

**CITY OF LA HABRA UTILITY AUTHORITY
PROFESSIONAL SERVICES AGREEMENT
WITH
RAFTELIS FINANCIAL CONSULTANTS, INC.**

THIS AGREEMENT is made and entered into this 16th day of June, 2025 (“Effective Date”), by and between the CITY OF LA HABRA UTILITY AUTHORITY, a municipal corporation (“AUTHORITY”), and Raftelis Financial Consultants, Inc. (“Consultant”).

WITNESSETH:

A. WHEREAS, Authority proposes to utilize the services of Consultant as an independent contractor to prepare a water/sewer rate study, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, Authority and Consultant desire to contract for the specific services described in Exhibit “A” (the “Project”) and desire to set forth their rights, duties, and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of Authority has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the Consultant’s Proposal (“Proposal”), attached hereto as Exhibit “A” and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise Authority of any changes in any laws that may affect Consultant’s performance of this Agreement. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. Officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

1.3. Performance to Satisfaction of Authority. Consultant agrees to perform all the work to the complete satisfaction of the Authority and within the hereinafter specified. Evaluations of the work will be done by the Executive Director or his or her designee. If the quality of work is not satisfactory, Authority in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the

matters of concern;

- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State, and local laws and ordinances applicable to the services required under this Agreement. Consultant warrants that it is not suspended or debarred from doing business with the United States government and can legally be paid from federal funds. Consultant shall indemnify and hold harmless Authority from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against Authority for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that Authority may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of Authority. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independently applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of Authority. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by Authority. Authority shall grant such authorization if disclosure is required by law. All Authority data shall be returned to Authority upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A". Consultant's total compensation shall not exceed sixty-nine thousand, six hundred thirty dollars (\$69,630.00), unless authorized herein.

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the Authority or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the Authority request in writing additional services that increase the hereinabove described "Scope of Services", an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. Such increase in additional fees shall be limited to 10% of the total contract sum. The Executive Director is authorized to approve a Change Order for such additional services. Where the original contract is \$35,000.00 or less, Chairman and Agency Directors' approval shall be required prior to any increase bringing the total compensation to more than \$35,000.00.

2.3. Method of Billing. Consultant may submit invoices to the Authority for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to Authority's sole satisfaction. Authority shall pay Consultant's invoice within forty-five (45) days from the date Authority receives said invoice. Each invoice shall describe in detail the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to Authority or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by Authority as set forth in Exhibit "A".

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the Authority and the Consultant. The Consultant shall present documentation satisfactory to the Authority to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of nine months, ending on February 1, 2026, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The Authority reserves and has the right and privilege of canceling, suspending, or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least fifteen (15) days prior written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the Authority. If the Authority suspends, terminates, or abandons a portion of this Agreement such suspension, termination, or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the Authority shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The Authority shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or

rearrangement of its affairs.

4.3. Compensation. In the event of termination, Authority shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of Authority's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the Authority or in the possession of the Consultant. Authority shall not be liable for any claim of lost profits.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps, and reports, shall be delivered to the Authority within ten (10) days of delivery of termination notice to Consultant, at no cost to Authority. Any use of uncompleted documents without specific written authorization from Consultant shall be at Authority's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Insurance. The Consultant and all subcontractors, if any, shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to Authority, during the entire term of this Agreement, including any extension thereof, insurance as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

Neither the Authority nor any of its officers, officials, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by Authority. No policy of insurance issued as to which the Authority is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.3. Certificates of Insurance. Consultant shall provide to Authority certificates of insurance showing the insurance coverages, as well as providing the Authority with the required endorsements in a form and content approved by Authority, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached hereto as Exhibit "C" and incorporated herein by this reference.

5.4. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The Executive Director or his or her designee shall be the representative of Authority for purposes of this Agreement and may issue all consents, approvals, directives, and agreements on behalf of the Authority, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives, and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. Authority shall designate a Project Manager to work directly with Consultant in the performance of this Agreement. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by Authority, to the Project Manager. Unless otherwise specified herein, any approval of Authority required hereunder shall mean the approval of the Project Manager.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with Authority during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the Authority. Consultant or its Project Manager shall attend and assist in all coordination meetings called by Authority.

6.4. Notices. Any notices, documents, correspondence, or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Raftelis Financial Consultants, Inc.
11 Wilshire Blvd., Suite 900
Los Angeles, CA 90017
Tel M: (626)827-8931
Email: spardiwala@raftelis.com
Attn: Sudhir Pardiwala, Sr. Principal

IF TO AUTHORITY:

La Habra Public Works
621 W. Lambert Rd.
La Habra, CA 90631
Tel: (562)383-4170
Email: saykali@lahabracaca.gov
Attn: Elias Saykali, Director of
Public Works

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet, or encumber all or any part of Consultant's interest in this Agreement without Authority's prior written consent. Any attempted assignment, transfer, subletting, or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of Authority's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. Consultant agrees to protect, defend, indemnify, and hold free and harmless the Authority, its officers, officials, agents, employees, and volunteers, at Consultant's sole expense, from and against any and all claims, liabilities, demands, actions, expenses, damages, suits or other legal proceedings brought against the Authority, its officers, officials, agents, employees, and volunteers arising out of or in any way connected with the negligent performance of the Consultant, its employees, and/or authorized subcontractors' work undertaken pursuant to this Agreement including all negligent acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of the Consultant, its employees and/or subcontractors. The defense obligation provided for hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the Authority, its officers, officials, agents, employees, and volunteers based upon the negligent work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the Authority for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the Authority. This provision shall supersede and replace all other indemnity provisions contained either in the Authority's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of Authority. Consultant shall have no power to incur any debt, obligation, or liability on behalf of Authority or otherwise act on behalf of Authority as an agent. Neither Authority nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of Authority. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection

with the services to be performed hereunder. Consultant shall indemnify and hold Authority harmless from any and all taxes, assessments, penalties, and interest asserted against Authority by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold Authority harmless from any failure of Consultant to comply with the applicable worker's compensation laws. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant's failure to promptly pay to Authority any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the Authority, Consultant shall indemnify, defend, and hold harmless Authority for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Authority.

Notwithstanding any other agency, State, or Federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by Authority, including but not limited to eligibility to enroll in PERS as an employee of Authority and entitlement to any contribution to be paid by Authority for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against Authority relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which Authority might require.

6.12. Ownership of Documents. All findings, reports, documents, information, and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files, and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of Authority. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of Authority but shall be made available to the Authority within ten (10) days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of Authority and without liability or legal exposure to Consultant. Authority shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from Authority's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to Authority any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes, or any other Project related items as requested by Authority or its authorized representative, at no additional cost to the Authority. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm Authority's ownership of the copyright in such documents.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that

this Agreement and all reports, documents, information, and data, including, but not limited to, computer tapes, discs, or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to Authority may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 7920.000 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 7924.510, and of which Consultant informs Authority of such trade secret. The Authority will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The Authority shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates, and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates, and subconsultants shall not, without the prior written approval of the Authority Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates, or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant's duties and services under this Agreement shall not include preparing or assisting the Authority with any portion of the Authority's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the Authority. The Authority shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. Consultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. Consultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project, if any, have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by Consultant pursuant to this Agreement.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the Authority's representative, regarding any services rendered under this Agreement at no additional cost to Authority. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to Authority, provide all necessary design drawings, estimates, and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of Authority and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of Authority while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable:

This Agreement, the Authority's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Authority and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF LA HABRA UTILITY AUTHORITY,

Jim Sadro, City Manager/Executive Director

Date: _____

ATTEST:

Rhonda J. Barone, CMC,
City Clerk/Secretary

CONSULTANT:

Signature

Date: _____

Sudhir Pardiwala, Senior Principal

Taxpayer ID Number

APPROVED AS TO FORM:

Keith F. Collins, City Attorney/Legal Counsel

Date: _____

APPROVED AS TO CONTENT:

Elias Saykali, Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Elias Saykali, Director of Public Works

Date: _____

[Raftelis Financial Consultants, Inc.](#)
Rev. 01/2024

EXHIBIT A
CONSULTANT'S PROPOSAL AND SCOPE OF WORK

SCOPE OF SERVICES

TASK 1: PROJECT MANAGEMENT, ADMINISTRATION, AND INITIATION

TASK 1.1: ONGOING PROJECT MANAGEMENT AND QUALITY

ASSURANCE/QUALITY CONTROL PROCESS

Our project management approach stresses communication, teamwork, objectivity, and accountability to meet project objectives. Task 1.1 includes general administrative duties including client correspondence, billing, project documentation, and administration of the Study. We believe in a no-surprises approach and communicate with clients on a regular basis through face-to-face meetings, web meetings, and telephone conferences, so that the client is aware of project status at all times.

