SUPPLEMENTAL DOCUMENT 13

LACDA INSURANCE REQUIREMENTS

EXHIBIT A
INSURANCE REQUIREMENTS
NOFA 33

1.0 INSURANCE

Without limiting the Borrower's indemnification of LACDA Indemnitees, and in the performance of this Agreement and until all its obligations pursuant to this Agreement have been met, the Borrower shall provide and maintain at its own expense insurance coverage satisfying the requirements specified herein. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon the Borrower pursuant to this Agreement. The LACDA in no way warrants that the Required Insurance is sufficient to protect the Borrower for liabilities which may arise from or relate to this Agreement.

SUB-CONTRACTOR INSURANCE COVERAGE REQUIREMENTS

The Borrower shall include their Contractors and all their Sub-Contractors as insureds under the Contractor's own policies or shall provide the LACDA with each Sub-Contractor's separate evidence of insurance coverage upon request. The Borrower shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein and shall require that each Sub-Contractor name the LACDA, the County of Los Angeles and the Borrower as additional insureds on a primary and non-contributory basis and include a waiver of subrogation on the Sub-Contractor's General Liability policy. The Borrower shall obtain the LACDA's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

1.1 Insurance Coverage

All Insurance Coverage requirements listed below are to be provided upon the execution of the Agreement between the Borrower and the LACDA, unless specified to be provided during the pre-development period where indicated below.

BORROWER INSURANCE REQUIREMENTS:	
A	**GENERAL LIABILITY:** (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the County of Los Angeles, the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents"). Additional Insured Endorsement with primary and non-contributory coverage and a waiver of subrogation naming the LACDA and the County of Los Angeles is required. ***Note:*** If applicable, if insurance is provided by the Developer on behalf of the Borrower, the Developer shall add the Borrower as a named insured on the

insurance policy. The Developer entity providing insurance must be the one that formed the Borrower.

B

COMMERCIAL PROPERTY: For receipt of an LACDA loan, the Borrower shall be required to insure the property for replacement cost under the Special Form Coverage. The LACDA shall be named on a Lenders Loss Payable Endorsement. Evidence of this shall be provided to the LACDA, prior to execution of this Agreement. Coverage shall be maintained for the duration of this Agreement.

The Borrower shall at all times during the term of the loan, maintain property/casualty insurance on all business assets and collateral in an amount at least equal to the borrower's outstanding loans, and name the LACDA as a lender loss payee, additional insured and include coverage for all items purchased with the loan. The Borrower shall keep collateral properly housed and insured for the full insurable value thereof against loss or damage by fire, theft, explosion, sprinklers, collision (in the case of motor vehicles) and such other risks satisfactory to the LACDA.

"Basic Form" or "Special Form" property insurance as follows:

A. "Special Form" perils property insurance coverage shall be provided for both Builders Risk (course of construction) and completed operational property. All builders risk insurance shall provide coverage against theft, vandalism, malicious mischief, collapse, false work, temporary buildings on site, theft and vandalism to construction materials, building materials in transit and debris removal including demolition occasioned by enforcement of any applicable building codes. For modular or prefabricated construction projects, such Builders Risk (Course of Construction) coverage shall be written on an "All Risk" form and shall expressly include coverage for off-site fabrication, off-site storage, and transit exposures from the point of manufacture (including but not limited to factory locations outside the State of California) through interstate transport, temporary storage, and final on-site assembly. Coverage shall apply from the time materials or modules leave the fabrication facility until final acceptance of the Work. The LACDA shall be named as a Loss Payee on such policy, and coverage shall not be limited solely to the project site. The amount of the property coverage shall at all times meet or exceed the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Mortgaged Property. There shall not be a "co-insurance" clause and Borrower agrees to waive any co-insurance clause **to the full extent described in the insurance policy form**. If a co-insurance waiver is not commercially available at reasonable rates, the LACDA may waive this requirement. Said insurance shall be maintained for the duration of this Agreement. The LACDA shall be named as loss payees on such policy.

B. If "Special Form" is not available from the Borrower' underwriters due to market conditions or unreasonable costs, or the LACDA determine "Basic

Form" is preferred, "Basic Form" may be obtained in lieu of "Special Form." "Basic Form" insurance coverage shall include, without limitation, insurance against the perils of fire and physical loss of damage including, without duplication of coverage, vandalism, malicious mischief and extended coverage. The amount of the property coverage shall at all times meet or exceed the actual cash value ("ACV") of all existing structures, improvements and fixtures on the Property. Said insurance shall be maintained for the duration of this Agreement. The LACDA shall be named as loss payees on such policy.

