

**AGREEMENT FOR MANAGEMENT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND LANDMARK ACQUISITION COMPANY**

THIS AGREEMENT FOR MANAGEMENT SERVICES (this "Agreement") is made between the City of Redondo Beach ("City"), a Chartered Municipal Corporation and Landmark Acquisition Company, a California Corporation ("Consultant").

The parties hereby agree as follows:

- A. Description of Project or Scope of Services. The project description or scope of services to be provided by Consultant, and any corresponding responsibilities of City or services required to be performed by City are set forth in Exhibit "A".
- B. Term and Time of Completion. Consultant shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
- C. Compensation. City agrees to pay Consultant in accordance with Exhibit "C".

GENERAL PROVISIONS

- 1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Consultant shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Consultant's sole responsibility.
- 2. Brokers. Consultant acknowledges, represents and warrants that Consultant has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.

3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Agreement shall upon request be delivered to the City within a reasonable time, and the rights thereto shall be deemed assigned to the City. If applicable, Consultant shall prepare check prints upon request. Said plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials shall be specific for the project herein and shall not be used by the City for any other project without Consultant's consent. Notwithstanding the foregoing, Consultant shall not be obligated to assign any proprietary software or data developed by or at the direction of Consultant for Consultant's own use; provided, however, that Consultant shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.
4. Inspection. If the services set forth in Exhibit "A" shall be performed on City or other public property, the City shall have the right to inspect such work without notice. If such services shall not be performed on City or other public property, the City shall have the right to inspect such work upon reasonable notice. Inspections by the City shall not relieve or minimize the responsibility of Consultant to conduct any inspections Consultant has agreed to perform pursuant to the terms of this Agreement. Consultant shall be solely liable for said inspections performed by Consultant. Consultant shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Consultant hereunder.
5. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Consultant, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Consultant. City shall furnish Consultant, to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Consultant's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Consultant.

6. Records. Consultant, including any of its subcontractors, shall maintain full and complete documents and records, including accounting records, employee time sheets, and correspondence pertaining to the project or services set forth in Exhibit "A". Consultant, including any of its subcontractors, shall make such documents and records available for City review or audit within 24 hours upon request and notice, and shall keep such documents and records, for at least four (4) years after Consultant's completion of performance of this Agreement. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.
7. Changes and Extra Work. All changes and/or extra work under this Agreement shall be performed and paid for in accordance with the following:

Only the City Council, City Manager, or the Department Head responsible for the administration of, or supervision of the scope of work under, this Agreement may authorize extra and/or changed work. Consultant expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Consultant to secure the authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Consultant thereafter shall be entitled to no compensation whatsoever for performance of such work.

If Consultant is of the opinion that any work which Consultant has been directed to perform is beyond the scope of this Agreement and constitutes extra work, Consultant shall promptly notify the City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Agreement and constitutes extra work. In the event that the City determines that such work does constitute extra work, City shall provide extra compensation to Consultant on a fair and equitable basis. A written change order providing for such compensation for extra work shall be negotiated between the City and Consultant and executed by Consultant and the appropriate City official.

In the event City determines that such work does not constitute extra work, Consultant shall not be paid extra compensation above that provided herein and if such determination is made by City staff, said determination may be appealed to the City Council as long as a written appeal is submitted to the City Manager within five (5) days after the staff's determination is received by Consultant. Said written appeal shall include a description of each and every ground upon which Consultant challenges the staff's determination.

8. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
9. Professional Ability. Consultant acknowledges, represents and warrants that Consultant is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
10. Business License. Consultant shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.
11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Consultant of the project or services hereunder, immediately upon written notice to Consultant. In the event of termination by City, Consultant shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Consultant for this Agreement prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.

Notwithstanding the above, if City terminates the Agreement during year one, City shall provide the Consultant a cancellation fee in an amount equal to ten percent (10%) of the monthly management fee for the remainder of the first year. For this purpose, the monthly management fee shall be presumed to be the same as the average of the last four (4) months prior to service of the notice of the termination. If the Agreement is terminated prior to four (4) months within the first year, the monthly management fee shall be based on the average of the preceding months to termination.

