

Broomfield Urban Renewal Authority
REQUEST FOR PROPOSALS (RFP) FOR OPERATORS FOR THE
BROOMFIELD EVENT CENTER

INSURANCE - ANNEX B

Insurance.

(a) Respondent agrees to purchase, maintain, and require that proper certificates and other evidence of insurance indicating sufficient property, general liability, automobile liability, and worker's compensation and employers liability insurance coverage, as may be appropriate and usual for similar facilities, including with appropriate deductibles, will be furnished and maintained as appropriate by all licensees, users, promoters, exhibitors, concessionaires, or other persons contracting with Respondent for use of the Event Center. All such policies (except for the worker's compensation and employers liability insurance coverage) shall name BURA, Broomfield, its officers, officials and employees as additional insureds and/or loss payees as their interests may appear. Notwithstanding this and any other provisions regarding insurance contained in this Agreement, nothing contained in this Agreement shall in any way restrict or diminish BURA's or Broomfield's statutory immunity as provided in Colorado Revised Statutes Section 24-10-101, *et. seq.*, as amended. In particular, Respondent, during the term of this Agreement shall cause to be maintained the following insurance:

(i) Property. Insurance against loss or damage to the BEC resulting from all risks and perils including earthquake and flood. Such insurance shall be maintained in an amount not less than the then full replacement cost of the BEC, the equipment and machinery therein and including any costs which may be required to comply with applicable governmental requirements. Full replacement cost shall be determined at reasonable intervals at the request of BURA by appraisal by Respondent's insurer or other appraiser mutually acceptable to Respondent and BURA. Such insurance shall waive rights of subrogation against BURA and City. Proceeds received from any property insurance shall be used for capital reserve for disbursement in accordance with the negotiated Agreement.

(ii) Business Income. To the extent coverage is available on commercially reasonable terms, use and occupancy or business interruption or lost income insurance against all risk perils including earthquake and flood, in an amount equal to no less than estimated Facility Operating Revenues less non-continuing expenses (assuming for the purposes of such estimate that no business interruption occurred) for the period of time estimated to repair or rebuild the BEC after damage to the BEC.

(iii) Liability. Commercial general liability which shall provide coverage against claims for bodily injury, death and property damage resulting directly or indirectly from any act or activities (in connection with the BEC) of BURA, the City, Respondent, any of their respective invitees, officers, partners, shareholders of partners, employees, agents, independent contractors or any other person acting for the City, BURA or Respondent or under their respective control or direction (including liabilities for injuries or damages alleged to have resulted from Respondent's sale and/or dispensing of alcoholic beverages). Such insurance shall be maintained in full force and effect during the term of this Agreement in an amount of at least \$1,000,000 per occurrence/\$2,000,000 general aggregate/\$2,000,000 products/completed operations at a combined single limit. Coverage must include contractual liability for insurable obligations assumed in this Agreement and a liquor liability extension. This Section shall not limit in any way the extent to which Respondent may be held responsible for the payment of damages to persons or property resulting from Respondent's activities, the activities of its invitees, employees, licensees, agents or independent contractors, or the activities of any other person or persons for whom Respondent's agents or independent contractors, or the activities of any other person or persons for whom Respondent otherwise is legally responsible. Such insurance shall waive rights of subrogation against BURA and the City.

(iv) Worker's Compensation. Worker's compensation insurance complying with statutory requirements of the State of Colorado to insure all persons or entities directly employed by Respondent in connection with the BEC. Respondent shall also purchase and maintain Employer's liability coverage for no less than \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy aggregate.

(v) Automobile Liability. \$1,000,000 combined single limit for bodily injury and property damage with respect to any owned, hired, or non-owned vehicle.

(vi) Umbrella Liability. An excess or umbrella liability insurance policy (the "Umbrella Policy") providing coverage in excess of the limits specified above (except for Business Income/Business Interruption Insurance and Worker's compensation Insurance). Such policy shall have the same inception and expiration dates as the underlying liability policies and coverage no less than those in primary policies or program. Minimum limits shall be \$10,000,000 each occurrence and \$10,000,000 annual aggregate. When commercially available, all such policies described shall be written on an occurrence (no claims made) basis.

(vii) Builder's Risk and/or Installation Floater. During construction of additions and Capital Repairs, in addition to (but not in duplication of) the other insurance coverages required under this Section, standard "all risk" builder's risk and/or installation floater insurance written on a completed value basis and including collapse in an amount not less than the project total cost of construction of the additions and Capital Repairs as reasonably estimated by Respondent not more than sixty (60) days prior to commencement of construction and thereafter revised from time to time by Respondent during the course of such construction. BURA shall be named a joint loss payee.

(viii) Boiler and Machinery. Written on a comprehensive object form at a blanket limit of \$10,000,000 for direct damage and loss of income including extra expense. Coverages shall be endorsed to provide a \$250,000 limit for consequential loss resulting from spoilage.

(ix) Other. Respondent shall use its own best judgment in procuring such other insurance coverages in such amounts as from time to time may be reasonably required to insure against such other insurable hazards as are customarily insured against in the case of similar multipurpose sports and entertainment facilities.

(b) All required insurance shall be primary and non-contributory coverage and shall be for the benefit of Respondent and BURA. BURA shall be named as additional insured in all the aforementioned insurance coverages except Worker's compensation and Employee Dishonesty.

(c) All required insurance shall be reviewed periodically by Respondent and in any event at least every three (3) years for the purpose of determining whether an increase or decrease of the minimum limits and deductibles of such insurance to amount which may be reasonable and customary for facilities of like size and operation to the Event Center.

(d) All required insurance shall be obtained from a financially sound insurance company, rated not less than A – VII by A.M. Best, and authorized to do business in the State of Colorado.

(e) All required insurance shall provide that such policies or certificates shall not be cancelled or materially changed without notice of intent to cancel or materially change said insurance with at least thirty (30) days' prior written notice to BURA.

(f) Prior to the beginning of any agreement term,, Respondent shall provide BURA with a copy of property policies covering the facility together with certificates of insurance from the companies issuing other policies required by the Agreement, indicating that such required insurance coverage provided by such policies is in place. Respondent shall use best efforts to provide at least ten days prior to the expiration of such property policy, a copy of the renewal policy to BURA and renewal certificates of insurance will be provided on such other insurance coverages.

(g) Neither Respondent nor BURA shall be liable to the other party or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to property or injury to persons, or any resulting loss of income, or losses under worker's compensation laws and benefits, even though such loss or damage might have

been occasioned by the negligence (whether ordinary or gross) of such party, its agents or employees, if and to the extent any such loss or damage is covered by insurance benefiting the party suffering such loss or damage.

(h) If Respondent fails or refuses to procure or maintain the insurance required by this Section after notice to Respondent, BURA shall have the right, at its election, to procure and maintain such insurance, in which event any reasonable premium paid by BURA, plus interest on the Premium Rate computed from the date such premium paid is paid by BURA, shall be due and payable by Respondent as an BEC operating expense to BURA on the first day of the month following the date on which such premium was paid. BURA shall give prompt notice of the payment of any premium stating the amount paid.

(i) Any proceeds collected by Respondent with respect to loss or damage to the Event Center shall be payable into a Capital Reserve Fund for the BEC. All insurance proceeds paid to Respondent from any other insurance policies maintained hereunder shall then be payable to Respondent.