

Council/Agency Meeting Held: _____	_____ City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 7/16/2007	Department ID Number: ED 07-21

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth Graft*
PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR

PREPARED BY: STANLEY SMALEWITZ, ECONOMIC DEVELOPMENT DIRECTOR *SLG*

SUBJECT: APPROVE SALES TAX SHARING AGREEMENT WITH PINNACLE PETROLEUM

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: Pinnacle Petroleum, a California Corporation, is currently located in the City of Seal Beach. In 1998, Seal Beach attracted them from their then Huntington Beach offices with a 30% sales tax rebate, at a time when Huntington Beach was offering only a 20% rebate. Now the principals of Pinnacle, who are residents of Huntington Beach, are willing to move their offices back to the City if we will match their current 30% rebate, as that helps keep them competitive in the petroleum broker industry. It is estimated that Pinnacle Petroleum generated over \$400,000 in local sales tax in the past four quarters, and they project continued strong growth for their company.

Funding Source: General Fund revenues with a formula that reimburses a 30% portion of the sales tax generated by Pinnacle Petroleum. Funds are included in the 2007-08 Economic Development Department budget request.

Recommended Action: Motion to:
Approve the attached sales tax sharing agreement between the City of Huntington Beach and Pinnacle Petroleum and authorize its execution by the Mayor and City Clerk.

Alternative Action(s):
Do not approve the attached sales tax sharing agreement with Pinnacle Petroleum.

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: 7/16/2007

DEPARTMENT ID NUMBER: ED 07-21

Analysis: The proposed sales tax sharing agreement with Pinnacle Petroleum is for a period of 10 years commencing the first day of the month following their relocation to Huntington Beach. Pinnacle Petroleum is interested in purchasing a building to house its operations and 10 employees, and this agreement anticipates that relocation will take place within one year of approval of this agreement. All costs associated with the acquisition, relocation and establishment of Pinnacle Petroleum in Huntington Beach are the full responsibility of the company.

Pinnacle Petroleum, a provider of gas and oil products for government and corporate fleets, saw its revenues more than double last year according to a recent article in the Orange County Business Journal. This article listed the top 29 women-owned businesses based on revenues and Pinnacle Petroleum is #5 in Orange County. It is a 100% woman-owned business that was started in 1995 in Huntington Beach, where it operated until its move to Seal Beach in 1998. At that time, the City was negotiating with Pinnacle Petroleum to retain the company, but Seal Beach offered substantially more incentives and Pinnacle Petroleum felt it had to take advantage of those financial incentives to remain competitive; especially since Huntington Beach had approved a sales tax sharing agreement with one of Pinnacle Petroleum's direct competitors, Team Petroleum. After losing Pinnacle Petroleum, the City conducted a survey of other cities, discussed the results with the City Council's Economic Development Committee and generally increased our offer to subsequent companies to 30%. The City has approved three sales tax sharing agreements and two are still active-- Applied Computer Solutions and Huntington Beach Union High School District (for the Home Depot store on surplus Ocean View High School land). The third agreement, with Team Petroleum, was operative from 1998 until they went out of business in September 2002.

Under this and each of our sales tax sharing agreements, the City makes quarterly payments to the respective business only after receipt of the City's share of sales tax generated by the business. In this way, no City funds are put at risk.

Strategic Plan Goal: "Financial: Create long-term financial strategies for funding the backlog of capital projects and maintenance requirements, and ensuring sufficient reserves to withstand major revenue fluctuations in order to ensure continuation of city services during economic downturns."

Environmental Status: Not applicable

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Sales tax agreement between City and Pinnacle Petroleum

ATTACHMENT 1

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SALES TAX AGREEMENT BETWEEN
THE CITY OF HUNTINGTON BEACH
AND
PINNACLE PETROLEUM, INC.

THIS SALES TAX AGREEMENT ("Agreement") dated as of _____, is entered into by and between the CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California ("City"), and PINNACLE PETROLEUM, INC., a California corporation ("Business Owner" or "PPI").

