



Amendment No. 2
to
Contract No. PA170000057
for
ROCIP VII Insurance Coverage
between
Liberty Mutual Insurance Company
DBA Liberty Mutual Insurance
and the
City of Austin

- 1.0 The City hereby exercises a increase to the subject contract, adding \$61,000.00 to the contract authorization.
- 2.0 The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 06/30/2017 – 05/31/2023	\$5,151,485.00	\$5,151,485.00
Amendment No. 1: Administrative Increase 04/14/2018	\$59,000.00	\$5,210,485.00
Amendment No. 2: Contract Increase 08/02/2019	\$61,000.00	\$5,271,485.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Susan C Brown 8/14/19

Printed Name: SUSAN C BROWN
Authorized Representative

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02116
(913) 693-7146
stacy.spieker@libertymutual.com

Sign/Date: Cyrenthia Ellis 8/14/19

Cyrenthia Ellis
Procurement Manager

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701
Cyrenthia.Ellis@austintexas.gov



Amendment No. 1
to
Contract No. PA170000057
for
ROCIP VII Insurance Coverage
between
Liberty Mutual Insurance Company
DBA Liberty Mutual Insurance
and the
City of Austin

1.0 The City hereby exercises an administrative increase to the subject contract, adding \$59,000.00 to the contract authorization.

2.0 The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 06/30/2017 – 05/31/2023	\$5,151,485.00	\$5,151,485.00
Amendment No. 1: Administrative Increase 04/14/2018	\$59,000.00	\$5,210,485.00

3.0 MBE/WBE goals do not apply to this contract.

4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:

Susan C Brown 4/23/18

Printed Name:

SUSAN C BROWN

Authorized Representative

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02116
(913) 693-7146
stacy.spieker@libertymutual.com

Sign/Date:

Cyrenthia Ellis 4/24/18

Cyrenthia Ellis
Procurement Manager

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



City of Austin

Purchasing Office, Financial Services Department

P.O. Box 1088, Austin, TX 78767

July 5th, 2017

Liberty Mutual Insurance
Susan Brown
157 Berkeley Street
Boston, MA 02116

Susan.brown@libertymutual.com

Susan:

The Austin City Council approved the execution of a contract with your company for ROCIP VII services in accordance with the referenced solicitation.

Responsible Department:	Risk Management
Department Contact Person:	Leslie Milvo
Department Contact Email Address:	Leslie.Milvo@austintexas.gov
Department Contact Telephone:	512-974-3245
Project Name:	ROCIP VII
Contractor Name:	Liberty Mutual Insurance
Contract Number:	PA170000057
Contract Period:	Contract active until May 31, 2023
Dollar Amount	\$5,151,485
Extension Options:	N/A
Requisition Number:	RQM 16051700463
Solicitation Type & Number:	RFP TLF0301
Agenda Item Number:	28
Council Approval Date:	June 22, 2017

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Matthew Duree
Procurement Supervisor
City of Austin
Purchasing Office

cc: Leslie Milvo
Danielle Lord

**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")
AND
LIBERTY MUTUAL INSURANCE ("Contractor")
for
ROCIP VII Insurance Coverage
Contract Number: MA 5800 PA170000057**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Liberty Mutual Insurance and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number: Request for Proposal TLF0301.

1.1 This Contract is composed of the following documents:

- 1.1.1 This Contract
- 1.1.2 The City's Solicitation, Request for Proposal, TLF0301 including all documents incorporated by reference
- 1.1.3 Liberty Mutual Insurance's Financial Terms and Conditions, dated May 1, 2017, including subsequent clarifications attached hereto as Exhibits A and B

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 The Contractor's Financial Terms and Conditions as referenced in Section 1.1.3, including subsequent clarifications attached hereto as Exhibits A and B
- 1.2.2 This Contract
- 1.2.3 The City's Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference

1.3 Term of Contract. The Contract will be in effect from May 31, 2017 until May 31, 2023 and may be extended thereafter subject to the approval of the Contractor and the City Purchasing Officer or his designee.

1.4 Compensation. The Contractor shall be paid a total not-to-exceed amount of \$5,151,485 contingent upon City of Austin City Council's future authorization of an additional \$142,839 in funding above the \$5,008,646 authorized on June 22, 2017. This amount is still subject to the audit provisions in the Financial Terms and Conditions.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below.

LIBERTY MUTUAL INSURANCE

Susan C Brown

Printed Name of Authorized Person

Susan C Brown

Signature

Underwriting Consultant

Title:

6-30-2017

Date:

CITY OF AUSTIN

Matthew Duree

Printed Name of Authorized Person

[Signature]

Signature

Procurement Supervisor

Title:

6-30-2017

Date:

Exhibit A - Liberty Mutual Financial Terms and Conditions-City of Austin ROCIP VII 05/01/17 – 05/01/2023

Exhibit B – Liberty Mutual Collateral and Payment Agreement

EXHIBIT A

Financial Terms and Conditions – City of Austin ROCIP VII 05/01/2017 – 05/01/2023

These Financial Terms and Conditions and the Financial Overview attached hereto describe the proposed Large Risk Alternative Rating Option (LRARO) rating plan for retrospectively rated policies and will function as the LRARO endorsement for all retrospectively rated insurance policies.

Words and phrases in these Financial Terms and Conditions that appear in quotation marks have special meaning. Refer to the Definitions section.

Effective Period

This proposal is for coverage effective 05/01/2017 to 05/01/2023.

Bind 5/3/17

This proposal is valid until the program effective date. The pricing is based on placing all proposed coverages and services with Liberty Mutual Insurance. Pricing for separate coverages and services may be available upon request.

Required Documents

The following document(s) must be signed and returned to us in their entirety within 30 days of the effective date of the policy, or within 30 days of receipt, whichever is earlier.

Financial Terms & Conditions
Renewal Amendment to the Collateral and Payment Agreement (Cash Collateral)
Notice of Offer to Purchase Terrorism Coverage (Form D)
Large Deductible Election Forms
FEIN/UAIN

Failure to execute and return the required documents within the specified time frame may result in withdrawal of the proposed payment plan with payment due in full, or cancellation where allowed by law.

