

COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
WITH SURVEYORS, ARCHITECTS, ENGINEERS & DESIGN PROFESSIONALS
(MORE THAN \$100,000)*

This Professional Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

Benchmark Land Use Group, Inc. dba Benchmark Resources
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows:

Provide Surface Mining and Reclamation Act (SMARA) Annual Inspection Services

2. **PAYMENTS BY COUNTY.** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 389,720.00.

3. **TERM OF AGREEMENT.** The term of this Agreement is from April 1, 2014 to December 31, 2017, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A **Scope of Services/Payment Provisions**

Exhibit B **Incorporation of Request for Proposals #10443 and Proposal Documents**

5. **PERFORMANCE STANDARDS.**

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

*Approved by County Board of Supervisors on _____.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to County. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

7. TERMINATION.

7.01. During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. INDEMNIFICATION.

8.01 For purposes of the following indemnification provisions ("Indemnification Agreement"), "design professional" has the same meaning as set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement and the provisions of California Civil Code Sections 2782 or 2782.8, the broadest indemnity protection for the COUNTY under this Indemnity Agreement that is permitted by law shall be provided by CONTRACTOR.

8.02 Indemnification for Design Professional Services Claims:

CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONTRACTOR, its employees, subcontractors, and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of the COUNTY, or defect in a design furnished by the COUNTY.

8.03 Indemnification for All Other Claims or Loss:

For any claim, loss, injury, damage, expense or liability other than claims arising out of the CONTRACTOR's performance of design professional services under this Agreement, CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by CONTRACTOR, its employees, subcontractors or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of the COUNTY, or defect in a design furnished by the COUNTY.

9.0 INSURANCE.

9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's, Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Modification (Justification attached; subject to approval).

9.04 Other Insurance Requirements.

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed

operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.
11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations, which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.
13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability, which County may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Dalia Mariscal-Martinez, Management Analyst II	David E. Brown, Principal
Name and Title	Name and Title
County of Monterey, Resource Management Agency 168 West Alisal Street, 2nd Floor Salinas, CA 93901	Benchmark Land Use Group, Inc. dba Benchmark Resources 2515 East Bidwell Street, Folsom, CA 95630
Address	Address
(831) 755-8966	(916) 983-9193
Phone	Phone

15. **MISCELLANEOUS PROVISIONS.**

15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

This space is left blank, intentionally.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹

By: _____
County Counsel

Date: _____

Approved as to Fiscal Provisions²

By: _____
Auditor/Controller

Date: _____

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

CONTRACTOR

Benchmark Land Use Group, Inc.
dba Benchmark Resources

Contractor's Business Name*

By: _____
(Signature of Chair, President, or Vice-President)*

David E. Brown, President
Name and Title

Date: 3/13/14

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

Bruce Steubins, Treasurer
Name and Title

Date: 3/13/14

County Board of Supervisors' Agreement Number: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by County Counsel is required for all Professional Service Agreements over \$100,000

²Approval by Auditor/Controller is required for all Professional Service Agreements

³Approval by Risk Management is required only if changes are made in paragraph 8 or 9

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: [Signature]
Purchasing Officer

Date: 4-15-14

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹

By: Cynthia L. Osborn
County Counsel

Date: 3-18-14

Approved as to Fiscal Provisions²

By: _____
Auditor/Controller

Date: _____

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

CONTRACTOR

Benchmark Land Use Group, Inc.
dba Benchmark Resources

Contractor's Business Name*

By: [Signature]
(Signature of Chair, President, or Vice-President)*

DAVID E. BROWN, President
Name and Title

Date: 3/13/14

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

Bruce Steubing, Treasurer
Name and Title

Date: 3/13/14

County Board of Supervisors' Agreement Number: _____.

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by County Counsel is required for all Professional Service Agreements over \$100,000

²Approval by Auditor/Controller is required for all Professional Service Agreements

³Approval by Risk Management is required only if changes are made in paragraph 8 or 9

EXHIBIT A:
SCOPE OF SERVICES/PAYMENT PROVISIONS

1.1 INTRODUCTION

Benchmark Resources will administer and manage the Monterey County (County) Surface Mining and Reclamation Act (SMARA) Compliance Program on behalf of, and in coordination with, the County at the 16 mine sites identified in the County's 2013 request for proposals (RFP), #10443. The County, in its RFP, has listed four principal duties of the consultant in fulfilling the scope of work for annual SMARA inspections and related activities. Additional duties as outlined in Section 1.6.6, Additional Technical Assistance, will be considered on an as-needed basis and based on time and materials according to the Standard Schedule of Charges.