12. Termination in the Event of Default. Should Consultant fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Consultant shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages, if any, sustained by the City by virtue of Consultant's breach of this Agreement. Consultant may terminate this Agreement upon default by the City which is not cured within 30 days following written notice to the City stating the basis of such default.
13. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
14. Indemnity. To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and its officers, employees, elected and appointed officials, and volunteers from and against any and all claims, demands, causes of action, lawsuits (whether at law, equity or both), proceedings, liabilities, losses, damages, expenses, costs (including without limitation attorneys' fees and costs and expert witness fees), judgments, penalties, and liens of every nature arising out of or claimed to arise from, directly or indirectly, out of Consultant's negligence, recklessness, or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law,

except to the extent such loss or damage was caused by the sole negligent acts including negligence and/or recklessness, or willful misconduct of the City. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

15. Insurance.

CITY's Insurance. CITY shall obtain and maintain throughout the duration of this agreement:

- a. Commercial General Liability insurance, or equivalent, written on an occurrence form, with limits not less than \$1,000,000 per occurrence. Such insurance shall name the CONSULTANT an Additional Covered Party and such insurance shall be primary and not seek contribution from liability insurance maintained by the CONSULTANT.
- b. All risk property insurance, on a replacement cost basis, including coverage for loss of rental income. Such insurance shall waive the insurer(s) right of subrogation against CONSULTANT.
- c. All such policies shall provide not less than thirty (30) day's written notice of cancellation to CONSULTANT. Commercial insurance shall be placed with insurer(s) maintaining an A.M. Best rating not less than A-VII.

CONSULTANT's Insurance. CONSULTANT shall maintain, at its own expense, throughout the duration of this agreement, the following insurance:

- a. Commercial General Liability insurance written on an occurrence form, with limits not less than \$1,000,000, including CITY, its officials, officers, employees and volunteers as additional insured to the extent of CONSULTANT's indemnity obligations excess of the coverage afforded by CITY.
- b. Business Auto Liability insurance with not less than \$1,000,000 per accident, covering owned, hired and non-owned automobiles.
- c. Professional Liability insurance with limits not less than \$1,000,000 any one claim.
- d. Workers' Compensation insurance in accordance with the statutory requirements of the State of California, and Employer's Liability insurance with limits of not less than \$1,000,000 each accident for bodily injury or disease. The workers' compensation insurance shall

contain an endorsement waiving the insurer(s) right of subrogation against the CITY, its officials, officers, agents and employees.

- e. Employee dishonesty insurance of not less than \$1,000,000 covering CITY for loss arising from theft, fraud or embezzlement by CONSULTANT's employees.
 - f. All such insurance shall provide not less than thirty (30) day's written notice of cancellation to CITY. Commercial insurance shall be placed with insurer(s) maintaining an A.M. Best rating not less than A-VII.
16. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
17. Compliance with Laws. Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, non-discrimination laws and prevailing wage laws.
18. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Consultant's assets occurs, which reduces Consultant's assets or net

worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

19. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
20. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Consultant and City may be used to assist in the interpretation of the exhibits to this Agreement.
21. Amendment. This Agreement may be amended or modified only by a subsequent written instrument executed by both parties.
22. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Consultant.
23. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
24. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Consultant, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
25. Time of Essence. Time is of the essence of this Agreement.
26. Confidentiality. To the extent permissible under law, Consultant shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
27. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or

assignees as permitted under this Agreement shall not be considered "third parties."

28. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
29. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
30. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
31. Interpretation. Consultant acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
32. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.
33. Federal Funding. In the event any portion of the consideration to be paid to Consultant shall be derived from federal sources, Consultant shall comply with all federal nondiscrimination regulations, which are herein incorporated by reference and made a part of this Contract.

34. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
35. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Consultant.
36. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of February 21, 2012.

CITY OF REDONDO BEACH

LANDMARK ACQUISITION COMPANY


Mayor

By: 
Name: Daniel Cunningham
Title: President

APPROVED AS TO FORM:

APPROVED:


City Attorney's Office


Risk Manager

ATTEST:

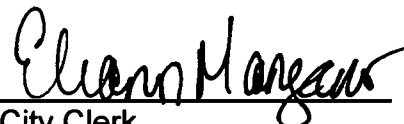

City Clerk

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

Description of Property: Pier Plaza, 103 to 131 W. Torrance Blvd; International Boardwalk, 100 S. to 164 N. International Boardwalk; 200 Fisherman's Wharf Property, 200 to 250 Fisherman's Wharf; Pier Parking Structure Storage Units; and Fisherman's Wharf Sanitation District (collectively "Property")

CONSULTANT'S DUTIES

1. Income Collection: Consultant shall take all reasonable steps to collect and enforce the collection of all rent and other charges due City from tenants of the Property in accordance with the terms of their leases or rental agreements. Such receipts shall be deposited in the Trust Account referenced under Section 1 of City's Duties in this Exhibit. The collection efforts shall include the billing and collection of late fees pursuant to the individual tenant leases or rental agreements.

