

Pelicans

appropriated shall be available for construction not later than 60 days following the end of the Session.

ARTICLE XV INSURANCE

15.1 Hornets' Insurance. Commencing on the date of this Agreement, and at all times during the term of this Agreement, the Hornets shall cause to be procured and maintained in full force and effect at the Hornets sole expense the following insurance coverages and limits of such coverage:

15.1.1 Workers' Compensation. The Hornets shall maintain insurance covering all Hornets' employees meeting statutory limits in compliance with all Applicable Laws. The Workers' Compensation coverage must include Employer's Liability with a minimum limit of \$1,000,000.00 for each accident/illness.

15.1.2 Commercial General Liability and Public Liability. The Hornets shall maintain commercial general liability and public liability coverage with minimum limits of \$1,000,000.00 per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability. This Commercial General Liability coverage shall include Premises and Operations, Broad Form Property Damage, XCU Coverage, Independent Contractors, Product and Completed Operations, and Contractual Liability.

15.1.3 Business Auto Liability. The Hornets shall maintain business automobile liability coverage with minimum limits of \$1,000,000.00 per occurrence, combined single limit for bodily injury liability and property damage liability. This Business Auto Liability policy shall include and cover: Owned Vehicles, Hired and Non-Owned Vehicles, Employee Non-Ownership, and such other coverage as is necessary to protect the Hornets against liability for its operations from or at the Arena.

15.1.4 Crime and Fidelity Coverage for Hornets' Employees. The Hornets shall maintain coverage for Hornets' employees in limits of at least \$50,000.00 per occurrence of coverage for (i) employee dishonesty; (ii) forgery or alteration; (iii) theft, disappearance and destruction inside and outside the Arena; and (iv) robbery and safe burglary inside and outside the Arena.

15.1.5 Excess Policy. The Hornets shall maintain an excess liability insurance policy written on an occurrence basis, in an amount not less than \$5,000,000.00 per occurrence and \$5,000,000.00 in the aggregate for personal injury, bodily injury and death and/or property damage liability combined, such policy to be written on an excess basis above the coverages required hereinabove (specifically listing such underlying policies) and following the form of such underlying policies.

15.1.6 Property Insurance. The Hornets shall maintain insurance on an "all risk" basis providing coverage against damage and destruction of the Hornets Equipment in the amount of the replacement value of such Hornets Equipment with customary deductibles and coinsurance.

15.1.7 NBA League Master Policy. The parties hereby agree that the coverages required in this Section 15.1 may be provided in the NBA League Master Program, in the Hornets' sole and absolute discretion.

15.1.8 Business Interruption Insurance. Neither party shall have any obligation to provide business interruption insurance for the benefit of any other party, and no party shall have any claim with respect to proceeds received by another party under such a policy maintained by the other party.

15.2 State Insurance Coverages. The State shall, at its sole cost and expense, obtain, keep, and maintain or cause to be obtained, kept, and maintained during the term of this Agreement the following insurance.

15.2.1 Property Damage Insurance. The State, at its sole cost and expense, agrees to have the Arena insured throughout the term of this Agreement for its full replacement value against loss or damage by fire or other risk or casualty, to the extent such coverage is commercially available on commercially reasonable terms, and, if not, then the State may self-insure the Arena for its full replacement value as part of a State-operated self-insurance program. The Manager shall provide the Hornets prompt written notice of any notice it receives of any cancellation, modification or renewal of any such insurance or program.

15.2.2 Other State Insurance Coverages. Throughout the term of this Agreement, the State will also maintain:

(a) **Workers' Compensation.** Insurance covering all the Manager's employees meeting statutory limits in compliance with all applicable State and Federal laws. The Workers' Compensation coverage must include Employer's Liability with a minimum limit of \$1,000,000.00 for each accident/illness.

(b) **Commercial General Liability and Public Liability.** Commercial general liability and public liability coverage with minimum limits of \$5,000,000.00 per occurrence, combined single limit Bodily Injury Liability and Property Damage Liability. This Commercial General Liability coverage shall include Premises and Operations, Broad form Property Damage, XCU Coverage, Independent Contractors, Products and Completed Operations, and Contractual Liability. This Commercial General Liability coverage policy shall be endorsed to include and cover Host Liquor Liability and Public Liability.

(c) **Business Auto Liability.** Business automobile liability coverage with minimum limits of \$5,000,000.00 per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability. This Business Auto Liability policy shall include and cover Owned Vehicles, Hired and Non-Owned Vehicles, Employee Non-Ownership, and such other coverage as is necessary to protect the State, the LSED and the Manager against liability for the operation of the Arena.

(d) **Crime and Fidelity Coverage for Manager.** Coverage for the Manager and its employees of at least \$500,000 per occurrence of coverage for (i) employee dishonesty; (ii) forgery or alteration; (iii) theft, disappearance and destruction inside and outside the Arena; and (iv) robbery and safe burglary inside and outside the Arena.

15.3 Failure to Maintain. If at any time and for any reason any of the Hornets, the Manager, or the State (for ease of reference, a “**defaulting party**”) fails to provide, maintain, keep in force and effect, or deliver to the other parties proof of, any of the insurance required hereunder and such failure continues for ten (10) days after notice thereof from any other party, then any other party (for ease of reference, a “**non-defaulting party**”) may, but shall have no obligation to, procure single interest insurance for such risks covering the defaulting party (or, if no more expensive, the insurance required by this Agreement), and the defaulting party shall, within ten (10) days following the non-defaulting party’s demand and notice, pay and reimburse the non-defaulting party therefor.

