

# Memorandum



CITY OF DALLAS

DATE December 5, 2014

TO The Honorable Mayor and Members of the Dallas City Council

SUBJECT **Promise Zone Application**

As part of the Housing and Urban Development Promise Zone program, the City submitted an application for designation. The goal of the Promise Zone program is to accelerate and strengthen efforts at comprehensive community revitalization through data-based and evidence-driven efforts.

The Promise Zone designation would not provide any direct funding, but would provide preferred access to certain competitive federal programs (subject to appropriations and regulations); technical assistance and other non-competitive support; and tax incentives for hiring or investment in Promise Zones (if tax incentives are enacted by Congress). The term is for 10 years and can be extended.

The City of Dallas Promise Zone application presents a collaborative approach based on the current needs of the Promise Zone residents. While overall the local economy is strong, there are concentrations within the City where the need for assistance is great. The Promise Zone would allow for targeted implementation strategies to combat the causes of poverty in distressed areas around the City's Central Business District, through program offerings by both the City of Dallas and its Promise Zone partners. The key strategies are (1) improving educational outcomes, (2) increasing economic activity and (3) improving public health by taking a comprehensive approach to community wellness.

Implementation partners include the Dallas Independent School District, Parkland Health and Hospital Systems, Southern Methodist University's The School Zone, Dallas Afterschool, and University of Texas at Dallas. These entities have the resources, track record, and commitment to achieve the Promise Zone goals through a coordinated effort.

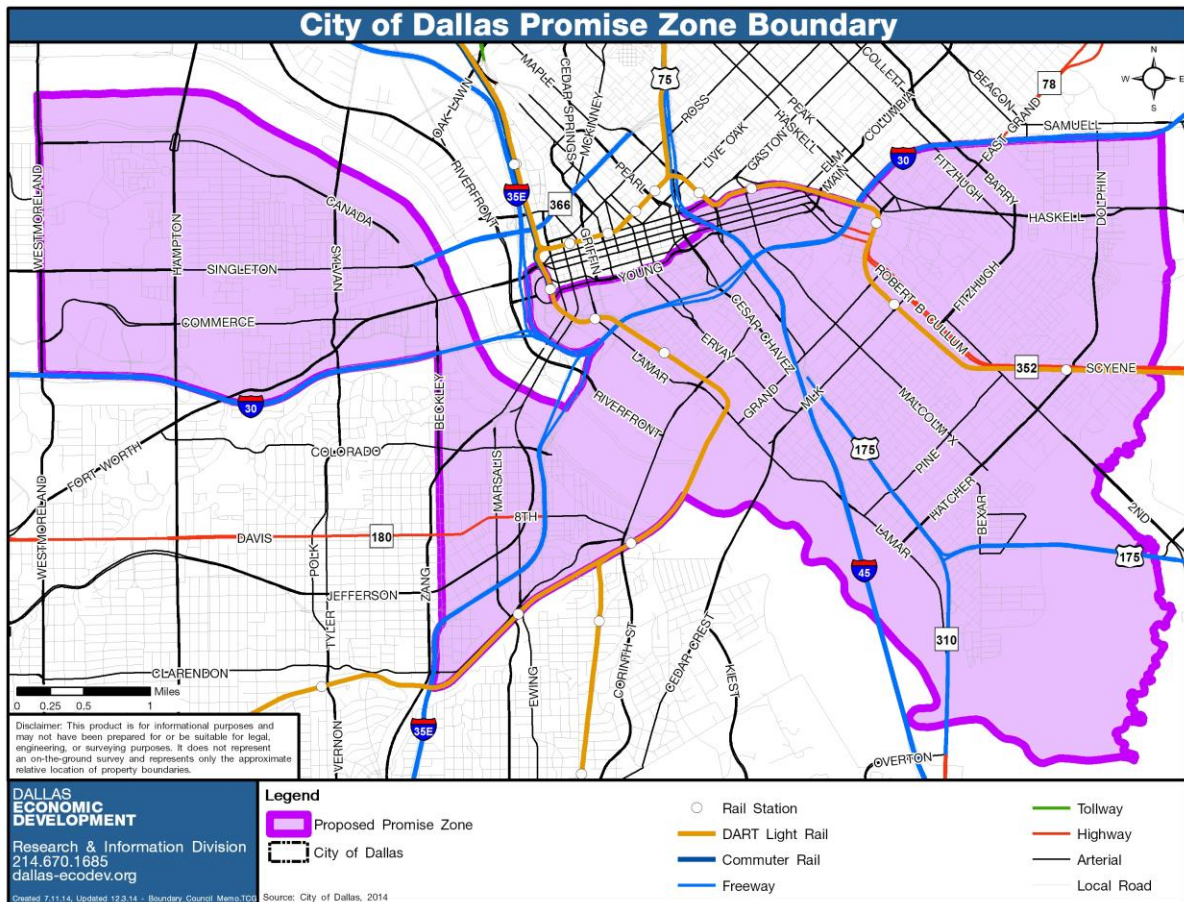
A map showing the area targeted as the Promise Zone is available on the next page. The application required a contiguous area, with an overall poverty rate greater than 33% and a population between 10,000 and 200,000. The population is approximately 57,000 and the area includes the Dallas Independent School District's Destination 2020 schools.

Should you have any questions, please contact me at (214) 670-3314.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans  
First Assistant City Manager

DATE December 5, 2014  
 SUBJECT Promise Zone Application



- CC: A.C. Gonzalez, City Manager  
 Warren M.S. Ernst, City Attorney  
 Craig D. Kinton, City Auditor  
 Rosa A. Rios, City Secretary  
 Daniel F. Solis, Administrative Judge  
 Eric D. Campbell, Assistant City Manager  
 Jill A. Jordan, P.E., Assistant City Manager  
 Mark McDaniel, Assistant City Manager  
 Joey Zapata, Assistant City Manager  
 Jeanne Chipperfield, Chief Financial Officer  
 Sana Syed, Public Information Officer  
 Karl Zavitkovsky, Director, Office of Economic Development  
 J. Hammond Perot, Assistant Director, Office of Economic Development  
 Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Memorandum



CITY OF DALLAS

DATE December 5, 2014

TO The Honorable Mayor and Members of the City Council

SUBJECT **December 10, 2014 Council Agenda – Correction to Agenda Item #40**

Attached is the corrected Agenda Information Sheet (AIS). This memo serves as correction to the list of Sections within Chapter 51A, Dallas Development Code to be corrected.