RECITALS

A. Business Owner is in the business of selling refined Petroleum Products. Business Owner's current point of sale for purposes of the Uniform Local Sales and Use Tax Law is located at 1500 E. Pacific Coast Highway, Seal Beach, California.

B. Business Owner is currently contemplating relocating its business to a location in Huntington Beach coinciding with an opportunity to purchase an office building for its primary business location in Huntington Beach.

C. City recognizes that relocation of Business Owner to Huntington Beach will contribute to the economic vitality of the City, provide additional jobs, expand the City's tax base and otherwise improve economic and physical conditions in the City.

D. In order to induce the Business Owner to relocate its business to Huntington Beach, the City is willing to provide financial assistance to the Business Owner as described in this Agreement, provided that Business Owner relocates its primary office to Huntington Beach and continues to sell refined Petroleum Product within the City during the Operating Period.

E. By its approval of this Agreement, the City Council of the City of Huntington Beach finds and determines that this Agreement serves a valid public purpose through expanding economic opportunities for businesses in the City, expanding the City's employment base, and generating Sales Tax that City can utilize to fund general governmental services such as police, fire, street maintenance, and parks and recreation programs. City and Business Owner have agreed that the respective considerations are a fair exchange.

F. The City has found that it is of benefit to the City and its citizens that certain obligations be imposed upon Business Owner's future place of business to ensure Petroleum Product sales and the resulting sales-tax revenues to the City.

NOW, THEREFORE, based upon the foregoing Recitals and in consideration of the mutual covenants and conditions hereinafter set forth, Business Owner and City agree as follows:

DEFINITIONS.

The capitalized terms and words used in this Agreement shall have the following meanings unless expressly provided to the contrary.

1.1 “Commencement Date” means first day of the month following Business Owner’s relocation of its primary business office to Huntington Beach.

1.2 “Event of Default” means any event so designated in this Agreement.

1.3 “Fiscal Year” means the City’s Fiscal Year of October 1 through September 30.

1.4 “Laws” means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or other Governmental Agency.

1.5 “Operating Period” means the period beginning with the Commencement Date and expiring ten (10) years later.

1.6 “Party” means any party to this Agreement. The “Parties” shall be all parties to this Agreement.

1.7 “Penalty Assessments” means penalties, assessments, collection costs and other costs, fees or charges resulting from late or delinquent payment of Sales Tax and which are levied, assessed, or otherwise collected from the business on the Site owning or obligated to pay Sales Tax.

1.8 “Person” means any entity, whether an individual, trustee, corporation, partnership, trust, unincorporated organization, governmental agency or otherwise.

1.9 “Sales Tax Increment” means that portion of taxes derived and received by the City of Huntington Beach from the imposition of the Bradley Burns Uniform Local Sales And Use Tax Law, commencing with Section 7200 of the Revenue and Taxation Code of the State of California, as amended, or its equivalent, arising from all businesses and activities conducted on the Site. Sales Tax Increment shall not include Penalty Assessments, any Sales Taxes levied by, collected for or allocated to the State of California, the County of Orange, a district or any other entity, notwithstanding that such funds received by City are derived or measured by such other entity based upon Sales Taxes. The Sales Tax Increment shall not exceed one percent (1%) upon taxable sales and uses on the Site.

1.10 “Site” refers to the property within the city of Huntington Beach where Business Owner will relocate to conduct Petroleum Product Sales in the future.

1.11 "Sales Tax" means the tax derived from the Business Owner's business conducted on the Site and a portion of which is allocated to and received by the City pursuant to the Uniform Local Sales and Use Tax Law, commencing with California Revenue and Taxation Code Section 7200 et seq., as amended.

2. THE PARTIES

2.1 Business Owner. Business Owner Pinnacle Petroleum, Inc., a California corporation whose mailing address for purposes of this Agreement is: 6212 Oakbrook Circle, Huntington Beach, California 92648. Wherever the term "Business Owner" is used in this Agreement, the term shall be deemed to refer to Pinnacle Petroleum, Inc.