15.3.1 Concessionaire's Insurance. Throughout the term of this Agreement, the Manager shall cause the Concessionaire to name the Hornets as an additional insured on all liability insurance, including liquor liability and public liability insurance, maintained by the Concessionaire with respect to the Arena and Champions Square.

15.4 Additional Policy Requirements.

15.4.1 Insurers; Certificate and Other Requirements.

(a) All insurance policies required to be procured under this Article XV shall be effected under valid policies issued by insurers licensed to do business in the State of Louisiana which have an Alfred M. Best Company, Inc. rating of “A-” or better and a financial size category of not less than “Class VI” (or, if Alfred M. Best Company, Inc. no longer uses such rating system, then the equivalent or most similar ratings under the rating system then in effect, or if Alfred M. Best Company, Inc. is no longer the most widely accepted rater of the financial stability of insurance companies providing coverage such as that required by this Agreement, then the equivalent or most similar rating under the rating system then in effect of the most widely accepted rater of the financial stability of such insurance companies at the time).

(b) Each and every policy required to be carried hereunder shall provide for waivers of subrogation by endorsement or other means which waivers of subrogation shall be effective as to any party; provided, however, that a party’s Workers Compensation Policy need not comply with this subsection (b).

(c) All insurance required to be maintained by the Hornets under this Agreement shall: (a) be issued as a primary policy as to all loss or damage (i) caused in whole or part by the fault of the Hornets, its employees or agents or independent contractors engaged by the Hornets and (ii) not caused in whole or in part by any of the State, the LSED, the Marketing Fund, the Manager, or any of their respective employees or agents or independent contractors engaged by any of them; (b) require 30 days’ written notice to the Manager before cancellation or reduction in the coverage, scope or amount of any policy; and (c) name the Manger, the LSED and the State as additional insureds (and not as named insureds).

15.4.2 Delivery of Evidence of Insurance. With respect to each and every one of the insurance policies required to be obtained, kept or maintained under the terms, on or before the date on which each such policy is required to be first obtained and at least ten days before the expiration of any policy required hereunder previously obtained, the Hornets, the State

or the Manager, as the case may be, shall deliver to the other parties evidence showing that such insurance is in full force and effect. Such evidence shall include certificates of insurance issued by a responsible officer of the issuer of such policies, or in the alternative, a responsible officer of an agent authorized to bind the named issuer, setting forth the name of the issuing company, the coverage, limits, deductibles, endorsements, term and termination provisions thereon as permitted by Applicable Law. By no later than (i) thirty (30) days after the effective date of any insurance policy required under this Agreement, the Hornets, the State or the Manager, as the case may be, shall provide the other parties with reasonable evidence that premiums have either been paid or are payable in installments and (ii) one hundred twenty (120) days after the effective date of any issuance policy required under this Agreement, the Hornets, the State or the Manager, as the case may be, shall provide the other parties with a copy of such insurance policy.

15.4.3 Waiver of Recovery. Each of the parties to this Agreement releases the other parties and their respective partners, shareholders, members, managers, officers, directors and employees, from any claims for damage to any person, the Arena or any fixtures, personal property, improvements and alterations of any party in or about the Arena that are caused by or result from risks insured against under any insurance policies or programs required to be carried by either or both of the other parties under this Article XV or in fact carried by either or both of the other parties. The provisions of this Section 15.4.3 are not intended to limit the claims of any party to the face amount or coverage of insurance policies required under this Article XV or in fact carried by a party, or to evidence a waiver by any party of any claim for damages in excess of the face amount or coverage of any such insurance policies. Notwithstanding the foregoing, the failure of any party to obtain or maintain any insurance policy or program required under this Article XV shall be a defense for the other parties to any claim asserted by such defaulting party against either or both of the other parties by reason of any loss sustained by such defaulting party that would have been covered by any such insurance policy.

15.5 Hornets' Responsibility. The Hornets shall be responsible and liable for loss, injury or damage to persons or property only if the loss, injury or damage is occasioned by the legal fault of the Hornets, its employees or agents or independent contractors engaged by the Hornets. Otherwise, loss or damage during Hornets Events in the Arena is not the responsibility of the Hornets, its partners, shareholders, members, managers, officers, directors or employees. Except as provided in Section 10.2.1, the operations and control of the Arena, as well as the staffing of the Arena for Hornets Events, including by way of example, ticket takers, parking, Concessions, security, medical services to fans and maintenance are contracted for and controlled by the Manager. Because the Hornets has no responsibility for these operations, the Hornets is not required to provide insurance for same. Notwithstanding the foregoing, the Hornets shall be liable for loss, injury or damage in connection with the Hornets' operation of the Arena Box Office in accordance with Section 10.2.1.

ARTICLE XVI

DAMAGE OR DESTRUCTION; CONDEMNATION

16.1 Major Damage – Repair Obligation. In the event of the damage or destruction of the Arena so that the Hornets cannot reasonably use the Arena for Home Games, then this Agreement shall remain in full force and effect and the State shall, at its sole cost and expense,