

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "Agreement") is made and entered into as of July, 28, 2017, by the CITY OF GARDEN GROVE (herein called "City"), on the one hand, and STEELCRAFT LONG BEACH LP, a California limited partnership (herein called "SteelCraft") and GUNDRY PARTNERS, LP dba HOWARD CDM (herein "Howard CDM"), on the other hand. SteelCraft and Howard CDM are referred to collectively in this Agreement as the "Developer."

W I T N E S S E T H:

WHEREAS, City is the owner of the real property located at 12900 Euclid Street, Garden Grove, California (the "Property");

WHEREAS, City and SteelCraft have entered into, or are about to enter into, that certain Lease Agreement for the Property (the "Lease"), pursuant to which SteelCraft intends to develop and operate specified commercial Tenant Improvements on the Property, which Tenant Improvements will be constructed by Howard CDM on behalf of SteelCraft;

WHEREAS, as of the date of this Agreement, SteelCraft has not taken possession of the Property or provided insurance coverage pursuant to the Lease, and City is still in possession of the Property;

WHEREAS, pending SteelCraft taking possession of the Property pursuant to the Lease, the Developer has requested the right of entry upon and access to the Property for the purpose of undertaking tests, inspections and other due diligence activities (herein called the "Due Diligence Activities") in connection with the design and construction of the contemplated Tenant Improvements;

WHEREAS, City has agreed to grant to the Developer, and the Developer has agreed to accept from City, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement;

WHEREAS, City and Developer desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Developer's entry upon the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Developer do hereby covenant and agree as follows:

1. Access by Developer.

(a) Subject to Developer's compliance with the terms and provisions of this Agreement, until the earlier to occur of (i) the date that SteelCraft has both taken possession of the Property

and provided all evidence of insurance and insurance endorsements required pursuant to the Lease or (ii) the earlier termination of this Agreement, Developer and Developer's agents, employees, contractors, representatives and other designees (herein collectively called "Developer's Designees") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities, following reasonable notice to, and written consent given by, the City. Either party may terminate this Agreement at any time upon written notice to the other party.

(b) Developer expressly agrees that in the event the Property is altered or disturbed in any manner in connection with the Due Diligence Activities, Developer shall return the Property to the condition existing prior to the Due Diligence Activities to the extent reasonably practicable.

(c) Developer shall indemnify, defend and hold City harmless from and against any and all claims, liabilities, damages, losses, costs and expenses (including, without limitation, attorneys' fees and expenses and court costs, but expressly excluding consequential and punitive damages) suffered, incurred or sustained by City as a direct result of, the conduct of any Due Diligence Activities on the Property by Developer or any of Developer's Designees, including, without limitation, any alterations or disturbance of the Property. Notwithstanding anything else contained herein, in no event shall Developer have any obligation to indemnify, defend or hold harmless City for any claims, liabilities, damages, losses, costs and expenses directly resulting from City's negligence. The foregoing obligation shall not be construed as limiting the indemnity and defense obligations of SteelCraft pursuant to Section 11 of the Lease.

(d) City does not assume any risk, liability or responsibility or duty of care as to Developer or Developer's Designees when they are on the Property to conduct any Due Diligence Activities. Developer acknowledges and agrees that Developer and Developer's Designees enter the Property and Due Diligence Activities thereon at their own risk.

2. Liens and Lien Waivers. In conducting any Due Diligence Activities, Developer shall not permit any liens to attach to the Property by reason of the exercise of its rights hereunder, and Developer shall indemnify City from and against any claims or demands for payment, or any liens or lien claims made against City or the Property as a result of the Due Diligence Activities. Upon receipt of a written request from City, Developer will use reasonable efforts to obtain and provide City with lien waivers following completion of the Due Diligence Activities from each and every contractor, material man, engineer, architect and surveyor who might have lien rights, in form and substance reasonably satisfactory to City and its counsel, if any.