Payments

Variable Expense

Large Deductible Retrospective	GL	Monthly based on Paid Ratable Loss and Expense
Large Deductible Retrospective	WC	Monthly based on Paid Ratable Loss and Expense

Premiums

Large Deductible Retrospective	GL, WC	16 equal Quarterly payments
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Additional Charges

With the exception of assessments and surcharges that are required to be collected based upon the overall premium collection terms, the following additional charges are not included in the premium payment terms indicated above and are due at policy inception:

Escrow
WC Assessments and Surcharges

Direct Billed

Our proposal is based on a direct billing arrangement with the insured. The insured is responsible for payment of premium and premium must be paid directly to Liberty Mutual Insurance. We hold the customer responsible for the timely payment of outstanding receivables to Liberty Mutual Insurance.

Security

Security is required to secure deductible loss reimbursement, premium payment and any of your other obligations to us, in the amount stated on the Financial Overview. You shall provide security in the form of a cash collateral account. We must receive funding for the cash collateral account by Wire Transfer and a signed Collateral and Payment Agreement on the form attached on or before the effective date of the insurance program. The cash collateral account is non-interest bearing, and we will have a perfected security interest in the cash collateral account. Liberty Mutual Insurance will review the adequacy of the security periodically and may, at its sole discretion, amend the required amount of security. Security will be required until you have paid or liquidated all obligations.

Note: Failure to provide security within the specified time frame may result in withdrawal of the proposed payment plan or conversion to an incurred loss retrospective rating plan with payment due in full, or cancellation where allowed by law.

Loss Reimbursement and Escrow

The insured is responsible to submit payments for all reimbursable losses and "allocated loss adjustment expenses" (if applicable) directly to Liberty Mutual Insurance.

This proposal is based on reimbursement of paid retained loss from the cash collateral account. However, if the balance in the account falls below the minimum amount that must be maintained as security, you will be billed directly for loss and expense reimbursement until the amount in the account is increased to more than the security requirement.

Escrow is required to fund the time lag between our claim payment and receipt of reimbursement from you. The escrow required to fund payments for all rating plans is shown on the Financial Overview. Each year Liberty Mutual Insurance will compare the escrow amount to expected loss payments and may, at its sole discretion, amend the required escrow. An escrow will be held until final resolution of losses.

Retrospective Premium Terms

Large Deductible Retrospective Plan - General Liability and Workers Compensation

The retention applies on a per occurrence or per accident basis.

The maximum deductible loss retained by you is indicated on the Financial Overview.

Clash Retention

For accidents/occurrences that involve Workers Compensation and General Liability claims, the total per accident/occurrence "retentions" for those lines will be subject to a clash retention of \$375,000. The clash retention will limit the combined "retention" in the instance where the losses within individual "retentions" when combined would exceed the clash retention. The Workers Compensation "retention" and General Liability "retention" will continue to apply for an accident/occurrence involving more than one of those lines of insurance. However, the clash retention will then limit the total of the individual "retentions" for the accident/occurrence. The ratable loss will be allocated to each line included in the accident/occurrence based on the allocation formula.

The allocation formula will allocate the loss based on the relationship of the individual "retentions" for lines involved to the total of the individual "retentions" of the lines involved. If this allocation formula results in an allocation to any line which exceeds the actual loss then the allocation will be done by the company using an appropriate approach specific to the situation.

Retrospective Premium Formula

Retrospective premium is the sum of:
Variable Expense
Combined Administrative Expense and Excess Premium
Applicable TRIA Charges

Retrospective premium is subject to minimum premiums shown on the Financial Overview.

Note: All states, territories, and possessions that are not approved for the Liberty Mutual Insurance large deductible plan, if any, are subject to a paid loss retrospective plan. The final premium will be calculated the same as indicated above, with the exception that the "ratable losses", including "allocated loss adjustment expense" will be multiplied by the premium tax factor as indicated on the Financial Overview.

Retrospective Premium Adjustment

Audit

The audit adjustment will be held until the retrospective adjustment.

The premium components shown on the Financial Overview with a rate multiplied by exposure will be calculated by multiplying rates shown on the Financial Overview by the audited exposures.

WC Terrorism Risk Insurance Act ("TRIA") Premium will be determined by the TRIA/Terrorism rate multiplied by the WC Payroll. The final premium will be subject to the audited WC Payroll for each state. Terrorism coverage will be subject to the terms of this rating plan and any applicable deductible endorsement.

The final premium for any coverages not subject to the rating plan, but included in the policies listed on the Financial Overview, will be calculated as part of the audit adjustment.

Annual Adjustment

We will adjust the retrospective premium based on "ratable losses" and/or the number of claims, whichever is applicable, 6 months after the project is completed, or as mutually agreed-upon, and annually thereafter.

At each annual adjustment, if the retrospective premium calculated is greater than the previously paid premium, you will pay the difference to us. If the retrospective premium is less than the previously paid premium, we will return the difference to you.

If there is no change in premium at any adjustment we will issue a letter informing you that there is no balance due. We will not be required to provide a copy of the Retrospective Premium Adjustment exhibit, except at your request.

We will bill you Monthly for variable expense and non-deductible loss, if applicable, based upon paid losses until the third retrospective adjustment, from which time forward they will be billed annually with the retrospective premium adjustment based upon incurred losses. Variable expense taxes and non-deductible loss related premium tax, if applicable, will be billed annually with the retrospective adjustment based on incurred losses.

We may make a special valuation of this agreement as of any date that any First Named Insured is declared bankrupt or insolvent, or makes an assignment for the benefit of creditors, or is involved in reorganization, receivership or liquidation, or disposes of all its interest in work covered by this agreement.

Assessments and surcharge calculations are in addition to the retrospective premium. Certain assessments and surcharges will be calculated at audit and reconciled at the first retrospective adjustment. Those assessments and surcharges will be calculated based upon the applicable published state or federal factor at the policy effective date. Other assessments and surcharges are subject to annual retrospective adjustment, and the assessment and/or surcharge amount may change at each adjustment based upon changes in the applicable state or federal factor, changes in base amounts, or changes in formulas.

In addition to the deductible amount, any taxes, assessments or other charges attributable to the deductible amount (including interest, fines or penalty charges thereon) which become effective after the policy inception are your responsibility.

Treatment of "Allocated Loss Adjustment Expense" and Supplementary Payments

The following is a general description of the treatment of "allocated loss adjustment expense" and supplementary payments under various coverages. An endorsement will be added to the policy providing the full details of the "retention". In the event of a conflict between this general description and the terms of the policy, the policy will control.