The Borrower shall deliver satisfactory evidence of Property insurance at such time that such exposures are at risk, but in no event later than the Close of Construction Escrow.

C

BUILDERS RISK INSURANCE: For receipt of an LACDA loan, the Borrower shall be required to insure the property for replacement cost under the Special Form Coverage. The LACDA shall be named on a Lenders Loss Payable Endorsement.

(All Risk with Replacement Cost Coverage Form) shall be maintained by the Borrower upon the entire part of the structure on which the work of the contract is to be done in one hundred (100%) percent of the insurable value of the Agreement amount thereof, including items of labor and materials connected therewith. This insurance shall include the interests of the LACDA, the Borrower, subcontractors, and sub-subcontractors, and shall insure against the perils of fire and extended coverage, and shall include "all risk" insurance for physical damage, including, but not limited to, windstorm, hailstorm, tornado, theft, vandalism, and malicious mischief and course of construction coverage. The property insurance shall include the fees of an architect necessary to be incurred in repairs or reconstruction of the Work. The LACDA shall be named as a Loss Payee.

D

FLOOD INSURANCE (If Applicable, Borrower to provide evidence property is not located in a flood zone): Flood Insurance shall be maintained for any project located in a Special Flood Hazard Area. The flood insurance shall provide coverage in an amount that at all times meets or exceeds the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Property, or the maximum limit available through the National Flood Insurance Program ("**NFIP**"), whichever is greater.

E

INLAND MARINE (TRANSIT & CARGO) (Applicable to Modular Projects): For modular or prefabricated construction projects involving off-site fabrication and interstate transport of building components, the Borrower shall require Inland Marine coverage (including Transit and Cargo coverage) protecting modular units, materials, and related equipment during long-haul transport, loading and unloading operations, and any intermediate storage prior to installation. Coverage shall apply from the point of manufacture to final delivery and setting at the project site.

	Coverage limits shall be sufficient to cover the full replacement value of transported modules. The LACDA shall be named as Loss Payee where commercially available.

DEVELOPER, GENERAL PARTNER INSURANCE REQUIREMENTS:

A	**GENERAL LIABILITY:** Providing scope of coverage equivalent to ISO policy form CG 00 01, naming the County of Los Angeles, the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents"). Additional Insured Endorsement with primary and non-contributory coverage and a waiver of subrogation naming the LACDA and the County of Los Angeles is required. **Note:** If applicable, insurance provided by the Borrower on behalf of the Developer, the Borrower shall add Developer as a named insured on the insurance policy. The Borrower must have been the one formed by the Developer.
B	**WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY:** As required by the Labor Code of the State of California. Must include a waiver of subrogation in favor of the LACDA. In all cases, insurance shall include Employer's Liability coverage with limits of not less than indicated.

DESIGN PROFESSIONALS: Including but not limited to architects, CASp consultants, structural, civil and geotechnical engineers hired directly by the Borrower or Developer.

In addition to the above, if any work is also performed during the pre-development period where LACDA owns the property, the following insurances will be applicable to the consultant performing the work.

A	**GENERAL LIABILITY:** Providing scope of coverage equivalent to ISO policy form CG 00 01, naming the County of Los Angeles, the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents"). Additional Insured Endorsement with primary and non-contributory coverage and a waiver of subrogation naming the LACDA and the County of Los Angeles is required.
B	**COMMERCIAL AUTOMOBILE INSURANCE:** Shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto." Shall include a waiver of subrogation in favor of the LACDA.
C	**WORKERS' COMPENSATION:** As required by the Labor Code of the State of California. Must include a waiver of subrogation in favor of the LACDA. In all cases, insurance shall include Employer's Liability coverage with limits of not less than indicated. For modular construction projects involving fabrication in states other than California, Workers' Compensation coverage shall comply with the statutory requirements of

each state in which work is performed, including but not limited to fabrication facilities and on-site assembly locations.

D

PROFESSIONAL LIABILITY INSURANCE: Appropriate to the professional's profession in an amount not less than LACDA requirements. Said insurance shall be maintained for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

For modular or prefabricated construction projects involving integrated design-build delivery or manufacturer-provided design services, Professional Liability (Errors & Omissions) coverage shall also be maintained by any manufacturer or entity providing design, engineering, delegated design, shop drawings, or other professional services related to modular fabrication.