Consultant shall take all reasonable steps to collect and enforce the collection of rents for the Pier storage lockers and the Fisherman Wharf Sanitation District cleaning fee in accordance with Exhibit C.

Tenants' security deposits shall be deposited in the Trust Account and earmarked as restricted funds. If said security deposits are forfeited, Consultant shall notify City in writing that funds are no longer restricted.

2. Payment of Expenses: Upon City's written approval, Consultant shall pay all loan payments, all operating expenses, and all other expenses in connection with management of the Property from the Trust Account.
3. Maintenance and Repairs: Upon City's written approval, Consultant shall negotiate agreements with third parties that furnish electricity, gas, water, steam, telephone, cleaning, vermin exterminators, furnace and air-conditioning maintenance, security protection, pest control, utilities, other services and concessions provided in connection with the maintenance and operation of the Property. Consultant shall use its best efforts to negotiate the terms of the agreements with third parties to ensure necessary labor and materials are at the lowest possible cost and is consistent with good quality, workmanship and service standards. Consultant shall not enter into agreements with third parties on behalf of the City. All agreements with third parties must be executed by the City.
4. Emergency Repairs: In case of an emergency where repairs are immediately necessary for the preservation and safety of the Property, to avoid the suspension of any essential service to the Property, to avoid danger or life of property, or to comply with federal, state, or local law; such emergency repairs

shall be made and costs deducted from the Trust Account. If emergency repairs are required, Consultant shall consult with City for its recommended actions.

5. Tenant Communication: Consultant shall receive and respond to tenant communications on behalf of City and shall ensure tenant compliance with lease provisions.
6. Leasing Assistance: Consultant is required to assist in the leasing, renewals of leases, expansion, relocation, renewal of space, or any modification of the leases, Consultant shall submit all leases and modifications and extensions thereof to City for approval and execution.
7. Records and Accounting: Subject to Section 6 of this Agreement, Consultant shall maintain accurate records of all funds received and disbursed in connection with Consultant's management of Property including but not limited to copies of receipts, purchase orders, work orders, invoices, bank statements, deposit slips, and checks. Upon City's written notice, Consultant shall make records available for the City's inspection within 24 hours of City's request. If Consultant receives City's notice outside of usual business hours, records will be available for the City's inspection by the next business day. Consultant's accounting records and reports will be provided in a format agreed upon between Consultant and City.
 - a. Itemized Receipt: Upon request by City, Consultant shall prepare and submit to City a complete list of all City books and records including but not limited to, a list of all service contracts and a complete inventory of all personal property received by Consultant.
 - b. Reports and Timing: At the first of the month, Consultant shall issue a regular monthly report that explains the status of the Property. The report to be issued shall be made available in Microsoft Excel and in other formats agreed upon between Consultant and City, and shall include the following: Rent Roll, Property Narrative, Balance Sheet, Income Statement, Cash Flow Statement, Operating Statements for the Current Month and Year-To-Date; Delinquency Report, Check Register, Reconciled Bank Statement, General Ledgers; and a list of tenant Security Deposits. If applicable, reports, including, but not limited to Income Statements and Balance Sheets, must be consistent with the U.S. Generally Accepted Accounting Principles ("GAAP").
 - c. Sale and Refinancing of Property: Consultant shall assemble, prepare, and/or or consult with prospective purchasers or lenders on any due diligence related activity in connection with a potential sale or refinancing of the Property.
 - d. Duties with Respect to Auditors: Consultant shall coordinate and interface with City approved auditors in order to generate certified financial statements for a full audit or on an as needed basis.