Workers Compensation

Interest on judgments and "allocated loss adjustment expense" are included within the "retention" amount for Workers Compensation. For Employers Liability under Workers Compensation, the damages portion of the "retention" amount will reduce the policy limits. "Allocated loss adjustment expense" payments will not reduce the policy limits.

General Liability

Damages and Supplementary Payments – Damages Within The "Retention" Erode Policy Limits

You are responsible up to the "retention" amount for the total of all damages plus supplementary payments. Damages within the "retention" erode the policy limits.

Cancellation, Final Calculation, Buyout/Closeout

The retrospective rating plan will remain in effect even if one or more of the policies subject to the retrospective rating plan are cancelled.

Cancellation for non-payment of premium will be considered to be cancellation by you.

Minimum premiums will continue to apply in the event of cancellation.

Liberty Mutual Insurance and the First Named Insured may mutually agree that any adjustment or other calculation of the retrospective premium is the final adjustment of some or all of the policies subject to the retrospective rating plan. If such an agreement is made, we will not perform any further adjustments for those policies, unless there is a clerical error in the final calculation.

We may offer the first Named Insured a final and/or partial calculation of obligations under any one or more expired policy(ies) covered under this endorsement. The final calculation will be based upon estimates of final losses, whether or not reported, and include development of such loss and other applicable factors. If accepted by the first Named Insured, upon payment of such final calculation, the Named Insured shall no longer be responsible for such obligations. We and the first Named Insured may agree to exclude or limit any single claim, group of claims, or exposures from the final calculation. Any claims or group of claims excluded from such final amount shall continue to be subject to the terms stated in the policy, rating plan, deductible endorsement and other applicable agreements. We and the first Named Insured may agree to additional conditions, such as limits or sublimits.

Premium Responsibility

The Insured is liable for all premiums due under this policy and for any other financial obligation arising out of any agreements contained in this policy. The Insured will be the payee for any return premiums we pay. No other insured will be liable for premium or other financial obligations or entitled to any return premium.

Regulatory Service Requirements

We may become regulatorily required, after this policy becomes effective, to provide certain services (e.g. managed care) under the policy or to re-classify/re-code certain services under the policy in accordance with filed rating and statistical plans. If this happens, the charges made for the required services and/or re-classification of services will

be consistent with filed rating and statistical plans (e.g. medical loss, indemnity loss, "allocated loss adjustment expense" or unallocated loss adjustment expense).

Service

Services included in the program are listed on the Service Proposal exhibit. If you use additional services, you will be charged as they are utilized or via the rating plan adjustment.

For insured programs, all "claim handling charges" and/or variable expenses are to handle the claim to conclusion.

These services are provided during the effective period, unless otherwise specified. Services will convert to our standard claims and other services, except as otherwise agreed in writing or stated below, if: 1) all of the policies described in these Financial Terms and Conditions, including any renewals and rewrites of those policies, are cancelled or non-renewed by you or by us, 2) losses are projected to exceed a rating plan maximum, or 3) you become insolvent or file for bankruptcy. In addition to standard services, upon request we will provide:

- Claims summary reports annually on open claims with at least \$20,000 in outstanding reserves.
- Claims Reviews at National Insurance prevailing rates.
- RISKTRAC Claim Status Plus (Reports Only), free of charge. We may provide access to other Risktrac Products and Services at National Insurance prevailing rates.
- Limited access to Liberty Mutual Insurance VantagePort.

We may modify our standard services at any time without notice.

Claims Services

The Service Proposal exhibit describes the claims services to be provided. However, the Service Proposal exhibit and claims services do not change the terms of any insurance policy or applicable law. We will retain the right and duty to investigate, defend and settle claims as stated in the policy. We expect to consult or communicate on reserve changes and settlement as stated in the Service Proposal exhibit, but the failure to do so will not affect any of our rights or relieve you of any obligations.

The Service Proposal exhibit may provide for choice of counsel in litigation among the claims services. Counsel must comply with Liberty Mutual Insurance's Guidelines for Law Firms and other requirements. We will agree to pay competitive hourly rates (as defined by Liberty Mutual panel rates in the same jurisdiction) and any amount charged in excess of those rates, or charges not in compliance with Liberty Mutual's billing protocols, are your responsibility. We may withdraw choice of counsel at any time if losses are projected to exceed a rating plan maximum, you become insolvent or file for bankruptcy, or if counsel fails to comply with our requirements, cooperate fully with us or handle claims in a manner we consider appropriate. Choice of counsel will terminate when all of the policies described in these Financial Terms and Conditions, including any renewals and rewrites of those policies, are cancelled or non-renewed by you or by us. Where previously approved counsel is handling an open and active claim, they will continue to represent Liberty Mutual and the customer until claim resolution, subject to the other conditions stated in this paragraph.

Claims Reviews are pre-planned telephonic or in-person meetings with Customer and/or their broker or consultant to discuss claims. Claims Reviews will be limited to open claims with total incurred values greater than or equal to \$20,000, unless we agree to a different amount or criteria. The Service Proposal exhibit includes the number and type (telephonic or in-person) of claims reviews to be provided.

Risk Control Services

Our risk control service is advisory only, and we do not undertake to perform the duty of any person to provide for the health and safety of your employees or the public. We assume no responsibility for management or control of your safety activities or for implementation of recommended corrective measures. Under our policies, we have the right, but not the duty, to inspect your premises. We have not tried to identify all hazards. We do not warrant that requirements of any federal, state, or local law, regulation or ordinance have or have not been met. References to hours of service or number of visits are for estimating service plan purposes only.

Software and Software Services

The provisions of this section apply to all software made available for customer's use including any functionality that is made available through browser-based portals or other electronic entry points through either a dedicated

private network or the World Wide Web. These provisions override anything that is at variance or is contrary in any other agreement including any master agreement required by the customer.

- All software is provided solely and exclusively as a service and will only be available to the customer for the term of the statement of work or schedule of which this is a part or to which this is attached.
- All software is licensed and not sold.
- All intellectual property rights (including but not limited to copyrights, patent rights and trade secrets) in the software including modifications, enhancements or changes to the software remain the sole and exclusive property of the Liberty Mutual Insurance Group of Companies.
- Customer is responsible for supplying all equipment and other software necessary to connect to the Liberty Mutual Insurance Group of Companies.
- Each party is responsible for security at their end and for maintenance of appropriate antivirus, anti-malware protections.
- The customer will comply with any additional license terms or terms of use made available with the software or required to be accepted when the user registers to use the software.
- The only warranties made by the Liberty Mutual Insurance Group company supplying the software or making it available is that software will comply substantially with applicable written specifications and that we have rights sufficient to grant the license granted.
- All implied warranties of merchantability and fitness for a particular purpose are disclaimed to the maximum extent allowable by law.
- There is no warranty that software will operate without error or in an uninterrupted manner.

