

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNTY OF SANTA BARBARA

AN URGENCY ORDINANCE OF THE COUNTY OF SANTA BARBARA, CALIFORNIA, GRANTING TO ELLWOOD PIPELINE, INC., A CALIFORNIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO USE, OPERATE AND MAINTAIN A PIPELINE SYSTEM FOR THE DISTRIBUTION OF PETROLEUM AND PETROLEUM PRODUCTS, CONSISTING OF PIPELINES, POLES, WIRES, CONDUITS, AND APPURTENANCES INCLUDING COMMUNICATION CONDUITS OR CIRCUITS NECESSARY AND INCIDENTAL THERETO; IN, ALONG, ACROSS, UPON, OVER AND UNDER COUNTY HIGHWAYS, ROADS, STREETS, ALLEYS, AND WAYS, AS THEY MAY NOW OR HEREAFTER EXIST, WITHIN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA.

The Board of Supervisors of the County of Santa Barbara ordain as follows:

PUBLIC FRANCHISE

This Public Franchise (hereinafter "Franchise") is granted by the Board of Supervisors of the County of Santa Barbara (hereinafter "County") pursuant to Chapter 2, Article XI, Section 2-82 of the Santa Barbara County Code.

PREAMBLE. A Franchise is hereby granted to ELLWOOD PIPELINE, INC., A CALIFORNIA CORPORATION, its successors and assigns, hereinafter "Grantee", for a period of twenty (20) years from and after the effective date of the franchise, for the purposes described below, over, under or upon those certain public streets, ways, alleys or places in the unincorporated areas of the County as described in Exhibit "A," attached hereto and incorporated herein by reference.

(1) Purpose: The purpose of the Franchise is to operate and maintain various diameter pipelines for the transportation of hydrocarbon substances (oil) within certain public right-of-way within the unincorporated areas of the County of Santa Barbara. Upon the granting of this Franchise, Grantee intends to operate one six-inch pipeline which occupies approximately 22,810 lineal feet of County right-of-way to transport crude oil. In the event Grantee desires to transport a different product than permitted herein, or to expand or modify the pipeline, Grantee shall notify the County of its intention a minimum of sixty (60) days in advance of any such change. Upon such notice, County may re-evaluate the terms of this Franchise.

(2) Franchise area: The Franchise area shall consist of the public right-of-way within the unincorporated areas of the County of Santa Barbara, as such are depicted on the maps attached hereto as Exhibit "A", incorporated herein by this reference.

(3) Urgency Ordinance: Pursuant to California Government Code Section 25123, the Board of Supervisors finds that for the immediate preservation of public health and safety it is necessary for this ordinance be of immediate effect in order to cease the potentially hazardous transport of petroleum by sea-going barge.

The terms and conditions of the Franchise are as follows:

SECTION 1. SCOPE OF FRANCHISE. This Franchise shall only apply to the Franchise area depicted on Exhibit "A." The facilities to be operated under this Franchise shall be maintained in a good and workmanlike manner and of good material. The work of repairing and maintaining the system shall at all times during the term hereof, in all respects comply with present and future rules, regulations and ordinances of such County, State, or Federal authorities as may have jurisdiction over the system. The County of Santa Barbara reserves all regulatory power by law allowed to it over and with reference to the franchise granted and the exercise of rights, powers, or privileges under the same by the Grantee, its successors or assigns.

Grantee shall, immediately upon constructing, using or maintaining any pipelines, poles, wires, conduits, and appurtenances including communication circuits, or any part thereof, shall at its own cost and expense place all public roads disturbed or altered as a result of Grantee's actions under this Franchise, or such part of the road as may have been damaged or altered, in as good order and condition as the road was in prior to being disturbed or excavated for the purpose of constructing, using or maintaining any poles, wires, conduits, and appurtenances including communication circuits. Under completion of such construction or installation, Grantee shall provide County with "AS-Built plans and specifications indicating the exact location, depth and size of all pipelines, poles, wires, conduits, and appurtenances constructed or installed. Grantee shall relocate, without expense to County, any pipelines, poles, wires, conduits and appurtenances, including communication circuits, constructed, maintained or used under this Franchise, if and when made necessary by any lawful change of grade, alignment or width of any public roads by County.