E

POLLUTION LIABILITY INSURANCE AND/OR ASBESTOS POLLUTION LIABILITY AND/OR ERRORS & OMISSIONS (APPLICABLE TO PROFESSIONALS PERFORMING WORK AT THE SITE): Applicable to the work being performed including coverage for bodily injury, personal injury, death, property damages, and environmental damage. The LACDA and the County of Los Angeles shall be covered as additional insureds on the pollution liability insurance policy. See Exhibit A-1 for Additional Information.

Said policy shall also include, but not be limited to coverage for any and all remediation costs, including, but not limited to, brownfield restoration and clean-up costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The LACDA and the County of Los Angeles shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all the following requirements:

a. The retroactive date must be shown on the policy and must be before the date of this Agreement or the beginning of the work or services that are the subject of this Agreement;

b. Insurance must be maintained, and evidence of insurance must be provided for the duration of this Agreement or for five (5) years after completion of the work or services that are the subject of this Agreement, whichever is greater;

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, then the Borrower must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Agreement;

d. A copy of the claims reporting requirements must be submitted to the LACDA for review;

e. If the work or services that are the subject of this Agreement involve lead based paint or asbestos identification/remediation, then the Borrower's Pollution Liability shall not contain any lead-based paint or asbestos exclusions; and

f. If the services involve mold identification/remediation, the Borrower's Pollution Liability shall not contain a mold exclusion and definition of "Pollution" shall include microbial matter including mold.

ENVIRONMENTAL TESTING: Applicable to any consultants performing environmental work or testing at the site.

In addition to the above, if any work is also performed during the pre-development period where LACDA owns the property the following insurances will be applicable to the consultant performing the work.

A	**GENERAL LIABILITY:** Providing scope of coverage equivalent to ISO policy form CG 00 01, naming the County of Los Angeles, the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents"). Additional Insured Endorsement with primary and non-contributory coverage and a waiver of subrogation naming the LACDA and the County of Los Angeles is required. When digging or trenching shall occur, coverage shall include an XCU Endorsement for explosion, collapse, and underground ("XCU") hazards, property damage liability.
B	**COMMERCIAL AUTOMOBILE INSURANCE:** Shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto". Shall include a waiver of subrogation in favor of the LACDA. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by Contractor pursuant to the Agreement. This coverage may also be provided on the Contractor's Pollution Liability policy. If automobiles are to be used for transporting hazardous materials, the Contractor shall provide pollution liability broadened coverage for covered autos as well as proof of MCS 90.
C	**WORKERS' COMPENSATION AND EMPLOYER's LIABILITY:** As required by the Labor Code of the State of California. Must include a waiver of subrogation in favor of the LACDA. In all cases, insurance shall include Employer's Liability coverage with limits of not less than indicated.
D	**PROFESSIONAL LIABILITY INSURANCE:** Appropriate to the professional's profession in an amount not less than LACDA requirements. Said insurance shall be maintained for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

E	**POLLUTION LIABILITY INSURANCE AND/OR ASBESTOS POLLUTION LIABILITY AND/OR ERRORS & OMISSIONS (APPLICABLE TO PROFESSIONALS PERFORMING WORK AT THE SITE):** Applicable to the work being performed including coverage for bodily injury, personal injury, death, property damages, and environmental damage. The LACDA and the County of Los Angeles shall be covered as additional insureds on the pollution liability insurance policy. See Exhibit A-1 for Additional Information. Said policy shall also include, but not be limited to coverage for any and all remediation costs, including, but not limited to, brownfield restoration and clean-up costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The LACDA and the County of Los Angeles shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all the following requirements: a. The retroactive date must be shown on the policy and must be before the date of this Agreement or the beginning of the work or services that are the subject of this Agreement; b. Insurance must be maintained, and evidence of insurance must be provided for the duration of this Agreement or for five (5) years after completion of the work or services that are the subject of this Agreement, whichever is greater; c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, then the Borrower must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Agreement; d. A copy of the claims reporting requirements must be submitted to the LACDA for review; e. If the work or services that are the subject of this Agreement involve lead based paint or asbestos identification/remediation, then the Borrower's Pollution Liability shall not contain any lead-based paint or asbestos exclusions; and f. If the services involve mold identification/remediation, the Borrower's Pollution Liability shall not contain a mold exclusion and definition of "Pollution" shall include microbial matter including mold.
CONSTRUCTION CONTRACTOR(S):	
A	**GENERAL LIABILITY:** Providing scope of coverage equivalent to ISO policy form CG 00 01, naming the County of Los Angeles, the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents"). Additional Insured Endorsement with primary and non-contributory coverage

