

BROKER/CONSULTANT SERVICES AGREEMENT
between
CITY OF REDLANDS
AND
ALLIANT INSURANCE SERVICES, INC.

I. PARTIES

The PARTIES to this AGREEMENT are **City of Redlands (CLIENT)** and **Alliant Insurance Services, Inc. (BROKER/CONSULTANT)**.

II. AGREEMENT

In consideration of the payments and agreements specified in the AGREEMENT, BROKER/CONSULTANT shall perform SERVICES pursuant to Section IV, SCOPE OF SERVICE.

III. DEFINITIONS

When used herein, when capitalized, whether in the singular or in the plural, the following terms shall have the following meanings:

- A. BROKER/CONSULTANT – Alliant Insurance Services, Inc.
- B. CLIENT – City of Redlands
- C. AGREEMENT – This BROKER/CONSULTANT services agreement, including any written changes thereto, which were agreed upon by the PARTIES.
- D. COMPENSATION – Remuneration paid to BROKER/CONSULTANT as consideration within this AGREEMENT, which will be:
 - 1. FEE FOR SERVICE – The agreed to fee, or limitation for SERVICES as defined in this AGREEMENT. This fee may be offset by Retail Insurance COMMISSIONS collected from insurance carriers.
 - 2. COMMISSION – Remuneration paid by CLIENT's insurance carriers (or excess pools) directly to BROKER/CONSULTANT.
- E. PARTY – CLIENT or BROKER/CONSULTANT.
- F. PROGRAM – The lines of Insurance coverages placed on behalf of CLIENT and SERVICE provided under the scope of this Agreement.
- G. SERVICE – Any and all obligations of BROKER/CONSULTANT to be performed pursuant to the AGREEMENT.

- H. **KEY PERSONNEL** – Those individuals on the Account Service Team, listed in **Addendum B** attached hereto, responsible for the **BROKER/-CONSULTANT** marketing role provided for under Section IV, **SCOPE OF SERVICE**.

IV. SCOPE OF SERVICE

BROKER/CONSULTANT shall, as respects the categories of risk and insurance identified in **Addendum A** attached hereto, at **CLIENT**'s request, perform the following **SERVICES**:

- A. Develop and recommend to **CLIENT** insurance and other risk financing or loss funding **PROGRAMS**, techniques and methods whenever they will benefit **CLIENT**.
- B. Develop underwriting information, structure offerings to insurers and secure, when reasonably available, a **PROGRAM** as desired by **CLIENT** with financially acceptable insurance companies or other pooling programs providing the balance of coverage scope, cost and services selected by the **CLIENT**.
- C. Design insurance wording for **PROGRAM** contracts to meet the specific needs of **CLIENT**.
- D. Review marketing plan with **CLIENT** prior to approaching insurers on any **PROGRAM**.
- E. Review insurance policies, binders, certificates and other documents related to the **PROGRAM** for accuracy and obtain revisions in such documents when needed.
- F. Monitor the **PROGRAM** to assure its continuing balance of coverage scope, cost, service and stability.
- G. Prepare written reports to **CLIENT** management to include:
 - 1. Reports as needed of pending rate, coverage or renewal problems including significant changes in the financial status of major insurers, reinsurers and other entities providing services for **PROGRAM**. At least ninety (90) days prior to **PROGRAM** anniversary, a written report stating anticipated renewal terms and conditions and other indications of market conditions, trends and anticipated changes; and
 - 2. Not more than ninety (90) days after renewal, comprehensive annual summary report outlining the **PROGRAM** for use in the **CLIENT** Annual Report. Such report shall contain the following information:
 - a) Recapitulation of **PROGRAM**'S cost for current and preceding years.
 - b) Summary of coverages and other **PROGRAM** terms and conditions, including any coverage not purchased through the **BROKER/-CONSULTANT**.
- H. Provide additional brokerage services as agreed upon by the **PARTIES**.

- I. Evaluate the financial status and service capabilities of the insurers affording coverage or making quotations of coverage under the PROGRAM, based upon the available data. CLIENT recognizes and agrees that BROKER/CONSULTANT is not responsible for any change in the financial condition of any insurance carrier after an insurance placement is made, except as provided in Section IV.G.1 above.
- J. Deliver binders or other evidences of insurance within ten (10) calendar days after the placement of any insurance under the PROGRAM to be effective until such time as the policy or policies for the placement are received by CLIENT from the insurance carriers. Such binders shall be signed by an authorized agent or employee of the insurance carrier.
- K. The BROKER/CONSULTANT shall use best efforts to secure a correct policy or policies within sixty (60) days of placement of any insurance under the PROGRAM.
- L. The BROKER/CONSULTANT shall not be responsible for the failure of CLIENT to make premium payments.

