

EXHIBIT E
INSURANCE REQUIREMENTS

A. Property. Builder's risk insurance on an all-risk, replacement cost basis for Developer's Portion of the Public Improvements.

B. Liability. Insurance covering the Developer and (as an additional insured) the City against liability imposed by law or assumed in any written contract, and/or arising from personal injury, bodily injury or property damage, with a limit of liability of \$5,000,000.00 per occurrence with a \$5,000,000.00 products/completed operations limit and a \$10,000,000.00 general aggregate limit. Such policy must be primary and written to provide blanket contractual liability, broad form property damage, premises liability and products and completed operations.

C. Contractor. During the period of any construction involving the Developer's Portion of Public Improvements, each of the general or other contractors with which the Developer contracts for any such construction shall be required to carry liability insurance of the type and providing the minimum limits set forth below:

i) Workman's Compensation insurance and Employer's Liability with limits of \$1,000,000.00 per accident, \$1,000,000.00 per disease and \$1,000,000.00 policy limit disease.

ii) Commercial general liability insurance on a \$5,000,000.00 per occurrence basis providing coverage for:

Products and Completed Operations
Blanket Contractual Liability
Personal Injury Liability
Broad Form Property Damage
X.C.U.

iii) Business automobile liability including all owned, non-owned and hired autos with a limit of liability of not less than \$1,000,000.00 combined single limit for personal injury, including bodily injury or death, and property damage.

D. Architect. In connection with any construction involving the Developer's Portion of Public Improvements, the Developer's architect shall be required to provide architect's or engineer's professional liability insurance with a limit of \$1,000,000.00 per claim. This policy, or other policies, shall cover claims for a period of not less than three (3) years after the completion of construction involving the Developer's Portion of Public Improvements.

E. Engineer. In connection with any construction involving the Developer's Portion of Public Improvements, the Developer's soils engineer or environmental contractor shall be required to provide engineer's professional liability insurance with a limit of \$1,000,000.00 per claim. This policy, or other policies, shall cover claims for a period of not less than three (3) years after the completion of the construction involving the Developer's Portion of Public

Improvements.

F. CPI Adjustments. The minimum coverage limits set forth above shall be adjusted as of the commencement of any construction involving the Developer's Portion of Public Improvements, and every five (5) years thereafter during the period of any construction involving the Developer's Portion of Public Improvements by rounding each limit up to the million-dollar amount which is nearest the percentage of change in the Consumer Price Index (the "CPI") determined in accordance with this paragraph. In determining the percentage of change in the CPI for the adjustment of the insurance limits, the CPI for the month of October in the year preceding the adjustment year, as shown in the column for "All Items" in the table entitled "All Urban Consumers" under the "United States City Averages" as published by the Bureau of Labor Statistics of the United States Department of Labor, shall be compared with the corresponding index number for the month of October in the year during which the Effective Date of the Development Agreement of which this Exhibit E is a part occurs.

G. Miscellaneous. All policies of insurance shall comply with the requirements of Section 10.4 of the Development Agreement of which this Exhibit is a part and, in addition, shall provide that no such policy may be amended, cancelled, terminated or permitted to expire without at least 30 days advance written notice to the City. References herein to the Agreement shall mean the capitalized terms not otherwise defined herein shall have the meanings set forth in the Development Agreement of which this Exhibit E is a part.

H. Acceptability of Insurers. Insurance is to be placed with insurers duly licensed and approved in the State of Arizona and with an "A.M. Best" rating of not less than A-VII. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Developer from potential insurer insolvency.

I. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees.

J. Primary Coverage. Developer's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents and employees. Any insurance maintained by the City its officers, officials, agents and employees shall be in excess of the coverage provided by Developer and shall not contribute to it.

K. Approval. Any modification or variation from the insurance requirements in this Insurance Exhibit must have prior approval from the City Manager's Office whose decision shall be final. Such action will not require formal contract amendment, but may be made by administrative action.

L. Notice of Cancellation. Each insurance policy shall include provisions to the effect that it shall not be suspended, voided, cancelled, reduced in coverage except after thirty (30) days prior written notice has been given to the City. Such notice shall be sent directly to the City Manager's office and shall be sent by certified mail, return receipt requested.

M. Verification of Coverage. Developer shall furnish the City with original certificates of

insurance signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. All certificates of insurance are to be received and approved by the City before the commencement of construction. Each insurance policy must be in effect at or prior to the commencement of construction and must remain in effect for the duration of the Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide timely evidence of renewal will be considered a material breach of this Agreement. All certificates of insurance shall be sent directly to the City Manager's Office. The City reserves the right to require complete, certified copies of all insurance policies and endorsements required by this Insurance Exhibit at any time.