

INSURANCE REQUIREMENTS

The parties acknowledge and agree that they have and will provide proof of the required insurance Coverage as described showing the proper ownership entity on the required certificates.

A. CONTRACTOR'S AND SUBCONTRACTOR'S INSURANCE COVERAGE REQUIRED

Insurance shall be placed with insurance companies rated at least A-: XII by Best's Key Rating Guide. Contractor shall cause all of its subcontractors to comply with the coverage and limit requirements of this document, unless different limits are specifically negotiated with Owner. If Owner or LBA determines in its reasonable judgment that additional insurance or additional excess liability insurance is required for certain projects, Contractor shall procure such additional insurance and provide evidence of same to LBA prior to commencing work on such projects.

(i) Workers' Compensation

- (a) Statutory in accordance with the laws of the state with jurisdiction, including Voluntary Compensation, Broad Form All States Endorsement, U.S. Longshoremen's and Harbor Workers' Coverage and Maritime Coverage, as applicable.
- (b) Employer's Liability with limits of not less than (1) \$1,000,000 each accident/injury, \$500,000 each employee/disease and \$500,000 disease/policy limit, or (2) current limit carried, whichever is greater.
- (c) Such policy shall include a waiver of subrogation in favor of Owner and LBA.

(ii) Commercial General Liability – ISO Form CG001 (10/01) Occurrence Form Only -("Claims Made" is not acceptable).

- (a) Bodily Injury Liability and Property Damage Liability: As required by Section C, below.
- (b) General Liability insurance must include Blanket Contractual Liability, Broad Form Liability including Products/Completed Operations, Independent Contractors, Broad Form Property Damage, Personal Injury, Fellow Employee Exclusion deleted, "X", "C" and "U" Exclusions deleted, Incidental Medical Malpractice and Host Liquor. If policy is subject to a "general aggregate," it must contain a per job or per location aggregate extension with respect to the Work for Owner. Contractor's coverage for Completed Operations on the Work must be maintained for five (5) years following completion of the Work and certificates evidencing this coverage must be provided to Owner until the end of such five (5) year period.

(iii) Automobile Liability

Bodily Injury Liability and Property Damage Liability in an amount not less than \$1,000,000 Each Person, and \$2,000,000 Each Accident. The insurance must include Owned (Long Term Leased), Employer's Non-Owned and Hired Automobile Coverage.

(iv) **Excess/Umbrella Liability**

The Umbrella policy shall be in excess of items (i)(b), (ii)(a), ii(b) and (iii) above, with coverages not more restrictive than the primary insurance.

(v) **Property Insurance**

Contractor shall maintain "Special Form" (commonly referred to as "all risk" or "special perils" coverage) property insurance in an amount equal to the full replacement cost of all Contractor's real and personal property (for which it has title and/or risk of loss), as well as real and personal property which becomes a final part of the Project, during its off-Project status, in transit and while stored or worked upon away from, or on, the Project site. Owner and all Indemnitees shall be loss payees under such insurance and such insurance shall contain a waiver of subrogation in favor of Owner and all Indemnitees. All policy proceeds shall be used for the repair or replacement of the property damaged or destroyed.

(vi) **Other Insurance and Requirements**

(a) Contractor Subcontractors shall carry their own "Contractor's Equipment" coverage insuring the full replacement cost of their tools and equipment on an "All Risk" basis and shall contain a Waiver of Subrogation endorsement in favor of Owner and LBA.

(b) If Design/Build Subcontractors are used in the performance of any portion of the Work, then all such Design/Build Subcontractors shall maintain Errors and Omissions Liability Insurance including contractual and prior acts coverage sufficient to cover all Design/Build Work performed by such Design/Build Subcontractors under the Agreement with limits of liability of not less than \$1,000,000 per claim and in the aggregate, or limit carried, whichever is greater, and shall include a contractual liability endorsement and a deductible amount not greater than \$50,000. Such insurance shall be maintained during the term of the Agreement and so long as the insurance is reasonably available, for a period of five (5) years after final completion of the Project. For purposes of this Section, it is agreed that the required insurance is deemed reasonably available if: (a) any reputable insurer is willing to issue the insurance to such Design/Build Subcontractors; and (b) a significant number of such Design/Build subcontractors in the same practice in the same state in which the Project is located during the same period are able to obtain similar insurance. Such Design/Build Subcontractors shall prove to the reasonable satisfaction of Owner if at any time this insurance fails to be reasonably available.

- (c) LBA may require additional insurance for Contractor. Contractor may also carry such other insurance as Contractor deems prudent (auto, physical damage, builder's risk insurance). All such insurance shall include a waiver of the insurer's rights of subrogation against Owner and LBA.
- (d) LBA may require Contractor to submit payment and performance bonds covering the faithful performance of a Purchase Order and the payment of all obligations arising thereunder, in such form and with such sureties as are satisfactory to Owner and/or LBA.

