

INSURANCE COVERAGE REQUIREMENTS

Liability Coverages, Property Manager, at its cost, shall maintain, or cause to be maintained, the following insurance coverage during the term of this Agreement:

(a) Comprehensive, broad form general liability insurance, in an amount not less than Six Million Dollars (\$6,000,000), combined single limit. At least \$1,000,000 shall be primary and the remainder may be maintained, as applicable, as umbrella or excess liability coverage.

(b) Automobile liability insurance for owned, hired or non-owned vehicles, in an amount not less than One Million Dollars (\$1,000,000), combined single limit.

(c) Workers' compensation, as required by law and employer's liability in an amount not less than One Million Dollars (\$1,000,000).

(d) Two Million Dollars (\$2,000,000) of professional liability insurance for errors and omissions for the professional acts, errors and omissions of Property Manager or its employees and agents related to any services performed by Property Manager hereunder requiring a real estate broker's license,

(e) Property Manager shall not undertake or permit to be undertaken any construction involving heavy equipment, such as grading or earthmoving equipment, without prior approval of ARRA, which may be conditioned upon requiring additional insurance from Property Manager or the contractor or subcontractor performing the work.

(f) With respect to construction in the Development other than as described in Subsection (e) above, Property Manager shall cause the construction contractors and subcontractors to provide the following insurance coverages:

(i) The construction contractor shall provide ARRA's protective coverage, in an amount not less than three million dollars (\$3,000,000), combined single limit.

(ii) Comprehensive, broad form general liability insurance, including products and completed operations, in an amount not less than one million dollars (\$1,000,000), combined single limit. If such insurance is provided under a blanket policy, a separate general liability and completed operations aggregate limit shall apply to the Development. The completed operations coverage shall be maintained for at least two (2) years following completion of construction.

(iii) Liability insurance for owned, hired and non-owned vehicles, in an amount not less than Five Hundred Thousand Dollars (\$500,000), combined single limit,

(iv) Workers' compensation, as required by law and employer's liability in an amount not less than One Million Dollars (\$1,000,000).

(g) Property Manager shall also cause contractors and subcontractors to maintain, as applicable, umbrella, or excess liability coverage, in an amount not less than Three Million Dollars (\$3,000,000) unless the City's Risk Manager expressly approves in writing lesser amounts. Such insurance shall be in excess of all liability coverages required in the above subsections to be maintained by the contractors and subcontractors.

(h) To the extent Property Manager is directly or indirectly involved in any type of excavation at Alameda Point, it must obtain prior written approval of ARRA, which may condition such approval on requiring pollution legal liability insurance in an amount to be determined by ARRA based on the scope of work.

General Requirements.

(a) Required Provisions. All insurance policies required under this Article VI other than workers' compensation and professional liability insurance for errors and omissions shall (i) name ARRA and all other parties specified in Section 7.2(0 below as additional insureds, (ii) be issued by an insurer and be in a form and contain terms, all as reasonably approved by ARRA and the City's Risk Manager, (iii) provide that such policies shall not be canceled nor shall any material change be made therein without at least thirty (30) days' prior written notice to ARRA, and (iv) provide that any loss shall be payable to ARRA and any other additional named insured specified in Section 7.2(f) below notwithstanding any act or negligence of Property Manager which might otherwise result in forfeiture of such insurance.

(b) Rating. All insurers providing the coverages specified in this Article VI shall be rated A-VII or better by Best's and shall otherwise be subject to the prior approval of the City's Risk Manager.

(c) Certificates of Insurance. On or before the commencement of the term of this Agreement, Property Manager shall furnish ARRA and the City with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with this Agreement. Such certificates, which do not limit Property Manager's indemnification, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the City of Alameda by certified mail, Attention: Risk Manager." It is agreed that Property Manager shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company or companies licensed to do insurance business in the State of California and domiciled in the United States of America, Endorsements naming the additional insureds specified in Section 7.2(0 below shall be submitted with the insurance certificates. Property Manager shall also provide ARRA with certificates evidencing and further insurance coverages required by this Article VI (whether maintained by Property Manager or by contractors and subcontractors) prior to the commencement of any activity or operation which could give rise to a loss to be covered by such insurance. Replacement certificates shall be sent to the City's Risk Manager as policies are renewed, replaced or modified.

(d) Investigation of Claims. Property Manager shall promptly report any conditions or incidents of which Property Manager becomes aware which could give rise to a claim or lawsuit against ARRA or involving the Development. Property Manager shall promptly investigate and make a full, timely, written report to any insurance company providing coverage, with a copy to ARRA and the City's Risk Manager, of all accidents, claims, or damage relating to the ownership, operation and maintenance of the Development, any damage or destruction to the Development and the estimated cost of repair thereof, and shall prepare any and all further reports required by any such insurance company in connection therewith. Property Manager shall have no right to settle, compromise or otherwise dispose of any claims, demands or liabilities, whether or not covered by insurance, without the prior written consent of ARRA and the City's Risk Manager.

(e) Failure to Secure. If Property Manager at any time during the term hereof should fail to secure or maintain the foregoing insurance, ARRA shall be permitted to obtain such

insurance in Property Manager's name or as an agent of ARRA and shall be compensated by Property Manager for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

(f) (Additional Insureds. ARRA, the City, the City Council, Alameda Power and Telecom, Alameda Housing Authority, and the Community Improvement Commission and their respective boards, commissions, officers, employees and agents shall be named as additional insureds under all insurance coverages required by this Agreement except the Workers' Compensation coverage and professional liability insurance. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. The insurance Property Manager is required to *carry* or cause to be carried under this Agreement shall be primary. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance required to be provided by this Agreement.

(a) Deductibles. All deductibles shall be subject to the approval of the City's Risk Manager; no self-insured retentions shall be permitted,

(b) Subrogation Waiver. Property Manager agrees that in the event of loss due to any of the perils for which Property Manager has agreed to provide comprehensive general and automotive liability insurance, Property Manager shall look solely to Property Manager's insurance for recovery. Property Manager hereby grants to the City and ARRA, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Property Manager or the City or ARRA with respect to the services of Property Manager herein, a waiver of any right to subrogation which any such insurer of Property Manager may acquire against the City or ARRA by virtue of the payment of any loss under such insurance.

(c) Sufficiency of Insurance. The insurance limits required by ARRA or the City are not represented as being sufficient to protect Property Manager. Property Manager is advised to confer with Property Manager's insurance broker to determine adequate coverage for Property Manager.