**CORRECTION:**

An ordinance correcting Chapter 51A, Dallas Development Code: Ordinance No. 19455, of the Dallas City Code, as amended, by correcting Sections 51A-4.203, "Industrial Uses," 51A-7.308, "Digital Display on Certain Detached Non-Premise Signs," 51A-7.1601.1, "Designation of Sign Subdistrict," 51A-7.1608, "Special Provisions for the Market Center Sign Subdistrict," and 51A – 12.204 "Operations" – Financing: No Cost consideration to the City

A handwritten signature in black ink, appearing to read 'Ty - R. E'.

Ryan S. Evans  
First Assistant City Manager

cc: A.C. Gonzalez, City Manager  
Rosa Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge Municipal Court  
Craig D. Kinton, City Auditor  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordon, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
David Cossum, Director, Sustainable Development & Construction  
Neva Dean, Interim Assistant Director, Sustainable Development & Construction  
Elsa Cantu, Assistant to the City Manager – Council Office

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** December 10, 2014  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** All

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**SUBJECT**

An ordinance correcting Chapter 51A, Dallas Development Code: Ordinance No. 19455, of the Dallas City Code, as amended, by correcting Sections 51A-4.203, "Industrial Uses," 51A-7.308 "Digital Display on Certain Detached Non-Premise Signs, 51A-7.1601.1, "Designation of Sign Subdistricts," 51A-7.1608, "Special Provisions for the Market Center Sign Subdistrict," and 51A-12.204, "Operations" - Financing: No cost consideration to the City

**BACKGROUND**

During review of Chapter 51A, staff discovered minor errors in several sections.

The corrections include (1) clarifying language by removing an extraneous word in the regulations for measuring spacing for protected uses; (2) correcting sunset date from August 21, 2016, to August 31, 2015; (32) clarifying language by adding a word that was inadvertently omitted in the described boundaries; (43) correcting a typo in the regulations for district identification signs; and (54) clarifying language by removing an extraneous word in the height regulations for noise reduction blankets.

**PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City.

# Memorandum



DATE December 5, 2014

TO The Honorable Mayor and Members of the City Council

SUBJECT **December 10, 2014 Council Agenda – Correction to Agenda Item #41**

Attached is the corrected Agenda Information Sheet (AIS). This memo serves as correction to the list of Articles within Chapter 51P, Dallas Development Code to be corrected.

**CORRECTION:**

An ordinance correcting Chapter 51P, Dallas Development Code: Planned Development District Regulations, of the Dallas City Code, as amended by correcting **(1)** Planned Development Subdistrict No. 71 within Planned Development District No. 193, the Oak Lawn Special Purpose District; **(2)** Planned Development District No. 269, the Deep Ellum/Near East Side District; **(3)** Planned Development 298, the Bryan Area Special Purpose District; **(4)** Planned Development District No. 878; **(5)** Planned Development District No. 914; and **(6)** Planned Development District No. 922; and **(7)** Planned Development District No. 888 – Financing: No Cost consideration to the City



Ryan S. Evans  
First Assistant City Manager

cc: A.C. Gonzalez, City Manager  
Rosa Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge Municipal Court  
Craig D. Kinton, City Auditor  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordon, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
David Cossum, Director, Sustainable Development & Construction  
Neva Dean, Interim Assistant Director, Sustainable Development & Construction  
Elsa Cantu, Assistant to the City Manager – Council Office

KEY FOCUS AREA: Economic Vibrancy  
AGENDA DATE: December 10, 2014  
COUNCIL DISTRICT(S): 2, 6, 7, 10, 11, 14  
DEPARTMENT: Sustainable Development and Construction  
CMO: Ryan S. Evans, 671-9837  
MAPSCO: 4 Z; 5 W; 28 S; 35 R; 36 W; 44 P, T; 45 D, G, H, L, M, R; 46 A, E, J, K, N, P

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**SUBJECT**

An ordinance correcting Chapter 51P, Dallas Development Code: Planned Development District Regulations, of the Dallas City Code, as amended by correcting **(1)** Planned Development Subdistrict No. 71 within Planned Development District No. 193, the Oak Lawn Special Purpose District; **(2)** Planned Development District No. 269, the Deep Ellum/Near East Side District; **(3)** Planned Development 298, the Bryan Area Special Purpose District; **(4)** Planned Development District No. 878; **(5)** Planned Development District No. 914; ~~and~~**(6)** Planned Development District No. 922; and (7) Planned Development District No. 888 - Financing: No cost consideration to the City

**BACKGROUND**

During a review of Chapter 51P, staff determined that certain typographic and minor errors to certain sections occurred when the ordinances were codified.

The corrections include: (1) clarifying language in the list of commercial uses in Planned Development Subdistrict No. 71 within Planned Development District No. 193, the Oak Lawn Special Purpose District; (2) correcting a typographic error in the scale for determining the points awarded for the percentage of front façade openings in Planned Development No. 269, Deep Ellum/Near East Side District; (3) correcting a reference regarding points for street trees in Planned Development District 298, the Bryan Area Special Purpose District; (4) clarifying language in the yard, lot, and space regulations regarding the maximum floor area for non-residential uses in Planned Development District No. 878; (5) clarifying language in the yard, lot, and space regulations regarding maximum number of stories for a parking structures in Planned Development District No. 914; ~~and~~(6) attaching Exhibit 922A, "Development Plan," Exhibit 922B, "Existing Site Topography Survey," and Exhibit 922C, "Finished Grade Section Plan" that were inadvertently missing from Planned Development District No. 922; and (7) correcting an allowed land use name from private recreation facility to private recreation center, club, or area and the number of stories allowed from two to no maximum stories.

**PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

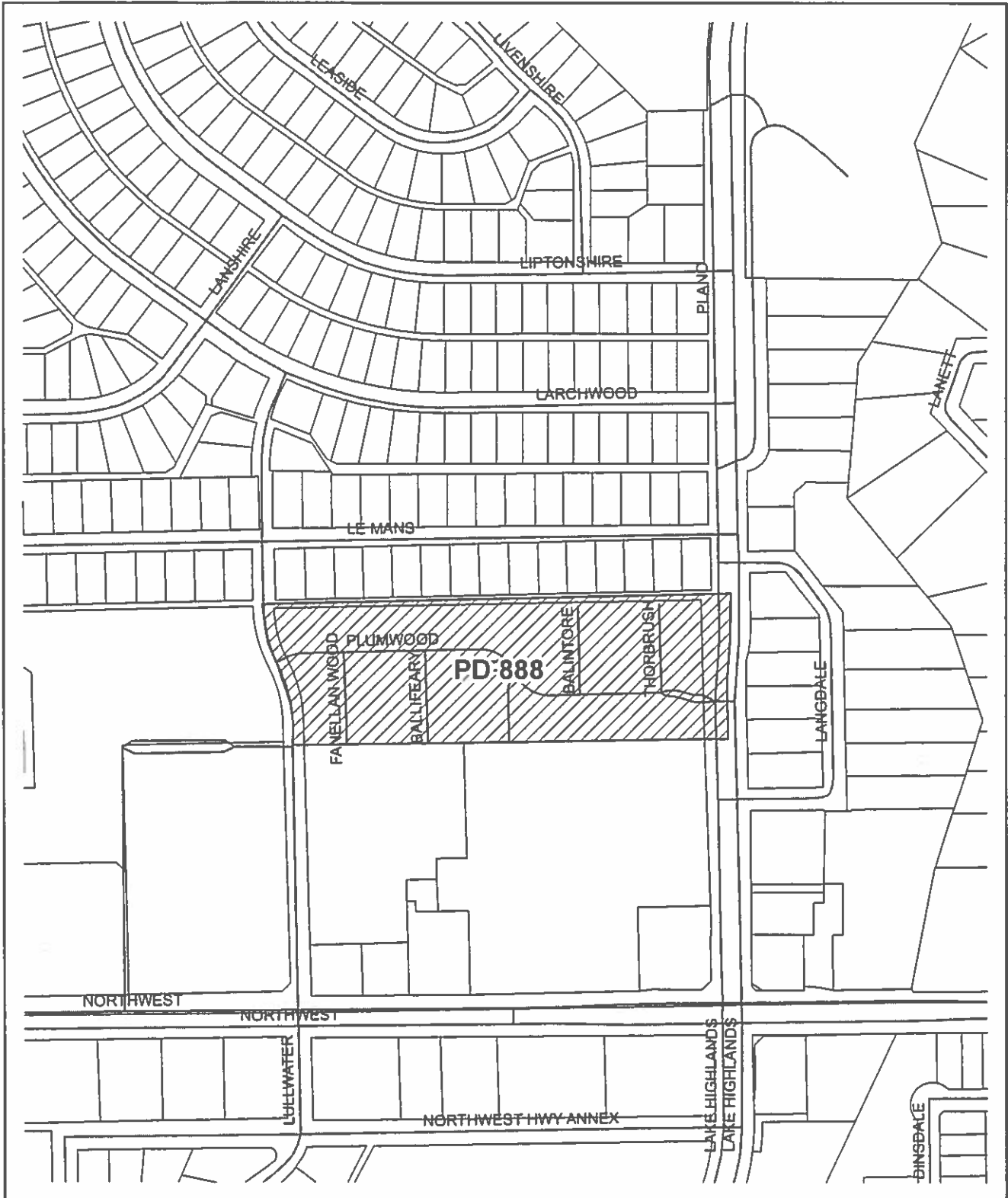
This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City.

**MAPS**

Attached



# Planned Development District No. 888





# Memorandum



DATE December 5, 2014

TO Honorable Mayor and Members of the City Council

SUBJECT Renewal of Master Agreement for Hydrofluorosilicic Acid – Upcoming Agenda Item #9

The current master agreement for hydrofluorosilicic acid will expire on January 10, 2015. A new three-year agreement was advertised for bid on October 9, 2014. A total of three vendors placed bids, with Mosaic Crop Nutrition, LLC providing the low bid of \$442.00 per ton. This price is \$194.36 less per ton than the existing contract, which is priced at \$636.36 per ton. The total estimate for the three year term of the new contract is \$1,060,800 or \$353,600 per year.

Recently there have been a few speakers before City Council regarding fluoride in Dallas' drinking water. Addition of fluoride to Dallas drinking water was authorized by City Council Resolution #65-4383 on August 9, 1965. Subsequent to the passage of Resolution #65-4383, a special election was held as a result of a registered voter petition against the Resolution. The election failed to overturn the action of the Dallas City Council and the City in 1966 began adding fluoride to the water based on the benefits in preventing tooth decay. Fluoride appears naturally in Dallas raw water at a level of about 0.41 mg/l or parts per million (ppm). Dallas adds fluoride at all three water treatment plants to achieve a target finished water concentration of 0.7 ppm. This level was recommended by the U.S. Department of Health and Human Services and by the EPA in 2011.

Dallas uses hydrofluorosilicic acid as its fluoride source. It is AWWA, ANSI and NSF\* certified for use in drinking water. Opponents of water fluoridation have sometimes claimed that "industrial grade fluoride" chemicals are used at the water plants instead of pharmaceutical grade chemicals. All of the standards of AWWA, ANSI and NSF apply to these industrial grade fluoride chemicals to ensure they are safe. Pharmaceutical grade fluoride compounds are not appropriate for water fluoridation; they are used to formulate prescription drugs.

Please let me or Jody Puckett, Director of Dallas Water Utilities, know if you need additional information.

\*Definitions: ANSI-American National Standards Institute, AWWA - American Water Works Association, NSF-National Sanitation Foundation



Mark McDaniel  
Assistant City Manager

## Attachments

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Sols, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

## Memorandum



DATE December 4, 2014

TO Mark McDaniel  
Assistant City Manager

SUBJECT Paul McKinney Document from Yesterday's Council Briefing

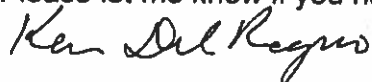
Community water fluoridation has been an accepted practice in the developed world for more than 60 years. A concentration of 0.7 mg/l (ppm) was recommended in 2011 by the U.S. Department of Health and Human Services and by the EPA following a thorough review by a panel of scientists.

The EPA, American Dental Association, U.S. Department of Health and Human Services, the Centers for Disease Control and many others strongly recommend community water fluoridation for the prevention of cavities. The quote at the beginning of the document is an opinion from Bill Osmunson, DDS, a member of the Fluoride Action Network. His opinion is far outside of the mainstream of scientific practice.

The 0.4 ppm fluoride concentration reported in our 2013 Water Quality Report is from a compliance sample collected and analyzed by the Texas Commission on Environmental Quality (TCEQ). Many, but not all of our chemical analyses are included in TCEQ compliance samples. Since TCEQ reports those results on their website, we use their numbers on our Water Quality Report to be consistent. At the time of TCEQ's sample at our Eastside Plant, we were not feeding fluoride due to construction activities. At Dallas' three water treatment plants, raw and tap water fluoride concentrations are measured more than 4000 times per year (twice daily for each). For calendar year 2013, tap water fluoride averaged 0.62 ppm with a range of 0.35 to 0.78 ppm. The Maximum Contaminant Level (MCL) of 4.0 ppm is set by EPA.

