

**LEASE AGREEMENT
FOR
AGENCY PARKING LOT**

THIS LEASE AGREEMENT (hereinafter "Agreement") is entered into and effective on this ___ day of _____ 2012, by and between Paradise Ivy, LLC, a California limited liability company (hereinafter "Developer") and the Successor Agency to the Former County of Santa Barbara Redevelopment Agency, a public body, corporate and politic, (hereinafter "Agency"), regarding the following legal properties:

Agency Parking Lot

Assessor Parcel number 075-111-015
Legal Description - Exhibit A

Project

Assessor Parcel number 075-112-016
Legal Description – Exhibit B

RECITALS

WHEREAS, Agency, as the successor in interest to the Santa Barbara County Redevelopment Agency, is the owner of the real property known as Assessor Parcel Number 075-112-015, (formerly Assessor Parcel numbers 075-111-014 and 075-111-006) located at 881 Embarcadero Del Mar, Isla Vista, CA 93117 and identified more particularly in the legal description attached hereto as Exhibit "A" (the "Agency Parking Lot"); and

WHEREAS, Developer is the owner of the real property known as Assessor Parcel number 075-112-016, located at 901 Embarcadero Del Mar, Isla Vista, CA 93117 and identified more particularly in the legal description attached hereto as Exhibit "B" (the "Project"); and

WHEREAS, the difficulty of providing on-site parking has impeded the redevelopment of many under-utilized properties in Isla Vista and has led to blight in the Isla Vista Redevelopment Project Area; and

WHEREAS, the conditions of approval for the Project required that: "The proposed project would not provide on-site parking for residents or commercial visitors. Rather, parking would be provided within nearby surface parking lot(s) to be acquired by the Isla Vista Redevelopment Agency. Fifteen parking spaces would be reserved for residents of the project site and seventeen commercial spaces allotted within one of the surface lots to be acquired by the Agency; and

WHEREAS, the Agency Parking Lot has been constructed and is currently in use, and has already been analyzed under the California Environmental Quality Act ("CEQA"), and there are no changes to the Agency Parking Lot, its use, circumstances under which it will be utilized, or new information that would necessitate further environmental review under CEQA Guideline 15162; and

WHEREAS, Agency and Developer entered into an Agency Parking Lot Agreement, recorded in the Santa Barbara County Recorder's Office on July 17, 2009, as Instrument Number 2009-0043264, which sets forth the terms and conditions to be incorporated into this Agreement.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the parties as herein expressed, Developer and Agency agree as follows:

1. TERM. The Term of this Agreement shall commence upon the issuance of a certificate of occupancy for the Project, and shall continue for a period of FIFTY (50) YEARS, subject to the termination provisions contained herein. Upon expiration of the initial fifty-year term, this Agreement may be extended for an additional TWENTY-FIVE (25) YEARS, upon mutual agreement of Agency and Developer.

Upon final execution of this Agreement, Agency shall submit this Agreement to the California Department of Finance for approval. In the event the California Department of Finance does not approve this Agreement, Agency shall terminate this Agreement in accordance with Section 19, TERMINATION BY AGENCY, hereof.

2. RESIDENTIAL PARKING SPACES. Agency hereby grants to Developer and Developer hereby takes from Agency the right to exclusive use of the fifteen (15) parking spaces in the Agency Parking Lot, shown as the cross-hatched area of Exhibit "C", attached hereto and incorporated herein by reference ("Residential Parking Spaces"). The Residential Parking Spaces shall be used exclusively by residents of the Project. The annual leasing cost to Developer for the Residential Parking Spaces shall be equal to the then-prevailing published cost of annual parking passes in the Isla Vista area issued by the University of California at Santa Barbara (UCSB), or by the County of Santa Barbara, whichever is less. The cost of annual parking passes issued by UCSB is currently published at <http://www.tps.ucsb.edu/> under "long term parking rates". The County of Santa Barbara does not currently offer annual parking passes. In the event such passes are offered by the County, Agency shall consider the cost of such passes in calculating Developer's cost of the Residential Parking Spaces.