At the heart of Raftelis' core philosophy is our commitment to quality. The foundation of our Quality Assurance/Quality Control (QA/QC) program is based on the concept that QA/QC is a continuous process, not simply a mechanism to be incorporated at the end of an engagement. To ensure this level of quality control, our Technical Reviewer will be responsible for ensuring that the cost of service and rate model developed is functioning properly and is based on sound rate making principles and standard industry practice through periodic review of the issues and model throughout the course of the project. We have found that a well-defined QA/QC process ensures that all our work products will be of the highest quality and meet or exceed the standards that our clients have come to expect from Raftelis.

Meeting(s): None

Deliverable(s): None

TASK 1.2: PROJECT INITIATION, KICK-OFF MEETING, AND DATA COLLECTION

We believe that the execution of a productive kick-off meeting is the most effective way to begin a Study of this nature. Raftelis uses the kick-off meeting to perform our due diligence to ensure that project stakeholders agree to the project's goals, approach, work plan, schedule, and the Study's priorities. As part of the meeting, Raftelis will:

- Discern the major drivers for the Study
- Work with City staff to identify and prioritize pricing objectives
- Discuss reserves and reserve policies
- Discuss debt policies for capital funding and capital projects
- Review the data request list and pinpoint data gaps or questions

A detailed data request list will be provided prior to the kick-off meeting and will be reviewed and amended if necessary. The Project Team will study this data diligently to understand the City's revenue streams, operating and capital expenditures, water supply conditions, and customer base and usage patterns to perform the Study in line with the City's overall objectives.

Meeting(s): One (1) kick-off web meeting with City staff

Deliverable(s): Data request list, kick-off meeting agenda and minutes

TASK 2: FINANCIAL PLAN DEVELOPMENT

After the data has been compiled and analyzed, Raftelis will begin the process of developing a five-year financial plan which will involve projecting demand for accounts and consumption and forecasting revenue requirements. Raftelis will develop a detailed forecast model that will serve as the initial module of the Financial Plan and Rate Model (Model). Once completed, the Model will serve as a comprehensive yet flexible planning tool that will incorporate the City's capital improvement plan, capital financing plan, forecasted demand projections, revenue requirements, detailed cost and revenue projections, and reserve balances.

The Project Team will itemize costs from the City's budget into appropriate cost categories and determine a five-year cost forecast based on inflation assumptions provided by City staff. In addition, Raftelis will project non-rate revenues such as late fees, interest, miscellaneous fees, etc. that may be used to offset rate increases. Another important element of our financial plan is the development of reserves for operating, capital, rate stabilization, and emergency purposes. We will take into consideration the City's risk management and financial policies to recommend appropriate reserve targets.

Ultimately, the Project Team will project how much cash needs to be collected through water and sewer rates to meet projected revenue requirements while minimizing sharp rate fluctuations. The Model will determine the capability of the City's existing and scheduled water and sewer rates to support operations, and if necessary, propose revenue adjustments that will allow the City to effectively meet its financial obligations. Projecting revenue adjustments over a long planning horizon can illustrate future rate impacts and potential challenges to the City's financial situation in both the short-term and long-term. This will allow the City to plan expenses, reserve balances, and/or capital project schedules to smooth rate impacts and to maintain financial stability throughout the five-year planning horizon.

Raftelis will create a customized computer Model to develop revenue requirements, perform financial planning, and calculate water rates based on a standardized approach to meet the City's specific needs. Below is a sample model screenshot demonstrating key model features:

- Revenue adjustments required for the next five (or more) years to meet debt coverage and target reserve balance(s)
- Projected operating costs and revenue streams
- Reserve balances and target levels according to the City's fiscal policies
- Different funding sources of CIP (rate or debt financed)
- Spin buttons (dynamic selection options) for scenario analyses

This model is very useful for decision makers to review results of multiple scenarios and assess impacts so that they can agree on a solution that best meets the City's needs.

Meeting(s): Two (2) web meetings with City staff

Deliverable(s): Draft Financial Plan Model in Microsoft Excel

SAMPLE MODEL DASHBOARD

The Dashboard allows quick decision-making by visually displaying impacts of changes to selected variables.



TASK 3: COST OF SERVICE ANALYSIS

For the water system, the cost-of-service analysis is based on industry standards and methodologies approved by the American Water Works Association (AWWA) and described in the *Manual M1: Principles of Water Rates, Fees and Charges, 6th Edition (Manual M1)* (which was co-authored by Raftelis staff). Cost allocations among customer classes will be based on the AWWA-approved Base-Extra Capacity approach which focuses on the different usage patterns, or peaking factors, demonstrated by each customer class.

Based on the revenue requirement identified in the financial plan, water expenses are allocated to cost components, including capacity-related costs, commodity costs, conservation costs, and other direct and indirect costs consistent with industry standards. The end goal of this task is to distribute the cost components to customer classes based on the cost responsibility of each. The result is the total cost to serve each customer class which is used as the basis to develop rates.

For the sewer system, Raftelis will use the methodologies set forth by the Water Environment Federation (WEF) in their *Manual of Practice No. 27, Financing and Charges for Wastewater Systems* (which was co-authored by Raftelis staff, including Sudhir Pardiwala). Cost allocations among customer classes will be based on the flow of each class.

Meeting(s): None

Deliverable(s): Draft Cost-of-Service Analysis in Model in Microsoft Excel

TASK 4: RATE DEVELOPMENT AND CUSTOMER IMPACTS ANALYSIS

TASK 4.1: RATE CALCULATION AND DEVELOPMENT

After conducting the cost-of-service analysis, Raftelis will calculate water and sewer rates under the current rate structures. Providing affordability in the first tier will be one of the objectives of the rate structure. The Model will also have the built-in capability to conduct various scenario analyses to address different issues such as water usage reduction, sewer flows, etc. to calculate water and sewer rates under each scenario. The rate dashboard, which displays key variables and results instantaneously, will facilitate discussion to reach a consensus quickly. This has proven to be particularly useful when making presentations to elected officials, allowing them to instantly understand the impacts of their decisions.

Meeting(s): Two (2) web meetings with City staff, one (1) in-person meeting with City staff

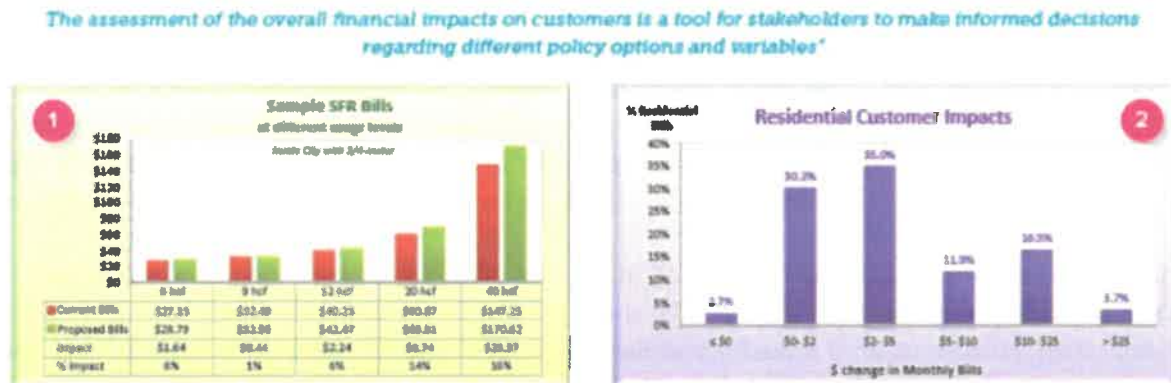
Deliverable(s): Draft Rate Model in Microsoft Excel

TASK 4.2: CUSTOMER IMPACTS ANALYSIS

Rate adjustments stem from a change in the revenue requirement; the total rate adjustment can sometimes cause “rate shock” to customers. Therefore, Raftelis will determine the potential financial impact on customers that result from the proposed rates. The customer impact analysis will include a series of tables and figures that show projected rate impacts by customer class at various levels of usage. As an example, the customer impact illustration shown below indicates that a typical customer with a ¾ inch meter using 12 hundred cubic feet (hcf) per month will see a \$2.24, or 6%, increase in the monthly bill.