3. Insurance. Developer shall, and shall cause all of Developer's Designees performing the Due Diligence Activities to, procure or maintain reasonable worker's compensation and liability insurance in a form and amount reasonably satisfactory to City covering each of the Due Diligence Activities. City's standard insurance requirements are set forth at Exhibit "A," which is attached hereto and incorporated herein by reference.

4. Successors. To the extent any rights or obligations under this Agreement remain in effect, this Agreement shall be binding upon and enforceable against, and shall inure to the

benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

5. Limitations. City does not hereby convey to Developer any right, title or interest in or to the Property, but merely grants the specific rights and privileges hereinabove set forth.

6. Notices. Whenever any notice, demand, or request is required or permitted under this Agreement, such notice, demand, or request shall be in writing and shall be delivered by hand, be sent by registered or certified mail, postage prepaid, return receipt requested, or shall be sent by nationally recognized commercial courier for next business day delivery, to the addresses set forth below the respective executions of the parties hereof, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to the number for each party set forth below their respective executions hereof, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands, or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given 24 hours after the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal. Nonetheless, the time period, if any, in which a response to any notice, demand, or request must be given, shall commence to run from the date of receipt of the notice, demand, or request by the addressee thereof.

7. Governing Law. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.

8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

9. Not an Amendment to Lease. This Agreement is separate and independent of the Lease and shall not be construed as an amendment to the provisions of the Lease.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City, SteelCraft, and Howard CDM have caused this Agreement to be executed and sealed, all the day and year first written above.

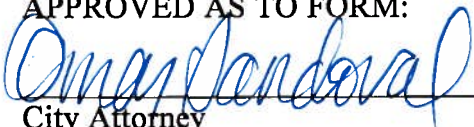
**CITY:
CITY OF GARDEN GROVE**

By: 
Scott C. Stiles, City Manager

ATTEST:

 7/31/17
Deputy City Clerk

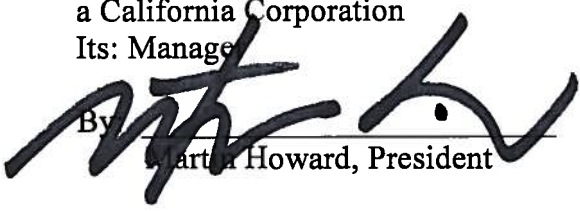
APPROVED AS TO FORM:


City Attorney

**STEELCRAFT:
STEELCRAFT LONG BEACH LP,
a California Limited Partnership**

By: GARDENING AT NITE, LLC,
a California Limited Partnership
Its: General Partner

