. Per section 1 of the Agreement, the Parties now wish to extend the term of the Agreement to terminate on October 19, 2023, unless otherwise extended or terminated.

**AMENDMENT**

The Agreement is hereby amended as follows:

- A. **Section 1 Term of Agreement.** Term of the Agreement is amended to add the following paragraph to the end of existing Section 1:

“The term of this Agreement is extended, for an additional one-year term, and shall remain in effect through October 19, 2023, unless otherwise terminated or extended.”

- B. The recitals to this Amendment are deemed incorporated herein by this reference. All other terms of the Agreement not expressly amended by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Amendment to be effective as of the day and year first above-written.

CITY:

CITY OF BEAUMONT

By:

\_\_\_\_\_  
Lloyd White, Mayor

CONTRACTOR:

Lisa Wise Consulting, Inc.

By:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Title:

ATTEST:

By: \_\_\_\_\_  
Nicole Wheelwright, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
John O. Pinkney, City Attorney

ATTACHMENT:

Agreement for Professional Services by Independent Contractor, effective October 20, 2020.

## AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 20<sup>th</sup> day of October, 2020, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6<sup>th</sup> Street, Beaumont, California 92223 and Lisa Wise Consulting, Inc. whose address is 983 Osos Street, San Luis Obispo, CA 93401 ("CONTRACTOR").

### RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY desires to engage CONTRACTOR to provide Professional Planning Services for the City of Beaumont Housing Element Update; and

B. CONTRACTOR has made a proposal ("Proposal") to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit "A"; and

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services ("Services") as follows: Professional Planning Services for the City of Beaumont Housing Element Update per Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Lisa Wise as CONTRACTOR'S professional responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR'S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall

not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed two hundred nine thousand nine hundred ninety-five dollars (\$209,995).

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15<sup>th</sup>) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Determination that the total overall budget, budget per task, percentage complete per task, previously billed per task amounts and amount remaining per task is correct;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

## 5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity. CONTRACTOR shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR represents and maintains that it is skilled in the professional calling necessary to perform the Services. CONTRACTOR warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, CONTRACTOR represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required  /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete

copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

## 8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in

relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.



11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants

and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process

once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

13.09 Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

**CITY:**

CITY OF BEAUMONT

By: \_\_\_\_\_

  
Rey Santos, Mayor

**CONTRACTOR:**

Lisa Wise Consulting, Inc.

By: \_\_\_\_\_

  
Print Name: Henry Pontarelli

Title: Vice President, Secretary

**EXHIBIT "A"**

**PROPOSAL**

**(insert behind this page)**

# City of Beaumont

## Housing Element Update

### Scope of Services

#### October 2, 2020

## Task A: Project Schedule and Management

### Task A.1 Kick-Off Meeting

Lisa Wise Consulting, Inc. (LWC) will prepare for and attend one kick-off meeting with City staff. The meeting objectives are to:

- Establish project goals and objectives
- Clarify RHNA, SCAG, and HCD processes and requirements
- Refine the scope and clarify the roles and responsibilities of all parties involved
- Identify major milestones and dates for intermediate deliverables
- Establish communication expectations and coordinate procedures

The meeting will be online via video or teleconference.

### Task A.2 Project Schedule

LWC will work closely with the City to develop a preferred timeline with milestones to achieve adoption of the Housing Element by City Council on or before October 15, 2021, as required by HCD. The final schedule will include major processes and milestones in all stages of the project for both City-led and LWC-led efforts, including:

- Kick off meeting with staff to refine the scope of services
- Milestones for major work products
- Outreach, subcommittee meetings, and workshops (City-led, LWC optional)
- Delivery of analysis and findings during assessment and development of the RHNA and Housing Element Update
- Response to HCD review and City staff review times
- Delivery of draft and final Housing Element
- Public hearings for both Planning Commission and City Council including meeting dates

### Task A.3 Project Management

LWC will maintain a close working relationship with the City and Consultant Team, through open and frequent email, phone, and videoconference communication, including as needed conference calls. LWC will establish and maintain an online file sharing system, such as Dropbox.

### ***Task A Deliverables***

- *Preparation and participation in kickoff meeting, including meeting materials (e.g. agenda and summary notes with follow-up items)*
- *Refined project schedule documenting key milestones and deliverables for the project*
- *Provision of an Internet-based file sharing system to enable collaboration between City staff and Consultant team*
- *Regular e-mail progress updates to the Project Manager*

## **Task B: Existing Conditions and Needs**

### **Task B.1 Data Collection**

LWC will identify and gather key information, reports, maps, and databases, as well as submit a data request to the City for relevant material that has not been previously compiled.

### **Task B.2 Program Evaluation**

LWC will review the City's current Housing Element, General Plan and other supporting materials as needed to evaluate Beaumont's housing progress and priorities. This review will focus on previous housing programs and policies implemented, and their effectiveness

### **Task B.3 HCD Requirements**

In this task, LWC will provide an analysis of the current HCD approval process for the 6th cycle.