The laboratory data presented by Mr. McKinney appear to be either blood or urinalysis tests on him. Fluoride is present in many foods, such as seafood, tea, gelatin and pickles, as well as 1100 ppm in toothpaste. Since fluoride is a conservative ion in water (doesn't react with anything), it is not possible for the levels that we measure in our tap water samples to increase after leaving our plants.

Please let me know if you have any further questions.



Ken DelRegno  
Assistant Director  
Water Production

C: Jo M. Puckett  
Zack Peoples

<b>Community Fluoridation in Texas 10 Largest Cities</b>			
		<b>Population*</b>	<b>Fluoride Added</b>
1	Houston	2,160,821	Y
2	San Antonio	1,382,951	Y
3	Dallas	1,241,162	Y
4	Austin	842,592	Y
5	Fort Worth	777,992	Y
6	El Paso	672,538	Y
7	Arlington	375,600	Y
8	Corpus Christi	312,195	Y
9	Plano	272,068	Y
10	Laredo	236,091	N**
		* 2012 Estimate	** Optimal Natural level

# Memorandum



CITY OF DALLAS

DATE December 5, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT December 10, 2014 Addendum Item: Health Benefits Master Plan Document

The December 10, 2014 City Council addendum includes an item authorizing approval of:

- 1) The City's Health Benefits Master Plan Document for active employees, including the Section 125 cafeteria plan
- 2) The City's Health Benefits Master Plan Document for retirees

The City sponsors separate health benefit plans for active employees and retirees. The City's active employee benefit plan and certain retiree benefits are self-funded; but, certain retiree health benefits are funded through insurance policies such as Medicare Advantage, Medicare Supplement Plans and Part D Prescription Drug Coverage.

Master Plan Documents are a compilation of all the health plan documents offered to employees and retirees including health, vision, dental, flexible spending accounts, and fully-insured Medicare supplement plans.

The active employee plan also includes a Section 125 Cafeteria Plan which allows employees to make contributions to the City's health plan and flexible spending accounts on a pre-tax basis.

The Master Plan Document is approved annually by the City Council. If you have any questions, please contact Molly Carroll, Human Resources Director, at [molly.carroll@dallascityhall.com](mailto:molly.carroll@dallascityhall.com) or at 214-671-9810.



A.C. Gonzalez  
City Manager

c: Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
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Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Memorandum



CITY OF DALLAS

DATE 05 December 2014

TO The Honorable Members of the Transportation and Trinity River Project Committee: Vonciel Jones Hill (Chair), Lee M. Kleinman (Vice Chair), Deputy Mayor Pro Tem Monica R. Alonzo, Mayor Pro Tem Tennell Atkins, Sandy Greyson, Sheffie Kadane

Subject Responses to Questions on Proposed Transportation-for-Hire Ordinance

On Monday 17 November 2014, the Transportation & Trinity River Project Committee was briefed on the proposed Transportation-for-Hire ordinance. Additional information requested at the briefing is provided below.

**Provide the count and model years of the CNG vehicles that are currently providing transportation-for-hire service in Dallas.**

- Currently 210 CNG vehicles are in operation, of which 109 are 2011 year model, 51 are 2010 year model, 31 are 2009 year model, 6 are 2008 year model, and 13 are 2007 year model.

**Provide a list or number of insurance providers who offer an insurance policy that meets the requirements of the proposed ordinance, and a copy of an insurance policy which meets the requirements of the proposed ordinance.**

- The proposed ordinance sets minimum insurance requirements. Several insurance providers, including those that provide insurance for companies currently providing transportation-for-hire service in the city, offer insurance policies that meet the requirements in the ordinance. Copies of those policies are on file with the City.
- To the extent that contingent primary liability coverage<sup>1</sup> would meet the minimum requirements of the proposed ordinance, James River Insurance Company is currently providing such coverage. The attached policy represents the only example of such a policy that is in the City's possession.

**How many claims have been paid so far on policies that are similar to the type as required by the proposed ordinance?**

- This information is not available to City staff.

**What type of signage would be required on hailable vehicles?**

- On the exterior of at least two doors of a hailable vehicle, the director would require the following display of information:

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<sup>1</sup> The term "contingent primary liability coverage" is defined in Section 47A-1.5(4) of the proposed ordinance as "a liability policy that will act as a primary liability policy in the event that no other applicable primary liability policy exists or a policy exists but denies coverage."

- The name of the operating authority printed in letters not less than three inches high with one-half inch stroke;
- The hailable vehicle number assigned to each vehicle by the director, in numbers and letters not less than three inches high with one-half inch stroke and so that it is clearly visible from the front, rear, and both sides of the vehicle; and
- Two rate stickers outside the vehicle so that the rates can be easily read by passengers.

**How was the 31-point inspection developed?**

- The vehicle quality inspection list is an original list of appearance, mechanical, and safety items that are relevant to the use of a vehicle as transportation-for-hire. The items on the list were developed from an extensive review of checklists for certified pre-owned cars and from consumer safety resources.

**Provide a list of companies that went out of business as a result of the CNG front-of-the-line requirement, and whether these companies would have legal recourse if we repeal this provision.**

- Staff is not aware that any taxi company went out of business as a result of the CNG front-of-the-line provision.

**Can a transportation-for-hire driver completely avoid using toll roads while driving in Dallas?**

- Yes. Staff is not aware of any trip within the city limits that would require using a toll road.

**Are paragraphs (b) and (d) of Section 5-60(1) redundant?**

- The two paragraphs, (b) and (d) of Section 5-60(1), are not redundant.

**How long is the appeal process to the Permit and License Appeal Board?**

- A written appeal to the Permit and License Appeal Board must be filed within 10 days after the petitioner receives notice of the director's action. The hearing must be held within 60 days after the date the appeal is filed. These deadlines are found in Dallas City Code Section 2-96, which is referenced in Section 47A-4.6 of the proposed ordinance.

Please let me know if you have any additional questions or need more information.