V. COMPENSATION

With respect to the categories of risk and insurance identified in **Addendum A** and the SERVICES specified in Section IV, SCOPE OF SERVICE, it is agreed that BROKER/CONSULTANT shall receive COMPENSATION limited to an annual Retail Brokerage FEE FOR SERVICE of \$58,000 for the first year of this AGREEMENT, and pro-rated to \$42,427.40 to account for the October 7, 2015 contract effective date.

The second and third year COMPENSATION will be increased by 2% annually with a FEE FOR SERVICE of \$59,160 and \$60,343 respectively. Each of the optional years allowable under this AGREEMENT will continue at this 2% cost of living level unless otherwise negotiated.

The FEE FOR SERVICE will be paid in whole as a fee, or paid by offsetting Retail Brokerage COMMISSIONS. The received commission will be the standard in the industry for the specific lines of coverages identified. Any excess commissions above the FEE FOR SERVICE will be audited and returned within 90 days of June 30th each year. Any shortfall in commission collected to the FEE FOR SERVICE maximum will be identified during the contract year and invoiced prior to June 30th.

A. Disclosures.

- 1. **Transparency and Disclosure.** During the time of this AGREEMENT, BROKER/CONSULTANT will annually disclose any commissions received by BROKER/CONSULTANT or any affiliated company in connection with any insurance placements on behalf of CLIENT under the BROKER's "Transparency and Disclosure" policy, a copy of which is made available upon request. Pursuant to its policy, Alliant will

conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of its CLIENTs. In addition, Alliant's conflict of interest policy precludes it from accepting any form of broker incentives that would result in business being placed with carriers in conflict with the interests of Alliant's and/or CLIENT's.

Other Alliant Services. In addition to the COMPENSATION that BROKER/CONSULTANT receives, its related entity, Alliant Specialty Insurance Services ("ASIS") and its underwriting operations, Alliant Underwriting Services ("AUS") may receive compensation from BROKER/CONSULTANT and/or a carrier for providing underwriting services. The financial impact of the compensation received by AUS and/or ASIS is a cost included in the premium. Compensation received by AUS and/or ASIS will be disclosed in to the CLIENT and is agreed to by CLIENT as part of the premium. The CLIENT further acknowledges that BROKER/CONSULTANT and ASIS maintain an arm's length relationship. The CLIENT understands that while BROKER/CONSULTANT represents CLIENT as an individual entity, AUS and/or ASIS independently administers its program as a whole and not on behalf of any particular member. The amount of compensation to be received by ASIS will be disclosed to CLIENT and is agreed to by CLIENT as part of the premium.

Additionally, the related entities of Alliant Business Services (ABS) and/or Strategic HR may receive compensation from BROKER/CONSULTANT and/or a carrier for providing designated, value-added services. Services contracted for, by the CLIENT directly, will be invoiced accordingly. Otherwise, services will be provided at the expense of BROKER/CONSULTANT and/or the carrier.

VI. TAXES & FEES, THIRD PARTY BROKERS AND INDIRECT INCOME

A. Surplus Lines Fees and Taxes: In certain circumstances, placement of insurance services made by BROKER/CONSULTANT on behalf of CLIENT, with the prior written approval of CLIENT, may require the payment of surplus lines assessments, taxes and/or fees to state regulators, boards and associations. Such assessments, taxes and/or fees will be charged to CLIENT and identified separately on invoices covering these placements. CLIENT shall be responsible for all such assessments, taxes and fees, whether or not separately invoiced. BROKER/CONSULTANT shall not be responsible for the payment of any such fees, taxes or assessments, except to the extent such fees, taxes or assessments have already been collected from CLIENT.