The terms and conditions of this Franchise shall also apply to any pipelines, conduits, poles, wires or other facilities which may subsequently be acquired by the Grantee and which are located within the right-of-way of any County highway at the time of such acquisition by the Grantee, whether or not they were theretofore subject to a franchise granted by the County of Santa Barbara.

Grantee shall not permit any facilities authorized herein to be used by any third parties for the benefit of such third party, without the prior written consent of County. For purposes of this Franchise, "third party" shall be any person or organization of any type, which does not have a bona fide business relationship with Grantee apart from the rights, which are the subject of this Franchise.

Franchises granted pursuant to this Ordinance shall be non-exclusive.

SECTION 2. ACCEPTANCE. This Franchise is accepted as binding on the parties when the Franchise is awarded by the Board and accepted by the Grantee.

Grantee shall within thirty (30) days after the adoption of the Ordinance granting the Franchise, file with the Clerk of the Board written acceptance of the terms and conditions of this Franchise. Such written acceptance shall constitute a continuing agreement by the Grantee that if and when the County later annexes, or consolidates with, additional territory, all Franchises, rights and privileges owned by the Grantee therein shall be deemed abandoned within the limits of the additional territory. Should Grantee fail to file written acceptance within thirty (30) days, any Franchise rights or privileges shall automatically terminate.

SECTION 3. PERMIT. The Grantee may, subject to such regulations as are now or hereafter may be in force, make excavations in and place obstructions upon County roads within the area covered by this Franchise for the purpose of maintaining, operating, and removing any Franchise facility or property. Except in the event of an emergency, no excavation in or obstruction of any County road may be made unless and until a Road Encroachment Permit therefor is obtained from the County, in accordance with,

and if required by, the provisions of Chapter 28 of the Santa Barbara County Code, and any amendments and successors thereto. In the event of an emergency, the Grantee shall promptly notify the County of the incident and file an application for a Road Encroachment Permit within one (1) business day of such notification. In addition, Grantee shall at all times comply with all applicable Federal, State and local rules, restrictions and procedures related to construction, safety and environmental issues as may be in effect upon the granting of the Franchise, or which may become effective during the term of the Franchise, including any amendments or replacements thereof.

SECTION 4. COMMENCEMENT AND COMPLETION. The work to construct the facilities necessary to fulfill the purposes of this Franchise shall be pursued diligently and in good faith within not more than four months from the effective date of this franchise, and if not so commenced within such time, this Franchise shall automatically be forfeited. For good cause shown prior to the expiration of the four-month period, the County Board of Supervisors may by resolution extend the time for commencement of construction.

Failure to commence work to construct the facilities necessary to the purposes of this Franchise within the required time, or to pursue the work diligently and in good faith shall result in forfeiture of this Franchise by resolution of the County Board of Supervisors.

SECTION 5. ASSIGNMENT. The Grantee shall not transfer or assign this Franchise, or any of the rights or privileges granted hereby, except with the written consent of the County Board of Supervisors. A mere change of name or of the nature of the Grantee entity without more than fifty percent (50%) change in ownership of Grantee shall not require such consent, but a merger with another entity, or a change of ownership of Grantee or its stock in excess of fifty percent (50%) shall require such consent of the County Board of Supervisors. Before the County Board of Supervisors will consider consenting to such transfer or assignment, the proposed assignee shall submit a financial statement of its assets and liabilities and a statement of experience and qualifications. No consent shall be effective until the proposed assignee files with the County Board of Supervisors and the County Board of Supervisors approves its bond of the type and in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

The Grantee shall, within thirty (30) days after any sale, transfer, assignment or lease of the Franchise or any part thereof, or any of the rights or privileges granted thereby, provide the County with written evidence of such transaction.