Prior to July 1st of each year of the term, Agency shall invoice Developer for the ensuing year, stating the cost of each Residential Parking Space, and Developer shall pay Agency for the cost of fifteen (15) Residential Parking Spaces within thirty days of receipt of such invoice. Residential Parking Space passes shall be issued for each Residential Parking Space and shall be valid from August 1st through July 31st of each year of the term. Upon commencement of this Agreement, the annual leasing cost to be paid by Developer for each Residential Parking Space shall be SIX HUNDRED FORTY-TWO AND 00/100 DOLLARS (\$642.00), as determined by the standard cost of annual parking passes issued by UCSB, combining the cost of a weekday pass with the cost of a night and weekend pass. The cost of annual parking passes for the Residential Parking Spaces issued for the first year of the Term shall be prorated at FIFTY-THREE AND 50/100 DOLLARS (\$53.50) per month.

Agency shall have sole and absolute discretion to determine the location of the Residential Parking Spaces used by residents of the Project within the Agency Parking Lot. The Agency may in its sole and absolute discretion relocate the Residential Parking Spaces to other parking lots owned or controlled by the Agency within the former Isla Vista Redevelopment Project Area consistent with County Coastal Zoning Code requirements. All Parking Spaces

shall conform to current County of Santa Barbara standards and requirements for parking spaces, including spaces that provide accessibility for disabled persons.

3. WRITTEN AGREEMENT WITH USERS REQUIRED FOR RESIDENTIAL PARKING SPACES. Only existing residential tenants of the Project who have entered into a parking agreement with the Developer requiring them to abide by Agency rules and regulations shall be allowed to use the Residential Parking Spaces. Such rules shall include but not be limited to rules authorizing the Agency to ticket and/or tow Project resident's vehicles parked in Residential Parking Spaces that are in violation of the Agency rules. In addition, Developer shall ensure that all such parking agreements with tenants of the Project include a requirement that each tenant maintain automobile insurance coverage sufficient to meet standard California State requirements, as those requirements may be amended from time to time. Developer shall provide to Agency or Agency's designee, copies of all executed parking agreements within 15 days of their execution, and shall provide proof of valid automobile liability insurance for each tenant of the Project who will be parking in the Agency Parking Lot pursuant to this Agreement. In no event shall Developer charge any tenant more than their proportionate share of Developer's leasing cost for any Residential Parking Space.

4. MAINTENANCE AND REPAIR. Agency shall, at its sole cost and expense, maintain the Agency Parking Lot in a usable and orderly condition.

5. COMMERCIAL PARKING SPACES. In addition to the fifteen Residential Parking Spaces reserved by this Agreement, at least seventeen metered parking spaces in the Agency Parking Lot will be generally available to the public, including customers, guests, and employees of commercial tenants of the Project ("Commercial Parking Spaces"). Commercial Parking Spaces will be available for use by the general public, and will not be differentiated from other metered spaces in the Agency Parking Lot in any way. Commercial tenants and their customers, guests, and employees will not be given priority for Commercial Parking Spaces over members of the general public. The Agency may in its sole and absolute discretion relocate the Commercial Parking Spaces to other parking lots owned or controlled by the Agency within the former Isla Vista Redevelopment Project Area and consistent with the County Coastal Zoning Code requirements. Developer shall not be responsible for reimbursement for maintenance or repair of the Commercial Parking Spaces.

6. PROPERTY SUITABILITY. Developer acknowledges that, except as stated herein, Agency has made no representations or warranties about the condition of the Agency Parking Lot, or the suitability of same for the intended use by Developer.

7. AGREEMENT SUBORDINATE TO AGENCY FINANCING. This Agreement, and all rights conveyed hereunder shall be subordinate to any deed of trust, mortgage or other security agreement recorded against the Agency Parking Lot for the purpose of securing financing for the Agency.

8. NONDISCRIMINATION. Developer shall not discriminate or segregate in the development, construction, use, enjoyment, or occupancy, of any part of the Project or the Residential or Commercial Parking Spaces on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of

income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Developer shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing. Additionally, Developer shall comply with the County of Santa Barbara's Antidiscrimination Ordinance as set forth in County Code Section 2-94 et seq.