- B. Third Party Brokers:** BROKER/CONSULTANT may determine from time to time that it is necessary or appropriate to utilize the services of third party brokers (such as surplus lines brokers, underwriting managers, London market brokers, and reinsurance brokers) to assist in marketing the CLIENT insurance PROGRAM. Subject to the provisions herein, these third party brokers may be affiliates of BROKER/CONSULTANT (e.g., other companies of BROKER/CONSULTANT that provide services other than those included within the SCOPE OF SERVICES of this AGREEMENT), or may be unrelated third party brokers. Compensation to such third party brokers will be paid by the insurance company out of paid insurance premiums. Any such compensation to affiliates shall be disclosed in writing to CLIENT and is agreed to by CLIENT as part of the premium.
- C. Indirect Income** includes such items as insurance carrier contingency arrangements. BROKER/CONSULTANT will not accept these compensation incentives from insurers, including contingent commissions, market service agreements (MSA), volume-based commission incentives and rebates on business placed on behalf of CLIENT within the SCOPE OF SERVICE of this AGREEMENT.

VII. PERSONNEL

BROKER/CONSULTANT agrees key personnel will be responsible for performance of the designated functions for CLIENT as delineated in **Addendum B**. Should such personnel become unavailable to perform SERVICES for CLIENT, BROKER/CONSULTANT agrees to replace, as soon as practical, such personnel with personnel of comparable skills and experience as determined by CLIENT's evaluation and subject to CLIENT's right of refusal for any reason.

VIII. TERM

The term of the AGREEMENT shall be effective from 12:00 a.m. October 7, 2015 and ending 12:01 a.m. June 30, 2018, (three years) unless cancelled pursuant to Section X, TERMINATION. The first year of this AGREEMENT ends June 30, 2016 and subsequent years begin each July 1st, the anniversary date.

The CLIENT shall have an option to extend the AGREEMENT for two additional years, exercisable by the CLIENT by notifying the BROKER/CONSULTANT of such extension prior to the anniversary date.

IX. NONASSIGNABLE

This AGREEMENT is binding upon the PARTIES hereto and their respective successors by merger, sale, consolidation or reorganization. The AGREEMENT is otherwise personal to the PARTIES and cannot be assigned or delegated without prior written consent of the other PARTY.

X. TERMINATION OF THIS AGREEMENT

The AGREEMENT may be cancelled by either PARTY any time upon ninety (90) days advance written notice delivered or mailed to the other PARTY. In the event of termination or expiration of this AGREEMENT, BROKER/CONSULTANT will assist CLIENT in arranging a smooth transition to another broker, including, but not limited to, providing CLIENT with copies of all products, files, records, computations, quotations, studies and other data prepared or obtained in connection with this AGREEMENT, which copies shall become the permanent property of the CLIENT. Except for this transition assistance, BROKER/CONSULTANT's obligation to provide SERVICES to CLIENT will cease at 12:01 a.m. upon the effective date of termination or expiration.

XI. DISASTER RECOVERY; CONTINUITY.

ALLIANT agrees that it has a disaster recovery plan in place that is intended to secure, and if necessary, restore information physical and electronic data affected by a security breach, force majeure or natural disaster. In addition, ALLIANT will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this AGREEMENT including in the event of a force majeure, natural disaster, or pandemic.

XII. ENTIRE AGREEMENT MODIFICATION.

This AGREEMENT contains the entire agreement between the PARTIES and supersedes and replaces all previous agreements or contracts on the subject matter described herein. The AGREEMENT can be modified only by a written amendment signed by both PARTIES. This AGREEMENT shall be governed by the laws of the State of California without regard to any conflict of law provisions.

XIII. SEVERABILITY

If any term, covenant, condition or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

XIV. APPLICABLE LAW

This AGREEMENT has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this AGREEMENT shall be determined and governed by the laws of the State of California.

XV. RELATIONSHIP OF THE PARTIES.

At all times and for all purposes, the relationship between the PARTIES is intended to be that of independent contractors and there is no intent to create a joint venture relationship, and any person representing BROKER/CONSULTANT, shall be an independent contractor to CLIENT, and the AGREEMENT shall not in any way be construed as a contract of employment between CLIENT and BROKER/CONSULTANT's agents. In addition, the PARTIES agree that, except as otherwise provided herein, CLIENT shall not be obligated for any expense incurred by BROKER/CONSULTANT in rendering SERVICES, or by engaging in any other transaction or conduct arising out of this AGREEMENT.

XVI. OWNERSHIP OF BOOKS AND RECORDS.

The PARTIES shall each maintain normal business records related to all business generated under this AGREEMENT. Upon reasonable request, and subject to the confidentiality provisions set forth herein, the PARTIES may each obtain from the other copies of all policyholder documents, including but not limited to policies, binders, certificates, endorsements, underwriting data, loss data, and other statistical information in the other's possession, custody, or control with respect to all business generated under this AGREEMENT.