SECTION 6. FRANCHISE FEES. In the event of an initial grant of Franchise or Franchises that renew, extend or continue previously granted Franchises, a processing fee to cover departmental costs, including publication expenses incurred in connection with the granting of this Franchise, shall be paid by Grantee in an amount to be established by the County from time to time. In addition, the Grantee and its successors and assigns, shall during the life of this Franchise pay to the County of Santa Barbara, in lawful money of the United States, Franchise fees according to California Public Utility Code Section 6231.5, as that Section and its successor sections, if any, may be amended from time to time. Such fees shall be subject to increase to the maximum rate established by any amendment or successor section(s) of the California Public Utilities Code. In the event that such increases should occur, the County shall provide the Grantee with ninety (90) days written notice of any increase prior to its application to this Franchise. The applicable provisions of Section 6231.5 currently read as follows:

“6231.5 (a) An applicant for a franchise to build and operate a pipeline system transmitting oil or products thereof...will pay to the municipality an annual fee computed as follows:

The length of pipe expressed in feet located within the franchised area shall be multiplied by the applicable base rate, as adjusted pursuant to subdivision (d), in accordance with the following schedule:

Pipe size (internal Diameter in inches)	Base rate per lineal foot
0-4	\$0.088
6.....	0.132
8.....	0.176
10.....	0.220
12.....	0.264
14.....	0.308
16.....	0.352
18.....	0.396
20.....	0.440
22.....	0.484
24.....	0.528
26.....	0.572
28.....	0.616
30.....	0.660

For pipelines with an internal diameter not listed above, the fees shall be in the same proportion to the fees of a 12-inch-diameter pipe as the diameter of the unlisted pipe is to 12 inches.

(b) The annual payment for each lineal foot of pipeline shall be computed and revised each calendar year as follows:

(1) The applicable base rate shall be multiplied by the Consumer Price Index for the area, as published by the United States Department of Labor, Office of Information for the month of September immediately preceding the month in which payment is due and payable, and divided by the Consumer Price Index for June 30, 1989, which is declared to be 100.0. Under no circumstances shall the multiplying factor be less than one.

(2) If the United States Department of Labor, Office of Information discontinues the preparation or publication of a Consumer Price Index for the area, and if no translation table prepared by the Department of Labor is available so as to make those statistics which are then available applicable to the index of June 30, 1989, the municipality shall prescribe a rate of payment which shall, in its judgment, vary from the rates specified in this section in approximate proportion as commodity consumer prices then current vary from commodity consumer prices current in December 1988. On this point, the determination by the County shall be final and conclusive.”

It is anticipated that the annual fee for this Franchise shall be Five Thousand Six Hundred Thirty and 42/100 Dollars (\$5,630.42) based upon the proposed construction of a six-inch pipeline that will

cover approximately 22,810 lineal feet of public right-of-way as shown on Exhibit "A." Within thirty (30) days of completion of the pipeline, Grantee shall submit as built plan or map showing the actual lineal footage of Grantee's pipeline occupying County's right-of-way, upon which the annual fee of this Franchise will be calculated in accordance with the fee schedule above.

The Franchise fee shall be paid annually in advance on or before the effective date and each anniversary thereof during the life of the Franchise. Franchise fees shall be paid on all pipelines not removed or abandoned in place in accordance with Section 15 hereof. If such payment is not received by the County within fifteen days, the Grantee shall pay, without any requirement of notice by County, a one-time late charge equal to 10% of such overdue amount or \$100, whichever is greater.

SECTION 7. VERIFIED STATEMENT

Concurrently with the annual payment of Franchise fees, Grantee shall file a statement with the County, verified by oath of Grantee, or the manager or other responsible officer of Grantee, showing the actual lineal footage of the pipeline occupying County right-of-way.

Notwithstanding the above, any neglect, omission or refusal by Grantee to file such verified statement or to pay Franchise fees at the times or in the manner herein provided shall be adequate grounds upon which the County Board of Supervisors may, by resolution, declare this Franchise and all rights of the Grantee hereunder terminated.

A. Record Keeping.

Grantee shall keep at Grantee's office, full and accurate books of account, cash receipts and other pertinent data customarily used in Grantee's activities, including without limitation, Grantee's gross receipts. Grantee shall keep such books of account, cash receipts and other pertinent data for a period of not less than four (4) years following the end of each year of the term of this franchise.