9. NONINTERFERENCE. Developer agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, agents to use any portion of the Agency Parking Lot in any way which interferes with other Agency operations on the Agency Parking Lot or which causes unreasonable damage to the Agency Parking Lot. Such interference shall be deemed a material breach, and Developer shall terminate said interference immediately upon notice from County. In the event Developer fails to stop such interference promptly, this Agreement shall terminate at the option of Agency.

10. INDEMNIFICATION AND INSURANCE: LESSEE shall comply with the indemnification and insurance provisions as set forth in Exhibit "D" attached hereto and incorporated herein by reference.

11. COMPLIANCE WITH THE LAW. Developer shall comply with all applicable laws, rules, and regulations affecting the Project and Agency Parking Lot now or hereafter in effect. If any or all of the Residential or Commercial Parking Spaces are no longer available for any reason, including termination of this Agreement, the Developer will be required to find other available parking spaces or reduce or cease operation and use of the Project at an intensity approved by the County of Santa Barbara in order to bring the Project into conformance with the Coastal Zoning Ordinance parking requirements. The Developer agrees to waive any right to contest enforcement of the County's Coastal Zoning Ordinance in this manner should this circumstance arise. In no circumstance shall the Agency be obligated by this Agreement to interfere with such enforcement action. The Parties acknowledge that the County may invoke any remedy provided for in the Coastal Zoning Ordinance to enforce such violation against the Developer.

12. ENVIRONMENTAL IMPAIRMENT. Developer shall ensure that its tenants and their guests, employees and invitees comply with all applicable laws, regulations, rules, and orders regarding use of the Agency Parking Lot regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of Agency.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Agency Parking Lot due to Developer's use, Developer shall clean all property affected to the satisfaction of Agency and any governmental body having jurisdiction therefore. Developer shall indemnify, hold harmless, and defend Agency from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by Agency as a result of Developer's breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to Developer's use and occupancy, regardless of whether such liability, cost or expense arises

during or after the term of this Agreement, and regardless of negligence, active or passive, of Agency.

13. TOXICS. Developer shall not manufacture or generate or store hazardous wastes on the Agency Parking Lot. Developer shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by Developer, its agents, employees, or designees on the Agency Parking Lot during the term of this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. Developer shall notify Agency and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

14. TAXES AND ASSESSMENTS, POSSESSORY INTEREST. Developer shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to Developer's operations, may be levied upon the Agency Parking Lot during the term of this Agreement.

Developer acknowledges and agrees that this Agreement may create a possessory interest subject to property taxation and that Developer may be required to pay any tax levied on such interest.

15. NOTICES. Any notice to be given to the parties shall be in writing and shall be served, either personally or by mail, to the following:

Agency: County of Santa Barbara
General Services Department
Support Services Division
Courthouse East Wing 2nd Floor
1105 Santa Barbara CA 93101

Developer: Paradise Ivy, LLC
P.O. Box 4836
Santa Barbara, CA 93140

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail, reliable overnight courier, or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.

16. DEFAULT. Except as otherwise required herein, should Developer at any time be in material default hereunder with respect to any covenant contained herein, Agency shall give notice to Developer specifying the particulars of the default and Developer shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, this Agreement shall terminate at the option of Agency; unless the cure of such default shall reasonably take more than thirty (30) calendar days in which

case Developer shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

17. REMEDIES. In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach including but not limited to the following:

A. The non-defaulting party may waive the default or breach in accordance with Section 21, WAIVER, herein below.

B. The non-defaulting party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.

C. Where Developer is the non-defaulting party, Developer may terminate the Agreement and surrender use of the Agency Parking Lot.

D. Where Agency is the non-defaulting party, Agency may terminate this Agreement and Developer shall vacate within thirty (30) days of written notice from Agency.