XVII. WAIVER.

No provision of this AGREEMENT shall be considered waived, unless such waiver is in writing and signed by the PARTY that benefits from the enforcement of such provision. No waiver of any provision in this AGREEMENT, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this AGREEMENT shall not in any way affect, limit, or waive a PARTY'S right under this AGREEMENT at any time to enforce strict compliance thereafter with every term and condition of this AGREEMENT.

XVIII. HOLD HARMLESS AND IDEMNITY

A. In the event that BROKER/CONSULTANT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, any provision of the AGREEMENT, or any written rule, regulation, policy, procedure or similar instruction under the PROGRAM, BROKER/CONSULTANT shall indemnify, defend, and hold CLIENT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by CLIENT in connection with such conduct.

- B. In the event that CLIENT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, or any provision of the AGREEMENT, CLIENT shall indemnify, defend, and hold BROKER/CONSULTANT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by BROKER/CONSULTANT in connection with such conduct.

XIX. INSURANCE REQUIREMENTS

During the term of this Agreement, BROKER/CONSULTANT shall maintain the following insurance coverage and limits or the equivalent self-insurance coverage:

1. Professional Liability insurance with minimum limits of \$15 million per claim providing coverage for any errors and omissions that the BROKER/CONSULTANT or its agents may make resulting in financial loss to CLIENT.
2. Commercial General and Automobile Liability insurance with limits of at least \$1 million combined single limit per occurrence and in the aggregate for bodily injury and property damage. The policies are to contain, or be endorsed to contain the following provisions:
 - a) CLIENT, its trustees, officers, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of the work or operations performed by the BROKER/CONSULTANT or on behalf of the BROKER/CONSULTANT, or "any auto," whether owned leased, hired or borrowed by the BROKER/CONSULTANT.
 - b) For any covered claims related to this Agreement, the BROKER/CONSULTANT's insurance coverage shall be primary insurance as respects CLIENT, its trustees, officers, employees, or volunteers. Any insurance or self-insurance maintained by CLIENT or any of its members shall be excess to the BROKER/CONSULTANT's insurance and shall not contribute with it.
3. Workers' Compensation coverage in compliance with the laws of the State of California, and Employers' Liability insurance in the amount of at least \$1 million per accident or aggregate.
4. Excess Liability of at least \$4 million per occurrence (and in the aggregate) coverage over General Liability, Professional Liability and Auto primary coverage.

Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled or non-renewed by BROKER/CONSULTANT, except with thirty (30) days prior written notice by certified mail, return receipt requested, given to CLIENT.

All insurance carriers providing the coverages required by this section shall have a financial rating of at least an "A" published A.M. Best or an equivalent financial rating firm published reports will be used to confirm the insurance carriers' rating, unless the BROKER/CONSULTANT has obtained the CLIENT's written acknowledgment that an insurance carrier with a lower financial rating is permitted.

BROKER/CONSULTANT shall also provide to CLIENT certificates of insurance and copies of applicable endorsements evidencing the above coverages and limits, and will maintain these coverages during the term of this Agreement.

The failure of the BROKER/CONSULTANT to procure and maintain the required insurance does not negate the BROKER/CONSULTANT's obligation under this Agreement to do so.

XX. OBLIGATIONS OF CLIENT

CLIENT agrees to cooperate with BROKER/CONSULTANT in the performance of BROKER/CONSULTANT's services by providing BROKER/CONSULTANT, upon request, with reasonable access to CLIENT's personnel and information, including providing complete and accurate information as to CLIENT's loss experience, risk exposures and any other pertinent information that BROKER/CONSULTANT requests. In addition, when known, CLIENT shall have the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to BROKER/CONSULTANT. This reporting must be memorialized in writing and delivered to Alliant in accordance with the notice provisions below.

CLIENT shall promptly review coverage documents delivered by BROKER/CONSULTANT for consistency with CLIENT's specification.

XXI. DISPUTE RESOLUTION

Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the BROKER/CONSULTANT and the CLIENT, shall be brought to the attention of the Chief Executive Officer (or designated representative) of the BROKER/CONSULTANT and the City Manager (or designee) of the CLIENT for joint resolution. At the request of either PARTY, the CLIENT shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is pursued without success, such dispute may be submitted to final and binding arbitration, upon agreement of both PARTIES, or either PARTY may elect to pursue any rights and remedies by legal action. Such arbitration shall be conducted under the auspices of, and in accordance with the procedures and rules of the California Arbitration Act (Code of Civil Procedure Sections 1280 through 1294). In any dispute arising out of or under the terms of this Agreement, the prevailing PARTY shall be entitled to recover its legal fees and costs including attorney fees from the other PARTY. Any such arbitration or legal action shall be venued in Riverside County, California unless the PARTIES mutually agree in writing to another location.