The County shall have the right, upon reasonable notice during the term of this franchise, and one year after expiration or termination of the term of the franchise, to examine the books of account, cash receipts, records and other pertinent data showing business done by Grantee in conjunction with the franchise. Any such audit(s) or examination(s) will be conducted by the County Auditor or his designee. Grantee shall fully comply with the County Auditor or his designee in making any such inspections and examinations. If any examination performed by the County Auditor, or one of his designees, discloses there is a deficiency in Grantee's calculation of the percentage of Grantee's gross receipts paid to the County, the deficiency shall become immediately due and payable.

SECTION 8. BOND. The grant of this Franchise is effective only upon the further condition that the Grantee shall file within five business days of the Grantee's filing its written acceptance of the Franchise, and at all times during the life of the Franchise, keep on file with the County, a bond running to the County of Santa Barbara and to any successor to any of the rights of the County of Santa Barbara under the terms of this Franchise in a penal sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00), with sureties to be approved by the County, conditioned upon the Grantee well and truly observing, fulfilling and performing each and every term and condition of the Franchise, including Section 15 herein, and in case of any failure by the Grantee to perform any term or condition of the Franchise, or in case of any breach of any term or condition of the Franchise by the Grantee, the entire bond shall be recoverable, and the principal and surety shall be jointly and severally liable for such performance or for any damage, expense, loss or injury directly or indirectly suffered therefrom by the County of Santa Barbara. This bond shall not be deemed to be the bond required by Sec. 28-7 of the Santa Barbara County Code.

No bond shall be deemed adequate unless it is valid for the entire term of the Franchise plus one year and all bonds shall contain provisions that the bond shall remain valid until at least thirty days after notification by the surety to the County that the bond is about to be cancelled, expire or not be renewed.

Nothing herein shall insulate Grantee from liability in excess of the amount of the bond or shall be construed as a waiver by the County of any legal remedy against the Grantee for any breach of the terms and conditions of this Franchise, or for any damage, loss or injury suffered by the County of Santa Barbara in case of any damage, loss or injury suffered by any person or property in Grantee's exercise of this Franchise.

SECTION 9. FORFEITURE. Any failure or refusal of the Grantee to comply with any term or condition of this Franchise or of the bond shall be adequate ground for a termination hereof and the County Board of Supervisors may thereupon declare by resolution an automatic forfeiture of this franchise and may exclude the Grantee from further occupancy or use of all County property authorized under this Franchise. A termination shall not of itself operate to release the bond required in Section 8 herein. Upon declaring a Franchise terminated, the County may elect to take and accept the bond as liquidated damages therefor or to pursue any other legal remedy for any damage, loss or injury.

After forfeiture of the Franchise the bond shall remain in full force and effect for a period of one year unless exonerated by the County. No bond shall be exonerated unless a release is obtained from the County Public Works Director, or designee from the County Auditor-Controller, or designee, and by approval of the County Board of Supervisors. The release shall state whether all excavations have been backfilled, all obstructions removed, and whether the substratum or surface of County roads occupied or used have been placed in a good and serviceable condition. The release shall not constitute a waiver of any right or remedy which the County may have against the Grantee or any other person for any damage, loss or injury suffered by the County as a result of any work or activity performed by the Grantee in the exercise of this Franchise.

SECTION 10. PAYMENT OF TAXES. If, at any time during the life of this Franchise, the holder becomes delinquent in the payment of any taxes or fees to the County of Santa Barbara or to any special district operating within the County, this Franchise may be forfeited by resolution of the County Board of Supervisors. Taxes shall not be deemed delinquent hereunder, even though unpaid when due, if Grantee has notified County that it contests the validity or legality of all or part of such taxes and Grantee thereafter diligently pursues a determination of such validity or legality.

SECTION 11. TITLE TO PROPERTY. Title to all real or personal property placed on, imbedded in or buried under the substratum or surface of County property by the Grantee in exercise of this Franchise shall remain in the Grantee; provided, however, that title thereto shall, at County's affirmative election, transfer and vest in the County of Santa Barbara if such property is not removed within one hundred and eighty (180) days, or such further extensions as the County may grant, after date of expiration or termination of the Franchise and no renewal or replacement Franchise has been granted. Such transfer or vesting of title shall not constitute a waiver of any right or remedy which the County may have against the Grantee or any other person for any damage, loss or injury suffered by the County as a result of any work or activity performed by the Grantee in the exercise of this Franchise.