Risk Management Information Systems (RMIS)

You will be given access to certain claims information ("DATA") which is available from the electronic data processing files of the member companies of the Liberty Mutual Insurance pertaining to claims made against certain policies of insurance or claims service agreements issued to you by member companies of the Liberty Mutual Insurance through the risk management information systems (collectively "RMIS") and/or, where requested, through a different means or media as listed on the Service Proposal exhibit and at the rates listed (when applicable) on the Financial Overview exhibit, which are incorporated herein by reference. Access to DATA electronically or through other means or media is conditioned upon your continuing acceptance of the terms and conditions set forth on the portal used to access to RMIS, if DATA is accessed electronically, and the following:

We do not warrant that operation of the RMIS or the DATA provided will be error free. We make no warranties, express or implied, and further, Company DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

You understand and agree that the limit of our liability for any cause of action arising from, or related in any way to RMIS and/or DATA shall be for direct damages only and that we shall not be liable to you for any indirect, consequential, punitive or special damages of any kind or nature.

To the extent that DATA is provided by us to you through RMIS and/or through any other means or media otherwise, the following terms shall apply:

- a. We and you (the "Parties") shall comply with all laws and regulations governing the confidentiality, security, transmission, retransmission, copying, disclosure and use of information pertaining to individuals, including by way of example and not in limitation, any medical information or non-public information as individually identifiable medical information and non-public, protected personal information of persons is or are defined in applicable law or regulation;
- b. You shall restrict access to RMIS solely to those employees for whom the applicable subscription fees have been paid and you shall restrict access to RMIS and DATA to those employees who may lawfully access and use such information unless the parties hereto agree otherwise in writing; and
- c. You shall instruct all employees accessing RMIS and DATA with regard to the obligations imposed under paragraphs a and b and shall ensure that its employees fully comply therewith.

Each party hereto agrees to defend, indemnify and hold harmless the other party and its officers, directors, subsidiaries, affiliates and employees from and against any and all third party claims (including those made by the directors, officers and employees of the party responsible for indemnification), losses, damages, suits, fees, judgments, costs and expenses (collectively referred to as "Claims"), including reasonable attorneys' fees, that the party seeking indemnification may suffer or incur which: (i) arises out of any allegation that the other party's possession of or access to DATA violates any statute or regulation (ii) which arises out of any allegation that the other party's treatment or use of any DATA including, by way of example and not limitation, the transmission, retransmission, communication or other publication of such DATA, was negligent, grossly negligent or intentionally improper or (iii) arising out of the other party's breach of any representation or other obligation arising under this agreement with regard to DATA or RMIS.

The party seeking indemnification shall promptly notify the other party in writing of any claim for which it is seeking indemnification and shall forward to the other party all documents in its possession related to the matter. Failure to provide prompt notice of a claim for indemnification will not bar the party's claim for indemnification except to the extent the other party is prejudiced by such failure.

With regard to DATA and RMIS provided pursuant to this section your obligations and ours shall survive indefinitely irrespective of the termination of the Partnership, any insurance policy, this or any other agreement between the Parties.

Broker/3rd Party Access:

In the event you wish to extend access to RMIS and/or DATA to your Broker/Consultant or any 3rd party, we will require they enter into a separate agreement with us, setting forth the terms and conditions of such access.

Definitions

Allocated Loss Adjustment Expenses (ALAE)

"Allocated Loss Adjustment Expenses" or "ALAE" means all expenses or fees allocable to a specific claim including, but not limited to, legal expenses or attorneys' fees, court costs or fees, expenses or fees for litigation management, electronic legal billing, service of process, depositions, examinations under oath, copies of public records, transcription services, appraisals, subrogation, private investigation, surveillance, professional photography, expert witness analysis or testimony, accident reconstruction, engineering analysis, hospital or other medical reports, medical examinations, charges for certain medical case management products and services, including medical bill review, as detailed in the Medical Case Management Products & Services Summary & Fee Schedule (MCM) for this insurance program and interest. The definition of "allocated loss adjustment expenses" does not include the charges that are designated medical loss in the MCM document. The definition of "allocated loss adjustment expenses" shall be amended when, and to the extent, necessary to bring the definition into compliance with applicable law.

Ratable Losses

"Ratable losses" means all amounts we pay or estimate that we will pay for losses and "allocated loss adjustment expense", if applicable, within the "retention".

Retention

"Retention" means the insured's deductible and/or loss limit for the policies shown on the Financial Overview.

The "retention" applies to all bodily injury arising out of any one accident, and separately to each person who sustains bodily injury by disease, unless stated otherwise in the policy or an applicable endorsement. The "retention" applies regardless of the number of policy years triggered by any one occurrence or accident. The "retention" will be reduced proportionately with the allocation of the loss if the entire amount we pay for the occurrence or accident does not exceed the highest occurrence or accident limit of any of the policies triggered.

WC Payroll (including EL Payroll)

Will be based upon the current available rule in the applicable WC State Manual for non NCCI states of CA, DE, MA, MI, NJ, NY, and PA or the NCCI manual, except in monopolistic state fund states where the payroll definition will be the current definition used by the state fund.

Construction Value

The gross amount of monies charged/paid to the First Named Insured and includes amounts paid to enrolled subcontractors, general conditions, and contingency, but excludes amounts paid to non-enrolled subcontractors.

For any line of business other than Workers Compensation, if applicable, the exposure basis will be defined in the Composite Rate Endorsement.

Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties. It is a crime to knowingly provide false, incomplete or misleading information to any party to a Workers Compensation transaction for the purpose of committing fraud. Penalties include imprisonment and fines, and may also include denial of insurance benefits. (Not applicable in OR) Applicable in CO: Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies. Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Amendments

In an effort to clarify and match our mutually agreed-upon sold program with this agreement, we may need to amend this agreement. We will notify you of any such amendments made to this agreement. Amendments to this agreement are deemed a part of this agreement if not signed by you within 60 days unless you have notified us to the contrary in writing.

During the rating plan period, we may revise coverage or provide additional services at your request that result in additional premium. Premium for those coverages or services may be billed at that time or included in your rating plan adjustment, even if this agreement is not revised.