### **Task B.4 Hazard Mitigation Review**

Led by Rincon, the project team will review the City's Local Hazard Mitigation Plan for consistency with SB 379.

#### ***Task B Deliverables:***

- *Existing Housing Element Program Evaluation Memo to be incorporated in Administrative Draft Housing Element (PDF, Word)*
- *Review of existing HCD policies for inclusion in Housing Element Update Memo to City staff describing HCD review and adoption requirements*
- *Summary review of Local Hazard Mitigation Plan*

## **Task C: Site Inventory**

### **Task C.1 Sites Inventory Assessment**

In accordance with Government Code 65583.2, LWC will review the City's Vacant Land Inventory in context of the draft RHNA allocation and advise the City on the ability of the existing inventory to meet the draft RHNA.

When the RHNA is finalized, LWC will finalize the inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment. The inventory will identify sites for housing within the planning period. LWC will work closely with staff to refine a parcel-level inventory of sites with

near-term residential development potential at appropriate densities. The inventory must be adequate to accommodate RHNA figures as provided by SCAG. The assessment will also include an analysis of the availability of infrastructure for sites included in the inventory.

This task assumes the City has adequate parcel-level GIS data (including APN, existing use and development, zoning, lot size, and assessor's data) available. As part of this task LWC will review recent multi-family project applications to determine realistic achievable densities to support the sites analysis.

***Task C Deliverables:***

- *Review of Existing Vacant Land Inventory*
- *Final Site Inventory, to be incorporated in Administrative Draft Housing Element (PDF, Word)*

## **Task D: Assessment of Housing Needs**

### **Task D.1 Housing Needs Assessment**

In accordance with Government Code 65583(a), LWC will utilize data available from the U.S. Census data, SCAG, and the City to analyze and update key population, housing, and employment characteristics and their implications to identify the City's specific housing needs and evaluate its housing conditions. LWC will establish the nature and extent of housing needs for Beaumont including existing and projected housing needs and the housing needs of special groups. The needs assessment will also provide data to assist the City in meeting the State's Affirmatively Furthering Fair Housing goals.

**Key data characteristics include:**

- Demographics (e.g. age, race/ethnicity, employment projections)
- Household type/size, age and income (by race and ethnicity)
- Housing stock characteristics (e.g. type, vacancy, age/condition, and cost/affordability, including where households are most significantly impacted by costs)
- Assessment of overcrowding and cost burden
- Special Needs (e.g. large households, persons with disabilities)

### **Task D.2 Housing Constraints Assessment**

In accordance with Government Code 65583(a), LWC will conduct a constraints analysis. This analysis will differentiate between governmental constraints (such as land use, zoning, height, setbacks, and impact fees), non-governmental constraints (such as mortgage lending availability), and environmental constraints to inform decision makers on the most effective and appropriate policies to reduce constraints and facilitate housing production.

## **Task D.3** Housing Resources Assessment

In accordance with Government Code 65583(a), LWC will identify housing resources, including programmatic, financial, and physical development opportunities. The analysis will include a review of funding sources for housing development and improvement, regulatory incentives for affordable housing and opportunities for energy conservation.

### *Task D Deliverables:*

- *Housing Needs Assessment, to be incorporated in Administrative Draft Housing Element (PDF, Word)*
- *Housing Constraints Analysis, to be incorporated in Administrative Draft Housing Element (PDF, Word)*
- *Housing Resources Assessment, to be incorporated in Administrative Draft Housing Element (PDF, Word)*

## **Task E: Preparation of Draft Housing Element**

### **Task E.1** Implementation Plan

In accordance with Government Code 65583(a), LWC will produce an implementation plan that outlines policies and programs that will satisfy the housing goals and objectives of the City during the eight-year planning period. This plan provides actionable steps the City is already taking or will undertake to accommodate its housing need.

### **Task E.2** Administrative Draft Housing Element

LWC will prepare an Administrative draft Housing Element in compliance with all applicable State and federal laws, including all supporting documents from Task C and Task D, tables, maps, charts, etc. LWC assumes City staff will submit a single set of non-conflicting comments for each draft.

### **Task E.3** Public Review Draft Housing Element

LWC will address comments on the Administrative Drafts and prepare a Public Review Draft (PRD). The PRD will be submitted to HCD for the 60-day review.

### **Task E.4** Coordination with HCD

LWC will assist the City in achieving State certification of the Housing Element after adoption by City Council. LWC will work closely with HCD and the City to ensure that the draft Housing Element meets State requirements and will recommend modifications to the Housing Element, if required, to obtain certification. LWC will communicate with HCD throughout the project and during the review and approval period, ensuring thorough review and appropriate response to comments and tracking of any revisions.



***Task E Deliverables:***

- *Implementation Plan, to be incorporated in Administrative Draft Housing Element (PDF, Word)*
- *Administrative Draft Housing Element (1 reproducible copy, PDF, Word)*
- *Public Review Draft Housing Element (1 reproducible copy, PDF, Word)*
- *Coordination and communication with HCD, including review meetings*

**Task F: General Plan Amendment (As required)****Task F.1 General Plan Amendment**

If required, based on the analysis in Tasks D and E, LWC will identify sections of the City's General Plan Land Use Element that need to be amended in order to comply with State law and be consistent with the 2021-2029 Housing Element.