18. TERMINATION BY DEVELOPER. This Agreement can only be terminated by Developer if all of the following conditions are satisfied:

A. The Developer has obtained either ownership of or the right to use, on a permanent basis, the same number of residential and commercial parking spaces as are being provided under this Agreement (“Replacement Spaces”);

B. The County’s Director of Planning & Development has found that the Replacement Spaces provide adequate replacement of the Residential and Commercial Parking Spaces being provided herein;

C. Developer has either obtained a written determination from the County’s Director of Planning and Development that the relocation of parking for the Project to the location of the Replacement Spaces does not require a change, revision or amendment, as applicable to the conditions of approval for the Project (Case Number 05DVP-00000-00027, 07CUP-00000-00036) or has obtained the required change, amendment or revision of the conditions of approval for the Project;

D. Any required coastal development permit has been obtained and the statute of limitations to challenge such approval has run; and

E. Developer has provided to the Agency written notice of termination of this Agreement at least sixty (60) days prior to the termination date.

19. TERMINATION BY AGENCY. Upon final execution of this Agreement, Agency shall submit this Agreement to the California Department of Finance for approval. Upon notice from the California Department of Finance that the Department disapproves this Agreement, Agency shall terminate this Agreement immediately. In the event of such termination, all rights of Developer hereunder shall cease and Developer shall return all parking passes issued hereunder. Agency shall return all fees paid by Developer for such parking passes and relinquish the rights granted in this Agreement. This right to terminate shall be in addition to Agency’s right to terminate this Agreement as set forth in Section 16, DEFAULT, hereof.

20. MUTUAL TERMINATION. The Agency and Developer may mutually terminate this Agreement. Such termination must be in writing and shall be recorded against those properties legally described in Exhibits A and B of this Agreement.

21. WAIVER. It is understood and agreed that any waiver, express or implied of any term of this Agreement shall not be a waiver of any subsequent breach of a like kind or of any other provision of this Agreement.

22. AMENDMENTS. This Agreement may only be amended by written consent of the parties and such changes shall be binding upon the heirs or successors of the parties. Amendments to the Agreement that do not alter the purpose of the Agreement may be approved and executed by the Directors.

23. CONDEMNATION. In the event the Agency Parking Lot or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the Agency Parking Lot, Agency shall have the exclusive right to control the defense of any such action in condemnation or eminent domain and to defend any such action and settle the same in Agency's absolute discretion. Developer agrees that Agency shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting any of Developer's operations at the Agency Parking Lot.

Developer shall not be entitled to any portion of any judgment in eminent domain for the Agency Parking Lot.

In the event possession or partial possession of the Agency Parking Lot is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes Developer's intended use, this Agreement shall terminate as of the effective date of possession.

In the event of a partial taking, this Agreement may continue at Agency's option.

24. CAPTIONS. The title or headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

25. SEVERABILITY. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

26. ENTIRE AGREEMENT. The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.

27. CONSTRUCTION. The parties have negotiated the terms of this Agreement. They have consulted an attorney as deemed necessary. The terms of this Agreement reflect this negotiation and the intentions of both parties. These terms shall be interpreted with regard to each party equally.

28. SUCCESSORS AND ASSIGNS. This Agreement shall bind and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.

29. CERTIFICATION OF SIGNATORY. The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind Agency and Developer to its terms and conditions or to carry out duties contemplated herein.

///

///

///

**AGENCY
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar**

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective upon execution by AGENCY and approval by the California Department of Finance.

AGENCY:
COUNTY OF SANTA BARBARA
AS SUCCESSOR AGENCY TO THE FORMER
COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY
A public body, corporate and politic

By: _____
DOREEN FARR
Chair, Board of Supervisors

ACKNOWLEDGEMENT

State of California

County of Santa Barbara

On _____ before me, _____, Name of Clerk

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

CHANDRA L. WALLAR
AGENCY SECRETARY

By: _____
Deputy
(Seal)

APPROVED AS TO FORM:
DENNIS A. MARSHALL
SUCCESSOR AGENCY COUNSEL

By: _____
Deputy Counsel

**DEVELOPER
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar**

DEVELOPER:
PARADISE IVY, LLC
a California limited liability company

By: _____

Name and Title

Dated: _____

By: _____

Name and Title

Dated: _____

EXHIBIT A
881 Embarcadero Del Mar

Legal Description of the Agency Parking Lot

PARCEL ONE

The Easterly 135.00 feet, between parallel lines, of Lot 3 in Block "J" of Ocean Terrace Tract, in the County of Santa Barbara, State of California, according to the map thereof, recorded in Book 15, Pages 101, 102 and 103 of Maps, in the Office of the County Recorder of said County.