By: HOWARD CDM,
a California Corporation
Its: Manage

By: 
Martin Howard, President

**HOWARD CDM:
GUNDRY PARTNERS, LP,
a California Limited Partnership**

By: HOWARD CDM,
a California Corporation
Its: General Partner

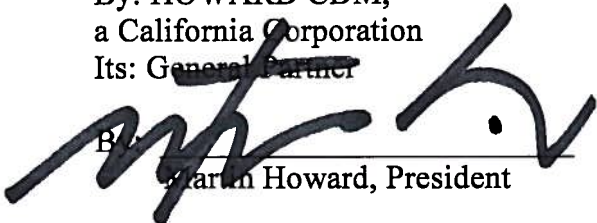
By: 
Martin Howard, President



Exhibit A
Insurance Requirements

- 1.1 COMMENCEMENT OF WORK. Neither Developer, nor any of its respective contractors or subcontractors shall commence any activities on the City Property under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance and a waiver of subrogation for each policy against the City of Garden Grove and its elected and appointed boards, officers, agents and employees. Developer shall collect and maintain insurance from each of its contractors and subcontractors for the duration of this agreement. Each of Developer's contractors and subcontractors conducting any activities on the City Property shall be required to provide the same insurance as required of Developer under this Agreement. If any contractor or subcontractor does not comply with said insurance requirements, then Developer shall not allow that contractor or subcontractor to enter the City's Property to conduct the any activities.
- 1.2 WORKERS COMPENSATION INSURANCE. For the duration of this Agreement, Developer and each of its contractors and subcontractors shall maintain Workers Compensation Insurance in the amount and type required by California law, if applicable. The insurer shall waive its rights of subrogation against the City of Garden Grove, and its elected and appointed boards, officers, agents and employees.
- 1.3 INSURANCE AMOUNTS. Developer shall obtain and maintain, and shall cause its respective contractor and subcontractors that are conducting the any activities on the City Property, to obtain and maintain the following insurance for the duration of this Agreement:
- (a) Commercial general liability in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to CITY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
 - (b) Automobile liability in an amount not less than \$1,000,000 combined single limit; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to CITY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY.

An Additional Insured Endorsement, **ongoing and products-completed operations**, and for the policy under section 1.3(a) shall designate the City of Garden Grove and its elected and appointed boards, officers, agents and employees as additional insureds for liability arising out of work or operations performed by or on behalf of Developer and each of its contractors and subcontractors. Developer and each of its contractors and subcontractors shall provide to CITY proof of insurance and endorsement forms that conform to city's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 1.3(b) shall designate the City of Garden Grove and its elected and appointed boards, officers, agents and employees as additional insureds for automobiles owned, leased, hired, or borrowed by Developer and each of its contractors and subcontractors. Developer and each of its contractors and subcontractors shall provide to City proof of insurance and endorsement forms that conform to City's requirements, as approved by the City.

For any claims related to this Agreement, Developer and each of its contractors and subcontractor's insurance coverage shall be primary insurance as respects the City of Garden Grove and its elected and appointed boards, officers, agents and employees. Any insurance or self-insurance maintained by the City of Garden Grove and its elected and appointed boards, officers, agents and employees shall by excess of Developer and each of its contractors and subcontractors's insurance and shall not contribute with it.

In the event any of Developer's and each of its contractors' and subcontractors' underlying policies do not meet policy limits within the insurance requirements, Developer and each of its contractors and subcontractors, as the case may be, shall provide the following: 1. schedule of underlying policies for a follows form excess liability policy, 2. state on the insurance certificate that the excess policy follows form, and 3. an additional insured endorsement for the excess liability policy designating City of Garden Grove and its elected and appointed boards, officers, agents and employees as additional insureds.

If Developer and/or any of its contractors and subcontractors maintains higher insurance limits than the minimums shown above, Developer and/or the contractors and subcontractors, as the case may be, shall provide coverage for the higher insurance limits otherwise maintained by Developer and/or the contractors and subcontractors.



CERTIFICATE OF LIABILITY INSURANCE

310772

DATE (MM/DD/YYYY)
7/18/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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

PRODUCER Commercial Lines - 213-253-6700 Wells Fargo Insurance Services, Inc. - CA Lic#: 0D08408 333 S. Grand Los Angeles, CA 90071	CONTACT NAME: Beth Christen PHONE (A/C No. Ext): 213-253-7155 E-MAIL ADDRESS: beth.christen@wellsfargo.com FAX (A/C No):
	INSURER(S) AFFORDING COVERAGE INSURER A: Travelers Property Casualty Co of America INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
INSURED Steve Phillips Gundry Partners, LP, Howard CDM, a California Corp. 3750 Long Beach Blvd. 562-682-9001 Ste 200 sphilips@HowardCDM.com Long Beach, CA 90807	

COVERAGES **CERTIFICATE NUMBER: 12090520** **REVISION NUMBER: See below**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X		DTECO0F408746TIL16	10/01/2016	10/01/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/OP AGG \$ 4,000,000 \$
<i>Revised and approved as to insurance language and/or requirements.</i> <i>Neidman Jay</i> <i>7-28-17 Risk Management</i>							
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	X		DT8100F408746TIL16	10/01/2016	10/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			DTSMCUP0F408746TIL16	10/01/2016	10/01/2017	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		X	DTJUB0F40874616	10/01/2016	10/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000

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

RE: RIGHT OF ENTRY AND ACCESS AGREEMENT for 12900 Euclid Street, Garden Grove, CA

City of Garden Grove, its officers, officials, agents, employees, and volunteers are named as additional insured as it relates to general & auto liability and waiver of subrogation is granted as it relates to workers comp in accordance with the terms and conditions of the policies. Umbrella follows form as it relates to additional insureds. The above coverage is primary and noncontributory where required by written contract.