**Task F.2 Hazard Mitigation Plan and Safety Element Update**

Led by Rincon, the project team will prepare documentation that will allow for the incorporation of the existing Local Hazard Mitigation Plan into the City's General Plan Public Safety Element to be consistent with SB 379.

The project team will also review and evaluate the current draft version of the Safety Element to determine its compliance with State law and prepare updates to the Safety Element to maintain consistency amongst the Housing Element Update, other General Plan Elements, and to address SB 99.

Rincon will provide a memorandum identifying revisions to Safety Element text and/or exhibits needed to bring it into compliance with current State law. A draft of the Safety Element update will be provided for City review. Based on City input, Rincon will prepare a final version of the proposed Safety Element update for consideration by the City Planning Commission and eventual consideration for adoption by the City Council.

***Optional Task F Deliverables:***

- *General Plan Amendment Recommendations Memo*
- *Safety Element Updates Outline Memo (PDF, Word)*
- *Draft Safety Element (PDF, Word)*
- *Final Safety Element (PDF, Word)*

**Task G: Environmental Documents****Task G.1 Administrative Draft IS-MND**

Rincon will prepare an internal review (Administrative) Draft IS-MND, which will address all of the items on the CEQA environmental checklist. To the maximum extent feasible, impacts will be quantified and compared to quantitative significance thresholds. Rincon will perform basic modeling/quantification for such issues as transportation, air quality, greenhouse gases (GHGs), noise, and utilities, and will develop programmatic mitigation that could be applied to future housing projects under the Housing Element. Such mitigation will generally involve establishing standards for future individual developments that may be facilitated by the Housing Element.

## Task G.2 Public Review Draft IS-MND

Rincon will respond to one round of consolidated comments from the City and prepare the Public Review Draft IS-MND. Rincon assumes that the City will draft and handle all noticing of letters for Assembly Bill (AB) 52 compliance, and any additional public outreach required as part of the public review process. Rincon will prepare the State Clearinghouse Notice of Completion (NOC) and Notice of Intent (NOI) to adopt an IS-MND, and will file these forms with the Riverside County Clerk and State Clearinghouse, but assumes the City will be responsible for posting the IS-MND on the City's website, mailing the NOI to responsible agencies and interested parties, all other outreach efforts to the general public, and publishing the NOI in a local newspaper.

## Task G.3 Final IS-MND

The budget currently reflects response to one round of consolidated comments from the City on the draft responses to comments. Upon receipt of City comments on the draft responses, Rincon will incorporate changes and prepare the final responses to comments. To finalize this document, Rincon will also prepare the Mitigation Monitoring and Reporting Program (MMRP). The MMRP will be a table listing all mitigation measures and indicating what monitoring actions are required, the department(s) responsible for monitoring, and when monitoring is to occur.

We assume that re-printing of the IS-ND/MND as a final document will not be necessary. Rincon will file the Notice of Determination (NOD) form with the Riverside County Clerk and State Clearinghouse, but assumes the City will post the final documents to their website and will be responsible for paying applicable filing fees.

### *Task G Deliverables:*

- *Administrative Draft IS-MND (PDF, Word)*
- *Public Review Draft IS-MND (PDF, Word)*
- *Final IS-MND (PDF, Word)*
- *MMRP (PDF, Word)*
- *NOC, NOI, and NOD Forms (PDF, Word)*
- *All environmental documentation, such as IS, NOI, NOC, and NOD forms, as well as Response to Comments, Mitigation Measures, Mitigation Monitoring Program, to be filed with the Riverside County Clerk*

## Task H: Final Project Deliverables

### Task H.1 Prepare Final Documents

LWC revise the Public Review Draft in response to feedback from HCD, City staff, the Planning Commission, and City Council (as applicable) and will prepare a draft Final Housing Element to present to the Planning Commission and City Council for adoption. LWC will make any revisions following adoption and submit the Final Housing Element to HCD for certification.

**Documents will include the following:**

- Final Draft Housing Element for public hearings
- Final Adopted Housing Element, which will have the date of adoption prominently displayed on the front cover and throughout the document to distinguish it as the official adopted document

**Task H.2 Meetings with Planning Commission and City Council**

LWC will provide support for City staff during meetings with the Planning Commission and City Council.