Business Owner may not assign the rights and obligations of this Agreement to any other person without the written consent of the City, which consent may be withheld in City's sole and absolute discretion.

By executing this Agreement, Business Owner warrants and represents to City that it has the full power and authority to enter into this Agreement and that all authorizations and approvals required to make this Agreement binding upon Business Owner have been duly obtained.

2.2 The City. The City is a municipal corporation, duly organized and existing pursuant to its Charter.

3. OBLIGATIONS OF BUSINESS OWNER

3.1 Agreement. Business Owner hereby covenants and agrees to relocate its business to the Site and use the Site as its primary business location during the Operating Period.

3.2 Site. Business Owner shall, within a reasonable time, not to exceed one year from approval of this document by the City Council of the City of Huntington Beach, relocate its Business to the Site. If Business Owner is unable to purchase a Site in Huntington Beach, Business Owner and the City Administrator or his or her designee shall help identify an alternative site within the City of Huntington Beach. If said negotiations are unsuccessful, either party may terminate this Agreement upon thirty (30) days' written notice to the other party.

3.3 Maximize Sales Tax. During the Operating Period, Business Owner shall use its best efforts, consistent with the requirements of law, to designate the Site as the point of sale in all sales of its products.

3.4 Indemnification. From the Commencement Date of this Agreement through the termination date, Business Owner shall indemnify, defend, and hold harmless City and its officers, employees and agents, from and against all liabilities, obligations, claims, damages, penalties, causes of action, judgments, costs and expenses (including,

without limitation, reasonable attorneys' fees and expenses) (collectively "Claims") imposed upon or incurred by or asserted against City arising out of any act or omission of Business Owner its business; provided, however, that the aforesaid obligations of Business Owner shall not apply to the extent any Claim results from the active negligence or intentional misconduct of City or any of City's officers, employees, agents, or contractors. In the event that any action, suit or proceeding is brought against City by reason of any such occurrence, Business Owner, upon City's request, will, at Business Owner's expense, defend such action, suit or proceeding at its sole cost.

3.5 Insurance. Business Owner shall take out and maintain in effect through the Operating Period, at Business Owner's sole cost and expense, the following insurance policies in the minimum amounts specified and in the forms provided below:

(1) Comprehensive General Liability in an amount of not less than One Million Dollars (\$1,000,000) combined single limits for each occurrence for bodily injury, personal injury, and property damage including contractual liability.

(ii) Workers' Compensation as required by the Labor Code of the State of California and Employers' Liability insurance in an amount not less than Two Hundred Fifty Thousand Dollars (\$250,000).

3.6 Local, State and Federal Laws. Business Owner shall carry out the operation of the business in conformity with all applicable local, state and federal laws.

3.7 Anti-discrimination. Business Owner shall not discriminate against any employee or applicant for employment because of age, sex, marital status, race, handicap, color, religion, reed, ancestry, or national origin.

3.8 Business Owner's Representations and Warranties. Business Owner makes the following representations and warranties as of the date of this Agreement and agrees that such representations and warranties shall survive and continue thereafter but shall not be remade after the date of this Agreement.

3.8.1 No Litigation. There is no litigation, action, suit, or other proceeding pending or threatened against the Business Owner or the Site that may adversely affect the validity or enforceability of this Agreement or sale of the refined Petroleum Product at the Site. To the best of Business Owner's knowledge, Business Owner is not in violation of any statute, law, regulation or ordinance, or of any order of any court or governmental entity the effect of which would prohibit the Business Owner from performing its obligations hereunder.

3.8.2 Authority. Business Owner has complied with all governmental requirements concerning its organization, existence and transactions of refined Petroleum Products. Business Owner has the right and power to own and operate its business as contemplated in this Agreement.

3.8.3 No Breach. To Business Owner's knowledge, none of the undertakings contained in this Agreement violate any applicable governmental requirements, or conflicts with, or constitutes a breach or default under, any agreement by which the Business Owner is bound or regulated.