Joey Zapata  
Assistant City Manager

**Attachment**

- c: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Elsa Cantu, Assistant to the City Manager – Mayor & Council

# BUSINESS AUTO DECLARATIONS

JAMES RIVER INSURANCE COMPANY  
 6641 WEST BROAD STREET, SUITE 300  
 RICHMOND, VA 23230



Policy Number: CA43600143

**ITEM ONE**

<b>Named Insured:</b> Rasier LLC, Rasier-CA LLC, Rasier-DC LLC	<b>Mailing Address:</b> 706 Mission Street, 9 <sup>th</sup> Fl San Francisco, CA 94103	
<b>Policy Period:</b>		
<b>From:</b> 12/21/2013		
<b>To:</b> 12/21/2014 <span style="float: right;">At 12:01 AM Standard Time at your mailing address shown above</span>		
<b>Form Of Business:</b>		
<input type="checkbox"/> Corporation	<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Individual
<input type="checkbox"/> Partnership	<input type="checkbox"/> Other:	
<b>Premium shown is payable at inception:</b> \$ [REDACTED]		
<b>Audit Period (If Applicable):</b> <input type="checkbox"/> Annually <input type="checkbox"/> Semiannually <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Monthly		

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, IN RELIANCE UPON THE STATEMENTS IN THE APPLICATION(S) AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

**ITEM TWO**

**Schedule Of Coverages And Covered Autos**

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos <small>(Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which "autos" are covered "autos".)</small>	Limit The Most We Will Pay for Any One Accident or Loss	Premium
Liability	10	\$ 1,000,000	[REDACTED]
Liability Deductible		\$ (per accident)	
Uninsured Motorists (UM)	10	\$ 1,000,000	
Underinsured Motorists (UIM) <small>(When Not Included In UM Coverage)</small>	10	\$ 1,000,000	
<b>Administrative Services Fee</b>			
<b>Premium is Minimum Premium</b>			
Deposit Premium & Fees are 100% Fully Earned	<b>Company Fee</b>		
<b>TOTAL SHOWN IS PAYABLE AT INCEPTION</b>			
<b>Policy Fee (Fully Earned)</b>			
<b>Surplus Lines Tax</b>			
<b>Stamping Office Tax</b>			
<b>Total Premium</b>			

**ENDORSEMENTS**

ENDORSEMENTS ATTACHED TO THIS POLICY:

See attached schedule A – Schedule of Forms	
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**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY**

# SCHEDULE A

FORMS AND ENDORSEMENTS THAT APPLY TO THIS POLICY:

POLICY NO.

«QuoteNumber»

FORM NUMBER      TITLE

FORM NUMBER	TITLE
<b><u>Mandatory Forms</u></b>	
JA2001US 09-12	Business Auto Declarations
JA0001US 09-12	Business Auto – Schedule A
JA4001US09-13	Business Auto Coverage Form
JA5401US 03-13	Common Policy Conditions
JA5402US 09-12	Premium Audit Conditions
IL 00 21 07-02	Nuclear Energy Liability Exclusion
CA 23 84 01-06	Exclusion - Terrorism
<b><u>ISO Forms</u></b>	
CA2154 10-13	California Uninsured Motorists Coverage – Bodily Injury
<b><u>Limits, Premiums, Deductibles</u></b>	
<b><u>Additional Interests &amp; Waiver of Subrogation</u></b>	
JA5201US 09-12	Additional Insured Endorsement
JA5201US 09-12	Additional Insured Endorsement – Controlling Interest
<b><u>Limitations</u></b>	
JA5301US 09-12	Limitation of Coverage to Designated Contract or Operations - CA
JA5302US 09-12	Limitation of Coverage to Designated Operators
<b><u>Exclusions</u></b>	
JA5604US 04-13	Exclusion of Liability – Other Policies
<b><u>State Mandatory Forms</u></b>	
AP5048US 04-10	California Service of Suit
<b><u>Other Forms</u></b>	
IL1201 04-03	Rate Endorsement
CA9954 07-97	Covered Auto Symbols (Symbol 10 Defined)
IL1201 04-03	Named Operators as Insureds



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

Policy Change  
Number

POLICY NUMBER	POLICY CHANGES EFFECTIVE 12:01 AM Standard Time at the address of the Named Insured	COMPANY James River Insurance Company
NAMED INSURED		AUTHORIZED REPRESENTATIVE Richard J. Schmitzer
COVERAGE PARTS AFFECTED ALL COVERAGE PARTS		

### CHANGES

AUDITABLE **Adjustable per ride share mile**

Rates:



Rating basis:



**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

Authorized Representative Signature

# BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section IV – Definitions.

## SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

### A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

## SECTION II – LIABILITY COVERAGE

### A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

#### 1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## 2. Coverage Extensions

### Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

## B. Exclusions

This insurance does not apply to any of the following:

### 1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

### 2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

### 3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

### 4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
  - (1) Employment by the "insured"; or
  - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the coverage form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

#### **5. Fellow Employee**

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

#### **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

#### **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

#### **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

#### **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### **10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

## 11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

## 12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

## 13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

## C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

## **SECTION III – BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

### **A. Loss Conditions**

#### **1. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a.** In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
  - (1)** How, when and where the "accident" or "loss" occurred;
  - (2)** The "insured's" name and address; and
  - (3)** To the extent possible, the names and addresses of any injured persons and witnesses.
- b.** Additionally, you and any other involved "insured" must:
  - (1)** Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
  - (2)** Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
  - (3)** Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
  - (4)** Authorize us to obtain medical records or other pertinent information.
  - (5)** Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

#### **2. Legal Action Against Us**

No one may bring a legal action against us under this coverage form until:

- a.** There has been full compliance with all the terms of this coverage form; and
- b.** Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

#### **3. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

### **B. General Conditions**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

#### **2. Concealment, Misrepresentation Or Fraud**

This coverage form is void in any case of fraud by you at any time as it relates to this coverage form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a.** This coverage form;
- b.** The covered "auto";
- c.** Your interest in the covered "auto"; or
- d.** A claim under this coverage form.

### **3. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

### **4. Other Insurance**

- a. For any covered "auto" you own, this coverage form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this coverage form provides for the "trailer" is:
  - (1) Excess while it is connected to a motor vehicle you do not own.
  - (2) Primary while it is connected to a covered "auto" you own.
- b. Regardless of the provisions of Paragraph a. above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract".
- c. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

### **5. Premium Audit**

- a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

### **6. Policy Period, Coverage Territory**

Under this coverage form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if:
  - (a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
  - (b) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

### **7. Two Or More Coverage Forms Or Policies Issued By Us**

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

#### SECTION IV – DEFINITIONS

**A.** "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

**B.** "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

**C.** "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

**D.** "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

**a.** That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

**b.** Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

**c.** After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

**E.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

**F.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

**G.** "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;



5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
  - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- H. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- I. "Loss" means direct and accidental loss or damage.
- J. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;
  4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
  5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers; or
  6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
    - a. Equipment designed primarily for:
      - (1) Snow removal;
      - (2) Road maintenance, but not construction or resurfacing; or
      - (3) Street cleaning;
    - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- K.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- L.** "Property damage" means damage to or loss of use of tangible property.
- M.** "Suit" means a civil proceeding in which:
- 1.** Damages because of "bodily injury" or "property damage"; or
  - 2.** A "covered pollution cost or expense";
- to which this insurance applies, are alleged.
- "Suit" includes:
- a.** An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
  - b.** Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- N.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- O.** "Trailer" includes semitrailer.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMON POLICY CONDITIONS**

All Coverage Parts in this policy are subject to the following Conditions.