**LWC will facilitate:**

- One (1) public hearing with the Planning Commission
- One (1) public hearing with the City Council

***Task H Deliverables***

- *Final Draft Housing Element (15 bound copies, PDF, Word)*
- *Final Adopted Housing Element (3 bound copies, PDF, Word)*
- *Meeting agenda, summaries, presentations, or other materials for meetings with Planning Commission and City Council*
- *Assistance on staff reports and public notices and exhibits for Planning Commission and City Council*

**Task I: Prepare an ADU Ordinance**

LWC will draft a standalone Accessory Dwelling Unit (ADU) Ordinance for the City of Beaumont consistent with the most current State laws regulating ADU permitting and production while striving to simultaneously spur ADU development and maintain the character of Beaumont's neighborhoods. LWC will prepare draft language for administrative review and work with City staff to revise the draft ordinance for consideration by City Council. Relevant State laws include:

- **SB13:** This bill eliminates owner-occupancy requirements and reduces impact fees for ADUs, while creating an amnesty program for unpermitted ADUs.
- **AB 68 and AB 881:** These bills allow for one ADU on a single-family residence and up to two ADUs on multi-family properties. They also reduce design standards and approval times for ADUs.
- **AB 670:** This bill removes ADU restrictions placed by Home Owners Associations.

***Task I Deliverables***

- *Draft and final ADU ordinance for City Council consideration*

## **Task J: Community Meetings**

LWC will lead three (3) public workshops during the development and review of the Housing Element. These events will be held as webinars with presentation material prepared by LWC. LWC assumes City Staff will prepare meeting notifications and support LWC during meeting question and answer segments. Prior to the meetings, LWC will work with the City to develop an outreach strategy to clarify timing and objectives of the outreach efforts. One of these workshops can be converted to a series of stakeholder interviews or focus groups at the City's request.

### ***Task J. Deliverables***

- *Meeting agendas, summaries, and presentations for three (3) community engagement meetings*

## **Task K: Zoning Code Amendments**

### **Task K.1 Zoning Code Review and Recommendations**

LWC will perform a consistency assessment and prepare a Findings and Recommendations Memo which summarize inconsistencies between the final adopted Housing Element and the Zoning Code. The memo will also identify recommended amendments to implement of the Housing Element, including an assessment of the City's Density Bonus Ordinance. Potential amendments may include new or revised regulations and standards for zoning district(s) and land uses, parking, landscaping, permit procedures, and review and approval procedures. This effort will be augmented and strengthened by LWC's deep understanding of Beaumont's Zoning Code and its new General Plan land uses, driven from our ongoing experience as part of the Beaumont General Plan Update Consultant Team.

### ***Task K.1 Deliverables***

- *Zoning Code Findings and Recommendations Memo*

### **Task K.2 Zoning Code Amendments**

LWC will update the City's Zoning Code (Code), which will include strategic revisions necessary to comply with and implement the Housing Element, as identified in Task K.1. Upon final direction from City Staff, LWC will prepare Administrative Draft Code Amendments. LWC will address City comments on the Administrative Draft Code Amendments and prepare Final Code Amendments for Planning Commission and City Council hearings. Following City Council adoption, LWC will make any revisions as directed by the City Council.

LWC's budget assumes Code amendments will be adopted concurrently with the Housing Element, and no additional meeting attendance is required, and that the amendments will not trigger additional CEQA analysis outside of work in Task G. If timing of the amendments occurs following Housing Element adoption, LWC will participate in adoption hearings on a time and materials per meeting basis. If additional CEQA work is needed, LWC will work with Rincon to prepare a scope of work for the additional review.

***Task K.2 Deliverables***

- *Administrative Draft Code Amendments (PDF, Word)*
- *Final Draft Code Amendments (PDF, Word)*