The insured hereby agrees to and accepts these Financial Terms and Conditions, and the attached Financial Overview, Coverage Proposal, Service Proposal and Medical Case Management exhibit, if any.

These Financial Terms and Conditions and the Financial Overview attached hereto describe the proposed Large Risk Alternative Rating Option (LRARO) rating plan for retrospectively rated policies and will function as the LRARO endorsement for all retrospectively rated insurance policies. The LRARO endorsement, and no other policy wording or endorsement, will be used to determine all retrospective premium for the insurance provided during the rating Plan Period. Mutual agreement on the terms of the LRARO plan is evidenced by the insured's signature below.

Accepted by:

Leslie Miller Risk Manager City of Austin 5/30/17
(Insured) (Title) (Date)
(Proprietor, Partner or Authorized Officer of Corporation)

EXHIBIT B



LETTER OF CREDIT PLAN

COLLATERAL AND PAYMENT AGREEMENT

This Collateral and Payment Agreement ("Agreement") is between Liberty Mutual and City of Austin ROCIP VII, a Texas Corporation with its principal place of business at 301 W 2nd St. Austin TX, 78701-4652 (the "Policyholder"), each as defined in Section 1, and is effective 05/31/17.

RECITALS

WHEREAS, Liberty Mutual has or may issue the insurance policies listed below, which together with any and all renewals and rewrites thereof and any policies with deductible, loss limit, retrospective rating provisions, or MCS-90 endorsements that are issued by Liberty Mutual for Policyholder are collectively referred to herein as the "Insurance Policies," and each is individually an "Insurance Policy."

Policy Number(s):

WA7-66D-066014-010 City of Austin V

TB7-661-066014-020 City of Austin V and all related policies issued under account # 6-066014

WA7-66D-066489-023 City of Austin VI

TB7-661-066489-013 City of Austin VI and all related policies issued under account # 6-066489

WA7-66D-067014-027 City of Austin ROCIP VII

TB7-661-067014-017 City of Austin ROCIP VII and all related policies issued under account# 6-067014

WHEREAS, the Policyholder has agreed to reimburse or pay to Liberty Mutual certain Obligations as defined herein and to provide security to guarantee reimbursement and payment by the Policyholder of all of the Obligations arising out of or in connection with any and all of the Insurance Policies and to provide security for the Obligations;

NOW, THEREFORE, Liberty Mutual and the Policyholder agree as follows:

ARTICLE I: DEFINITIONS

"Insurance Policy" and "Insurance Policies" is defined in the recitals. Liberty Mutual may amend this Agreement at any time to list additional Insurance Policies. To the extent each additional policy meets the definition of Insurance Policy, the amendment need not be signed by either party.

"Letter of Credit" is defined in Section 2.4 and also includes any replacement, amended, additional, or substitute letter of credit.

"Liberty Mutual" means Liberty Mutual Insurance Company, a Massachusetts insurance company with its principal place of business at 175 Berkeley Street, Boston, MA 02116, along with its affiliates, subsidiaries, parents, predecessors, successors, and assigns.

"Liquidation Credit" means any discretionary credit allowed by Liberty Mutual in its sole and absolute discretion for estimated future paid losses and allocated expense.

"MCS-90" means the MCS-90 endorsement or any similar endorsement required to cause compliance with Sections 29 and 30 of the Motor Carrier Act of 1980, 49 U.S.C. §§ 101 et seq., and the rules and regulations of the Federal Motor Carrier Safety Administration.

"Obligations" is defined in Sections 2.2, 3.1(c), and 3.3.

"Policyholder" also includes all those entities and individuals listed or qualifying as named insureds on any of the Insurance Policies. Where multiple Policyholders exist, they shall be jointly and severally liable for performance of the terms of this Agreement, including payment of premiums, providing collateral, and all other obligations owing to Liberty Mutual under the Insurance Policies, this Agreement, or otherwise.

"Potential Liability" means ultimate losses and allocated expense under the relevant Insurance Policies and agreements minus all losses and allocated expenses previously reimbursed to Liberty Mutual by the Policyholder.

"Schedule" means the Schedule attached to and made a part of this Agreement, or any substitute or revised Schedule that Liberty Mutual may submit to the Policyholder.

ARTICLE II: ENDORSEMENTS, DEDUCTIBLES AND REIMBURSEMENTS

2.1 Endorsements, Filings, and Agreements. The Insurance Policies, as issued by Liberty Mutual, may include certain deductible endorsements, premium endorsements and agreements, and the MCS-90 endorsement. Liberty Mutual has also filed or may file with federal and state regulatory agencies evidence of insurance for the protection of the public, and has issued or will issue evidence of insurance to additional parties who require or request such evidence of insurance. Liberty Mutual and the Policyholder may also enter into various other agreements, including but not limited to reimbursement, premium payment, or indemnification agreements.

2.2 Deductible Advances, Premiums, and Other Agreements. Pursuant to the terms of the Insurance Policies, Liberty Mutual may advance deductibles, loss limit amounts, or allocated loss adjustment expenses on behalf of the Policyholder or make payments pursuant to the terms of the MCS-90 for which Policyholder is responsible. The Policyholder may also become obligated to pay Liberty Mutual audited, adjusted or other premiums, as well as other amounts pursuant to the Insurance Policies or other agreements.

To the extent not reflected in the applicable rating plan(s), Policyholder shall reimburse Liberty Mutual for any taxes, interest, fines or penalties paid or advanced by Liberty Mutual which are attributable to any deductible amounts under the Insurance Policies and for any state assessments, surcharges or other charges paid or advanced by Liberty Mutual, including but not limited to those that relate to any second injury fund, guaranty fund, residual market, reinsurance pool, or other compulsory plan or mechanism and any interest, fines or penalty charges thereon.

All amounts due from the Policyholder pursuant to or described in this Section 2.2 are referred to herein as "Obligations".

2.3 Reimbursement and Payment. Policyholder shall reimburse or pay to Liberty Mutual any and all such advances, premiums and other amounts described in Section 2.2 on or before the due date of any written notice by Liberty Mutual to the Policyholder that reimbursement or payment is required.