### **1. CANCELLATION AND NON-RENEWAL**

- A.** The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- B.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2)** 30 days before the effective date of cancellation if we cancel for any other reason.
- C.** We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- D.** Notice of cancellation will state the effective date of cancellation. The policy will end on that date.
- E.** If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata unless cancellation is due to non payment of premium, in which case the refund may be less than pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- F.** If notice is mailed, proof of mailing will be sufficient proof of notice.

If we elect not to renew this policy, we shall mail written notice to the First Named Insured at the address shown in the Declarations. Such written notice of non-renewal shall be mailed at least 30 days prior to the end of the policy term.

### **2. CHANGES**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### **3. REPRESENTATIONS**

By accepting this policy, you agree:

- A.** The statements in the Declarations are accurate and complete;
- B.** Those statements are based upon representations you made to us; and
- C.** We have issued this policy in reliance upon your representations.

### **4. SERVICE OF SUIT**

It is agreed that in the event of the failure of this Company to pay any amount claimed to be due hereunder, this Company will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the Company's President, or his nominee, at the address shown on the Declarations page of this policy, and that in any suit instituted against any one of them upon this policy, this Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named is authorized and directed to accept service of process on behalf of this Company in any such suit and/or upon the request of the insured to give a written undertaking to the insured that it or they will enter a general appearance upon this Company's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefore, this Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

**5. TERMS, CONDITIONS AND PREMIUM**

On each renewal, continuation, anniversary of the effective date of the policy or on an annual basis, the Company will determine the rate and premium and/or amend the terms and conditions in accordance with the rates and rules then in effect.

**6. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

In Witness Whereof, this Company has executed and attested these presents; but this policy shall not be valid unless signed by duly authorized representatives of this Company.

**VICE PRESIDENT**



**PRESIDENT**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PREMIUM AUDIT CONDITIONS AMENDED**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

**SECTION IV—BUSINESS AUTO CONDITIONS**, subsection **B. General Conditions, Item 6. Premium Audit** is replaced with the following:

### **6. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request. We have the right, but not the obligation, to conduct a physical audit of records needed for premium computation after the expiration of this policy.
- d. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the difference, if any. However, the final premium due will never be less than the estimated total premium.
- e. Your refusal to maintain or provide needed records, or to allow us to conduct a physical audit of needed records, will result in our developing and calculating a final audit premium based on information available to us and without your cooperation. If final premium audits calculated without your cooperation result in additional premium, you are obligated to pay such additional premium.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A.** The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
  - a. That involve the following or preparation for the following:
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of a dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - b. When one or both of the following applies:
    - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury, damage, loss or expense" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal injury", "personal and advertising injury", "loss", loss of use, rental reimbursement after "loss" or "covered pollution cost or expense", as may be defined under this Coverage Form, Policy or any applicable endorsement.

**B.** Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

### **EXCLUSION OF TERRORISM**

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury, damage, loss or expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or



2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **B.5.** and **B.6.** are exceeded.

With respect to this Exclusion, Paragraphs **B.5.** and **B.6.** describe the thresholds used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

#### **EXCLUSION OF TERRORISM**

We will not pay for any "loss", loss of use or rental reimbursement after "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph **C.5.** is exceeded.

With respect to this Exclusion, Paragraph **C.5.** describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

**D.** In the event of any incident of "terrorism" that is not subject to the Exclusion in Paragraphs **B.** or **C.**, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

POLICY NUMBER: CA43600143

COMMERCIAL AUTO  
CA 21 54 10 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CALIFORNIA UNINSURED MOTORISTS COVERAGE -  
BODILY INJURY**

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, California, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

**Named Insured:** Rasier LLC, Rasier-CA LLC, Rasier-DC, LLC

**Endorsement Effective Date:** 12/21/2013

**SCHEDULE**

**Limit Of Insurance:** \$ 1,000,000

**Each "Accident"**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Coverage**

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. We will pay only after the limits of liability under any liability bonds or policies have been exhausted by payment of judgments or settlements.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

**B. Who Is An Insured**

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
  - a. The Named Insured and any "family members".
  - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
  - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

- a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

### **C. Exclusions**

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle".
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. "Bodily injury" sustained by:
  - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
  - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
  - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.However, Exclusion 4. shall not apply to "bodily injury" sustained by an individual Named Insured or "family member" when struck by a vehicle owned by that "insured" and operated or caused to be operated by a person without that "insured's" consent in connection with criminal activity that has been documented in a police report and to which that "insured" is not a party to.

5. "Bodily injury" sustained by an individual Named Insured or any "family member" while "occupying" any vehicle leased by that Named Insured or any "family member" under a written contract for a period of six months or more that is not a covered "auto".
6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
7. "Bodily injury" sustained by an "insured" while "occupying" any "auto" that is rented or leased to that "insured" for use as a public or livery conveyance. However, this exclusion does not apply if the "insured" is in the business of providing public or livery conveyance.
8. "Bodily injury" arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

### **D. Limit Of Insurance**

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. For a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle", our Limit of Insurance shall be reduced by all sums paid because of "bodily injury" by or for anyone who is legally responsible, including all sums paid or payable under this policy's Covered Autos Liability Coverage.
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage form or Medical Payments Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

## **E. Changes In Conditions**

The Conditions are changed for California Uninsured Motorists Coverage - Bodily Injury as follows:

1. Duties In The Event Of Accident, Claim, Suit Or Loss in the Business Auto and Motor Carrier Coverage Forms and Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions in the Auto Dealers Coverage Form are changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Send us copies of the legal papers if a "suit" is brought. In addition, a person seeking coverage under Paragraph b. of the definition of "uninsured motor vehicle" must:
  - (1) Provide us with a copy of the complaint by personal service or certified mail if the "insured" brings an action against the owner or operator of such "uninsured motor vehicle"
  - (2) Within a reasonable time, make all pleadings and depositions available for copying by us or furnish us copies at our expense; and
  - (3) Provide us with proof that the limits of insurance under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

2. Legal Action Against Us is replaced by the following:

### **Legal Action Against Us**

No legal action may be brought against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form and with respect to Paragraphs **a.**, **c.** and **d.** of the definition of "uninsured motor vehicle" unless within two years from the date of the "accident":

- a. Agreement as to the amount due under this insurance has been concluded;
- b. The "insured" has formally instituted arbitration proceedings against us. In the event that the "insured" decides to arbitrate, the "insured" must formally begin arbitration proceedings by notifying us in writing, sent by certified mail, return receipt requested; or
- c. "Suit" for "bodily injury" has been filed against the uninsured motorist in a court of competent jurisdiction.