	and a waiver of subrogation naming the LACDA and the County of Los Angeles is required. Coverage shall include an XCU Endorsement for explosion, collapse, and underground ("XCU") hazards, property damage liability. For modular or prefabricated construction projects, Commercial General Liability policies shall not contain exclusions for off-site work, off-site fabrication, or design-build operations related to modular construction. Coverage shall apply to both on-site assembly and off-site manufacturing exposures arising from the Work.
B	**COMMERCIAL AUTOMOBILE INSURANCE:** Shall include coverage of all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”, pollution liability broadened coverage for covered autos and a waiver of subrogation. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by Contractor pursuant to the Agreement. This coverage may also be provided on the Contractor’s Pollution Liability policy. If automobiles are to be used for transporting hazardous materials, the Contractor shall provide pollution liability broadened coverage for covered autos as well as proof of MCS 90. For modular construction projects involving interstate hauling of modular units, Automobile Liability coverage shall apply to specialized hauling vehicles and shall include limits sufficient to meet or exceed the minimum statutory requirements of the state(s) in which transport occurs (e.g., not less than $750,000 Combined Single Limit where required for for-hire interstate motor carriers).
C	**WORKERS’ COMPENSATION AND EMPLOYER’s LIABILITY:** As required by the Labor Code of the State of California. Must include a waiver of subrogation in favor of the LACDA. In all cases, insurance shall include Employer’s Liability coverage with limits of not less than indicated. For modular construction projects involving fabrication in states other than California, Workers’ Compensation coverage shall comply with the statutory requirements of each state in which work is performed, including but not limited to fabrication facilities and on-site assembly locations.
D	**POLLUTION LIABILITY INSURANCE AND/OR ASBESTOS POLLUTION LIABILITY AND/OR ERRORS & OMISSIONS:** Applicable to the work being performed including coverage for bodily injury, personal injury, death, property damages, and environmental damage. The LACDA and the County of Los Angeles shall be covered as additional insureds on the pollution liability insurance policy. See Exhibit A-1 for Additional Information. Said policy shall also include, but not be limited to coverage for any and all remediation costs, including, but not limited to, brownfield restoration and clean-up costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead

containing materials where applicable. The LACDA and the County of Los Angeles shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

a. The retroactive date must be shown on the policy and must be before the date of this Agreement or the beginning of the work or services that are the subject of this Agreement;

b. Insurance must be maintained and evidence of insurance must be provided for the duration of this Agreement or for five (5) years after completion of the work or services that are the subject of this Agreement, whichever is greater;

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, then the Borrower must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Agreement;

d. A copy of the claims reporting requirements must be submitted to the LACDA for review;

e. If the work or services that are the subject of this Agreement involve lead based paint or asbestos identification/remediation, then the Borrower's Pollution Liability shall not contain any lead-based paint or asbestos exclusions; and

f. If the services involve mold identification/remediation, the Borrower's Pollution Liability shall not contain a mold exclusion and definition of "Pollution" shall include microbial matter including mold.

For modular construction projects, Pollution/Environmental Liability coverage shall extend to risks associated with materials used in fabrication (including but not limited to PFAS-containing materials where applicable), transportation-related pollution incidents, and site remediation required during preparation, delivery, or installation of modular components.

E

BONDING: Insurance and bonding procedures shall be conducted in full compliance with Federal standards as stated in 24 CFR 85.36, all state and county laws and procedures, other Governmental Restrictions. The bonding coverage shall include a Performance Bond and Payment Bond, for construction or facility improvement contracts exceeding $100,000. Payment and Performance Bonds should name the LACDA as additional obligee.

Construction Contractor shall provide two surety bonds with goods and sufficient sureties as follows: (1) a Payment Bond in the sum of not less than 100% of the Construction Contract price to assure payment of claims; (2) a Performance Bond in

	the sum of not less than 100% of the Construction Contract price to assure faithful performance of the Construction Contract. All bonds required under this provision shall include as obligees the LACDA, the Borrower, any lenders, and any additional obligee(s) that may be identified in a rider to the bond documents (individually referred to as "**Obligee**" and collectively, the "**Obligees**").