2.4 Collateral. (a) The Policyholder shall deliver to Liberty Mutual a clean, irrevocable letter of credit (the "Letter of Credit"), providing for negotiation credit (multiple partial draws permitted), by sight draft without notation in a form substantially similar to the attached specimen. The Letter of Credit shall name Liberty Mutual as the beneficiary, contain an evergreen clause, and be issued for a term of at least 12 months by a bank that is, and shall continue to be, "satisfactory" to Liberty Mutual. To be "satisfactory" for the purposes of this Agreement a bank must be: (i) rated "C" or better by Kroll Bond Rating Agency, Inc. and any successors ("Kroll rating"); (ii) approved by the National Association of Insurance Commissioners; and (iii) otherwise acceptable to Liberty Mutual in its sole and absolute discretion.

The amount of the Letter of Credit shall be the Letter of Credit amount shown in the Schedule, which may be equal to the Potential Liabilities at the time the Schedule is prepared or revised, or may allow for Liquidation Credit. Liberty Mutual will determine the Potential Liability in its sole and absolute discretion using actuarially sound methods and assumptions.

(b) If at any time the bank issuing a Letter of Credit ceases to be "satisfactory" as described above, the Policyholder shall have 90 days from the date Liberty Mutual sends notice that the issuing bank is no longer "satisfactory" to provide Liberty Mutual with either (i) a replacement letter of credit that fully complies with the requirements of Section 2.(a), or (ii) another form of security acceptable to Liberty Mutual. If a bank is currently rated below "C" or subsequently drops below "C," Liberty Mutual may defer requiring that the Policyholder replace some or all of that bank's Letters of Credit if Liberty Mutual determines, in its sole and absolute discretion, that the bank's financial health is such that the retention of one or more such Letters of Credit does not currently pose an unacceptable financial risk to Liberty Mutual.

(c) Liberty Mutual may determine, in its sole and absolute discretion using actuarially sound methods and assumptions, that the Potential Liability exceeds the sum of the existing Letter of Credit and the Liquidation Credit, if any. In this case, Liberty Mutual may provide a revised Schedule to the Policyholder increasing the required amount of the Letter of Credit. The Policyholder shall deliver within 30 days of receipt of the revised Schedule an amendment to the Letter of Credit or an additional letter of credit (which shall otherwise comply with the requirements of Section 2.(a) so that the total amount of such Letter(s) of Credit equals the Letter of Credit amount shown on the revised Schedule. If Liberty Mutual determines that the Potential Liability is less than the sum of the Letter of Credit and Liquidation Credit, Liberty Mutual will notify the Policyholder that the amount of the Letter of Credit can be reduced. Liberty Mutual may also decide, in its sole and absolute discretion, to reduce or eliminate the Liquidation Credits.

Additionally, Liberty Mutual shall review the Potential Liability upon the Policyholder's written request. However, Liberty Mutual need not conduct the review until 12 months after its most recent review.

(d) No later than 30 days before the date of termination of a letter of credit, the Policyholder shall deliver to Liberty Mutual a substitute Letter of Credit which fully complies with the requirements specified in Section 2.4(a). The substitute letter of credit shall take effect no later than the date of termination of the expiring letter of credit. The amount of the substitute Letter of Credit shall be at least equal to the greater of the amount of the expiring letter of credit, the required amount of the Letter of Credit shown in the Schedule, or a substitute Schedule, if any, provided by Liberty Mutual pursuant to Section 2.4(c).

ARTICLE III: REMEDIES

3.1 Reimbursement of Obligations. (a) If the Policyholder fails to pay or reimburse Liberty Mutual within 20 days of the due date of any written request by Liberty Mutual for reimbursement or payment of any Obligations, Liberty Mutual is entitled to draw upon the Letter of Credit in an amount equal to the dollar amount of the past due Obligations.

(b) In the event that Liberty Mutual draws under the Letter of Credit for any past due Obligations, then the Policyholder shall deliver to Liberty Mutual an amendment to the existing Letter of Credit replenishing the debited amount in full, or shall deliver an additional Letter of Credit, (which must otherwise comply with the requirements of Section 2.4(a)), in the amount of such debited amount within 10 days.

(c) If the Policyholder fails to pay or reimburse Liberty Mutual within 20 days of the due date of any written request by Liberty Mutual for reimbursement or payment of any Obligations, Liberty Mutual will also be entitled to receive a late payment charge computed at a rate of Prime Rate (as published in the Wall Street Journal) plus 1% per annum on the overdue amount, for actual days elapsed from the date due until paid. The Policyholder shall pay the late payment charge immediately upon billing. The late payment charges shall be included in "Obligations" as defined hereunder.

3.2 Draw on Full Letter of Credit. Liberty Mutual has the right to draw upon the full amount of the Letter of Credit if the Policyholder:

- (a) Fails to replace the Letter of Credit in compliance with Section 2.4(b)
- (b) Fails to deliver an amended or additional Letter of Credit in compliance with Section 2.4(c);
- (c) Fails to deliver a substitute Letter of Credit in compliance with Section 2.4(d); or
- (d) Fails to replenish the Letter of Credit in compliance with Section 3.1(b).

3.3 Expenses. The Policyholder shall pay to Liberty Mutual upon demand any and all expenses, including, without limitation, reasonable attorney fees and expenses and the fees and expenses of any experts and agents incurred or paid by Liberty Mutual (a) in protecting, preserving, or enforcing any of its rights and remedies hereunder, or (b) necessitated by the Policyholder's failure to perform or observe any of the provisions hereof. The payment of such fees, costs and expenses shall be included in "Obligations" as defined hereunder.

ARTICLE IV: REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties of Policyholder. The Policyholder hereby represents and warrants as follows:

(a) The Policyholder has full authority, pursuant to all necessary corporate actions, to execute, deliver and perform under this Agreement. The Policyholder executing this Agreement has full right and authority to execute and deliver this Agreement on behalf of all other individuals or entities encompassed within the term "Policyholder."

(b) No consent, authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for Liberty Mutual to exercise its rights and remedies under this Agreement.

4.2 Covenants of Policyholder. For as long as any Obligations are outstanding, Policyholder shall promptly execute and deliver all further instruments and documents and take all further action as may be necessary, or as Liberty Mutual requests, in order to enable Liberty Mutual to exercise and enforce its rights and remedies under this Agreement.