Meeting(s): None

Deliverable(s): Draft Customer Impacts Analysis in Model in Microsoft Excel



TASK 5: DRAFT AND FINAL REPORT PREPARATION

Raftelis will prepare a detailed report explaining the nexus between costs and rates clearly identified step by step in an administrative record. Raftelis will prepare a Draft Report which will include an executive summary highlighting the major issues and decisions reached during previous meetings with City staff. The main body of the report will include a brief physical description of each utility system and service areas and an overview of operations and maintenance expenses, capital projects, financial plan, and a detailed description of the cost-of-service analysis and proposed rates. It will also contain a discussion on rate

structure selection, rate design assumptions, and analysis and methodologies used to develop the rates. The Report will clearly show the nexus between the City's costs and proposed rates.

City staff will provide comments for incorporation into the Final Report. Following the submission of the Draft Report and input from City staff, Raftelis will prepare the Final Report.

Meeting(s): One (1) web meeting with City staff

Deliverable(s): Draft Report and Final Report in Microsoft Word

FEE SCHEDULE

The table below provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project. Raftelis proposes to complete the scope of work outlined in our proposal on a time-and-materials basis with a not-to-exceed cost, including related expenses. Expenses include costs associated with travel, and a \$10 per hour technology charge covering computers, networks, telephones, postage, etc.

City of La Habra - Water and Sewer Rate Study

Proposed Hours

Task	Task Descriptions	Web Meetings	Hours Requirements					Total Fees & Expenses
			SP	TR	FC	Admin	Total	
HOURLY RATES			\$425	\$325	\$260	\$100		
1	Project Management, Administration, and Initiation	1	5	2	8	1	16	\$5,115
2	Financial Plan Development	2	16	2	50		68	\$21,130
3	Cost of Service Analysis		8	2	24		34	\$10,630
4	Rates Development and Customer Impacts Analysis	2	10	3	30		43	\$13,455
5	Draft and Final Report Preparation	1	10	4	50	1	65	\$19,300
TOTAL ESTIMATED MEETINGS / HOURS		6	49	13	162	2	226	
PROFESSIONAL FEES			\$20,825	\$4,225	\$42,120	\$200	\$67,370	
							Total Fees	\$67,370
							Total Expenses	\$2,260
							TOTAL FEES & EXPENSES	\$69,630

SP - Sudhir Pardiwala, Project Manager

TR - Technical Reviewer

FC - Financial Consultants

EXHIBIT B
INSURANCE REQUIREMENTS

EXHIBIT B

INSURANCE REQUIREMENTS

The Authority reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement, or endorse the policies to do so.

Without limiting the indemnity provisions of this Agreement, the Consultant shall procure and maintain in full force and effect during the term of this Agreement, the following policies of insurance.

1. Minimum Scope and Limit of Insurance

- A. **Commercial General Liability (CGL)** which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- B. **Automobile Liability Insurance** with coverage at least as broad as Insurance Services Office Form CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, coverage for hired autos (Code 8) and non-owned autos (Code 9) with limit no less than \$1,000,000 each accident for bodily injury and property damage.
- C. **Workers' Compensation** as required by the State of California with statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury or disease.
- D. **Professional Liability** with limit of not less than \$1,000,000 each claim and \$2,000,000 aggregate. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusion that may potentially delete coverage for the work to be performed.

2. Endorsements

Insurance policies shall not be compliant if they include any limiting provision or endorsement contrary to this Agreement, including but not limited to restricting coverage to the sole liability of consultant, excluding contractual liability or excluding third party over actions. The following endorsements shall be provided to the Authority.

A. **Commercial General Liability and Automobile Liability Policies:**

- 1. **Additional Insured:** The Authority, its elected officials, officers, employees, volunteers, boards, agents, and representatives are to be covered as additional insureds for the liability and defense of suits or claims arising out of the work or operations performed by or on behalf of Consultant including materials, parts or equipment furnished in connection with such work or operations.

The commercial general liability additional insured endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; CG 20 10, or CG 20 26.

2. **Primary and Non-Contributory:** This insurance is primary to and will not seek contribution from any other insurance whether primary, excess, umbrella, or contingent insurance, including deductible, or self-insurance available to the Authority, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds.

The Commercial General liability primary endorsements shall be at least as broad as ISO CG 20 01 04 13.

B. Workers' Compensation:

1. **Waiver of Subrogation:** Any right of subrogation against the Authority, its elected officials, officers, employees, volunteers, boards, agents, and representatives shall be waived.

3. Insurance Obligations of Consultant

The Authority requires and shall be entitled to the Consultant's broader coverage and/or the higher limits if Consultant maintains broader coverage and/or higher limits than the minimums shown above. Any available insurance proceeds excess of the specified minimum limits of insurance and coverage shall be available to the Authority. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Consultant under this Agreement.

4. Notice Of Cancellation

Required insurance policies shall not be cancelled or coverage reduced until thirty (30) days written notice of cancellation has been served upon the Authority, except ten (10) days shall be allowed for non-payment of premium.

5. Waiver Of Subrogation

Required insurance policies shall not prohibit Consultant from waiving the right of subrogation prior to a loss. The Consultant shall waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether the Authority has received a waiver of subrogation endorsement from the insurer.

6. Evidence Of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by the Authority as to form and content. These requirements are subject to amendment or waiver only if approved in writing by the Authority. The Authority reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the Authority. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Authority evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

7. **Self-Insured Retention**

Self-insured retentions (SIR's) must be declared to and approved by the Authority. The Authority may require Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the SIR. The policy language shall provide, or be endorsed to provide, that the SIR may be satisfied by either the named insured or the Authority. Self-insured retentions shall be the sole responsibility of Consultant or subcontractor who procured such insurance. The Authority may deduct from any amounts otherwise due Consultant to fund the SIR. The policy must also provide that defense costs, including the allocated loss adjustment expenses, will satisfy the SIR.

8. **Contractual Liability**

The coverage provided shall apply to the obligations assumed by Consultant under the indemnity provisions of this Agreement.

9. **Failure To Maintain Coverage**

The Consultant agrees to suspend and cease all operations hereunder during such time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the Authority. The Authority shall have the right to withhold any payment due until the Consultant has fully complied with the insurance provisions of this Agreement. If the Consultant's operations are suspended for failure to maintain required insurance coverage, Consultant shall not be entitled to an extension of time for completion of the work because of production lost during suspension.

10. **Acceptability Of Insurers**

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by the Authority.

11. **Claims Made Policies**

If coverage is written on a claims-made basis, the retroactive date of such insurance and all subsequent insurance shall coincide or precede the effective date of Consultant's initial Agreement with the Authority and continuous coverage shall be maintained, or an extended reporting period shall be exercised for a period of at least ten (10) years from termination or expiration of this Agreement.

12. **Excess Umbrella Liability Policies**

If any excess or umbrella liability policies are used to meet the limits of liability required by this Agreement, then said policies shall be "following form" of the underlying policy coverage, terms, conditions, and provisions and shall meet all the insurance requirements stated in this Agreement, including, but not limited to the additional insured, primary & non-contributory and waiver of subrogation insurance requirements stated herein. No insurance policies or self-insurance maintained by the Authority, whether primary, reinsurance or excess, and which

also apply to a loss covered hereunder, shall be called upon to contribute to a loss until Consultant's primary and excess/umbrella liability policies are exhausted.

13. **Insurance For Subcontractors**

Consultant shall be responsible for causing subcontractors to purchase the same types and limits of insurance in compliance with the terms of this Agreement, including adding the Authority as an additional insured, providing primary and non-contributory coverage and waiver of subrogation to the subcontractor's policies.

EXHIBIT C
CERTIFICATES OF INSURANCE AND ENDORSEMENTS

DESCRIPTIONS (Continued from Page 1)

80-02-2367 Blanket Additional Insured Scheduled Person or Organization
80-02-2653 Primary/Non-Contributory
80-02-2000 Blanket Waiver of Subrogation
80-02-9780 30 Day Notice of Cancellation

Automobile Liability:

CA2048 Additional insured
16-02-0316 Primary/Non-Contributory
CA0444 Blanket Waiver of Subrogation
16-02-0303 Blanket 30 Day Notice of Cancellation.