ALTA SURVEY:

A	**ALTA SURVEY:** Should be certified to the Los Angeles County Development Authority and its successors and/or assigns.

If Applicable

PRE-DEVELOPMENT INSURANCE REQUIREMENTS: If Borrower obtains a right of entry from the LACDA for a LACDA owned property.

A	**GENERAL LIABILITY:** (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the County of Los Angeles, the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents"). Additional Insured Endorsement with primary and non-contributory coverage and a waiver of subrogation naming the LACDA and the County of Los Angeles is required.
B	**WORKERS' COMPENSATION AND EMPLOYER's LIABILITY:** As required by the Labor Code of the State of California. Must include a waiver of subrogation in favor of the LACDA. In all cases, insurance shall include Employer's Liability coverage with limits of not less than indicated.
C	**EVIDENCE OF COMMERCIAL PROPERTY (obtain if Borrower or Developer owns adjacent parcels to the LACDA owned parcels that will be part of the total project site)**: For receipt of an LACDA loan, the Borrower shall be required to insure the property for replacement cost under the Special Form Coverage. The LACDA shall be named on a Lenders Loss Payable Endorsement. Evidence of this shall be provided to the LACDA, prior to execution of this Agreement. Coverage shall be maintained for the duration of this Agreement. Borrower shall at all times during the term of the loan, maintain property/casualty insurance on all business assets and collateral in an amount at least equal to the borrower's outstanding loans, and name the LACDA as a lender loss payee, additional insured and include coverage for all items purchased with the loan. Borrower shall keep collateral properly housed and insured for the full insurable value thereof against loss or damage by fire, theft, explosion, sprinklers, collision (in the case of motor vehicles) and such other risks satisfactory to the LACDA.

"Basic Form" or "Special Form" property insurance as follows:

A. "Special Form" perils property insurance coverage shall be provided for both Builders Risk (course of construction) and completed operational property. All builders risk insurance shall provide coverage against theft, vandalism, malicious mischief, collapse, false work, temporary buildings on site, theft and vandalism to construction materials, building materials in transit and debris removal including demolition occasioned by enforcement of any applicable building codes. The amount of the property coverage shall at all times meet or exceed the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Mortgaged Property. There shall not be a "co-insurance" clause and Borrower agrees to waive any co-insurance clause **to the full extent described in the insurance policy form**. If a co-insurance waiver is not commercially available at reasonable rates, the LACDA may waive this requirement. Said insurance shall be maintained for the duration of this Agreement. The LACDA shall be named as loss payees on such policy.

B. If "Special Form" is not available from Borrower' underwriters due to market conditions or unreasonable costs, or the LACDA determine "Basic Form" is preferred, "Basic Form" may be obtained in lieu of "Special Form." "Basic Form" insurance coverage shall include, without limitation, insurance against the perils of fire and physical loss of damage including, without duplication of coverage, vandalism, malicious mischief and extended coverage. The amount of the property coverage shall at all times meet or exceed the actual cash value ("ACV") of all existing structures, improvements and fixtures on the Property. Said insurance shall be maintained for the duration of this Agreement. The LACDA shall be named as loss payees on such policy.

Borrower shall deliver satisfactory evidence of Property insurance at such time that such exposures are at risk, but in no event later than the Close of Construction Escrow.

EXHIBIT A- 1 – ADDITIONAL INSURANCE INFORMATION

1.2 Certificate of Insurance Coverage:

1.2.1 Certificate(s) of Insurance Coverage ("Certificate") satisfactory to the LACDA, and a copy of an Additional Insured endorsements confirming the LACDA and the County of Los Angeles (County) has been given Insured status under the Borrower's General Liability, Excess Liability and Pollution Liability policies shall be delivered to the LACDA at the address shown below and provided prior to commencing services under this Agreement.

1.2.2 Renewal Certificates shall be provided to the LACDA not less than ten (10) days prior to the Borrower's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Borrower and/or Sub-Contractor insurance policies at any time.

1.2.3 Certificates shall identify all required insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Borrower identified as the contracting party in this Agreement. All certificates of insurance and endorsements shall carry the following identifier:

Project Name
Project Address

1.2.4 Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars and list any LACDA required endorsement forms.