Despite an unresolved dispute, the BROKER/CONSULTANT shall continue without delay to perform its responsibilities under this AGREEMENT. The BROKER/CONSULTANT shall keep accurate records of its SERVICES in order to document the extent of its SERVICES under this AGREEMENT.

XXII. COPYRIGHT

Any reports, documents or other materials produced in whole or in part under this AGREEMENT shall be the property of CLIENT and none shall be subject to an application for copyright by or on behalf of BROKER/CONSULTANT.

X. CONFIDENTIALITY.

- A. CLIENT Information.** BROKER/CONSULTANT will not disclose to any third party any of CLIENT's confidential information, protected tangible or intangible property rights, intellectual property, or trade secrets ("CLIENT INFORMATION") that are obtained in the course of providing SERVICES to CLIENT, except in the furtherance of insurance brokerage, risk management, risk transfer, employee benefits or other insurance related SERVICES or products provided by BROKER/CONSULTANT to CLIENT, and only on condition that such insurers and financial institutions are informed of the confidential nature of such information. This information may include information relevant to the underwriting and/or evaluation of CLIENT's risks and the processing of claims.

B. Confidential Information. The services and work product exchanged by the PARTIES under this AGREEMENT are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The PARTIES acknowledge that during the term of this AGREEMENT, they may each exchange information considered confidential, proprietary and/or trade secret including, without limitation, data, recommendations, proposals, reports and similar information, CLIENT INFORMATION (as defined above), and work product (collectively, "CONFIDENTIAL INFORMATION"). For purposes of this AGREEMENT, the party disclosing CONFIDENTIAL INFORMATION shall be called the DISCLOSING PARTY and the party receiving CONFIDENTIAL INFORMATION shall be called the RECIPIENT PARTY. The PARTIES understand and agree that they will not distribute, use, or rely upon CONFIDENTIAL INFORMATION received from the other without the permission of the DISCLOSING PARTY.

1. **Ownership.** Except as otherwise provided in this AGREEMENT, CONFIDENTIAL INFORMATION is and remains the absolute and exclusive property of the DISCLOSING PARTY and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this AGREEMENT, no copies of CONFIDENTIAL INFORMATION shall be made without the written permission of the DISCLOSING PARTY. The PARTIES agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's CONFIDENTIAL INFORMATION to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such CONFIDENTIAL INFORMATION to others.
2. **Exclusions.** The following types of information shall not be considered confidential:
 - a) Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this AGREEMENT;
 - b) Information that is independently developed by either PARTY as demonstrated by the PARTY's records;
 - c) Information that is disclosed by a third party whom the RECIPIENT PARTY has no reason to believe has any confidentiality or fiduciary obligation to the owner of such information;
 - d) Information that is required to be disclosed by law or judicial process, provided the disclosing party gives the non-disclosing party prior notice of subpoena or request for information so that the non-

disclosing party can seek a protective order, or other appropriate injunctive relief;

- e) Establishment and administration of captive insurers; or,
- f) Non-recurring insurance placements involving significant quantitative or actuarial analysis or modeling, placements of risks with financial institutions other than insurance carriers, and placements of risks not customarily accepted by insurers.

C. Reasonable Efforts. The PARTIES agree to employ reasonable and customary business practices to protect and secure both CLIENT INFORMATION and CONFIDENTIAL INFORMATION from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives who “need to know” in order to provide the products and SERVICES under this AGREEMENT. The PARTIES further agree that those employees, officers, agents, and representatives who are privy to CLIENT INFORMATION and/or CONFIDENTIAL INFORMATION shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this AGREEMENT.

D. Survival. The PARTIES agree that the obligations contained herein shall survive the termination of this AGREEMENT, for a period of two (2) years, or longer if required by applicable law. Nothing in this section limits or otherwise diminishes the protections afforded by applicable law to trade secrets or other proprietary information.