City of Beaumont 6th Cycle Housing Element Update	LWC, Inc.		Rincon		PROJECT TOTAL	
	LWC TOTAL		RINCON TOTAL		PROJECT TOTAL	
	Hours	Cost	Hours	Cost	Hours	Cost
<b>Task A Project Management and Coordination</b>						
A.1 Kick-Off Meeting	12	\$ 2,000	-	\$ -	12	\$ 2,000
A.2 Project Schedule	14	\$ 2,220	-	\$ -	14	\$ 2,220
A.3 Project Management	86	\$ 15,230	14	\$ 2,230	100	\$ 17,460
<b>Task B Existing Conditions and Needs</b>						
B.1 Data Collection	8	\$ 1,230	-	\$ -	8	\$ 1,230
B.2 Program Evaluation	24	\$ 3,760	-	\$ -	24	\$ 3,760
B.3 HCD Requirements	10	\$ 1,520	-	\$ -	10	\$ 1,520
B.4 Hazard Mitigation Review	4	\$ 650	10	\$ 1,610	14	\$ 2,260
<b>Task C Site Inventory</b>						
C.1 Sites Inventory Assessment	72	\$ 11,620	-	\$ -	72	\$ 11,620
<b>Task D Assessment of Housing Needs</b>						
D.1 Housing Needs Assessment	32	\$ 4,920	-	\$ -	32	\$ 4,920
D.2 Housing Constraints Assessment	38	\$ 6,290	-	\$ -	38	\$ 6,290
D.3 Housing Resources Assessment	22	\$ 3,450	-	\$ -	22	\$ 3,450
<b>Task E Preparation of Draft Housing Element</b>						
E.1 Implementation Plan	27	\$ 4,445	-	\$ -	27	\$ 4,445
E.2 Administrative Draft Housing Element	70	\$ 11,210	-	\$ -	70	\$ 11,210
E.3 Public Review Draft Housing Element	27	\$ 4,445	-	\$ -	27	\$ 4,445
E.4 Coordination with HCD	18	\$ 3,290	-	\$ -	18	\$ 3,290
<b>Task F General Plan Amendment (As Required)</b>						
F.1 General Plan Amendment Recommendation	32	\$ 5,680		\$ -	32	\$ 5,680
F.2 Hazard Mitigation Plan and Safety Element Update	8	\$ 1,350	50	\$ 6,894	58	\$ 8,244
<b>Task G Environmental Documents</b>						
G.1 Administrative Draft IS-MND	8	\$ 1,420	146	\$ 21,232	154	\$ 22,652
G.2 Public Review Draft IS-MND	8	\$ 1,420	40	\$ 6,162	48	\$ 7,582
G.3 Final IS-MND	4	\$ 675	34	\$ 5,002	38	\$ 5,677
<b>Task H Final Project Deliverables</b>						
H.1 Prepare Final Documents	38	\$ 6,050	-	\$ -	38	\$ 6,050
H.2 Meetings with Planning Commission and City Council	32	\$ 5,680	-	\$ -	32	\$ 5,680
<b>Task I Prepare an ADU Ordinance</b>	62	\$ 10,050	-	\$ -	62	\$ 10,050
<b>Task J Community Meetings</b>	86	\$ 15,430	-	\$ -	86	\$ 15,430
<b>Task K Zoning Code Amendments</b>						
Review and Recommendation	62	\$ 10,950	-	\$ -	62	\$ 10,950
Draft and Final Amendments	188	\$ 31,880	-	\$ -	188	\$ 31,880
<i>*Not to exceed with out authorization</i>						
<b>TOTAL FEE + OPTIONAL TASKS</b>	<b>992</b>	<b>\$ 166,865</b>	<b>294</b>	<b>\$ 43,130</b>	<b>1,286</b>	<b>\$ 209,995</b>
<b>In-Person Meetings (instead of virtual) time and expenses: additional \$2000 per meeting</b>						
<b>Additional Virtual Meetings: \$5,140 per meeting</b>						

**EXHIBIT "B"**

**CERTIFICATES OF INSURANCE AND ENDORSEMENTS A**

**(insert behind this page)**



LISAWIS-01

PATRA04

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/16/2020

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).

<b>PRODUCER</b> License # 0305584 <b>Morris &amp; Garritano Insurance Agency, Inc.</b> PO Drawer 1189 San Luis Obispo, CA 93406	<b>CONTACT NAME:</b> Kim Garcia <b>PHONE (A/C, No, Ext):</b> (805) 543-6887 133 <b>E-MAIL ADDRESS:</b> kgarcia@morrisingarritano.com	<b>FAX (A/C, No):</b>
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b>  Lisa Wise Consulting, Inc. 983 Osos Street San Luis Obispo, CA 93401	<b>INSURER A :</b> Sentinel Insurance Company	<b>NAIC #</b> 11000
	<b>INSURER B :</b> Ohio Security Insurance Company	<b>24082</b>
	<b>INSURER C :</b> Oak River Insurance Company	<b>34630</b>
	<b>INSURER D :</b> Twin City Fire Insurance Company	<b>29459</b>
	<b>INSURER E :</b>	
	<b>INSURER F :</b>	

### COVERAGES

CERTIFICATE NUMBER:

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 INSO	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 type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	51SBAAC6582	12/29/2019	4/1/2021	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPI/OP AGG \$ 4,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	BAS56524792	5/14/2020	5/14/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ AGGREGATE \$
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	Y	N/A	X	LIWC115710	4/1/2020 4/1/2021 <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
D	Professional Liabili			51PG0282457	12/29/2019	4/1/2021	Per Claim 2,000,000
D	Professional			51PG0282457	12/29/2019	4/1/2021	Aggregate 2,000,000

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

Re: Beaumont CA.  
See forms attached as triggered by written contract:  
GL: AI/PNC/WOS - SS 00 08 04 05;  
AL: AI/PNC/WOS - AC8543 0618;  
WC: WOS - WC990410C 0119.

### CERTIFICATE HOLDER

### CANCELLATION

City of Beaumont 550 E. 6th Street Beaumont, CA 92223	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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## BUSINESS LIABILITY COVERAGE FORM

### 2. Applicable To Medical Expenses Coverage

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 with the "products-completed operations hazard".

**g. Business Liability Exclusions**

Excluded under Business Liability Coverage.

## C. 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. Employees And Volunteer Workers**

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 and advertising 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), or 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 that "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 Paragraphs (1)(a) or (b) above; or

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

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(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. Real Estate Manager**

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

**c. Temporary Custodians Of Your Property**

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. Legal Representative If You Die**

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.