ARTICLE V: MISCELLANEOUS

5.1 No Waiver; Cumulative Remedies; Amendment. (a) Neither failure of, nor delay by Liberty Mutual to exercise any right, power or remedy hereunder shall operate as a waiver. No waiver of any default will operate as a waiver of any other default, or as a continuing waiver. No single or partial exercise by Liberty Mutual of any right, power, or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. Liberty Mutual shall not be deemed to have waived any of its rights or remedies hereunder by any act, delay, omission or otherwise or by any course of dealing and no waiver shall be valid unless in writing, signed by Liberty Mutual and then, only to the extent set forth therein. The remedies provided herein are cumulative and not exclusive.

(b) Except as stated below, none of the provisions of this Agreement may be waived, altered, modified or amended other than by an instrument in writing signed by Liberty Mutual and the Policyholder. Liberty Mutual may amend this Agreement without a signed writing: (i) to add policy numbers (as described in the definition of Insurance Policies), (ii) to revise the Schedule pursuant to 2.4(c), or to revise the Schedule to reflect the amount of security required pursuant to the Financial Overview and Financial Terms and Conditions applicable to any new or renewal Insurance Policies (which are hereby incorporated by reference).

5.2 Termination. This Agreement shall continue in full force and effect until terminated by mutual agreement of the parties. All duties and obligations, including but not limited to the obligation to provide Collateral under Article 2, apply until this Agreement is terminated.

5.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of all of the parties' respective successors and assigns. Notwithstanding the foregoing, the Policyholder may not assign its interests or delegate its duties hereunder without Liberty Mutual's prior written consent, and in Liberty Mutual's sole and absolute discretion. Any prohibited assignment or delegation shall be void. No

consent to an assignment or delegation by Liberty Mutual shall release the Policyholder of any present or future Obligations to Liberty Mutual.

5.4 Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity herein shall be automatically construed or resolved against the Policyholder or Liberty Mutual, whether under any general rule of construction or otherwise. To the contrary, this Agreement has been reviewed by all parties and their respective legal counsel and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of the parties hereto. Titles and headings are for the convenience of the reader only, and shall have no substantive or interpretative force or effect whatsoever.

5.5 Merger and Integration; Severability. (a) This Agreement, the Insurance Policies and all other executed documents delivered pursuant to this Agreement constitute the entire understanding and contract between the parties, and supersede any and all prior oral or written representations or communications with respect to the subject matter hereof, all of which communications are merged herein.

(b) If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect.

5.6 Notices. Any notices required to be given hereunder shall be in writing and sent to the addresses listed above, or to the most recent address on file. Notices to the Policyholder shall be on behalf of all those listed as a named insured on any Insurance Policy and the Policyholder will act on behalf of all of them. Notice must be hand delivered or mailed by first class, registered, or certified mail or by facsimile or courier. Notices mailed will be deemed received five days after being sent.

5.7 Set Off. Liberty Mutual may satisfy the Obligations or any other payment required under this Agreement by off-setting any balances due to the Policyholder under any agreement, or any monies, securities or other consideration of the Policyholder received by, pledged to or available to Liberty Mutual at any time prior to the satisfaction in full by the Policyholder of all the Obligations.

5.8 Waiver of Trial by Jury. The Policyholder and Liberty Mutual waive any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement or under any agreement, instrument or document delivered, or which may in the future be delivered, in connection herewith. The Policyholder and Liberty Mutual further agree that any such action or proceeding shall be tried before a court and not before a jury.

5.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

5.10 Counterparts; Electronic and Facsimile. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original for all purposes, but all of which shall constitute one and the same instrument. This Agreement may be delivered electronically or by facsimile and an electronic or facsimile version of this Agreement shall be binding as an original.

IN WITNESS WHEREOF, the Policyholder has executed and delivered this Agreement as of the date first set forth above.

CITY OF AUSTIN ROCIP VII

By: Joshie Miller
Title: Risk Manager

Accepted by Liberty Mutual as of the date first set forth above.

LIBERTY MUTUAL INSURANCE COMPANY

By: Susan C Brown
Title: Underwriting Consultant



COLLATERAL SUPPLEMENT - CASH

This Collateral Supplement amends the Collateral and Payment Agreement between Liberty Mutual and City of Austin ROCIP VII and is effective 05/31/17. This Collateral Supplement supersedes any prior Collateral Supplements.

The Agreement is revised as follows:

A. The following Definition is added to ARTICLE I: DEFINITIONS:

"Event of Default" means any default described in paragraph 6.1.

B. Section 2.4(a) is replaced with the following:

(a) The Policyholder shall deliver to Liberty Mutual a clean, irrevocable letter of credit (the "Letter of Credit"), providing for negotiation credit (multiple partial draws permitted), by sight draft without notation in a form substantially similar to the attached specimen. The Letter of Credit shall name Liberty Mutual as the beneficiary, contain an evergreen clause, and be issued for a term of at least 12 months by a bank that is, and shall continue to be, "satisfactory" to Liberty Mutual. To be "satisfactory" for the purposes of this Agreement a bank must be: (i) rated "C" or better by Kroll Bond Rating Agency, Inc. and any successors ("Kroll rating"); (ii) approved by the National Association of Insurance Commissioners; and (iii) otherwise acceptable to Liberty Mutual in its sole and absolute discretion. The amount of the Letter of Credit shall be the Letter of Credit amount shown in the Schedule.

The Policyholder shall also deliver cash to Liberty Mutual in the amount shown in the Schedule. Liberty Mutual shall reflect possession of the cash held as collateral using a bookkeeping entry maintained by Liberty Mutual. Policyholder acknowledges and agrees that amounts credited to Liberty Mutual accounts need not be segregated from other assets of Liberty Mutual and that no interest or other income shall be paid or credited to the Policyholder on amounts credited to Liberty Mutual accounts.

The sum of the amount of the Letter of Credit and cash amount shown in the Schedule may be equal to the Potential Liabilities at the time the Schedule is prepared or revised, or may allow for Liquidation Credit. Liberty Mutual will determine the Potential Liability in its sole and absolute discretion using actuarially sound methods and assumptions.