SECTION 12. RIGHT LIMITED TO PUBLIC EASEMENTS. This Franchise shall confer upon the Grantee only the right or privilege to enter upon the public easement or fee interest in County roads and shall not be construed to authorize any invasion of property rights of abutting owners.

SECTION 13. EFFECTIVE DATE OF FRANCHISE. This Franchise shall commence immediately upon adoption of the Ordinance, and upon Grantee's filing of written acceptance of the terms and conditions of this Franchise with the Clerk of the Board, in accordance with Section 2 herein, and the submission of the bond required by Section 8 herein.

SECTION 14. CHANGE IN STATUS OF PUBLIC AREA. If any of the area covered by this Franchise is included in an incorporated city, the city shall as to that area succeed to all rights of the County under this Franchise.

If and when made necessary by any lawful change of grade, alignment, or width of any public street, way, alley, or place by the County, Grantee shall remove or relocate any facilities installed, used, and maintained under this franchise, without expense to the County.

SECTION 15. REMOVAL OF FACILITIES. Within ninety (90) days after termination or expiration of this Franchise and, provided the Grantee has not filed an application with the County to renew or replace such Franchise, the County Board of Supervisors may require the Grantee to remove, without expense to the County, all facilities maintained pursuant to the term of this Franchise in County roads. If such removal is not completed at the expiration of the ninety (90) day period or any additional period granted by the County Board of Supervisors, then the County Board of Supervisors may provide for the removal of the facilities or any part thereof and Grantee agrees to pay for the costs of such removal.

Notwithstanding anything contained herein, the County Board of Supervisors may by resolution authorize the Grantee to abandon in place any pipe, pole or other facility, which Grantee has installed and maintained in exercise of its rights under the term of this Franchise. The request of the Grantee to abandon in place any facility shall be deemed an offer of transfer of such facilities to the County and by resolution authorizing Grantee to abandon any facility in place the County shall succeed to all right, title and interest of Grantee to the facilities.

SECTION 16. INDEMNIFICATION and INSURANCE. Grantee shall defend, indemnify and save harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this franchise or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the Grantee or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.

Grantee shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Franchise.

In addition, Grantee shall procure and maintain insurance in an amount and type approved by the County's Risk Manager. This insurance requirement shall be subject to periodic review by County and may be revised from time to time to include additional types of coverage and limits. In the event that Grantee is self-insured, such self-insurance shall be deemed to meet the requirements hereof when it has been approved by the County's Risk Manager, which approval shall not be unreasonably withheld.

Upon the granting of this Franchise, grantee shall comply with the insurance requirements set forth in Exhibit "B," attached hereto and incorporated herein by reference.

SECTION 17. NOTICES. All notices, demands, approvals, consents, or other communications required or desired to be given under this Ordinance shall be mailed, delivered or transmitted to the party involved at the address indicated below:

Grantee: Ellwood Pipeline, Inc.,
6267 Carpinteria Avenue, Ste. 100
Carpinteria, CA 93013
Attn: Keith Wenal, Safety Manager
Tel # (805) 745-2100
Fax # (805) 745-1176

County: County of Santa Barbara
General Services Department
Support Services Division
1105 Santa Barbara Street
Santa Barbara, CA 93101
Tel: # (805) 568-3070
Fax: # (805) 568-3249

Each such notice, demand, approval, consent, or other communication shall be deemed effective and given (i) upon receipt, if personally delivered, (ii) upon being transmitted, if sent by telegram, telex or telecopy, if a copy of the notice is also sent by United States Certified Mail and provided receipt is confirmed by a transmission report or otherwise, (iii) two (2) business days after deposit in the United States mail in Los Angeles or Santa Barbara Counties, certified and postage prepaid, properly addressed to the part to be served or (iv) upon receipt if sent in any other way. Any party hereto may from time to time, by written notice to the other, designate a different address than that set forth above for the purposes of notice, provided, however, that no notice of a change of address shall be effective until actual receipt of the notice.