8. Trust Account Funds: In the event insufficient funds in the Trust Account is due to Consultant's misuse of funds, Consultant must reimburse the City for said funds, remit 10% interest on said funds, and pay any associated fees and expenses. Consultant shall be considered in default and City may terminate this Agreement subject to Section 12 of the Agreement.
9. Limitation on Contracts and Agreements: Consultant shall not execute and enter into and bind the City with respect to any contract, agreement, or lease. Consultant shall present all contracts, agreements, or leases to the City for approval and execution.
10. Payment of Property Taxes: Upon City's written approval, Consultant shall pay property taxes from the Trust Account. Consultant shall ensure that Trust Account has sufficient funds to pay said taxes in a timely manner. Should Consultant determine that there will not be sufficient funds available in the Trust Account to pay the taxes, Consultant will notify City not less than fifteen (15) days PRIOR TO THE DATE ON WHICH SAID TAX INSTALLMENTS ARE DUE. City shall then provide Consultant with the necessary funds prior to the payment date.
11. Accounting Upon Termination: Upon termination of the Agreement, Consultant shall close out the books, prepare a final accounting, and shall submit outstanding invoices to the City for payment. Except as provided above, Consultant shall have no access to the Trust Account upon termination. On termination of this Agreement, Consultant shall return to City all remaining funds in Trust Account to City.
12. Legal Limitations: If Consultant deems legal assistance necessary for any reason, including but not limited to rent collection or tenant eviction, Consultant shall provide reasonable notice to City and obtain such assistance from legal counsel retained by City. All legal fees, costs and expenses shall be paid from the Trust Account.
13. Other Services: At City's request, Consultant shall perform the following additional services for compensation as referenced in Exhibit C:
 - a. Prepare special or uniquely formatted reports. A special or uniquely formatted report shall be any report other than the normal reports agreed upon between City and Consultant at the commencement of this agreement.
 - b. Function as an "Asset Consultant" interfacing with City's lender and/or mortgage loan servicer on preparing or managing any loan draws or providing cash management duties.
 - c. Attend and/or prepare for court hearings, arbitrations, and settlement meetings other than evictions.

- d. Accounting and/or reconciliations, or services related to periods of time prior to the commencement of the Agreement.
- e. Coordinate with appraisers or counsel retained by City to evaluate property or to appeal assessed values but shall not be directly responsible for such undertaking.
- f. Prepare and coordinate the execution of tenant estoppels or SNDA documents for a fee of \$150 per document.
- g. A documentation fee of \$1,500.00 shall be paid for the preparation of a new lease document required by City for which Consultant is not already receiving a commission.

14. Broker Designation: City has been notified that pursuant to a separate agreement between Consultant and BC Urban, LLC ("BCU"), BCU will provide brokerage services for the Property and receive certain brokerage commissions from Consultant.

CITY'S DUTIES

1. Trust Account: City will facilitate opening of a Trust Account at an institution insured by the Federal Deposit Insurance Corporation ("FDIC") in California. The designated purpose of the Trust Account shall be for deposit of income including but not limited to tenant's rents and late fees, Fisherman Wharf Sanitation District cleaning fees, rents for the Pier Storage Lockers, tenant security deposits, and for the payment of expenses, repairs, property taxes, and the property management fee.

Consultant shall be designated as Trustee of the Trust Account. Upon City's written approval and subject to Commissioner's Regulations 2832 and 2834, two persons shall be designated by Consultant, as authorized signatories on the Trust Account. In the event Consultant designates an employee who is not a licensed broker ("unlicensed employee") as a signatory on the Trust Account, the unlicensed employee must be covered by a fidelity bond in accordance with Commissioner's Regulation 2834.

Upon City's written request, Consultant shall disperse funds from the Trust Account to City's designated bank account.

2. Transfer of Existing And Future Documentation to Consultant: City shall promptly furnish Consultant with all documents and records required for the management of Property, including but not limited to all leases, amendments and correspondence related thereto; the status of rental payments; mortgage loan information and payment instructions; two (2) year's income and expense history; copies of service contracts in effect; and information regarding all insurance policies. Consultant must receive accurate records when initially taking over the

management of the Property, however City's obligation to provide documentation shall be to the extent that documentation exists.

