

EXHIBIT C

REQUIRED INSURANCE

On or before beginning any of the services called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of this Agreement, and provide proof thereof that is acceptable to City of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all respects to City. Such insurance shall not be in derogation of CONSULTANT's obligations to provide indemnity under Section 18 of this Agreement.

1. Comprehensive General Liability and Automobile Liability Insurance Coverage

CONSULTANT shall carry and maintain Comprehensive General Liability, Products/Completed Operations Hazard, Comprehensive Automobile Liability and Contractual General Liability Insurance which provides the following:

Minimum coverage: a Comprehensive General Liability and Automobile Liability Insurance in an amount not less than FIVE MILLION DOLLARS (\$5,000,000).

If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned real property and automobiles. Insurance coverage shall not be subject to any type of pollution exclusion or owned property exclusions.

2. Worker's Compensation

Before execution of the Agreement, CONSULTANT shall file with the City the following signed certification:

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

CONSULTANT shall carry and maintain worker's compensation as required by the California Labor Code for all persons employed directly or indirectly in connection

with this Agreement by CONSULTANT or any subconsultant.

3. Additional Insureds

The City of Commerce, their officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by this Agreement. An endorsement to this effect shall be delivered to City prior to the commencement of any work. Satisfaction of any deductible requirement shall be the responsibility of CONSULTANT. Such insurance shall be primary, and noncontributory with any other insurance by the City of Commerce.

4. Cancellation Clause

Each of the policies of insurance shall contain a clause substantially as follows:

It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until 30 days after receipt by the City Administrator of the City of Commerce of the written notice of such cancellation or reduction of coverage, as evidenced by receipt of a certified letter.

5. Severability Clause

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability.

6. Qualifications of Insurer

All policies of insurance shall be issued by an insurance company acceptable to City and authorized to issue said policy in the State of California.

7. Approval of Insurer

The insurance carrier providing the insurance shall be chosen by CONSULTANT subject to approval by City, provided that such approval shall not be unreasonably withheld.

8. Payment of Premiums

All premiums on insurance policies shall be paid by CONSULTANT making payment, when due, directly to the insurance carrier, or in a manner agreed to by City.

9. Evidence of Insurance and Claims

City shall have the right to hold the policies and policy renewals, and CONSULTANT shall promptly furnish to City all renewal notices and all receipts of paid premiums. In the event of loss, CONSULTANT shall give prompt notice to the insurance carrier and City. City may make proof of loss if not made promptly by CONSULTANT.

Other Provisions or Requirements

Proof of insurance. Contractor shall provide certificates of insurance to City of Commerce as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City of Commerce's risk manager prior to commencement of performance. Current certification of insurance shall be kept on file with City of Commerce at all times during the term of this contract. City of Commerce reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by Contractor, his agents, representatives, employees or subcontractors. Contractor must maintain general liability and umbrella or excess liability insurance for as long as there is a statutory exposure to completed operations claims. City of Commerce and its officers, officials, employees, and agents shall continue as additional insureds under such policies.

Primary/noncontributing. Coverage provided by Contractor shall be primary and any insurance or self-insurance procured or maintained by City of Commerce shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City of Commerce before the City of Commerce's own insurance or self-insurance shall be called upon to protect it as a named insured.

Products/completed operations coverage. Products/completed operations coverage shall extend a minimum of three (3) years after project completion. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors, the Policy must include work performed "by or on behalf" of the insured. Policy shall contain no language that would invalidate or remove the insurer's duty to defend or indemnify for claims or suits expressly excluded from coverage. Policy shall specifically provide for a duty to defend on the part of the insurer. The City of Commerce, its officials, officers, agents, and employees, shall be included as additional insureds under the Products and Completed Operations coverage.

City of Commerce's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City of Commerce has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City of Commerce will be promptly reimbursed by Contractor or City of Commerce will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, City of Commerce may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City of Commerce's risk manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City of Commerce, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City of Commerce, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Contractor acknowledges and agrees that any actual or alleged failure on the part of the City of Commerce to inform Contractor of non-compliance with any requirement imposes no additional obligations on the City of Commerce nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Contractor maintains higher limits than the minimums shown above, the City of Commerce requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Commerce.

Notice of cancellation. Contractor agrees to oblige its insurance agent or broker and insurers to provide to City of Commerce with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City of Commerce and its officers, officials, employees, agents, and

volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City of Commerce and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. Contractor agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Contractor agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City of Commerce for review.

City of Commerce's right to revise requirements. The City of Commerce reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Contractor a ninety (90) day advance written notice of such change. If such change results in substantial additional cost to the Contractor, the City of Commerce and Contractor may renegotiate Contractor's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City of Commerce. City of Commerce reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City of Commerce.

Timely notice of claims. Contractor shall give City of Commerce prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.