Workers Compensation:

WC000313 Blanket Waiver of Subrogation
WC900375 Blanket Wavier of Subrogation for CA
WC420304B Blanket Wavier of Subrogation for TX
WC990644 30 Day Notice of Cancellation

Umbrella / Excess:

70-02-0815 Excess Follow-Form and Umbrella Liability Insurance

Professional:

PF50930 Additional Insured (per quote)
The City of La Habra Utility Authority, Its officers, officials, employees, agents and volunteers are included as additional insured with respect to General Liability and Automobile Liability policies and Umbrella Liability will follow form. The coverage afforded to additional insured is on a primary and non contributory basis for General Liability and Auto Liability if required by written contract. A Waiver of Subrogation applies to Workers Compensation policy in favor of above listed additional insured per written contract. 30 day notice of cancellation will be given except for non-payment of premium will be 10 days if required by written contract. Forms attached: 80-02-2305, 80-02-2000, CA2048, WC900375

Liability Insurance**Endorsement**

Policy Period JANUARY 21, 2025 TO JANUARY 21, 2026
Effective Date JANUARY 21, 2025
Policy Number 3608-30-16 CLT
Insured RAFTELIS FINANCIAL CONSULTANTS, INC.

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JANUARY 31, 2025

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added.

Who Is An Insured**Owners, Lessees Or
Contractors - Ongoing
Operations**

A. Persons or organizations shown in the Schedule below are **insureds**; but they are **insureds** only with respect to their liability for **bodily injury, property damage, advertising injury** or **personal injury** caused, in whole or in part, by:

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

in the performance of your ongoing operations for the person or organization shown in the Schedule at the applicable location described in the Schedule.

However,

- the insurance afforded to such person or organization only applies to the extent permitted by law; and
- if coverage provided to the person or organization is required by a contract or agreement, the insurance afforded to the person or organization will not be broader than that which you are required by such contract or agreement to provide for the person or organization.

Liability Endorsement
(continued)

- B. However, no person or organization is an **insured** for **bodily injury** or **property damage** occurring after:
1. all work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the person or organization shown in the Schedule at the applicable location described in the Schedule has been completed; or
 2. that portion of **your work** out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.

Schedule

Designated Owner, Lessee Or Contractor

PERSONS OR ORGANIZATIONS THAT YOU ARE OBLIGATED, PURSUANT TO WRITTEN CONTRACT OR AGREEMENT BETWEEN YOU AND SUCH PERSON OR ORGANIZATION, TO PROVIDE WITH SUCH INSURANCE AS IS AFFORDED BY THIS POLICY, BUT THEY ARE INSUREDS ONLY IF AND TO THE MINIMUM EXTENT THAT SUCH CONTRACT OR AGREEMENT REQUIRES THE PERSON OR ORGANIZATION TO BE AFFORDED STATUS AS AN INSURED.

All other terms and conditions remain unchanged.

Authorized Representative



Liability Insurance**General Liability****Table Of Contents**

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<i>Investigation, Defense And Settlements</i>	4
<i>Supplementary Payments</i>	4
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Contract

Please read the entire policy carefully. The terms and conditions of this insurance include the various sections of this contract: Coverages; Investigation, Defense And Settlements; Supplementary Payments; Coverage Territory; Who Is An Insured; Limits Of Insurance; Exclusions; Conditions; and Definitions, as well as the Declarations, Common Policy Conditions and any Endorsements and Schedules made a part of this insurance.

Throughout this contract the words "you" and "your" refer to the Named **Insured** shown in the Declarations and other persons or organizations qualifying as a Named **Insured** under this contract. The words "we," "us" and "our" refer to the Company providing this insurance.

In addition to the Named **Insured**, other persons or organizations may qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are identified in the Who Is An Insured section of this contract.

Words and phrases that appear in **bold print** have special meanings and are defined in the Definitions section of this contract.

Coverages**Bodily Injury And Property Damage Liability Coverage**

Subject to all of the terms and conditions of this insurance, we will pay damages that the **insured** becomes legally obligated to pay by reason of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies.

This coverage applies only to such **bodily injury** or **property damage** that occurs during the policy period.

Damages for **bodily injury** include damages claimed by a person or organization for care or loss of services resulting at any time from the **bodily injury**.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

Advertising Injury And Personal Injury Liability Coverage

Subject to all of the terms and conditions of this insurance, we will pay damages that the **insured** becomes legally obligated to pay by reason of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **advertising injury** or **personal injury** to which this coverage applies.

This coverage applies only to such **advertising injury** or **personal injury** caused by an offense that is first committed during the policy period.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

Coverages
(continued)

Medical Expenses Coverage

Subject to all of the terms and conditions of this insurance, we will pay **medical expenses** for **bodily injury** caused by an accident to which this coverage applies:

- that takes place on premises rented to, or owned by you; or
- in connection with your operations;

provided that such:

- accident occurs during the policy period;
- expenses are incurred and reported to us within three (3) years of the date of the accident; and
- person who sustained such **bodily injury** submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

We will make these payments regardless of fault.

We have no other obligation or liability under this coverage.

Investigation, Defense And Settlements

Subject to all of the terms and conditions of this insurance, we will have the right and duty to defend the **insured** against a suit, even if such suit is false, fraudulent or groundless.

If such a suit is brought, we will pay reasonable attorney fees and necessary litigation expenses to defend:

- the **insured**; and
- if applicable, the indemnitee of the **insured**, provided the obligation to defend, or the cost of the defense of, such indemnitee has been assumed by such **insured** in an **insured contract**.

Such attorney fees and litigation expenses will be paid as described in the Supplementary Payments section of this contract.

We have no duty to defend any person or organization against any suit seeking damages to which this insurance does not apply.

We may, at our discretion, investigate any occurrence or offense and settle any claim or suit.

Our duty to defend any person or organization ends when we have used up the applicable Limit Of Insurance.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, we will pay, with respect to a claim we investigate or settle, or a suit against an **insured** we defend:

- A. the expenses we incur.
- B. the cost of:
 - 1. bail, bonds; or
 - 2. bonds required to:
 - a. appeal judgments; or

**Supplementary
Payments**
(continued)

b. release attachments;

but only, for bond amounts within the available Limit Of Insurance. We do not have to furnish these bonds.

- C. reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of such claim or **suit**, including actual loss of earnings up to \$1000 a day because of time off from work.
- D. costs taxed against the **insured** in the **suit**, except any:
1. attorney fees or litigation expenses; or
 2. other loss, cost or expense;
- in connection with any injunction or other equitable relief.
- E. prejudgment interest awarded against the **insured** on that part of a judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- F. interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

Supplementary Payments does not include any fine or other penalty.

These payments will not reduce the Limits Of Insurance.

Our obligation to make these payments ends when we have used up the applicable Limit Of Insurance.

Coverage Territory

This insurance applies anywhere, provided the **insured's** responsibility to pay damages, to which this insurance applies, is determined in a **suit**, on the merits brought in the United States of America (including its possessions and territories), Canada or Puerto Rico, or in a settlement to which we agree.

Who Is An Insured**Sole Proprietorships**

If you are an individual, you and your spouse are **insureds**; but you and your spouse are **insureds** only with respect to the conduct of a business of which you are the sole owner.

If you die:

- persons or organizations having proper temporary custody of your property are **insureds**; but they are **insureds** only, with respect to the maintenance, or use, of such property and only, for acts until your legal representative has been appointed; and
- your legal representatives are **insureds**; but they are **insureds** only, with respect to their duties as your legal representatives. Such legal representatives will assume your rights and duties under this insurance.

Who Is An Insured
(continued)

Partnerships Or Joint Ventures

If you are a partnership (including a limited liability partnership) or a joint venture, you are an **insured**. Your members, your partners and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business.

Limited Liability Companies

If you are a limited liability company, you are an **insured**. Your members and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business. Your managers are **insureds**; but they are **insureds** only with respect to their duties as your managers.

Other Organizations

If you are an organization (including a professional corporation) other than a partnership, joint venture or limited liability company, you are an **insured**. Your directors and **officers** are **insureds**; but they are **insureds** only with respect to their duties as your directors or **officers**. Your stockholders and their spouses are **insureds**; but they are **insureds** only with respect to their liability as your stockholders.

Employees

Your **employees** are **insureds**; but they are **insureds** only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, no **employee** is an **insured** for:

A. **bodily injury, advertising injury or personal injury:**

1. to you, to any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or to any co-**employee** while such injured person is either in the course of his or her employment or while performing duties related to the conduct of your business;
2. to the brother, child, parent, sister or spouse of such injured person as a consequence of any injury described in subparagraph A.1. above; or
3. for which there is any obligation to share damages with or repay someone else who must pay damages because of any injury described in subparagraphs A.1. or A.2. above.