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PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this ____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

COUNTY OF SANTA BARBARA

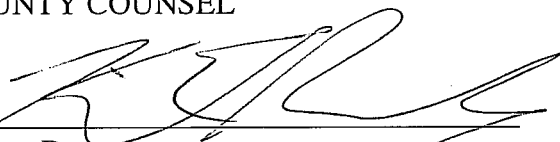
ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

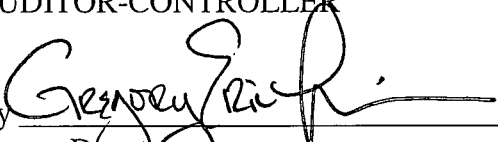
Chair, Board of Supervisors


By _____
Deputy Clerk

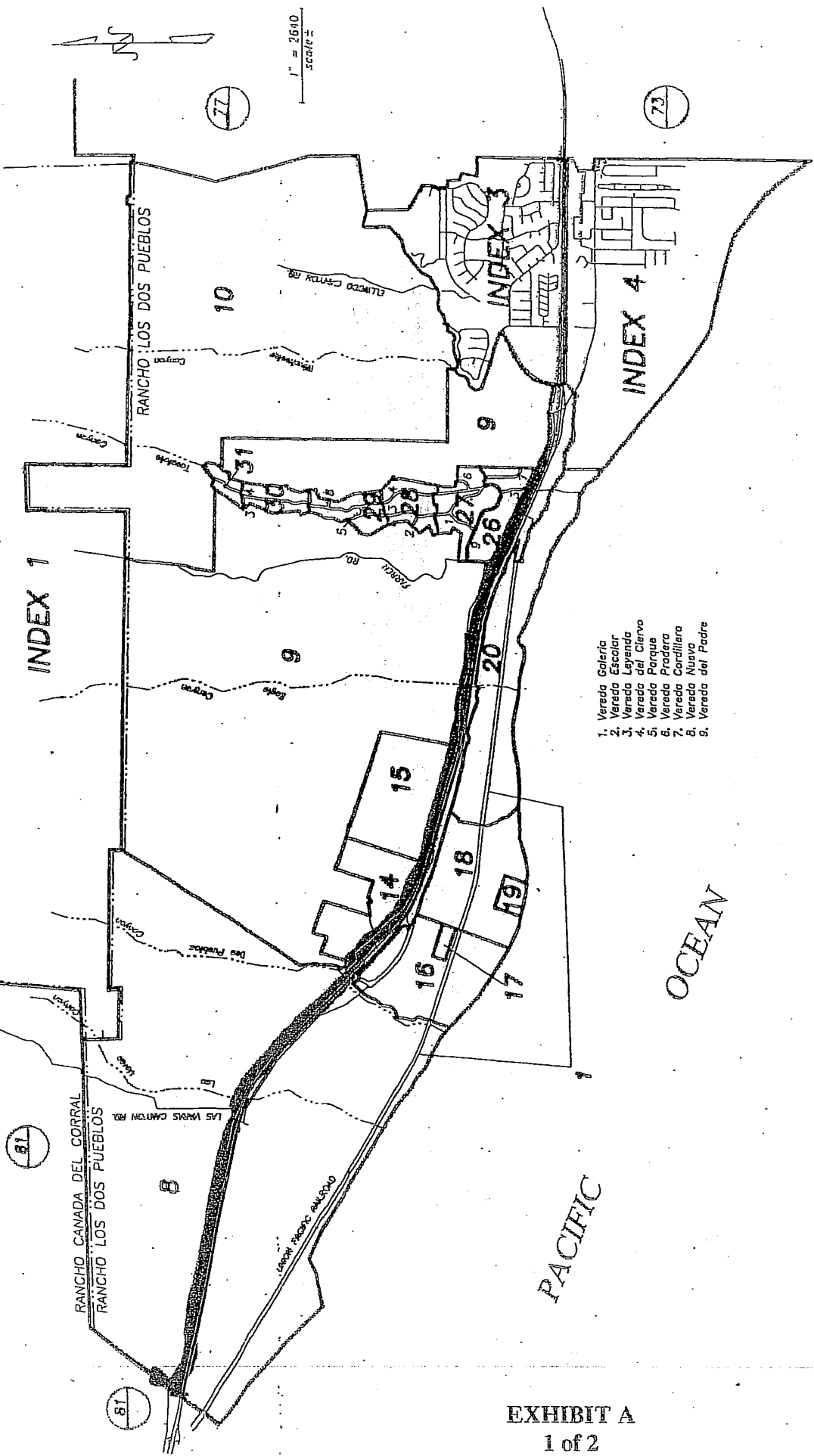
APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