APN# 75-111-14 (ARB 9 6-K-11)

PARCEL TWO

That portion of Lot 4 in Block "J" of the Ocean Terrace Tract in the County of Santa Barbara, State of California, according to the map thereof, recorded in Book 15, Pages 101 and 102 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at the Southeasterly corner of said Lot 4; thence Northerly along the Easterly line of said Lot and Westerly line of Embarcadero Del Mar, 50 feet; thence at right angles westerly 120 feet, thence at right angles Southerly 50 feet to the Southerly line of said Lot 4; thence Easterly along said Southerly line 120 feet to the point of beginning.

APN# 75-111-06 (ARB 4B 6-K-11)

EXHIBIT B
901 Embarcadero Del Mar

Legal Description of the Project

PARCEL ONE:

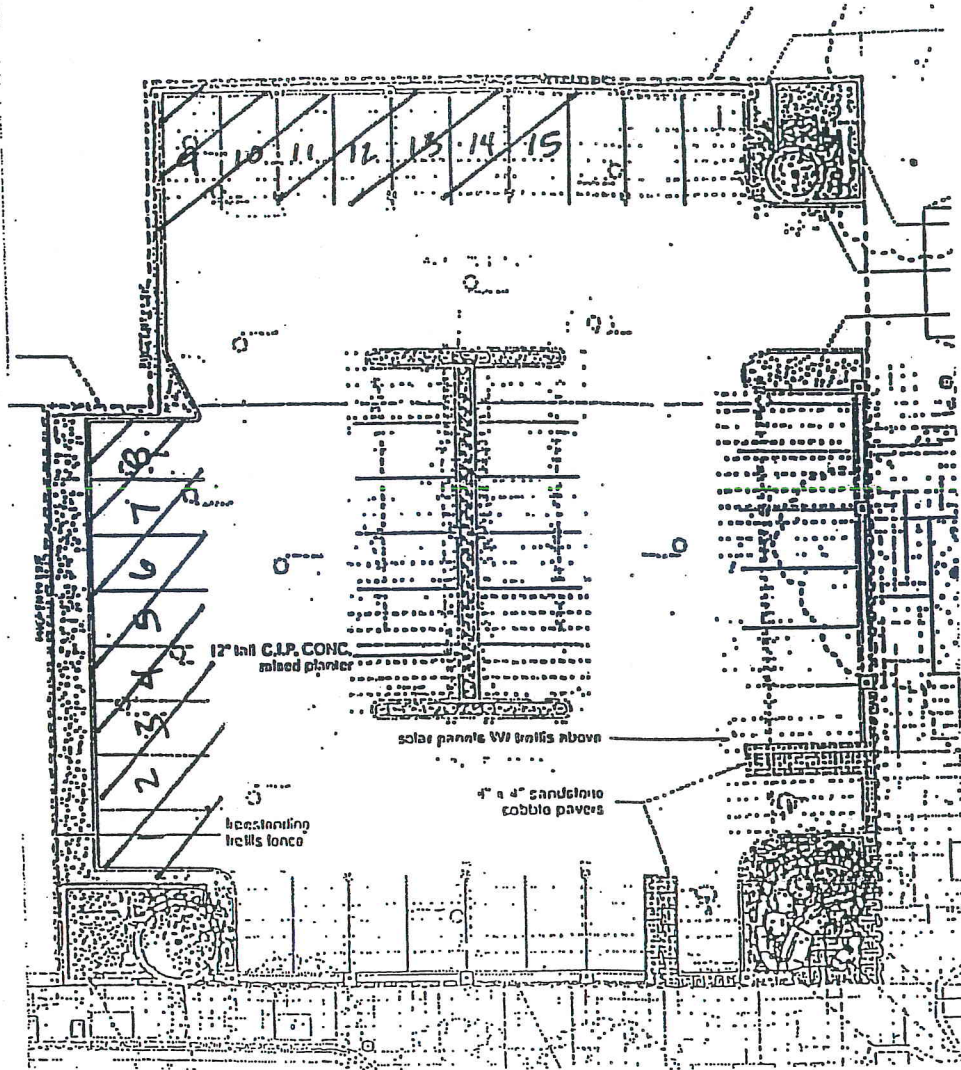
PARCEL "C" IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN AS DESIGNATED ON PARCEL MAP NO. 10651 FILED IN BOOK 2, PAGE 69 OF PARCEL MAPS, IN THE OFFICIAL RECORDS OF SAID COUNTY.