**e. Unnamed Subsidiary**

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

**3. Newly Acquired Or Formed Organization**

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, 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 under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

**4. Operator Of Mobile Equipment**

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

**5. Operator of Nonowned Watercraft**

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

**6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit**

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

## BUSINESS LIABILITY COVERAGE FORM

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

### a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor 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 vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

### b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

**c. Lessors Of Land Or Premises**

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
  - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
  - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**d. Architects, Engineers Or Surveyors**

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
  - (a) In connection with your premises; or
  - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

  - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Supervisory, inspection, architectural or engineering activities.

**e. Permits Issued By State Or Political Subdivisions**

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
  - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**f. Any Other Party**

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
  - (a) In the performance of your ongoing operations;
  - (b) In connection with your premises owned by or rented to you; or
  - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
    - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
    - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

## BUSINESS LIABILITY COVERAGE FORM

- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

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.

### D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

#### 1. The Most We Will Pay

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. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

#### 3. Each Occurrence Limit

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

#### 4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

#### 5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

#### 6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

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.

**E. LIABILITY AND MEDICAL EXPENSES  
GENERAL 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. Notice Of Occurrence Or Offense**

You or any additional insured 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. Notice Of Claim**

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

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

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

**c. Assistance And Cooperation Of The Insured**

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, 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 that may be liable to the insured because of injury or damage to which this insurance may also apply.

**d. Obligations At The Insured's Own Cost**

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. Additional Insured's Other Insurance**

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

**f. Knowledge Of An Occurrence, Offense, Claim Or Suit**

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

## BUSINESS LIABILITY COVERAGE FORM

This Paragraph f. applies separately to you and any additional insured.

### 3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

### 4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- 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 Form 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 insurance 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.

### 5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy 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 a claim is made or "suit" is brought.

### 6. Representations

#### a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

### b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

### 7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

#### b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

##### (1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

##### (2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

##### (3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

##### (4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

##### (5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

**(6) When You Are Added As An Additional Insured To Other Insurance**

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

**(7) When You Add Others As An Additional Insured To This Insurance**

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

**(a) Primary Insurance When Required By Contract**

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

**(b) Primary And Non-Contributory To Other Insurance When Required By Contract**

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part 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.

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:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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 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.

**8. Transfer Of Rights Of Recovery Against Others To Us**

**a. Transfer Of Rights Of Recovery**

If the insured has rights to recover all or part of any payment, including Supplementary Payments, 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. This condition does not apply to Medical Expenses Coverage.

**b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)**

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CALIFORNIA BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESS AUTO COVERAGE FORM

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

If the policy to which this endorsement is attached also contains a Business Auto Coverage Enhancement Endorsement with a specific state named in the title, this endorsement does not apply to vehicles garaged in that specified state.

### COVERAGE INDEX

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SECTION II - LIABILITY COVERAGE is amended as follows:

#### 1. NEWLY FORMED OR ACQUIRED SUBSIDIARIES

SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured is amended to include the following as an "insured":

- d. Any legally incorporated subsidiary of which you own more than 50 percent interest during the policy period. Coverage is afforded only for 90 days from the date of acquisition or formation. However, "insured" does not include any organization that:
- (1) Is a partnership or joint venture; or
  - (2) Is an "insured" under any other automobile policy except a policy written specifically to apply in excess of this policy; or
  - (3) Has exhausted its Limit of Insurance or had its policy terminated under any other automobile policy.

Coverage under this provision d. does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

## 2. EMPLOYEES AS INSURED

**SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured** is amended to include the following as an "insured":

- e. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".
- f. Any "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

## 3. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT

**SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured** is amended to include the following as an "insured":

- g. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, written agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or written agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit.

The "insured" is required to submit a claim to any other insurer to which coverage could apply for defense and indemnity. Unless the "insured" has agreed in writing to primary noncontributory wording per enhancement number 24, this policy is excess over any other collectible insurance.

## 4. SUPPLEMENTARY PAYMENTS

**SECTION II - LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments**, Paragraphs (2) and (4) are replaced by the following:

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

## 5. AMENDED FELLOW EMPLOYEE EXCLUSION

In those jurisdictions where, by law, fellow "employees" are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

**SECTION II - LIABILITY, Exclusion B.5. Fellow Employee** does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire if you have workers compensation insurance in force for all of your "employees" at the time of "loss".

This coverage is excess over any other collectible insurance.

**SECTION III - PHYSICAL DAMAGE COVERAGE** is amended as follows:

## 6. HIRED AUTO PHYSICAL DAMAGE

Paragraph **A.4. Coverage Extensions** of **SECTION III - PHYSICAL DAMAGE COVERAGE**, is amended by adding the following:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or
- b. Your "employee" hires or rents under a written contract or agreement in that "employee's" name, but only if the damage occurs while the vehicle is being used in the conduct of your business, subject to the following limit and deductible:
  - a. The most we will pay for "loss" in any one "accident" or "loss" is the smallest of:
    - (1) \$50,000; or
    - (2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
    - (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, minus a deductible.
  - b. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.
  - c. Subject to the limit, deductible and excess provisions described in this provision, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.
  - d. Subject to a maximum of \$1,000 per "accident", we will also cover the actual loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss.
  - e. This coverage extension does not apply to:
    - (1) Any "auto" that is hired, rented or borrowed with a driver; or
    - (2) Any "auto" that is hired, rented or borrowed from your "employee" or any member of your "employee's" household.