With respect to **bodily injury** only, this limitation does not apply to:

- you or to your directors, managers, members, **officers**, partners or supervisors as **insureds**; or
- your **employees**, as **insureds**, with respect to such damages caused by cardio-pulmonary resuscitation or first aid services administered by such an **employee**; or

B. **property damage** to any property owned, occupied or used by you or by any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or by any of your **employees**.

This limitation does not apply to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner.

Who Is An Insured
(continued)

Volunteers

Persons who are volunteer workers for you are **insureds**; but they are **insureds** only for acts within the scope of their activities for you and at your direction.

Real Estate Managers

Persons (other than your **employees**) or organizations acting as your real estate managers are **insureds**; but they are **insureds** only with respect to their duties as your real estate managers.

**Permissive Users Of
Mobile Equipment**

With respect to **mobile equipment** registered in your name under a motor vehicle registration law:

- A. persons driving such equipment on a public road with your permission are **insureds**; and
- B. persons or organizations responsible for the conduct of such persons described in subparagraph A. above are **insureds**; but they are **insureds** only with respect to the operation of the equipment and only if no other insurance of any kind is available to them.

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

- **bodily injury** to any co-employee of the person driving the equipment; or
- **property damage** to any property owned or occupied by or loaned or rented to you, or in your charge or the charge of the employer of any person who is an **insured** under this provision.

Vendors

Persons or organizations who are vendors of your **products** are **insureds**; but they are **insureds** only with respect to their liability for damages for **bodily injury** or **property damage** resulting from the distribution or sale of your **products** in the regular course of their business and only if this insurance applies to the **products-completed operations hazard**.

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

- assumption of liability by them in a contract or agreement. This limitation does not apply to the liability for damages for **bodily injury** or **property damage** that such vendor would have in the absence of such contract or agreement;
- representation or warranty unauthorized by you;
- physical or chemical change in your **products** made intentionally by the vendor;
- repackaging, unless unpacked solely for the purpose of inspection, demonstration or testing, or the substitution of parts under instruction from the manufacturer and then repacked in the original container;
- 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 your **products**;
- demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of your **products**; or
- of your **products** which, after distribution or sale by you, have been labeled or relabeled or used as a container, ingredient or part of any other thing or substance by or for the vendor.

Who Is An Insured

Vendors (continued)

Further, no person or organization from whom you have acquired your products, or any container, ingredient or part entering into, accompanying or containing your products, is an insured under this provision.

Lessors Of Equipment

Persons or organizations from whom you lease equipment are insureds, but they are insureds only with respect to the maintenance or use by you of such equipment and only if you are contractually obligated to provide them with such insurance as is afforded by this contract.

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

- damages arising out of their sole negligence; or
- occurrence that occurs, or offense that is committed, after the equipment lease ends.

Lessors Of Premises

Persons or organizations from whom you lease premises are insureds, but they are insureds only with respect to the ownership, maintenance or use of that particular part of such premises leased to you and only if you are contractually obligated to provide them with such insurance as is afforded by this contract.

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

- damages arising out of their sole negligence;
- occurrence that occurs, or offense that is committed, after you cease to be a tenant in the premises; or
- structural alteration, new construction or demolition operations performed by or on behalf of them.

Subsidiary Or Newly Acquired Or Formed Organizations

If there is no other insurance available, the following organizations will qualify as named insureds:

- a subsidiary organization of the first named insured shown in the Declarations of which, at the beginning of the policy period and at the time of loss, such first named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization; or
- a subsidiary organization of the first named insured shown in the Declarations that such first named insured acquires or forms during the policy period, if at the time of loss such first named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

Limitations On Who Is An Insured

- A. Except to the extent provided under the Subsidiary Or Newly Acquired Or Formed Organizations provision above, no person or organization is an insured with respect to the conduct of any person or organization that is not shown as a named insured in the Declarations.
- B. No person or organization is an insured with respect to the:
 - 1. ownership, maintenance or use of any assets; or
 - 2. conduct of any person or organization whose assets, business or organization;

Who Is An Insured

Limitations On Who Is An Insured
(continued)

you acquire, either directly or indirectly, for any:

- **bodily injury or property damage** that occurred; or
- **advertising injury or personal injury** arising out of an offense first committed;

in whole or in part, before you, directly or indirectly, acquired such assets, business or organization.

Limits Of Insurance

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

- **insureds;**
- **claims made or suits brought;** or
- **persons or organizations making claims or bringing suits.**

The Limits Of Insurance apply separately to each consecutive annual period and to any remaining period of less than twelve (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 twelve (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.

General Aggregate Limit

Subject to the Each Occurrence Limit, the General Aggregate Limit is the most we will pay for the sum of:

- **damages for bodily injury and property damage**, except damages included in the **products-completed operations hazard**; and
- **medical expenses.**

Products-Completed Operations Aggregate Limit

Subject to the Each Occurrence Limit, the Products-Completed Operations Aggregate Limit is the most we will pay for the sum of damages for **bodily injury and property damage** included in the **products-completed operations hazard**.

Advertising Injury And Personal Injury Aggregate Limit

The Advertising Injury And Personal Injury Aggregate Limit is the most we will pay for the sum of damages for **advertising injury and personal injury**.

Each Occurrence Limit

The Each Occurrence Limit is the most we will pay for the sum of:

- **damages for bodily injury and property damage;** and
- **medical expenses;**

arising out of any one occurrence.

Any amount paid for damages or **medical expenses** will reduce the amount of the applicable aggregate limit available for any other payment.

Limits Of Insurance

Each Occurrence Limit (continued)

If the applicable aggregate limit has been reduced to an amount that is less than the Each Occurrence Limit, the remaining amount of such aggregate limit is the most that will be available for any other payment.

Damage To Premises Rented To You Limit

Subject to the Each Occurrence Limit, the Damage To Premises Rented To You Limit is the most we will pay for the sum of damages for **property damage** to any one premises while rented to you or temporarily occupied by you with permission of the owner.

Medical Expenses Limit

Subject to the Each Occurrence Limit, the Medical Expenses Limit is the most we will pay for the sum of **medical expenses**, under Medical Expenses coverage, for **bodily injury** sustained by any one person.

Bodily Injury/Property Damage Exclusions

None of the following exclusions, except "Contracts", "Expected Or Intended Injury", and "Loss In Progress", apply to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner.

Aircraft, Autos Or Watercraft

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any:

- aircraft;
- **auto**; or
- watercraft;

owned or operated by or loaned or rented to any **insured**.

This exclusion does not apply to:

- A. a watercraft while ashore on premises owned by or rented to you;
- B. a watercraft you do not own, provided that it:
 - 1. is less than fifty-five (55) feet long; and
 - 2. does not transport persons or cargo for a charge;
- C. the parking of an **auto**, on premises owned by, or rented to, you, provided the **auto** is not owned by, or loaned or, rented to, you, or the **insured**;
- D. the liability for damages assumed in an **insured contract** resulting from the ownership, maintenance, or use, by others, of an aircraft or watercraft;
- E. the operation of the equipment described in subparagraphs F.2. or F.3. of the definition of **mobile equipment**; or
- F. an aircraft you do not own, provided that:
 - 1. the pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;

***Bodily Injury/Property
Damage Exclusions***

*Aircraft, Autos Or
Watercraft
(continued)*

2. it is rented with a trained, paid crew; and
3. it does not transport persons or cargo for a charge

*Alcoholic Beverage Type
Businesses*

This insurance does not apply to **bodily injury or property damage** for which any **insured** may be held liable by reason of:

- causing or contributing to the intoxication of any person;
- furnishing alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Contracts

This insurance does not apply to **bodily injury or property damage** for which the **insured** is obligated to pay damages by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability for damages:

- that such **insured** would have in the absence of such contract or agreement; or
- assumed in an oral or written contract or agreement that is an **insured contract**, provided the **bodily injury or property damage**, to which this insurance applies, occurs after the execution of such contract or agreement.

*Damage To Alienated
Premises*

This insurance does not apply to **property damage** to any premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises.

This exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by you.

*Damage To Impaired
Property Or Property Not
Physically Injured*

This insurance does not apply to **property damage** to:

- **impaired property**; or
 - property that has not been physically injured;
- arising out of any:
- defect, deficiency, inadequacy or dangerous condition in **your product or your work**; or

**Bodily
Injured/Property
Damage Exclusions**

**Damage To Impaired
Property Or Property Not
Physically Injured
(continued)**

- delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms and conditions.

This exclusion does not apply to the loss of use of other tangible property resulting from sudden and accidental physical injury to your product or your work after it has been put to its intended use.