XI. ETHICS AND CONFLICT OF INTEREST STATEMENT

The BROKER/CONSULTANT understands and agrees that CLIENT desires to compare the cost of obtaining services or insurance products from BROKER/CONSULTANT against other viable and competitive options and expects that the BROKER/CONSULTANT will make its compensation agreements and revenue streams known to CLIENT, so as to provide CLIENT with a clear accounting of the costs of the placement of insurance services and products. The BROKER/CONSULTANT shall conduct its business so as to fulfill all legal and ethical requirements and standards of the industry and the State of California, and shall place the best interests of CLIENT ahead of any other concerns in the placement of insurance services and products. To this end, BROKER/CONSULTANT:

1. Warrants that it will adhere to its ethical obligations to CLIENT to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, services, or coverages, and to provide access to an open, fair, and competitive insurance market place;

2. Will exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, including the date and time of contact, and the name, address, phone number and email address of the individual contact for each market;
3. Will make every good faith attempt to avoid even the appearance of a conflict of interest between the BROKER/CONSULTANT, CLIENT, and any provider of any insurance product or service, and will promptly notify CLIENT of any real or potential conflict of interest;
4. Agrees to provide to CLIENT a copy of BROKER/CONSULTANT's own Ethics Statement or Code, or BROKER/CONSULTANT Compliance Statement, or to make such statements available on the BROKER/-CONSULTANT's website;
5. Will require that all insurance carriers show any commission rates on their insurance policies and ensure those rates are known to CLIENT;
6. Acknowledges the mutual trust and confidence by both parties, and that all actions of the BROKER/CONSULTANT shall be for the specific benefit of the CLIENT and their programs as a whole.

XII. NOTICE

All notices, requests, and other communications given under this AGREEMENT, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) five (5) business days after being sent by U.S. certified mail (charges prepaid); or (d) one (1) business day after being sent to the recipient by fax or email transmission. Except as otherwise provided herein, all notices, requests or communications under this AGREEMENT shall be addressed to the intended recipient as set forth below:

To CLIENT: City of Redlands
Human Resources Department
Risk Management Division
35 Cajon Street, Suite 10
Redlands, CA 92373
Attn.: Rejo Mathew

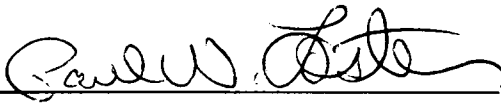
To BROKER/CONSULTANT: Alliant Insurance Services, Inc.
100 Pine Street 11th Floor
San Francisco, CA 94111
Attn: Conor Boughey

XIII. HEADINGS AND CONSTRUCTION.

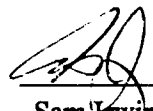
The PARTIES agree that the headings and sections of this AGREEMENT are used for convenience only and shall not be used to interpret the provisions herein. The PARTIES also agree that the terms of this AGREEMENT were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this AGREEMENT.

SO AGREED:

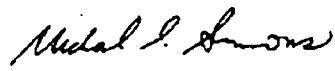
CITY OF REDLANDS

By: 
Paul W. Foster, Mayor

Attest:


Sam Irwin, City Clerk

ALLIANT INSURANCE SERVICES, INC.

By: 
Michael Simmons, Vice Chairman Public Entities

ADDENDUM A
To Service Agreement
Programs Serviced

BROKER/CONSULTANT agrees to provide SERVICES to the following PROGRAMS of CLIENT:

1. "All Risk" Property,
2. Boiler and Machinery,
3. Flood,
4. Cyber,
5. Pollution,
6. Auto Physical Damage,
7. Employment Practices Liability,
8. Fidelity (Crime),
9. Special Events,
10. Workers Compensation,
11. Liability coverages, and
12. Earthquake / (D.I.C.).

It is understood and agreed that CLIENT may obtain additional services from BROKER/CONSULTANT for additional PROGRAMS. CLIENT and BROKER/CONSULTANT shall agree in writing the SCOPE OF SERVICE and compensation in advance of BROKER/CONSULTANT's performance of additional services.

ADDENDUM B
To Service Agreement
Account Service Team

For the purposes of this Agreement, the following individuals shall be designated by BROKER/CONSULTANT as members of the Account Service Team and shall be responsible for all matters relating to CLIENT's account (changes to the Account Team may be made upon mutual written agreement between the PARTIES and will not be unreasonably withheld). BROKER/CONSULTANT will notify CLIENT, in advance, of any change within the Account Team assigned.

BROKER/CONSULTANT agrees to provide an Account Team to SERVICE the following PROGRAMS of CLIENT that includes:

1. Michael Simmons; Senior Client Contact and Peer Review
2. Conor Boughey, Account Manager;