3. Level Of Funding In Trust Account: City shall at all times maintain sufficient funds in the Trust Account to enable Consultant to pay all obligations of the Property in a timely manner.
 - a. In instances where collections are projected to be insufficient or not received in time to satisfy this requirement, Consultant must provide a written explanation, including the reason and necessity of the requested funds. Upon City's timely receipt of the request, City will review and approve the request in its reasonable discretion, and promptly remit sufficient funds to the Trust Account. The funds remitted by the City will be used to pay current and past due obligations, and maintain a Five Thousand Dollar (\$5,000) Working Capital Reserve in the Trust Account. Consultant may exercise its reasonable discretion in determining which obligations to pay first.
 - b. City and/or auditors retained by City shall have the right to audit the Trust Account periodically. Consultant shall provide all documents necessary to assist in the completion of the audit, including all reports and documents referenced in Section 7 of Exhibit A.
4. Payment of Property Management Fee: Consultant shall be paid from the Trust Account upon City's approval of Consultant's invoice. The Property Management Fee shall be based on the Gross Monthly Collections in accordance with Exhibit C. "Gross Monthly Collections" is defined as for any month, the entire amount of all revenues, income and proceeds of every kind (determined on a cash basis) resulting or received from (directly or indirectly) the management of the Property and all of the facilities therein (determined on a cash basis), including (a) tenant rentals collected pursuant to tenant leases or occupancies for such period; (b) 50% of late fees calculated pursuant to the individual tenant leases and/or rental agreements; (c) parking; (d) janitorial income; (e) security deposits forfeited by tenants during the period, but excluding security deposits of tenants held in accordance with their respective leases; (f) laundry and vending machine income, if applicable, received during such period; (g) proceeds from rental interruption insurance received during such period; (h) CAM charges; and (i) rents for the Pier storage lockers, and the Fisherman Wharf Sanitation District cleaning fees in accordance with Exhibit C.
5. Management Office: At City's expense, Consultant shall maintain an office where Consultant will manage and lease the Property. Location of the office shall be made in the City's sole discretion.
6. Capital Improvement: Upon City's written approval, Consultant may have the right to make capital improvements to the Property. For capital improvements and maintenance subject to public works and/or public projects within the meaning of Redondo Beach Municipal Code § 2-6.1.02 and the City's Charter, Consultant must follow competitive bidding procedures in accordance with

Redondo Beach Municipal Code §§ 2-6.1.02 and 2-6.107, which include but are not limited to formal bidding for capital improvements and/or maintenance over \$50,000.

City shall have the right to make capital improvements to the Property without the Consultant's oversight of the capital improvements. In the event City makes the capital improvement to the Property, Consultant will not be paid the Construction Management fee set forth in Exhibit C.

EXHIBIT "B"

TERM OF AGREEMENT

This Agreement shall commence on February 21, 2012 and shall continue for (1) year until February 21, 2013, unless otherwise terminated as herein provided. Thereafter, the Agreement shall automatically renew for subsequent three month periods unless terminated upon thirty (30) days written notice from City to Consultant, or ninety (90) days written notice from Consultant to City.

EXHIBIT "C"

COMPENSATION

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

1. Amount: Refer to Fee Schedule Below.
2. Method of Payment: Consultant shall provide invoices to City for approval and payment. Invoices must be itemized, adequately detailed, based on accurate records, and in a form reasonably satisfactory to City; Consultant may be required to provide back-up material upon request.
3. Schedule for Payment: City agrees to pay Consultant within thirty (30) days of receipt of monthly invoices.

FEE SCHEDULE:

City shall pay Consultant for its management services based on the following schedules:

Consultant's compensation and commission ("Compensation") shall be paid from Trust Account within 25 days from the date Consultant earns its Compensation, and upon City's written approval.

1. Real Estate Management Fee: The greater of:
 - a. A minimum amount per month, regardless of the Gross Monthly Collections, of five thousand dollars (\$5,000) or
 - b. Two and nine-tenths percent (2.9%) of all Gross Monthly Collections
2. Late Fees: 50% of late fees pursuant to individual tenant leases and/or rental agreements.
3. One Time Installation Fee: \$50.00 per tenant.
4. Construction Management Fee: Ten percent (10%) of the aggregate contract cost for each construction, tenant improvement, and/or renovation project ("project") supervised by Consultant whereby said aggregate cost is in excess of \$15,000.00. For projects less than \$15,000, Management shall not receive a construction management fee.
5. Additional Consideration: To the extent, City enters into non automatic lease renewals, modifications, expansions or extensions that result in an increased lease rate to the City OR a NET extension of rental payments to the City beyond the existing lease termination date during the term of this Agreement, Consultant shall receive three percent (3.0%) of the new gross lease consideration ("Additional Consideration"). The Additional Consideration, however, shall not be payable to Consultant until City is paid the new gross lease consideration. The payment of the Consultant's compensation is subject to the Pay Schedule referenced below. Consultant shall submit all lease renewals, modifications, expansions, or extensions to the City for execution.