Written notice of the "suit" must be given to us within a reasonable time after the "insured" knew, or should have known, that the other motorist is uninsured. In no event will such notice be required before two years from the date of the accident. Failure of the "insured" or his or her representative to give us such notice of the "suit" will relieve us of our obligations under this Coverage Form only if the failure to give notice prejudices our rights.

3. Transfer Of Rights Of Recovery Against Others To Us is replaced by the following:

### **Transfer Of Rights Of Recovery Against Others To Us**

- a. With respect to Paragraphs a., c. and d. of the definition of "uninsured motor vehicle", if we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
- b. With respect to Paragraph b. of the definition of "uninsured motor vehicle", if we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

4. Other Insurance in the Auto Dealers and Business Auto Coverage Forms and Other Insurance - Primary And Excess Insurance Provisions in the Motor Carrier Coverage Form are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.

c. If the coverage under this Coverage Form is provided:

(1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.

(2) On an excess basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

5. The following condition is added:

#### **Arbitration**

a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

#### **F. Additional Definitions**

The following are added to the **Definitions** section:

1. "Family member" means the individual Named Insured's spouse, whether or not a resident of the individual Named Insured's household, and any other person related to such Named Insured by blood, adoption, marriage or registered domestic partnership under California law, who is a resident of such Named Insured's household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":

a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;

b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or "trailer" for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged but that sum is less than the Limit of Insurance for this coverage;

c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;

d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with an "insured", a covered "auto" or a vehicle an "insured" is "occupying" or

e. That is owned by an individual Named Insured or "family member" and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, "uninsured motor vehicle" does not include any vehicle:

a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;

b. Owned by the United States of America, Canada, a state or political subdivision of any of those governments or an agency of any of the foregoing; or

c. Designed or modified for use primarily off public roads while not on public roads.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – SCHEDULED**

This endorsement modifies insurance provided under the following:  
BUSINESS AUTO COVERAGE FORM

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

**As Required by Written Contract**

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the SCHEDULE, but only with respect to their liability for "bodily injury" or "property damage" to which this insurance applies, caused in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

and caused by an "accident" resulting from the ownership, maintenance or use of a covered "auto".

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by contract or agreement to provide such additional insured.

**B. Section III – Limits Of Insurance** is amended to add the following:

With respect to the insurance afforded to the additional insureds shown in the SCHEDULE, the following is added:

The most we will pay on behalf of the additional insured shown in the SCHEDULE is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – SCHEDULED**

This endorsement modifies insurance provided under the following:  
BUSINESS AUTO COVERAGE FORM

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Uber Technologies Inc (controlling interest as parent company of Rasier LLC)

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the SCHEDULE, but only with respect to their liability for "bodily injury" or "property damage" to which this insurance applies, caused in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

and caused by an "accident" resulting from the ownership, maintenance or use of a covered "auto".

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by contract or agreement to provide such additional insured.

**B. Section III – Limits Of Insurance** is amended to add the following:

With respect to the insurance afforded to the additional insureds shown in the SCHEDULE, the following is added:

The most we will pay on behalf of the additional insured shown in the SCHEDULE is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO CONTRACTS OR OPERATIONS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

### **SCHEDULE**

**Contracts:**

**Operations:**

All rides originating in or "accidents" occurring in the coverage territory except for rides originating in or "accidents" occurring in the states of Ohio, Colorado, and New Jersey.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury" or "property damage" caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto" arising out of the contract(s) or operation(s) shown in the SCHEDULE above.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITATION OF COVERAGE TO  
DESIGNATED NAMED OPERATOR(S)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

**SCHEDULE**

**Name of Person(s):**

Drivers who have entered into a contract with one or more of the Named Insureds prior to the time of the "accident"

Any sums paid by us or obligation to defend the "insured" for "bodily injury" or "property damage" or any other damages resulting from the ownership, maintenance of use of a covered "auto", and covered under this Policy is limited to:

Covered "autos" while operated by those Person(s) named in the SCHEDULE above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LIABILITY – OTHER POLICIES**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

### **Schedule of Designated Policies**

<u>Policy Number</u>	<u>Company Name</u>
CA43600144	Rasier LLC, Rasier-CA LLC, Rasier-DC, LLC
CA43600145	Rasier LLC, Rasier-CA LLC, Rasier- DC, LLC

This insurance does not apply to any claim or "suit" which is covered under the insurance policies specifically designated in the above Schedule or the replacement, renewal or extension of such scheduled policies

This exclusion applies to any claim or "suit" which:

1. Is covered or would have been covered under the policies designated in the above Schedule, or, the replacement, renewal or extension of such scheduled policies, but for the exhaustion of limits, exclusion(s), or, cancellation or expiration of such policies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA - SERVICE OF SUIT**

This endorsement modifies and amends insurance provided under the following:

ALL COVERAGE PARTS

Pursuant to California statutes, this Company designates the following as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance:

CSC – Corporation Service Company  
Karen Harris  
2710 Gateway Oaks Drive, Suite 150N  
Sacramento, CA 95833

Phone # 800-927-9800  
Fax # 916-641-5151

The above-named is authorized and directed to accept service of process on behalf of the Company.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## COVERED AUTO DESIGNATION SYMBOL

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM
- BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:

Endorsement Effective:	Countersigned By:
Named Insured: Rasier LLC	(Authorized Representative)

**Section I – Covered Autos** is amended by adding the following:

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols may be used (in addition to the numerical symbols described in the Coverage Form) to describe the "autos" that may be covered "autos". The entry of one of these symbols next to a coverage on the Declarations will designate the only "autos" that are covered "autos".