APPROVED AS TO FORM:
ROBERT W. GEIS, C.P.A.
AUDITOR-CONTROLLER

By 
Deputy

By 
Deputy
ADVANCED ACCOUNTING

APPROVED:
By: 
Ray Aromatorio, ARM, AIC
Risk Program Administrator

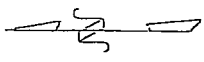


- 1. Vereda Galería
- 2. Vereda Escolar
- 3. Vereda Leyenda
- 4. Vereda del Ciervo
- 5. Vereda Parque
- 6. Vereda Pradera
- 7. Vereda Cardillera
- 8. Vereda Nueva
- 9. Vereda del Padre

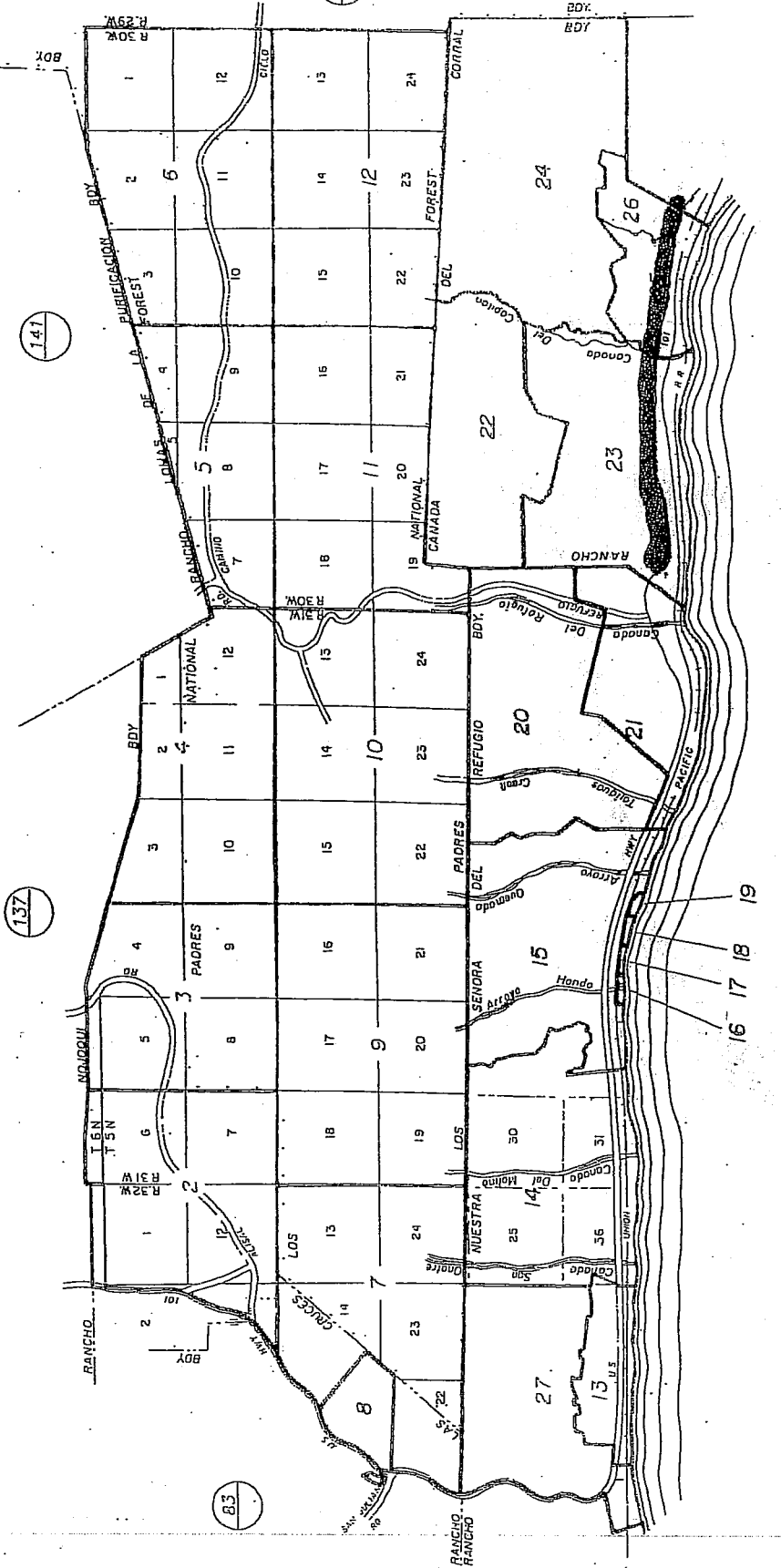
Assessor's Map Bk, 079-Pg, X2
 County of Santa Barbara, Calif.