3.8.4 Warranty Against Payment of Consideration for Agreement. Business Owner warrants that it has not paid or given, and will not pay or give, to any third person, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as accountants and attorneys.

3.9 Release of City Officials. No member, official, agent, employee, or attorney of the City shall be personally liable to Business Owner, or any successor in interest of the Business Owner, in the event of any default or breach by the City or for any amount which may become due to the Business Owner or its successors, or on any obligations under the terms of this Agreement. The Business Owner hereby waives and releases any claim it may have personally against the members, officials, agents, employees, consultants, or attorneys of the City with respect to any default or breach by the City or for any amount that may become due to the Business Owner or its successors, or on any obligations under the terms of this Agreement.

3.10 Reports. Within ten (10) days of filing each report with the State Board of Equalization, Business Owner shall provide to the City true and correct copies of all reports filed by Business Owner with the State Board of Equalization in order to allow the City to preliminarily determine the amount of Sales Tax paid by Business Owner on account of sales from the Site; provided, however, that the City shall not be deemed to have received any Sales Tax until the City actual receipt thereof.

3.11 Participation in Fuel Procurement Activities. Business Owner retains all right to participate in the City's petroleum product and fuel procurement activities.

4. OBLIGATIONS OF CITY OF HUNTINGTON BEACH

4.1 Tax Rebate. Within thirty (30) days after the City confirms its receipt of Sales Tax paid by Business Owner on account of sales from the Site during the Operating Period, the City shall pay to Business Owner on a quarterly basis financial assistance in an amount equal to thirty percent (30%) of annual Sales Tax Increment generated by the Business Owner within the City of Huntington Beach and actually received by the City.

4.2 City's Obligation to Provide Assistance Conditional on Sales Tax Increment. The City's obligation to provide Business Owner with assistance pursuant to 4.1 is conditioned upon Business Owner producing Sales Tax Increment each Fiscal Year. To the extent Business Owner does not produce Sales Tax Increment, then the tax rebate obligations herein shall be reduced to zero.

4.3 Annual Adjustment. Promptly after each fiscal year of the City which includes a portion of the Operating Period, the City shall determine with respect to that fiscal year the aggregate amount of Sales Tax received by the City and the aggregate amount of financial assistance payments made to Business Owner pursuant to Section 4.1. If for any reason (including but not limited to reporting errors or other adjustments) the aggregate amount of payments by the City with respect to that fiscal year is less than the aggregate amount payable with respect to that fiscal year, the City shall pay to Business Owner an adjustment payment equal to the amount of deficiency; if for any reason (including but not limited to reporting errors or other adjustments) the aggregate amount of payments by the City with respect to that fiscal year is more than the aggregate amount payable with respect to that fiscal year, then the amount of the excess shall be applied against the next payments due under Section 4.1, except that if any unapplied excess remains after the Operating Period, Business Owner shall pay the amount of the unapplied excess to the City upon demand.

4.4 Legal Challenge. Should any third party successfully challenge the validity of this Agreement through a taxpayer suit or otherwise, either party may terminate this Agreement upon thirty (30) days written notice.

4.5 Contingent Liability and Limitations. The tax rebate obligations of the City of Huntington Beach shall be subject to the provisions of City Charter Section 605, regarding annual budget appropriations, nor be payable for a period in excess of the ten-year operating period after relocation to the new site.

5. DEFAULTS AND REMEDIES

5.1 Events of Default. The following shall initiate the default sequence:

(a) If Business Owner materially breaches any of its obligations under Sections 3.1 through 3.7 of this Agreement.

(b) If Business Owner is found by a trier of fact, after hearing, to be in violation of any Local, State or Federal law.

(c) If Business Owner is found by a trier of fact, after hearing, either to be in violation of any anti-discrimination regulation or to be liable in a suit for discrimination.

(d) If Business Owner fails to provide the City with copies of the quarterly (or, if applicable, monthly) Board of Equalization reports filed by its Business Owner.