Symbol		Description Of Covered Auto Designation Symbols
For use with the Business Auto Coverage Form		
<b>10</b>	=	Any "auto" of the Private Passenger Type while: <ul style="list-style-type: none"> <li>a. The "auto" is being operated by a Named Operator shown in the Limitation of Coverage to Designated Named Operator(s) Endorsement (JA5302US 09- 12) and,</li> <li>b. The "auto" is being used following the Named Operator(s), as defined by JA 53 02US 09 12, logged and recorded acceptance in the Uber application to transport passenger(s), and the Named Operator is:                             <ul style="list-style-type: none"> <li>1) En route to pick up that passenger(s), or</li> <li>2) Transporting that passenger(s) to their destination.</li> </ul> </li> </ul>

POLICY NUMBER:

COMMERCIAL AUTO  
CA 99 54 07 97

For use with the Garage Coverage Form		
<b>32</b>	=	
For use with the Truckers Coverage Form		
<b>51</b>	=	
<b>52</b>	=	

<b>Symbol</b>	<b>Description Of Covered Auto Designation Symbols</b>	
	For use with the Business Auto Physical Damage Coverage Form	
<b>7</b>	=	
	For use with the Motor Carrier Coverage Form	
<b>72</b>	=	
<b>73</b>	=	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

POLICY NUMBER	POLICY CHANGES EFFECTIVE 12:01 AM Standard Time at the address of the Named Insured	COMPANY James River Insurance Company
NAMED INSURED Rasier LLC	AUTHORIZED REPRESENTATIVE Richard J. Schmitzer	
COVERAGE PARTS AFFECTED ALL COVERAGE PARTS		

CHANGES  
**EXCESS LIABILITY COVERAGE – NAMED OPERATORS AS INSUREDS**

This endorsement modifies insurance provided under the following:  
BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.


The following is added to the **SECTION II – LIABILITY COVERGE, 1. Who Is An Insured:**

Named Operators under endorsement JA5302US 09 12 are "insured" provided such drivers:

- (1) Are using a covered "auto" you don't own, hire or borrow in your business or personal affairs;  
and
- (2) Have entered into a contract with one or more of the Named Insureds prior to the time of the "accident".

Coverage provided for Named Operators by this endorsement is excess over any other collectable insurance. If no other coverage exists, this coverage will act as primary coverage.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**



Authorized Representative Signature

# Memorandum



CITY OF DALLAS

DATE December 5, 2014

TO Honorable Members of the Budget, Finance, & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Follow-Up Response from Five Texas Cities' Budget Comparison Briefing

Below are responses to questions asked during the December 1<sup>st</sup> Budget, Finance, and Audit briefing titled "Five Texas Cities Budget Comparison."

**Question #1: What differences enable the City of San Antonio to provide services with a lower property tax rate than the City of Dallas?**

**Response #1:** As discussed during the briefing, comparing budgets across cities is not an "apples-to-apples" comparison, and it is necessary to understand many different aspects of each city to understand the individual components within the budget. While San Antonio (\$0.5657 per \$100 assessed value) has a lower property tax than Dallas (\$0.7970 per \$100 assessed value), there are other components within the San Antonio budget that make this possible. Some of the examples are provided below:

a) San Antonio derives about 26% (\$315m) of its General Fund revenues as a transfer from the City-owned electric/gas utility, CPS Energy. This transfer, representing 14% of CPS' gross revenues, is essentially a return on San Antonio's investment which would otherwise be returned to shareholders as dividends. While Dallas has franchise agreements with ONCOR, Atmos, and other utility companies, Dallas does not receive any dividends or revenue sharing from these utilities.

This \$315m transfer from San Antonio's city-owned electric/gas utility reduces its reliance on property tax for general operations of their City. As mentioned in the briefing, if Dallas had a utility revenue transfer similar to San Antonio, Dallas could, hypothetically, reduce the property tax rate by an estimated \$0.2798 from \$0.7970 to \$0.5172 which would put Dallas' tax rate below San Antonio's (\$0.5657).

b) San Antonio allocates only 0.5% of sales tax to its transit authority while Dallas contributes 1.0% of the local sales tax to Dallas Area Rapid Transit (DART). This extra 0.5% capacity has enabled San Antonio to dedicate revenue streams to invest in streets, linear park hike/bike trails, and early childhood education (Pre-K 4 SA). If Dallas contributed only 0.5% of sales tax to DART, an additional \$128m revenue would, hypothetically, be available for Dallas to dedicate to other purposes and further reduce the need for property tax within Dallas.

c) San Antonio does not offer a City homestead exemption and instead taxes homesteaded property at 100% of its appraised value rather than taxing homestead property at 80% as in Dallas. As mentioned during the briefing, if Dallas eliminated the 20% homestead exemption, Dallas would add \$8.1 billion more in taxable value and generate an additional \$63m in revenue. This would equate to a nearly \$0.07 reduction in the property tax rate in Dallas.



**Question #2: How much of sales tax generated in Dallas goes to the State and to DART?**

**Response #2:** State law caps sales tax at 8.25% with 6.25% going to the State of Texas and the remaining 2% being for local jurisdictions. The City of Dallas and DART each receive 1%. During FY 2013-14, Dallas' 1% of sales tax actually received was \$255.7m. DART received the same amount for its 1% (\$255.7m) and the State's 6.25% share equates to approximately \$1.6 billion from Dallas.

**Question #3: How much of each of the 5 cities tax base is residential, commercial (differentiate between apartments vs non-apartment commercial), and business personal property?**

**Response #3:** The table below summarizes the tax base distribution in each of the five cities covered in the briefing and splits the commercial component into apartments and non-apartments.

Category	Dallas	Austin	Fort Worth	Houston	San Antonio
<b>Residential</b>	<b>44.5%</b>	<b>48.0%</b>	<b>43.4%</b>	<b>39.7%</b>	<b>49.2%</b>
<b>Commercial</b>	<b>41.5%</b>	<b>42.6%</b>	<b>38.5%</b>	<b>47.0%</b>	<b>37.3%</b>
All Other Uses	28.8%	27.4%	33.2%	36.4%	28.7%
Apartments	12.7%	15.2%	5.3%	10.6%	8.6%
<b>Bus Personal Prop</b>	<b>14.0%</b>	<b>9.4%</b>	<b>18.1%</b>	<b>13.3%</b>	<b>13.5%</b>

Please contact me if you need additional information.



Jeanne Chipperfield  
Chief Financial Officer

**Attachment**

- c: Honorable Mayor and Members of City Council
- A.C. Gonzalez, City Manager
- Warren M.S. Ernst, City Attorney
- Craig D. Kinton, City Auditor
- Rosa A. Rios, City Secretary
- Daniel F. Solis, Administrative Judge
- Ryan S. Evans, First Assistant City Manager
- Jill A. Jordan, P.E., Assistant City Manager
- Joey Zapata, Assistant City Manager
- Mark McDaniel, Assistant City Manager
- Eric D. Campbell, Assistant City Manager
- Forest E. Turner, Chief Wellness Officer
- Sana Syed, Public Information Officer
- Elsa Cantu, Assistant to the City Manager