00/01 Ruben RR within 16 ft 13

POR. RANCHOS CANADA DEL CORRAL, LAS CRUCES,
NUESTRA SENORA DEL REFUGIO,
& POR. T5,6N R30,31,32W SBB&M



1" = 6000
scale ±



Assessor's Map Bk, 081-Pg, X
County of Santa Barbara, Calif.

(10/03) boundary change in 22, 23, 24, 25

EXHIBIT B
INSURANCE REQUIREMENTS

1. Indemnity – Grantee shall defend, indemnify and save harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the Grantee or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.

Grantee shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Agreement.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability and Automobile Liability policies, shall contain endorsements naming County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for County to vicarious liability but shall allow coverage for County to the full extent provided by the policy.

3. Waiver of Subrogation Rights – Grantee shall require the carriers of required coverages to waive all rights of subrogation against County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit Grantee and Grantee's employees or agents from waiving the right of subrogation prior to a loss or claim. Grantee hereby waives all rights of subrogation against County.

4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by County.

5. Severability of Interests – Grantee agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between Grantee and County or between County and any other insured or additional insured under the policy.

6. Proof of Coverage – Grantee shall furnish Certificates of Insurance to the County Department administering the Agreement evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Grantee shall maintain such insurance from the time Grantee commences performance of services

hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Agreement, Grantee shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of A- VII.

8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

9. Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, County has the right but not the obligation or duty to cancel the Agreement or obtain insurance if it deems necessary and any premiums paid by County will be promptly reimbursed by Grantee or County payments to Grantee will be reduced to pay for County purchased insurance.

10. Insurance Review – Insurance requirements are subject to periodic review by County. The Risk Manager or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of County. In addition, if the Division of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against County, inflation, or any other item reasonably related to County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Grantee agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of County.

11. Insurance Specifications – Grantee agrees to provide insurance set forth in accordance with the requirements herein. If Grantee uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, Grantee agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, Grantee shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

A Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollar (\$1,000,000) limits covering all persons including volunteers providing services on behalf of Grantee and all risks to such persons under this Agreement.

If Grantee has no employees, it may certify or warrant to County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Program Risk Administrator.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

B. Commercial/General Liability Insurance – Grantee shall carry General Liability Insurance written on Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, covering all operations performed by or on behalf of Grantee with limits of not less than two million dollars (\$2,000,000) per occurrence and not less than a two million dollar (\$2,000,000) general aggregate limit.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Form Number CA 00 01 covering any auto (Code 1), or if Grantee has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than one million (\$1,000,000) per accident for bodily injury and property damage.

If Grantee owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

D. Pollution Liability Coverage – Grantee shall carry Pollution Liability Coverage with limits of not less than ten million (\$10,000,000) per occurrence.

E. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not

covered by the primary policy. The coverage shall also apply to automobile liability.