Coverage provided under this extension is excess over any other collectible insurance available at the time of "loss".

## 7. TOWING AND LABOR

**SECTION III - PHYSICAL DAMAGE COVERAGE, Paragraph A.2. Towing**, is amended by the addition of the following:

We will pay towing and labor costs incurred, up to the limits shown below, each time a covered "auto" classified and rated as a private passenger type, "light truck" or "medium truck" is disabled:

- a. For private passenger type vehicles, we will pay up to \$75 per disablement.
- b. For "light trucks", we will pay up to \$75 per disablement. "Light trucks" are trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- c. For "medium trucks", we will pay up to \$150 per disablement. "Medium trucks" are trucks that have a gross vehicle weight (GVW) of 10,001 - 20,000 pounds.

However, the labor must be performed at the place of disablement.

## 8. PHYSICAL DAMAGE - ADDITIONAL TRANSPORTATION EXPENSE COVERAGE

Paragraph **A.4.a. Coverage Extensions, Transportation Expenses of SECTION III - PHYSICAL DAMAGE COVERAGE**, is amended to provide a limit of \$50 per day and a maximum limit of \$1,500.

## 9. RENTAL REIMBURSEMENT

**SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage**, is amended by adding the following:

- a. We will pay up to \$75 per day for rental reimbursement expenses incurred by you for the rental of an "auto" because of "accident" or "loss", to an "auto" for which we also pay a "loss" under Comprehensive, Specified Causes of Loss or Collision Coverages. We will pay only for those expenses incurred after the first 24 hours following the "accident" or "loss" to the covered "auto."
- b. Rental Reimbursement requires the rental of a comparable or lesser vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for the period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days.
- c. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your tools and equipment from the covered "auto". This limit is excess over any other collectible insurance.

- d. This coverage does not apply unless you have a business necessity that other "autos" available for your use and operation cannot fill.
- e. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Paragraph 4. **Coverage Extension**.
- f. No deductible applies to this coverage.
- g. The insurance provided under this extension is excess over any other collectible insurance.

If this policy also provides Rental Reimbursement Coverage you purchased, the coverage provided by this Enhancement Endorsement is in addition to the coverage you purchased.

For the purposes of this endorsement provision, materials and equipment do not include "personal effects" as defined in provision 11.B.

**10. EXTRA EXPENSE - BROADENED COVERAGE**

Under **SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage**, we will pay for the expense of returning a stolen covered "auto" to you. The maximum amount we will pay is \$1,000.

**11. PERSONAL EFFECTS COVERAGE**

**A. SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage**, is amended by adding the following:

If you have purchased Comprehensive Coverage on this policy for an "auto" you own and that "auto" is stolen, we will pay, without application of a deductible, up to \$600 for "personal effects" stolen with the "auto."

The insurance provided under this provision is excess over any other collectible insurance.

**B. SECTION V - DEFINITIONS** is amended by adding the following:

For the purposes of this provision, "personal effects" mean tangible property that is worn or carried by an "insured." "Personal effects" does not include tools, equipment, jewelry, money or securities.

**12. ACCIDENTAL AIRBAG DEPLOYMENT**

**SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions** is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion for "loss" relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Any insurance we provide shall be excess over any other collectible insurance or reimbursement by manufacturer's warranty. However, we agree to pay any deductible applicable to the other coverage or warranty.

**13. PHYSICAL DAMAGE DEDUCTIBLE - VEHICLE TRACKING SYSTEM**

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

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

**14. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE**

**SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions**, Paragraph a. of the exception to exclusions 4.c. and 4.d. is deleted and replaced with the following:

Exclusions 4.c. and 4.d. do not apply to:

- a. Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is:
  - (1) Permanently installed in the covered "auto" at the time of the "loss" or removable from a housing unit that is permanently installed in the covered "auto"; and
  - (2) Designed to be solely operated by use from the power from the "auto's" electrical system; and
  - (3) Physical damage coverages are provided for the covered "auto".

If the "loss" occurs solely to audio, visual or data electronic equipment or accessories used with this equipment, then our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.

**15. LOAN / LEASE GAP COVERAGE (Not Applicable In New York)**

**A. Paragraph C. Limit Of Insurance** of **SECTION III - PHYSICAL DAMAGE COVERAGE** is amended by adding the following:

The most we will pay for a "total loss" to a covered "auto" owned by or leased to you in any one "accident" is the greater of the:

1. Balance due under the terms of the loan or lease to which the damaged covered "auto" is subject at the time of the "loss" less the amount of:
  - a. Overdue payments and financial penalties associated with those payments as of the date of the "loss";
  - b. Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear;
  - c. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease;
  - d. Transfer or rollover balances from previous loans or leases;
  - e. Final payment due under a "Balloon Loan";
  - f. The dollar amount of any unrepaired damage which occurred prior to the "total loss" of a covered "auto";
  - g. Security deposits not refunded by a lessor;
  - h. All refunds payable or paid to you as a result of the early termination of a lease agreement or as a result of the early termination of any warranty or extended service agreement on a covered "auto";
  - i. Any amount representing taxes;
  - j. Loan or lease termination fees; or
2. The actual cash value of the damage or stolen property as of the time of the "loss".