**Damage To Owned
Property**

This insurance does not apply to property damage to any property owned by you.

**Damage To Various
Property Of Others (Care,
Control Or Custody)**

This insurance does not apply to property damage to any:

- personal property loaned or rented to you;
- property held by you or on your behalf for sale or entrusted to you for safekeeping or storage;
- property on your premises for purposes of performing operations on such property by you or on your behalf;
- tools or equipment used by you or on your behalf in performing operations; or
- property in your care, control or custody that will be erected, installed or used in construction operations by you or on your behalf.

This exclusion does not apply to the liability for damages assumed in a sidetrack agreement.

Damage To Your Product

This insurance does not apply to property damage to your product arising out of it or any part of it.

Damage To Your Work

This insurance does not apply to property damage to your work arising out of it or any part of it and included in the products-completed operations hazard.

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

Employer's Liability

- A. This insurance does not apply to bodily injury to an employee of the insured arising out of and in the course of:
1. employment by the insured; or
 2. performing duties related to the conduct of the insured's business.
- B. This insurance does not apply to bodily injury to the brother, child, parent, sister or spouse of such employee as a consequence of any injury described in paragraph A. above.

This exclusion applies:

- whether the insured may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any injury described in paragraphs A. or B. above.

**Bodily
Injured/Property
Damage Exclusions**

**Employer's Liability
(continued)**

This exclusion does not apply to the liability for damages assumed by the **insured** in an **insured contract**.

**Expected Or Intended
Injury**

This insurance does not apply to **bodily injury** or **property damage** arising out of an act that:

- is intended by the **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of the **insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or tangible property.

Loss In Progress

This insurance does not apply to **bodily injury** or **property damage** that is a change, continuation or resumption of any **bodily injury** or **property damage** known by you, prior to the beginning of the policy period, to have occurred.

Bodily injury or **property damage** will be deemed to be known by you:

- A. if such injury or damage is known by, or should have been known from the standpoint of a reasonable person in the circumstances of:
 - 1. you;
 - 2. any of your directors, managers, members, officers (or their designees) or partners (whether or not an **employee**); and
- B. when any person described in paragraph A. above:
 - 1. reports all, or any part, of any such injury or damage to us or any other insurer;
 - 2. receives a claim or a demand for damages because of any such injury or damage; or
 - 3. becomes aware that any such injury or damage has occurred or has begun to occur.

**Mobile Equipment
Transportation**

This insurance does not apply to **bodily injury** or **property damage** arising out of the transportation of **mobile equipment** by an auto owned or operated by or loaned or rented to any **insured**.

Advertising Injury/Personal Injury Exclusions

Breach Of Contract

This insurance does not apply to **advertising injury**, or **personal injury**, arising out of breach of contract.

Continuing Offenses

This insurance does not apply to **advertising injury**, or **personal injury** that arises out of that part of an offense that continues or resumes after the later of the end of the policy period of:

- A. this insurance; or
- B. a subsequent, continuous renewal or replacement of this insurance, that:
 1. is issued to you by us or by an affiliate of ours;
 2. remains in force while the offense continues; and
 3. would otherwise apply to **advertising injury** and **personal injury**.

Contracts

This insurance does not apply to **advertising injury** or **personal injury** for which the insured is obligated to pay damages by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability for damages:

- that such **insured** would have in the absence of such contract or agreement; or
- assumed in a written contract or agreement that is an **insured contract**, provided the **advertising injury** or **personal injury**, to which this insurance applies, is caused by an offense first committed after the execution of such contract or agreement.

Crime Or Fraud

This insurance does not apply to **advertising injury** or **personal injury** arising out of any criminal or fraudulent conduct committed by or with the consent or knowledge of the **insured**.

Expected Or Intended Injury

This insurance does not apply to **advertising injury** or **personal injury** arising out of an offense, committed by or on behalf of the **insured**, that:

- is intended by such **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of such **insured**;

to cause injury.

Failure To Conform To Representations Or Warranties

This insurance does not apply to **advertising injury** or **personal injury** arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness, performance, quality or use.

Internet Activities

This insurance does not apply to **advertising injury** or **personal injury** arising out of:

- controlling, creating, designing or developing of another's Internet site;

Advertising Injury/Personal Injury Exclusions

Internet Activities (continued)

- controlling, creating, designing, developing, determining or providing the content or material of another's Internet site;
- controlling, facilitating or providing, or failing to control, facilitate or provide, access to the Internet or another's Internet site; or
- publication of content or material on or from the Internet, other than material developed by you or at your direction.

Media Type Businesses

This insurance does not apply to **advertising injury** or **personal injury** arising out of an offense committed by or on behalf of an **insured** whose business is advertising, broadcasting, cablecasting, publishing, telecasting or telemarketing.

This exclusion does not apply to **personal injury** caused by an offense described in subparagraphs A., B. or C. of the definition of **personal injury**.

Prior Offenses

This insurance does not apply to **advertising injury** or **personal injury** arising out of any offense first committed before the beginning of the policy period.

Publications With Knowledge Of Falsity

This insurance does not apply to **advertising injury** or **personal injury** arising out of any electronic, oral, written or other publication of content or material by or with the consent of the **insured**:

- with knowledge of its falsity; or
- if a reasonable person in the circumstances of such **insured** would have known such content or material to be false.

Wrong Description Of Prices

This insurance does not apply to **advertising injury** or **personal injury** arising out of any wrong description of the price of goods, products or services.

Medical Expenses Exclusions

Athletic Activities

This insurance does not apply to **medical expenses** arising out of **bodily injury** to any person injured while taking part in athletics.

Injury To Insureds

This insurance does not apply to **medical expenses** arising out of a **bodily injury** to any **insured**, except a volunteer worker.

Medical Expenses Exclusions
(continued)

Nuclear Energy

This insurance does not apply to **medical expenses** arising out of **bodily injury** in any way related to the:

- **nuclear hazardous properties of nuclear material;** and
- operation of a **nuclear facility** by any person or organization.

Products-Completed Operations Hazard

This insurance does not apply to **medical expenses** arising out of **bodily injury** included in the **products-completed operations hazard**.

Workers' Compensation Or Similar Laws

This insurance does not apply to **medical expenses** arising out of **bodily injury** to any person, whether or not an **employee** of any **insured**, if benefits for such **bodily injury** are payable or must be provided under any **workers' compensation, disability benefits or unemployment compensation law** or any similar law.

Policy Exclusions

Asbestos

- A. This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of **asbestos**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
 - 1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **asbestos**; or
 - 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **asbestos**.

Employment-Related Practices

- A. This insurance does not apply to any damages sustained at any time by any person, whether or not sustained in the course of employment by any **insured**, arising out of any **employment-related act, omission, policy, practice or representation** directed at such person, occurring in whole or in part at any time, including any:
 - 1. **arrest, detention or imprisonment;**
 - 2. **breach of any express or implied covenant;**
 - 3. **coercion, criticism, humiliation, prosecution or retaliation;**
 - 4. **defamation or disparagement;**
 - 5. **demotion, discipline, evaluation or reassignment;**
 - 6. **discrimination, harassment or segregation;**

Policy Exclusions

Employment-Related Practices
(continued)

- 7. a. eviction; or
 - b. invasion or other violation of any right of occupancy;
 - 8. failure or refusal to advance, compensate, employ or promote;
 - 9. invasion or other violation of any right of privacy or publicity;
 - 10. termination of employment; or
 - 11. other employment-related act, omission, policy, practice, representation or relationship in connection with any insured at any time.
- B. This insurance does not apply to any damages sustained at any time by the brother, child, parent, sister or spouse of such person at whom any employment-related act, omission, policy, practice or representation is directed, as described in paragraph A. above, as a consequence thereof.

This exclusion applies:

- whether the insured may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else, who must pay damages because of any of the foregoing.

Enhancement, Maintenance, Or Prevention Expenses

This insurance does not apply to any loss, cost or expense incurred by you or others for any:

- A. enhancement or maintenance of any property; or
- B. prevention of any injury or damage to any:
 - 1. person or organization; or
 - 2. property you own, rent or occupy.

Intellectual Property Laws Or Rights

This insurance does not apply to any actual or alleged **bodily injury, property damage, advertising injury or personal injury** arising out of, giving rise to, or in any way related to any actual or alleged:

- assertion; or
- infringement or violation;

by any person or organization (including any insured) of any **intellectual property law or right**, regardless of whether this insurance would otherwise apply to all or part of any such actual or alleged injury or damage, in the absence of any such actual or alleged assertion, infringement or violation.