Consultant shall not receive any commissions or payments from existing leases that terminate and have existing lease provisions that automatically convert into Month-to-month agreements, or existing leases that continuously roll over on a month to month basis with no termination date.

6. New Tenant Leases:
 - a. Upon closing of each new tenant lease agreement, Consultant and the Tenant's Broker shall each receive three percent (3%) of the gross lease consideration for a total of six percent (6.0%) of gross lease consideration. If Tenant has not engaged a broker under a separate

agreement, Consultant shall receive only three percent (3 %) of the gross lease consideration. The payment of the Consultant's compensation is subject to pay schedule referenced below. Consultant shall submit new tenant leases to City for execution.

- b. In the event Consultant is terminated while performing services under Section 5 of the Fee Schedule, Consultant and City shall submit a list of such persons or entities to City ("Participant List") no later than five (5) business days from termination of this Agreement. Such Participant List is subject to City's approval ("Approved Participant List"). If a lease, renewal transaction, or any other approved transaction is completed with a party on the Approved Participant List within sixty (60) days of Consultant's termination ("Tail Period"), Consultant shall be entitled to payment under Sections 5, 6 and 7 of the Fee Schedule.

7. Pay Schedule:

Month to Month Leases: Consultant shall receive 3% of the gross lease consideration. The Additional Consideration, however, shall not be payable to Consultant until Consultant collects Tenant's rent and invoices City.

Non Automatic Renewal Multi Year Leases: Consultant shall receive 50% of the Compensation due within 30 days of the leases' execution. Such compensation shall not exceed the Tenant's first month's rent. City, thereafter, shall pay 25% of the Tenant's monthly rent ("Amount"). The Amount, however, shall not be payable to Consultant until Consultant collects rent and invoices City.

8. Hourly Rates for Additional Requests per Section 13 of Exhibit A:

- a. Principal rates @ \$250.00 per hour
- b. Staff rates @ \$175.00 per hour

9. Pier Storage Fees:

- a. Rental for Storage Units: \$0.70 per square foot for each month
- b. Electricity Usage Fee: \$35 per month for each appliance utilizing electricity

10. Fisherman Wharf Sanitation District Cleaning: The following attachments are incorporated herein.

- a. Resolution No. 6213: A Resolution of the Council of the City of Redondo Beach California Establishing a Fee Schedule for the Fisherman Wharf Sanitation District

- b. Resolution No. 7818: A Resolution of the Mayor and City Council of the City of Redondo Beach California Amending the Fisherman Wharf Sanitation District Special Cleaning Fees.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/14/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services, Inc of Florida
1001 Brickell Bay Drive, Suite #1100
Miami, FL 33131-4937

CONTACT NAME: Aon Risk Services, Inc of Florida
PHONE (A/C, No, Ext): 800-743-8130 **FAX (A/C, No):** 800-522-7514
EMAIL ADDRESS: ADP.COI.Center@Aon.com

INSURED
ADP TotalSource FL XVI, Inc.
10200 Sunset Drive
Miami, FL 33173
L/C/F
Landmark Acquisition Co
3142 PCH Suite 201
Torrance, CA 90505

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : National Union Fire Ins Co of Pittsburgh	19445
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES

CERTIFICATE NUMBER: 364925

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. LIMITS SHOWN ARE AS REQUESTED.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						
	☐ COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
							GENERAL AGGREGATE \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$
	☐ POLICY ☐ PROJECT ☐ LOC						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	☐ SCHEDULED AUTOS						\$
	☐ NON-OWNED AUTOS						
	UMBRELLA LIAB						EACH OCCURRENCE \$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE \$
	☐ DEC ☐ RETENTION \$						
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC 012444963 CA	07/01/11	07/01/12	☒ WC STATU-TORY LIMITS ☐ OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT \$ 2,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 2,000,000
							E.L. DISEASE - POLICY LIMIT \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
All worksite employees working for the above named client company, paid under ADP TOTAL SOURCE, INC's payroll, are covered under the above stated policy.