CERTIFICATE HOLDER**CANCELLATION**

City of Garden Grove Attn: Risk Management 11222 Acacia Pkwy. Garden Grove, CA 92840	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**BLANKET ADDITIONAL INSURED
(CONTRACTORS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. WHO IS AN INSURED – (Section II) is amended to include any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:
 - a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
 - b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.
2. The insurance provided to the additional insured by this endorsement is limited as follows:
 - a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
 - b) The insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:
 - i. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
 - ii. Supervisory, inspection, architectural or engineering activities.
3. The insurance provided to the additional insured by this endorsement is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if the "written contract requiring insurance" specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".
4. As a condition of coverage provided to the additional insured by this endorsement:
 - a) The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:
 - c) The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

COMMERCIAL GENERAL LIABILITY

- i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. 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 the additional insured, the additional insured must:
- i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.
- The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d) The additional insured must tender the defense and indemnity of any claim or "suit" to

any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether the insurance provided to the additional insured by this endorsement is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured as described in paragraph 3. above.

5. The following definition is added to SECTION V. – DEFINITIONS:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

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

- | | |
|--|--|
| <p>A. BROAD FORM NAMED INSURED</p> <p>B. BLANKET ADDITIONAL INSURED</p> <p>C. EMPLOYEE HIRED AUTO</p> <p>D. EMPLOYEES AS INSURED</p> <p>E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS</p> <p>F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS</p> <p>G. WAIVER OF DEDUCTIBLE – GLASS</p> | <p>H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT</p> <p>I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT</p> <p>J. PERSONAL PROPERTY</p> <p>K. AIRBAGS</p> <p>L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS</p> <p>M. BLANKET WAIVER OF SUBROGATION</p> <p>N. UNINTENTIONAL ERRORS OR OMISSIONS</p> |
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PROVISIONS

A. BROAD FORM NAMED INSURED

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

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

B. BLANKET ADDITIONAL INSURED

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

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

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

C. EMPLOYEE HIRED AUTO

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

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

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

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

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

COMMERCIAL AUTO

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

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

D. EMPLOYEES AS INSURED

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

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

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

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

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

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

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

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

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

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

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

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

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

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

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

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

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

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

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

G. WAIVER OF DEDUCTIBLE – GLASS

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

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

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

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

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

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

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

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

J. PERSONAL PROPERTY

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

Personal Property

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

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

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

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

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

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

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

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- b. The airbags are not covered under any warranty; and
- c. The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

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

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

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

M. BLANKET WAIVER OF SUBROGATION

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

5. Transfer Of Rights Of Recovery Against Others To Us

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

COMMERCIAL AUTO

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

N. UNINTENTIONAL ERRORS OR OMISSIONS

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

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



WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 99 03 76 (A) - 001

POLICY NUMBER: DTJ-UB-0F40874-6-16

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

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. The additional premium for this endorsement shall be 2 . % of the California workers' compensation premium.

Schedule

Person or Organization

Job Description

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

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

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

Endorsement Effective Insured 10/01/2016 Policy No. DTJ-UB-0F40874-6-16 Endorsement No. Premium

Insurance Company Travelers Property Casualty Co of America Countersigned by _____

DATE OF ISSUE:

ST ASSIGN:

Page 1 of 1

Reviewed and approved as to insurance language and/or requirements.

Handwritten signature: Heidi M. Jay, Risk Management, 7-28-17