This exclusion applies, unless such injury:

- is caused by an offense described in the definition of **advertising injury**; and
- does not arise out of, give rise to or in any way relate to any actual or alleged assertion, infringement or violation of any **intellectual property law or right**, other than one described in the definition of **advertising injury**.

Policy Exclusions
(continued)

Nuclear Energy

- A. This insurance does not apply to **bodily injury, nuclear, property damage, advertising injury or personal injury**:
1. with respect to which any **insured** under this policy also has status as an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would have had status as an **insured** under any such policy but for its termination upon exhaustion of its limit of insurance; or
 2. arising out of the **nuclear hazardous properties of nuclear material** and with respect to which:
 - a. any person or organization is required to maintain financial protection pursuant to the United States of America Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. This insurance does not apply to **bodily injury, nuclear, property damage, advertising injury or personal injury** arising out of the **nuclear, hazardous properties of nuclear material**:
1. if the **nuclear, material**:
 - a. is at any **nuclear, facility** owned by, or operated by or on behalf of, any **insured**;
 - b. has been discharged or dispersed therefrom; or
 - c. is contained in **nuclear, spent fuel or nuclear waste** at any time transported, handled, stored, disposed of, processed, treated, possessed or used by or on behalf of any **insured**; or
 2. in any way related to the furnishing by any **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**. But if such facility is located within the United States of America (including its possessions or territories) or Canada, this subparagraph 2. applies only to **nuclear property damage** to such **nuclear facility** and any property thereat.

Pollution

- A. This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
1. at or from any premises, site or location which is or was at any time owned or occupied by, or loaned or rented to, any **insured**;
 2. at or from any premises, site or location which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of waste;

Policy Exclusions**Pollution**
(continued)

3. which are or were at any time transported, handled, stored, disposed of, processed or treated as waste by or for any:
 - a. insured; or
 - b. person or organization for whom any insured may be legally responsible; or
4. at or from any premises, site or location on which any insured or any contractor or subcontractor working directly or indirectly on any insured's behalf is performing operations, if the:
 - a. pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - b. operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph A.4.a. above does not apply to **bodily injury** or **property damage** caused by the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such operating fluids escape directly from that particular part of such **mobile equipment** designed by its manufacturer to hold, store or receive them. But, this exception does not apply if such **bodily injury** or **property damage** arises out of any discharge, dispersal, seepage, migration, release or escape of **pollutants**, that:

- was intended by the insured;
- would have been expected from the standpoint of a reasonable person in the circumstances of the insured;
- was a necessary part of operations performed by any insured, contractor or subcontractor; or
- occurred during the process of fueling the **mobile equipment** or changing or replenishing any operating fluid.

Subparagraph A.4.a. above does not apply to **bodily injury** or **property damage** if sustained within a building and caused by the release of gaseous irritants or contaminants from materials brought into that building, in connection with the operations being performed by you or on your behalf by the contractor or subcontractor.

Subparagraph A.1. above does not apply to **bodily injury** if sustained within a building and caused by the escape of gaseous irritants or contaminants from equipment used to heat that building.

Subparagraphs A.1. and A.4.a. above do not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a **hostile fire**.

- B. This insurance does not apply to any loss, cost or expense arising out of any:
 1. request, demand, order or regulatory or statutory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way, respond to, or assess the effects of **pollutants**; or

Policy Exclusions

Pollution (continued)

2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Paragraph B. above does not apply to the liability for damages, for **property damage**, that the **insured** would have in the absence of such request, demand, order or regulatory or statutory requirement, or such claim or proceeding by or on behalf of a governmental authority.

This exclusion does not apply to the liability for damages, for **property damage**, to premises while rented to you or temporarily occupied by you with permission of the owner and caused by a **hostile fire**, explosion, smoke or leakage from fire protective equipment.

This exclusion applies regardless of whether or not the pollution was accidental, expected, gradual, intended, preventable or sudden.

Recall Of Products, Work Or Impaired Property

This insurance does not apply to any damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- **your product;**
- **your work;** or
- **impaired property;**

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

Workers' Compensation Or Similar Laws

This insurance does not apply to any obligation of the **insured** under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Conditions

Arbitration

We are entitled to exercise all of the **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the **insured**.

Bankruptcy

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

Conditions
(continued)

Disclosures And Representations

We have issued this insurance:

- based upon representations you made to us; and
- in reliance upon your representations.

Unintentional failure of an **employee** of the **insured** to disclose a hazard or other material information will not violate this condition, unless an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee knows about such hazard or other material information.

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

- A. You must see to it that we and any other insurers are notified as soon as practicable of any **occurrence** or offense that may result in a claim, if the claim may involve us or such other insurers. To the extent possible, notice should include:
1. how, when and where the **occurrence** or offense happened;
 2. the names and addresses of any injured persons and witnesses; and
 3. the nature and location of any injury or damage arising out of the **occurrence** or offense.
- B. If a claim is made or suit is brought against any **insured**, you must:
1. immediately record the specifics of the claim or suit and the date received;
 2. notify us and other insurers as soon as practicable; and
 3. see to it that we receive written notice of the claim or suit as soon as practicable.
- C. You and any other involved **insured** must:
1. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 2. authorize us to obtain records and other information;
 3. cooperate with us and other insurers in the:
 - a. investigation or settlement of the claim; or
 - b. 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 loss to which this insurance may also apply.
- D. No **insureds** will, except at that **insured's** own cost, make any payment, assume any obligation or incur any expense, other than for first aid, without our consent.
- E. Notice given by or on behalf of:
1. the **insured**;
 2. the injured person; or
 3. any other claimant;
- to a licensed agent of ours with particulars sufficient to identify the **insured** shall be deemed notice to us.

Conditions

Duties In The Event Of Occurrence, Offense, Claim Or Suit (continued)

- F. Knowledge of an occurrence or offense by an agent or employee of the insured will not constitute knowledge by the insured, unless an officer (whether or not an employee) of any insured or an officer's designee knows about such occurrence or offense.
- G. Failure of an agent or employee of the insured, other than an officer (whether or not an employee) of any insured or an officer's designee, to notify us of an occurrence or offense that such person knows about will not affect the insurance afforded to you.
- H. If a claim or loss does not reasonably appear to involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the insured gives us immediate notice as soon as the insured is aware that this insurance may apply to such claim or loss.

Legal Action Against Us

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a suit seeking damages from an insured; or
- sue us on this insurance unless all of the terms and conditions of this insurance 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 obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for damages that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

Other Insurance

If other valid and collectible insurance is available to the insured for loss we would otherwise cover, under this insurance, our obligations are limited as follows.

Primary Insurance

This insurance is primary except when the Excess Insurance provision described below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in the Method of Sharing provision described below.

Excess Insurance

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

- A. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for your work;
- B. that is insurance that applies to property damage to premises rented to you or temporarily occupied by you, with permission of the owner;
- C. if the loss arises out of aircraft, autos or watercraft (to the extent not subject to the Aircraft, Autos Or Watercraft exclusion);

Conditions

Other Insurance
(continued)

- D. that is insurance:
1. provided to you by any person or organization working under contract or agreement for you; or
 2. under which you are included as an insured; or
- E. that is insurance under any Property section of this policy.

When this insurance is excess, we will have no duty to defend the insured against any suit if any other insurer has a duty to defend such insured against such 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 loss, if any, that exceeds the sum of the total:

- amount that all other insurance would pay for loss in the absence of this insurance; and
- of all deductible and self-insured amounts under all 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 negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable limits 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 limits of insurance to the total applicable limits of insurance of all insurers.

Premium Audit

We will compute all premiums for this insurance in accordance with our rules and rates.

In accordance with the Estimated Premiums section of the Premium Summary, premiums shown with an asterisk (*) are estimated premiums and are subject to audit.

In addition to or in lieu of such designation in the Premium Summary, premiums may be designated as estimated premiums elsewhere in this policy. In that case, these premiums will also be subject to audit, and the second paragraph of the Estimated Premiums section of the Premium Summary will apply.

Separation Of Insureds

Except with respect to the Limits Of Insurance, and any rights or duties specifically assigned in this insurance to the first named insured, this insurance applies:

- as if each named insured were the only named insured; and
- separately to each insured against whom claim is made or suit is brought.

Conditions

(continued)

***Transfer Or Waiver Of
Rights Of Recovery
Against Others***

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the insured's rights to recover all or part of any payment made under this insurance have not been waived, 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**.

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Advertisement

Advertisement means an electronic, oral, written or other notice, about goods, products or services, designed for the specific purpose of attracting the general public or a specific market segment to use such goods, products or services.