(e) If City fails to time pay its obligations hereunder.

When any of the initiating events occur, City or Business Owner may give the other written notice to cure. Where such act or omission is not cured within thirty (30) days after that Party's receipt of written notice that such obligation was not performed, it shall constitute an Event of Default; provided that, if cure cannot reasonably be effected within such 30-day period, such failure shall not be an Event of Default so long as the Party promptly (in any event, within 10 days after receipt of such notice) commences cure, and thereafter diligently (in any event within 10 days after receipt of such notice) commences cure, and thereafter diligently (in any event within a reasonable time after receipt of such notice) prosecutes such cure to completion.

5.2 Remedies Upon Default. Upon the occurrence of any Event of Default, and thirty (30) days after written notice of default, and after a reasonable opportunity to cure such default, City or Business Owner, as appropriate, may terminate this Agreement and file any action available in law or equity.

6. GENERAL PROVISIONS

6.1 Time of the Essence. Time is of the essence of this Agreement and all Parties' obligations hereunder.

6.2 Venue. In the event of any litigation hereunder, all such actions shall be instituted in the Superior Court of Orange, State of California, or in an appropriate municipal court in the County of Orange, State of California or an appropriate Federal District Court in the Southern District of California.

6.3 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

6.4 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

6.5 Attachments Incorporated. The Attachment to this Agreement is incorporated herein by this reference.

6.6 Copies. Any executed copy of this Agreement shall be deemed an original for all purposes.

6.7 Severability. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability, unless it affects the substantial rights of a party or defeats the purpose of this Agreement, shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision has not been contained herein.

6.8 Interpretation. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against any party. When the context of this Agreement requires, the neuter gender includes the masculine, the feminine, a partnership or corporation of joint venture or other entity, and the singular includes the plural.

6.9 No Partnership or Joint Venture. The parties hereto agree that nothing contained in this Agreement shall be deemed or construed as creating a partnership, joint venture, or association between City and Business Owner; or cause City or Business Owner to be responsible in any way for the debts or obligations of the other, and no other provision contained in this Agreement nor any acts the parties hereto shall be deemed to create any relationship between City and Business Owner other than that of contracting parties. Further, nothing herein shall give or is intended to give any rights of any kind to any person not an express party hereto.

6.10 Integration. This Agreement, including the Attachments attached hereto, is the entire Agreement between and final expression of the parties, and there are no agreements or representations between the parties except as expressed herein. All prior negotiations and agreements between City and Business Owner with respect to the subject matter hereof are superseded by this Agreement. Except as otherwise provided herein, no subsequent change or addition to this Agreement shall be binding unless in writing and signed by the parties hereto.

6.11 Nonwaiver. None of the provisions of this Agreement shall be considered waived by any party except when such waiver is given in writing. The failure of any party to insist in any one or more instances upon strict performance of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

6.12 Notices. Any notice, approval, demand or other communication required or desired to be given pursuant to this Agreement shall be in writing and shall be effective upon person service (including by means of professional messenger service) or, five (5) days after mailing via United States first-class mail or two (2) days after mailing via Federal Express or other similar reputable overnight delivery service. Any notice shall be addressed as set forth below:

If to City:

Stanley Smalewitz
Director of Economic Development
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

If to Business Owner:

Pinnacle Petroleum, Inc.
Attn: Liz McKinley, President
6212 Oakbrook Circle
Huntington Beach, CA 92648

With copies to (which shall not constitute Notice):

City Attorney
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

and

City Administrator
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Either City or Business Owner may change its respective address by giving written notice to the others in accordance with the provisions of this Section.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

BUSINESS OWNER:
PINNACLE PETROLEUM, INC.

By: [Signature]
LR McKinley
print name

ITS: (circle one) Chairman/President/Vice President

AND
By: [Signature]
Peter McKinley
print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

CITY OF HUNTINGTON BEACH,
a municipal corporation of the State
of California

Mayor

APPROVED AS TO FORM:

[Signature]
City Attorney
7.20.07 [Signature]

INITIATED AND APPROVED:

[Signature]
Director of Economic Development

REVIEWED AND APPROVED:

[Signature]
City Administrator

**STATE
COMPENSATION
INSURANCE
FUND**

HOME OFFICE

SAN FRANCISCO

ANNUAL RATING ENDORSEMENT

IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.