An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the "loss". This adjustment is not applicable in Texas.

**B. Additional Conditions**

This coverage applies only to the original loan for which the covered "auto" that incurred the "loss" serves as collateral, or lease written on the covered "auto" that incurred the "loss".

**C. SECTION V - DEFINITIONS** is changed by adding the following:

As used in this endorsement provision, the following definitions apply:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

A "balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.

**16. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Paragraph **D. Deductible** of **SECTION III - PHYSICAL DAMAGE COVERAGE** is amended by the addition of the following:

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

**17. PARKED AUTO COLLISION COVERAGE (WAIVER OF DEDUCTIBLE)**

Paragraph **D. Deductible** of **SECTION III - PHYSICAL DAMAGE COVERAGE** is amended by the addition of the following:

The deductible does not apply to "loss" caused by collision to such covered "auto" of the private passenger type or light weight truck with a gross vehicle weight of 10,000 lbs. or less as defined by the manufacturer as maximum loaded weight the "auto" is designed to carry while it is:

- a. In the charge of an "insured";
- b. Legally parked; and
- c. Unoccupied.

The "loss" must be reported to the police authorities within 24 hours of known damage.

The total amount of the damage to the covered "auto" must exceed the deductible shown in the Declarations.

This provision does not apply to any "loss" if the covered "auto" is in the charge of any person or organization engaged in the automobile business.

**18. TWO OR MORE DEDUCTIBLES**

Under **SECTION III - PHYSICAL DAMAGE COVERAGE**, if two or more company policies or coverage forms apply to the same "accident", the following applies to Paragraph **D. Deductible** :

- a. If the applicable Business Auto deductible is the smaller (or smallest) deductible, it will be waived; or
- b. If the applicable Business Auto deductible is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible; or
- c. If the "loss" involves two or more Business Auto coverage forms or policies, the smaller (or smallest) deductible will be waived.

For the purpose of this endorsement, company means any company that is part of the Liberty Mutual Group.

**SECTION IV - BUSINESS AUTO CONDITIONS** is amended as follows:

**19. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

**SECTION IV- BUSINESS AUTO CONDITIONS**, Paragraph **B.2.** is amended by adding the following:

If you unintentionally fail to disclose any hazards, exposures or material facts existing as of the inception date or renewal date of the Business Auto Coverage Form, the coverage afforded by this policy will not be prejudiced.

However, you must report the undisclosed hazard of exposure as soon as practicable after its discovery, and we have the right to collect additional premium for any such hazard or exposure.

**20. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

**SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **A.2.a.** is replaced in its entirety by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when it is known to:
  - (1) You, if you are an individual;
  - (2) A partner, if you are a partnership;
  - (3) Member, if you are a limited liability company;
  - (4) An executive officer or the "employee" designated by the Named Insured to give such notice, if you are a corporation.

To the extent possible, notice to us should include:

- (a) How, when and where the "accident" or "loss" took place;
- (b) The "insured's" name and address; and
- (c) The names and addresses of any injured persons and witnesses.

**21. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

**SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **A.5. Transfer Of Rights Of Recovery Against Others To Us**, is amended by the addition of the following:

If the person or organization has in a written agreement waived those rights before an "accident" or "loss", our rights are waived also.

**22. HIRED AUTO COVERAGE TERRITORY**

**SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **B.7. Policy Period, Coverage Territory**, is amended by the addition of the following:

- f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the "insured's" responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

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This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

**23. PRIMARY AND NON-CONTRIBUTING IF REQUIRED BY WRITTEN CONTRACT OR WRITTEN AGREEMENT**

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

This Coverage Form's Covered Autos Liability Coverage is primary to and will not seek contribution from any other insurance available to an "insured" under your policy provided that:

1. Such "insured" is a Named Insured under such other insurance; and
2. You have agreed in a written contract or written agreement that this insurance would be primary and would not seek contribution from any other insurance available to such "insured".

**SECTION V - DEFINITIONS** is amended as follows:

**24. BODILY INJURY REDEFINED**

Under **SECTION V - DEFINITIONS**, Definition C. is replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA  
BLANKET BASIS**

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.)

The additional premium for this endorsement shall be calculated by applying a factor of 2% to the total manual premium, with a minimum initial charge of \$350, then applying all other pricing factors for the policy to this calculated charge to derive the final cost of this endorsement.

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

**Schedule**

**Blanket Waiver**

**Person/Organization** Blanket Waiver – Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

<b>Job Description</b>	<b>Waiver Premium (prior to adjustments)</b>
All CA Operations	350.00

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: 04/01/2020

Policy No.: LIWC115710

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_