Advertisement does not include any e-mail address, Internet domain name or other electronic address or metalanguage.

Advertising Injury

Advertising injury means injury, other than **bodily injury**, **property damage** or **personal injury**, sustained by a person or organization and caused by an offense of infringing, in that particular part of your **advertisement** about your goods, products or services, upon their:

- copyrighted **advertisement**; or
- registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title.

Agreed Settlement

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

Asbestos

Asbestos means asbestos in any form, including its presence or use in any alloy, by-product or other material or waste. Waste includes material to be recycled, reconditioned or reclaimed.

Auto

Auto means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include **mobile equipment**.

Bodily Injury

Bodily injury means physical:

- injury;
- sickness; or
- disease;

sustained by a person, including resulting death, humiliation, mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease that caused it.

Employee

Employee includes a **leased worker**. **Employee** does not include a **temporary worker**.

Hostile Fire

Hostile fire means one which becomes uncontrollable, or breaks out from where it was intended to be.

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Impaired Property

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

- it incorporates your product or your work that is known or thought to be defective, deficient, inadequate or dangerous; or
- you have failed to fulfill the terms or conditions of a contract or agreement;

if such property can be restored to use by:

- the repair, replacement, adjustment or removal of your product or your work; or
- your fulfilling the terms or conditions of the contract or agreement.

Insured

Insured means a person or an organization qualifying as an insured in the Who Is An Insured section of this contract.

Insured Contract

Insured contract:

A. means:

1. a lease of premises;
2. a sidetrack agreement;
3. an easement or license agreement;
4. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. an elevator maintenance agreement; or
6. any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for such municipality) in which you assume the tort liability of another person or organization to pay damages, to which this insurance applies, sustained by a third person or organization.

B. does not include that part of any contract or agreement that indemnifies an architect, engineer or surveyor for damages arising out of:

1. preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, designs or specifications; or
2. giving directions or instructions, or failing to give them.

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Intellectual Property Law Or Right

Intellectual property law or right means any:

- certification mark, copyright, patent or trademark (including collective or service marks);
- right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;
- other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or
- other judicial or statutory law concerning piracy, unfair competition or other similar practices.

Leased Worker

Leased worker means a person leased to a party by a labor leasing firm, in a contract or agreement between such party and the labor leasing firm, to perform duties related to the conduct of the party's business. **Leased worker** does not include a **temporary worker**.

Loading Or Unloading

Loading or unloading:

- A. means the handling of property:
 1. after it is moved from the place where it is accepted for movement into or onto an aircraft, ~~auto~~ or watercraft;
 2. while it is in or on an aircraft, ~~auto~~ or watercraft; or
 3. while it is being moved from an aircraft, ~~auto~~ or watercraft to the place where it is finally delivered.
- B. does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, ~~auto~~ or watercraft.

Medical Expenses

Medical expenses means reasonable expenses for necessary:

- first aid administered at the time of an accident;
- medical, surgical, x-ray and dental services, including prosthetic devices; and
- ambulance, hospital, professional nursing and funeral services.

Mobile Equipment

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

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use, principally, off public roads;
- B. vehicles maintained for use, solely, on premises owned by or rented to you;
- C. vehicles that travel on crawler treads;

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

**Mobile Equipment
(continued)**

- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
1. power cranes, shovels, loaders, diggers or drills; or
 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in subparagraphs A., B., C, or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in subparagraphs A., B., C, or D. above maintained primarily for purposes other than the transportation of persons or cargo.

Mobile equipment does not include self-propelled vehicles with the following types of permanently attached equipment, and such vehicles will be considered ~~autos~~:

1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Nuclear Facility

Nuclear facility means any:

- A. **nuclear reactor**;
- B. equipment or device designed or used for:
1. separating the isotopes of plutonium or uranium;
 2. processing or utilizing **nuclear spent fuel**; or
 3. handling, processing or packaging **nuclear waste**;
- C. equipment or device used for the processing, fabricating or alloying of **nuclear material**, if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than:
1. twenty-five (25) grams of plutonium or uranium 233, or any combination thereof; or
 2. two-hundred-fifty, (250) grams of uranium 235; or

Definitions

WHEN USED, WITH RESPECT TO, INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Nuclear Facility
(continued)

D. structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear Hazardous Properties

Nuclear hazardous properties includes radioactive, toxic or explosive properties.

Nuclear Material

Nuclear material means **by-product material**, **source material** or **special nuclear material**.

By-product material, **source material** and **special nuclear material** have the meanings given them in the United States of America Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear Property Damage

Nuclear property damage includes all forms of radioactive contamination of property.

Nuclear Reactor

Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Spent Fuel

Nuclear spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

Nuclear Waste

Nuclear waste means any waste material:

- containing **nuclear material**, other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content; and
- resulting from the operation by any person or organization of any **nuclear facility** described in subparagraphs A. or B. of the definition of **nuclear facility**.

Occurrence

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Officer

Officer means a person holding any of the officer positions created by an organization's charter, constitution, by-laws or any other similar governing document.

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Personal Injury

Personal injury means injury, other than **bodily injury**, **property damage** or **advertising injury**, caused by an offense of:

- A. false arrest, false detention or other false imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction of a person from or other violation of a person's right of private occupancy of a dwelling, premises or room that such person occupies, if committed by or on behalf of its landlord, lessor or owner;
- D. electronic, oral, written or other publication of material that:
 1. libels or slanders a person or organization (which does not include disparagement of goods, products, property or services); or
 2. violates a person's right of privacy; or
- E. discrimination, harassment or segregation based on a person's age, color, national origin, race, religion or sex.

Pollutants

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

Products-Completed Operations Hazard

Products-completed operations hazard:

- A. includes all **bodily injury** and **property damage** taking place, away from premises owned or occupied by or loaned or rented to you and arising out of your **product** or your **work**, except:

1. products that are still in your physical possession; or
2. work that has not yet been completed or abandoned.

Your work will be deemed completed when:

- all of the work called for in your contract or agreement has been completed.
- all of the work to be performed at the site has been completed, if your contract or agreement calls for work at more than one site.
- that part of the work completed at a site has been put to its intended use, by any person or organization other than another contractor or subcontractor working on the same project.

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

- B. does not include **bodily injury** or **property damage** arising out of:
 1. the transportation of property, unless the injury or damage results from a condition in or on a vehicle not owned or operated by, or loaned or rented to you and that condition was created by the **loading or unloading** of that vehicle, by any **insured**;

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Products-Completed Operations Hazard (continued)

2. the existence of tools, uninstalled equipment or abandoned or unused materials; or
3. products or operations for which the classification in our rules indicates that such products or operations are not subject to the Products-Completed Operations Aggregate Limit of insurance.

Property Damage

Property damage means:

- physical injury to tangible property, including resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.

Tangible property does not include any software, data or other information that is in electronic form.

Suit

Suit means a civil proceeding in which damages, to which this insurance applies, are sought. **Suit** includes an arbitration or other dispute resolution proceeding in which such damages are sought and to which the insured must submit or does submit with our consent.

Temporary Worker

Temporary worker means a person who is furnished to a party to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

Your Product

Your product:

A. means any:

1. goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. you;
 - b. others trading under your name; or
 - c. a person or organization whose assets or business you have acquired; and
2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of **your product**; and
2. the providing of or failure to provide, instructions or warnings.

C. does not include vending machines or other property loaned or rented to or located for the use of others but not sold.

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Your Work

Your work:

- A. means any:
1. work or operations performed by:
 - a. you or on your behalf; or
 - b. a person or organization whose assets or business you have acquired; and
 2. materials, parts or equipment furnished in connection with such work or operations.
- B. includes:
1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of your work; and
 2. the providing of or failure to provide instructions or warnings.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

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

AS PER SCHEDULE ON FILE WITH COMPANY

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

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.

CALIFORNIA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

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, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule, where you are required by a written contract to obtain this waiver from us.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

Schedule

1. Specific Waiver

Name of person or organization
Any person or organization against whom you may have agreed to waive your right of recovery in a written contract, provided such contract was executed prior to the date of loss.

Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

3. Premium:

The premium charge for this endorsement shall be 1% percent of the California premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Minimum Premium:

Authorized Representative

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 **01-21-25** Policy No. **71839613**

Endorsement No.

Insured **RAFTELIS FINANCIAL CONSULTANTS, INC.**

Premium \$ **Incl.**

Insurance Company **Chubb National Insurance Company**

Countersigned By _____