PARCEL TWO:

THE EASTERLY 10 FEET OF LOT 2, BLOCK "J" IN THE OCEAN TERRACE TRACT IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGES 101, 102, AND 103 OF MAPS, RECORDS OF SAID COUNTY, AND THAT PORTION OF THE NORTHERLY 30 FEET OF SAID LOT 2 LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF PARCEL ONE ABOVE DESCRIBED.

*****END OF LEGAL DESCRIPTION*****

EXHIBIT C
AGENCY PARKING LOT
RESIDENTIAL PARKING SPACES



EMBARCADERO DEL MAR

PARDALL ROAD

EXHIBIT D

INDEMNIFICATION AND INSURANCE REQUIREMENTS

1. Indemnification – DEVELOPER agrees to indemnify, defend (with counsel reasonably approved by AGENCY) and hold harmless AGENCY and its authorized officers, employees, agents and volunteers from and against any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses (including but not limited to attorneys' fees) incurred by AGENCY on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. DEVELOPER's indemnification obligation applies to AGENCY's "active" as well as "passive" negligence but does not apply to AGENCY's "sole negligence" or "willful misconduct" within the meaning of California Civil Code Section 2782. DEVELOPER shall notify AGENCY immediately in the event of any accident or injury arising out of or in connection with this Agreement. This Indemnification provision shall survive any expiration or termination of 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 AGENCY 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 AGENCY to vicarious liability but shall allow coverage for AGENCY to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

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

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 AGENCY.

5. Severability of Interests – DEVELOPER 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 DEVELOPER and AGENCY or between AGENCY and any other insured or additional insured under the policy.

6. Proof of Coverage – DEVELOPER shall furnish Certificates of Insurance to the COUNTY Department administering the Agreement evidencing the insurance coverage, including Additional Insured Endorsements and Waiver of Subrogation Endorsements (a.k.a.: Waiver of Transfer Rights of Recovery Against Other, Waiver of Our Right to Recover from Others), 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 DEVELOPER shall maintain such insurance from the time DEVELOPER commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Agreement, DEVELOPER shall furnish a copy of the Declaration page for all applicable policies and will provide complete 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, AGENCY 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 AGENCY will be promptly reimbursed by DEVELOPER or AGENCY payments to DEVELOPER will be reduced to pay for AGENCY purchased insurance.

10. Insurance Review – Insurance requirements are subject to periodic review by AGENCY. 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 AGENCY. 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 AGENCY, inflation, or any other item reasonably related to AGENCY's risk.

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

Any failure, actual or alleged, on the part of AGENCY 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 AGENCY.

11. Insurance Specifications – DEVELOPER agrees to provide insurance set forth in accordance with the requirements herein. If DEVELOPER uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, DEVELOPER 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, DEVELOPER 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 DEVELOPER and all risks to such persons under this Agreement.

If DEVELOPER has no employees, it may certify or warrant to AGENCY 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 Risk Manager.

With respect to DEVELOPERs 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 – DEVELOPER shall carry General Liability Insurance covering all operations performed by or on behalf of DEVELOPER providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000) per occurrence and two million dollars \$2,000,000 in the aggregate.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Developer is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

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

D. 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. An Additional Insured Endorsement shall be provided on the Umbrella policy as it relates to the primary policies requiring an Additional Insured Endorsement.