HERE ARE YOUR NEW RATES FOR THE PERIOD INDICATED. IF YOUR NAME OR ADDRESS SHOULD BE CORRECTED OR IF INSURANCE IS NOT NEEDED FOR NEXT YEAR, PLEASE TELL US.

IMPORTANT

THIS IS NOT A BILL

CONTINUOUS POLICY 1490815-06

SEND NO MONEY UNLESS STATEMENT IS ENCLOSED

THE RATING PERIOD BEGINS AND ENDS AT 12:01AM PACIFIC STANDARD TIME

RATING PERIOD 10-01-06 TO 10-01-07

PINNACLE PETROLEUM INC
1500 PCH # F
SEAL BEACH, CALIF 90740

DEPOSIT PREMIUM
MINIMUM PREMIUM
PREMIUM ADJUSTMENT PERIOD SEMI-ANNUAL
R SG

NAME OF EMPLOYER- PINNACLE PETROLEUM INC
(A CORPORATION)

CODE NO. PRINCIPAL WORK AND RATES EFFECTIVE FROM 10-01-06 TO 10-01-07

		PREMIUM BASIS	BASE RATE	INTERIM BILLING RATE*
8742-1	SALESPERSONS--OUTSIDE.			
8810-1	CLERICAL OFFICE EMPLOYEES--N.O.C.			

*****BUREAU NOTE INFORMATION*****

FEIN 330649703
FEIN 030518402

APPROVED AS TO FORM
JENNIFER McGRATH, City Attorney

Paul D'Alessandro 7/2/07
By Paul D'Alessandro
Assistant City Attorney

E3.13

TOTAL ESTIMATED ANNUAL PREMIUM

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
07/05/07

PRODUCER

INSURED'S COPY

FEDERATED MUTUAL INSURANCE COMPANY
5701 W. Talavi Boulevard
Glendale, AZ 85306
Phone: 1-888-333-4949
Home Office: Owatonna, MN 55060

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY A FEDERATED MUTUAL INSURANCE COMPANY OR FEDERATED SERVICE INSURANCE COMPANY
- COMPANY B
- COMPANY C
- COMPANY D

INSURED

PINNACLE PETROLEUM INC
1500 PACIFIC COAST HWY STE F
SEAL BEACH CA 90740

810-089-1

COVERAGE

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.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	9068874	06/14/07	06/14/08	GENERAL AGGREGATE \$ 2,000,000
	PRODUCTS - COMPO/OP AGG \$ 2,000,000				
	PERSONAL & ADV INJURY \$ 1,000,000				
	EACH OCCURRENCE \$ 1,000,000				
	FIRE DAMAGE (Any one fire) \$ 100,000				
					MED EXP (Any one person) \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	9068974	06/14/07	06/14/08	COMBINED SINGLE LIMIT \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
					AGGREGATE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	9068828	06/14/07	06/14/08	EACH OCCURRENCE \$ 4,000,000
					AGGREGATE \$ 4,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER <input type="checkbox"/>
	OTHER				EL EACH ACCIDENT \$
					EL DISEASE - POLICY LIMIT \$
					EL DISEASE - EA EMPLOYEE \$

APPROVED AS TO FORM
JENNIFER McGRATH, City Attorney
[Signature]
By Paul D'Alessandro 7/5/07
Assistant City Attorney

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

This copy is not to be reproduced for issuance of certificates. E3.14

CERTIFICATE HOLDER

A Certificate has been filed with each Certificateholder on the attached list.

PLEASE REVIEW THE LIST AND INFORM US OF ANY CHANGES WHICH SHOULD BE MADE

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

PRESIDENT, ACORD CORPORATION 1988

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