B. **TERMS AND CONDITIONS OF INSURANCE**

- (i) Within thirty (30) days of the date hereof but in no event later than Contractor's commencement of Work, Contractor shall file with LBA a valid/original "Certificate of Insurance" evidencing that all required insurance is in full force and effect. Contractor shall file with LBA valid/original Certificates of Insurance prior to Contractor's renewal of each coverage described in this document. Contractor shall maintain current and valid Certificates of Insurance that shall be kept on file with LBA at all times during the term hereof and during the performance of Work pursuant to this Agreement. LBA will not process any invoices or applications for payment submitted by Contractor for Work performed unless LBA has valid/original Certificate(s) Insurance for Contractor and all subcontractors. Contractor shall not make any changes in or allow the required insurance coverages to lapse without first obtaining Owner's and/or LBA's prior written approval.
- (ii) All policies for insurance shall be in form satisfactory to Owner and/or LBA and shall contain an endorsement providing that Owner and/or LBA must be given sixty (60) days' prior written notice of any cancellation, non-renewal or material change in the policy or coverage there under. Upon request Contractor shall furnish Owner and/or LBA with complete copies of the insurance policies required by this document.
- (iii) Contractor shall add by endorsement to its policies of insurance, except for Workers' Compensation Insurance, LBA and its employees and agents, Owner and, if applicable, all beneficiaries thereunder, as additional insureds, using the following language:

LBA Realty LLC and its employees and agents, LBA IV-PPI, LLC, and all beneficiaries, if any re Additional Insureds jointly and/or severally regarding any coverage afforded by this policy with respect to services and/or materials performed, furnished or supplied on, for or to such properties. This insurance shall be primary with respect to any other insurance available to such additional insureds, and shall be endorsed in a manner that will prohibit the contractor's insurers from seeking contribution from such insurance of the additional insureds.

- (iv) The failure to secure and maintain or add by endorsement LBA, its employees and agents, Owner and, if applicable, all beneficiaries thereunder, shall not act as a defense to the enforcement of the terms of this Agreement. Any such insurance policy shall apply separately to each insured against whom claim is made or suit is brought and shall contain no provision that excludes coverage of a claim made by one insured under the policy against another insured under the policy.
- (v) Any insured loss covered by any property insurance or builders risk insurance applicable to the Work shall be adjusted with the Owner and made payable to the Owner, subject to any applicable mortgagee clause.
- (vi) Show Certificate Holder as: LBA IV-PPI, LLC
c/o LBA Realty
3333 Michelson Drive, Suite 350
Irvine, CA 92612

C. **CONTRACTOR AND SUBCONTRACTOR INSURANCE LIMITS REQUIREMENTS**

	<u>Division</u>	<u>Trade Description</u>	<u>Trade Number for Limits Required (See Attached)</u>
1.	Site work	Earthwork	3
		Excavation	5
		Grading	2
		Paving	2
		Piling/Caisson	3
		Retention	4
2.	Concrete	Formwork	5
		Precasts	5
		Structural	5
3.	Masonry	Masonry	5
4.	Metal and Structural	Metal Deck	4
		Misc. Metals	2
		Structural Steel	5
5.	Carpentry	Millwork	2
		Rough Carpentry	2
		Wood Doors	2
6.	Moisture Protection	Caulking	3
		Damp proofing	3
		Roofing/Sheet	5
		Metal	3
		Waterproofing	

	<u>Division</u>	<u>Trade Description</u>	<u>Trade Number for Limits Required (See Attached)</u>
7.	Doors, Windows and Glass	Curtain wall	5
		Glass, Glazing & Aluminum	3
		Hardware	1
		Hollow Metal Work	1
8.	Finishes	Acoustic	2
		Ceramic & Quarry	2
		Covering	2
		Lathe, Plaster & Drywall	2
		Resilient Floor	2
		Paint & Vinyl Wall	2
9.	Specialties	Access Flooring	1
		Partitions	1
		Toilet Accessories	1
10.	Equipment	Crane Operations	4
11.	Furnishings	Suppliers	1
12.	Special Construction	Asbestos Abatement	5
		Blasting	5
13.	Conveying Systems	Elevators	5
		Escalators	5
		Conveyers	3
		Dumbwaiters	3
14.	Mechanical	Fire Protection System	4
		Plumbing	4
15.	HVAC		5
16.	Electrical	Electrical	5
17.	Demolition	More Than 3 Stores	10
		3 Stories or Less	5
18.	General Contractor	Major Project	50
19.	General Contractor	Performing Following Work:	10

<u>Division</u>	<u>Trade Description</u>	<u>Trade Number for Limits Required (See Attached)</u>
	New construction Under 3 Stories and Less Than 100,000 Sq. Ft.; or Construction Contract Up to \$5,000,000; or Renovation Less Than 15% of Existing Structure	
20. General Contractor	Performing Following Work: Any new renovation or repair work agreed by LBA and Owner to be of such size and scope to require special limits.	At Discretion of LBA/Owner

The following are the Limits of Liability required depending on the trade number of the Contractor:

<u>Trade No.</u>	<u>Insurance Limits</u>	
1.	\$1,000,000 Each Occurrence \$1,000,000 General Aggregate \$1,000,000 Products & Completed Operations Aggregate	
2.	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate	
3.	\$2,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$1,000,000 Umbrella Each Occurrence/Aggregate	OR
	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$2,000,000 Umbrella Each Occurrence/Aggregate	
4.	\$2,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$2,000,000 Umbrella Each Occurrence/Aggregate	OR
	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$3,000,000 Umbrella Each Occurrence/Aggregate	

<u>Trade No.</u>	<u>Insurance Limits</u>	
5.	\$2,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$3,000,000 Umbrella Each Occurrence/Aggregate	OR
	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$4,000,000 Umbrella Each Occurrence/Aggregate	
10.	\$2,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$8,000,000 Umbrella Each Occurrence/Aggregate	OR
	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$9,000,000 Umbrella Each Occurrence/Aggregate	
50.	\$2,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$49,000,000 Umbrella Each Occurrence/Aggregate	OR
	\$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate \$50,000,000 Umbrella Each Occurrence/Aggregate	