1.2.5 Neither the LACDA's failure to obtain, nor the LACDA's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Borrower, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

1.2.6 Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Development Authority
Attn: Housing Investment & Finance
700 W. Main Street, Alhambra, CA 91801

1.3 Notices of Injury or Damage or Destruction

The Borrower also shall promptly report to the LACDA any injury or property damage accident or incident, including any injury to a Borrower employee occurring on the LACDA property, and any loss, disappearance, destruction, misuse, or theft of the LACDA property, monies or securities entrusted to the Borrower. The Borrower also shall promptly notify the LACDA of any third-party claim or suit filed against the Borrower or any of its sub-contractors which arises from or relates to this Agreement and could result in the filing of a claim or lawsuit against the Borrower and/or the LACDA.

1.4 Additional Insured Status and Scope of Coverage

The LACDA and the County shall be provided additional insured status under Borrower's General Liability, Excess Liability and Pollution Liability policies with respect to liability arising out of the Borrower's ongoing and completed operations performed on behalf of the LACDA. The LACDA and the County additional insured status shall apply with respect to liability and defense of suits arising out of the Borrower's acts or omissions, whether such liability is attributable to the Borrower or to the LACDA. The full policy limits and scope of protection also shall apply to the LACDA and the County as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable provided it satisfies the required insurance provisions herein.

1.5 Cancellation of or Change to Maintain Insurance

The Borrower shall provide the LACDA with, or the Borrower's insurance policies shall contain a provision that the LACDA shall receive, written notice of cancellation or any change in required insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the LACDA at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in required insurance may constitute a material breach of the Agreement, in the sole discretion of the LACDA, upon which the LACDA may suspend or terminate this Agreement.

1.6 Failure to Maintain Insurance

The Borrower's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Agreement, upon which the LACDA immediately may withhold payments due to the Borrower, and/or suspend or terminate this Agreement. The LACDA, at its sole discretion, may obtain damages from the Borrower resulting from said breach. Alternatively, the LACDA may purchase the Required Insurance, and without further notice to the Borrower, deduct the premium cost from sums due to the Borrower or pursue the Borrower reimbursement.

1.7 Borrowers' Insurance Shall Be Primary

1.8 The Borrower's General Liability, Excess Liability, Pollution Liability and/or Asbestos Pollution Liability and Auto Liability insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to the Borrower. Any LACDA maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Borrower coverage.Insurance Specifics

1.8.1 **Waivers of Subrogation**

To the fullest extent permitted by law, the Borrower hereby waives its rights and its insurer(s)' rights of recovery against the LACDA under all the required insurance for any loss arising from or relating to this Agreement. The Borrower shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

1.8.2 **Sub-Contractor Insurance Coverage Requirements**

The Borrower shall include all Sub-Contractors as insureds under the Borrower's own policies, or shall provide the LACDA with each Sub-Contractor's separate evidence of insurance coverage upon request. The Borrower shall be responsible for verifying each Sub-Borrower complies with the required insurance provisions herein and shall require that each Sub-Contractor name the LACDA and the Borrower as additional insureds on the Sub-Contractor's General Liability and Excess liability policies. The Borrower shall obtain the LACDA's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

1.8.3 **Deductibles and Self-Insured Retentions (SIRs)**

The Borrower's policies shall not obligate the LACDA to pay any portion of any the Borrower's deductible or SIR. The LACDA retains the right to require the Borrower to reduce or eliminate policy deductibles and SIRs as respects the LACDA, or to provide a bond guaranteeing Borrower's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

1.8.4 **Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. The Borrower understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

1.8.5 **Application of Excess Liability Coverage**

The Borrower may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

1.8.6 **Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

1.8.7 **Alternative Risk Financing Programs**

The LACDA reserves the right to review, and then approve, the Borrowers use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The LACDA shall be designated as an Additional Covered Party under any approved program.

1.9 LACDA Review and Approval of Insurance Requirements

LACDA reserves the right to review and adjust the Required Insurance provisions, conditioned upon the LACDA's determination of changes in risk exposures.

Modular Construction Projects: For projects utilizing modular, prefabricated, or off-site fabricated construction methods, the LACDA reserves the right to require additional or modified insurance coverage to address unique risks associated with off-site fabrication, interstate transport, storage, and on-site assembly. The Borrower shall ensure that all policies are endorsed as necessary to eliminate exclusions that would otherwise limit coverage for such activities.