CERTIFICATE HOLDER

CANCELLATION

Landmark Acquisition Co
3142 PCH
Suite 201
Torrance, CA 90505

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services, Inc of Florida

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C1202-175



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/17/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Bennett & Porter Insurance Services 3200 N. Hayden Rd., #310 Scottsdale AZ 85251-6655	CONTACT NAME: Deborah Cooper PHONE (A/C No. Ext): (480) 212-1150 FAX (A/C No.): (480) 212-1151 E-MAIL ADDRESS: dcooper@bapins.com														
INSURED Landmark Acquisition Co. Inc 3142 Pacific Coast Hwy ste 201 Torrance CA 90505	<table border="1"><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Markel Insurance</td><td></td></tr><tr><td>INSURER B: Scottsdale Insurance</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Markel Insurance		INSURER B: Scottsdale Insurance		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: CL1221408910

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY					EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	☐ CLAIMS-MADE ☒ OCCUR	X	3C02424	2/15/2012	2/15/2013	MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$ 1,000,000
	☒ POLICY ☐ PRO-JECT ☐ LOC					GENERAL AGGREGATE \$ 2,000,000
A	AUTOMOBILE LIABILITY					PRODUCTS - COMP/OP AGG \$ 2,000,000
	☐ ANY AUTO					
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS	3C02424	2/15/2012	2/15/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☒ HIRED AUTOS	☒ NON-OWNED AUTOS				BODILY INJURY (Per person) \$
						BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB	☐ OCCUR				
	EXCESS LIAB	☐ CLAIMS-MADE				EACH OCCURRENCE \$
	DED	RETENTION \$				AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH)	☐ Y/N	N/A			WC STATUTORY LIMITS
	If yes, describe under DESCRIPTION OF OPERATIONS below					OTH-ER
B	Errors & Omissions		BINDER	2/15/2012	2/15/2013	E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
						Limit (\$5,000 Ded) 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Deborah Cooper/BPDMC

COMMENTS/REMARKS

City of Redondo Beach, its officers, elected and appointed officials, employees, and volunteers, but only with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations are additional insured per CG 20 10 10 01, CG 20 26, CG 20 24 and primary non-contributory forms attached.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
City Of Redondo Beach 415 Diamond Street Redondo Beach CA 90277	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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 liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

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

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



COMMERCIAL GENERAL LIABILITY
POLICY NUMBER: 3C02424

ESSEX INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
PROFESSIONAL LIABILITY COVERAGE

Please refer to each coverage form to determine which terms are defined. Words shown in quotations on this endorsement may or may not be defined in all coverage forms.

SCHEDULE

Person or Entity: City of Redondo Beach
Interest of the Above: _____
Additional Premium: _____ (Check box if fully earned. ☐)

WHO IS AN INSURED is amended to include the person or entity shown in the Schedule above as an Additional Insured under this insurance, but only as respects negligent acts or omissions of the Named Insured and only as respects any coverage not otherwise excluded in the policy. Our agreement to accept an Additional Insured provision in a contract is not an acceptance of any other provisions of the contract or the contract in total.

When coverage does not apply for the Named Insured, no coverage or defense shall be afforded to the Additional Insured.

No coverage shall be afforded to the Additional Insured for injury or damage of any type to any "employee" of the Named Insured or to any obligation of the Additional Insured to indemnify another because of damages arising out of such injury or damage.

All other terms and conditions remain unchanged.



Essex Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT – PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED	
PERSON OR ENTITY:	INTEREST:
City of Redondo Beach	

Please refer to each coverage form to determine which terms are defined. Words shown in quotations on this endorsement may or may not be defined in all coverage forms.

SECTION II – WHO IS AN INSURED is amended to include as an Additional Insured the person(s) or entity(s) shown in the Schedule above, but only as respects negligent acts or omissions of the Named Insured and only for "occurrences", "claims" or coverage not otherwise excluded by this insurance.

Where no coverage applies to the Named Insured, no coverage or defense applies to the Additional Insured shown in the Schedule above.

No coverage applies to the Additional Insured scheduled above for any "bodily injury", "personal and advertising injury", or "property damage" to any "employee" of the Named Insured or to any obligation of the Additional Insured to indemnify another because of damages arising out of such injury.

Subject to the above, when coverage applies to the Additional Insured(s) listed above, it shall be primary insurance as respects any "claim", loss, or liability arising out of the Named Insured's operations as covered by this insurance. If coverage applies under this policy, any other insurance maintained by the Additional Insured(s) as a Named Insured shall be excess and non-contributory to the coverage provided by this insurance.

All other terms and conditions remain unchanged.