C. Section 2.4(c) is replaced with the following:

(c) Liberty Mutual may determine, in its sole and absolute discretion using actuarially sound methods and assumptions, that the Potential Liability exceeds the sum of the existing Letter of Credit, the cash amount and the Liquidation Credit, if any. In this case, Liberty Mutual may provide a revised Schedule to the Policyholder increasing the required amount of the Letter of Credit and/or cash. The Policyholder shall deliver within 30 days of receipt of the revised Schedule an amendment to the Letter of Credit or an additional letter of credit (which shall otherwise comply with the requirements of Section 2.4(a)) and/or an additional amount of cash so that the total amount of such Letter(s) of Credit equals the Letter of Credit amount shown on the revised Schedule and such cash amount equals the cash amount shown on the revised Schedule. If Liberty Mutual determines that the Potential Liability is less than the sum of the Letter of Credit, the cash amount and the Liquidation Credit, Liberty Mutual will provide a revised Schedule to the Policyholder decreasing the required amount of the Letter of Credit and/or cash amount. When issuing a revised Schedule, Liberty Mutual, in its sole and absolute discretion, will determine which collateral types will be increased or decreased and by how much. Liberty Mutual may also decide, in its sole and absolute discretion, to reduce or eliminate the Liquidation Credits.

Additionally, Liberty Mutual shall review the Potential Liability upon the Policyholder's written request. However, Liberty Mutual need not conduct the review until 12 months after its most recent review.

D. Section 3.1 (a) and (b) are replaced with the following:

(a) If the Policyholder fails to pay or reimburse Liberty Mutual within 20 days of the due date of any written request by Liberty Mutual for reimbursement or payment of any Obligations, Liberty Mutual is entitled, in whatever order and amounts it determines in its sole and absolute discretion, to debit the cash provided under this Agreement and/or draw upon the Letter of Credit in an amount equal to the dollar amount of the past due Obligations.

(b) In the event that Liberty Mutual debits the cash provided under this Agreement for any past due Obligations, then upon receipt of debit notice, the Policyholder shall deliver to Liberty Mutual an additional amount of cash thereby replenishing the debited amount in full, within 10 days.

In the event that Liberty Mutual draws upon the Letter of Credit for any past due Obligations, then the Policyholder shall deliver to Liberty Mutual an amendment to the existing Letter of Credit replenishing the debited amount in full, or shall deliver an additional Letter of Credit, (which must otherwise comply with the requirements of Section 2.4(a)), for the debited amount, within 10 days.

E. Section 3.2 is replaced with the following:

3.2 Draw on Full Letter of Credit or Event of Default. (a) Liberty Mutual has the right to draw upon the full amount of the Letter of Credit if the Policyholder:

- (i) Fails to replace the Letter of Credit in compliance with Section 2.4(b)
- (ii) Fails to deliver an amended or additional Letter of Credit in compliance with Section 2.4(c);
- (iii) Fails to deliver a substitute Letter of Credit in compliance with Section 2.4(d);
- (iv) Fails to replenish the Letter of Credit in compliance with Section 3.1(b).
- (v) Fails to deliver cash in compliance with Section 2.4(a)
- (vi) Fails to deliver cash in compliance with Section 2.4(c);
- (vii) Fails to replenish cash in compliance with Section 3.1(b).

(b) If there is an Event of Default as listed in Section 6.1, Liberty Mutual will also have the option to require the Policyholder to replace the cash with a clean, irrevocable letter of credit otherwise conforming to the requirements of Section 2.4(a) within 30 days of the Event of Default.

F. The following ARTICLE VI: EVENTS OF DEFAULT is added:

ARTICLE VI: EVENTS OF DEFAULT

6.1 **Defaults.** (a) The insolvency of the Policyholder, commencement by the Policyholder of corporate or other liquidation or dissolution proceedings, general assignment by the Policyholder for the benefit of creditors, or the filing by or against the Policyholder of any petition, proceeding, case or action under the provisions of the United States Bankruptcy Code or other law for the relief of or relating to debtors.

(b) The filing of a petition for the appointment of, or the appointment of, either voluntarily or involuntarily, a receiver, liquidator, conservator, rehabilitator, trustee, custodian or similar official to take possession or control of any property of the Policyholder.

(c) Failure to keep or perform any of the terms or provisions of this Agreement.

(d) The cancellation, non-renewal or termination by Liberty Mutual or the Policyholder of any of the Insurance Policies to which this Agreement applies. The term "cancellation" as used herein shall not include "cancel/re-writes."

(e) Any material inaccuracy or incompleteness of any representations or warranty made in writing by or on behalf of the Policyholder in connection with this Agreement.

(f) Any default by a Policyholder on any of its outstanding debt (e.g., bank loans, long term debt, etc.).

The Policyholder has an on-going obligation to immediately notify Liberty Mutual if an Event of Default occurs.

G. The following ARTICLE VII: FINANCIAL STATEMENTS is added:

ARTICLE VII: FINANCIAL STATEMENTS

7.1 Annual Financial Statements. The Policyholder shall deliver its audited consolidated fiscal statements prepared in accordance with Generally Accepted Accounting Principles to Liberty Mutual as soon as available, but in no event later than 120 days after the Policyholder's fiscal year-end.

IN WITNESS WHEREOF, the parties have executed and delivered this Collateral Supplement effective as of the date first set forth above.

CITY OF AUSTIN ROICP VII

By: *Jessie Miller*
Title: *Risk Manager*
Date: *6/26/17*

**LIBERTY MUTUAL INSURANCE
COMPANY**

By: *Susan C Brown*
Title: *Underwriting Consultant*
Date: *6/26/2017*

CITY OF AUSTIN ROCIP VII

Security Schedule

05/31/2017 to 05/31/2023

EFFECTIVE DATE	LETTER OF CREDIT	CASH
05/31/17	\$0.00	\$2,130,893.00

THIS SCHEDULE IS EFFECTIVE ON THE DATE SHOWN ABOVE AND REMAINS IN EFFECT
UNTIL SUPERSEDED BY A REPLACEMENT SCHEDULE.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2017-254991

Date Filed:
08/29/2017

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Liberty Insurance Corporation
Boston, MA United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Austin

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

MA 5800 PA170000057
Providing Insurance for the City of Austin

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Liberty Mutual Insurance Company	Boston, MA United States	X	
	Yahia, Laurance	Boston, MA United States	X	
	Touhey, Mark	Boston, MA United States	X	
	Long, David	Boston, MA United States	X	

5 Check only if there is NO Interested Party. ☐

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



NATALIE M. O'BRIEN
Notary Public
Commonwealth of Massachusetts
My Commission Expires
February 15, 2024

Susan C Brown

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Natalie M. O'Brien this the 29th day of August, 2017, to certify which, witness my hand and seal of office.

Natalie M. O'Brien

Signature of officer administering oath

Natalie M. O'Brien

Printed name of officer administering oath

Und Technical Specialist

Title of officer administering oath