1.2 REVIEW OF FILES AND RECLAMATION REQUIREMENTS

Benchmark Resources staff has helped to administer and manage the Monterey County SMARA Compliance Program for 10 years. Thus, we have familiarity and the documentation for each operation (e.g., reclamation plans, past inspections, mine site compliance, financial assurance cost estimates [FACEs], financial assurance mechanisms [FAM]). Benchmark Resources staff will review County files for each mine to ascertain the reclamation commitments and expected conditions at the current phase of operations. This review will document the reclamation plan requirements that provide the information needed to prepare the MRRC-1 form (State Mining Inspection form) for each mine, including analysis of the documents for features such as:

- mine area boundaries,
- slopes and grading,
- erosion control,
- ponds,
- stream and wetland protection,
- sensitive wildlife and plant protection,
- soil overburden and stockpile management,
- revegetation,
- structures,
- equipment, and
- other reclamation plan requirements.

In addition, we will confirm that operators submit the Mining Operation Annual Report (form MRRC-2), which is a requirement that will be noted in form MRRC-1. We will

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

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Scope of Services/Payment Provisions

verify current operator/owner information by contacting the operator provided on the most recent mine operation annual report and confirming no change in operator/ownership. We will determine whether the operation is permitted based on a vested right or a use permit and identify permit conditions applicable to reclamation.

1.3 ANNUAL INSPECTIONS

1.3.1 Performing Annual Site Inspections

Benchmark Resources staff will perform mine site inspections between September and November (2014 through 2017) to observe operation and reclamation conditions at each mine site. Conducting inspections includes:

- preparing for the inspections,
- conducting the inspections, and
- preparing the analysis and documentation after the inspections are completed.

Preparing for the inspections includes scheduling and coordinating site inspections with mine operators; acquiring current aerial photographs and updated topography, if available, to quantify visible disturbance boundaries; and preparing documents and maps to assist in conducting the inspection. Moreover, the inspection's purpose is to verify compliance with the approved reclamation plan, the requirements of which we have previously documented in our proprietary inspection form, and which are now (since July 2013) required to be documented in the completely revised MMRC-1 form.

Inspections will involve traveling to each mine site and visually inspecting the surface mine. The inspectors will prepare detailed notes associated with the inspection in general and, in particular, related to those issues identified on the MRRC-1 form and the tabulated mine-specific data.

After the inspections are completed, information from the physical inspections and computer-aided drafting (CAD) programs will be used to graphically overlay site boundaries and permitted operating limits and setbacks. The Benchmark team will then determine whether disturbance and reclamation areas are within permitted and approved areas.

1.3.2 Completing Inspection Reports

Using information obtained through inspections and postinspection analysis, Benchmark Resources will complete draft surface mining inspection reports for each mine using the MRRC-1 form. We will include supplemental information (e.g.,

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

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graphics, photographs, and documentation) as necessary to document observed mine operations and reclamation conditions relative to the requirements of the approved reclamation plan.

1.3.3 Communicating Corrections

Benchmark Resources will provide the draft surface mining inspection reports to the County for review and will participate in one or more conference calls with County staff to discuss information contained within the reports (participation by the operator in these discussions will be at the discretion of the County). Benchmark Resources will discuss any observed potential violations and corrective actions and/or enforcement actions that may be necessary to comply with SMARA and the approved reclamation plan.

1.3.4 Submitting Inspection Reports

Following County review and input, Benchmark Resources will prepare final surface mining inspection reports for submittal to the County, the operator, Office of Mine Reclamation (OMR), and the State Mining and Geology Board (SMGB) Executive Officer (if required after 2013). Benchmark Resources will also prepare a notice to OMR (pursuant to Public Resource Code [PRC] § 2774[b]) documenting that inspections have been completed and identifying whether the operations comply with SMARA.

1.4 FINANCIAL ASSURANCE COST ESTIMATES

Benchmark Resources will review and verify the adequacy of FACEs submitted by each operator in accordance with California Code of Regulations (CCR) § 3804(c). The estimates will be reviewed in accordance with the requirements of § 2773.1 of SMARA and § 3800 et seq. of the regulations. This effort will include reviewing operator costs relative to the current site's field conditions and aerial photographs. Costs will be based on the observations made and documented as part of the annual site inspections:

- acreage of surface disturbance;
- grading type, including backfill areas, highwalls, general grading, and scarification for planting;
- resoiling, including soil storage areas, quantities documented (or not) and placement areas at required depths;
- revegetation (e.g., seed mix and costs supplied by documented sources), seeding and planting tasks, applicable equipment (hydroseed, broadcast seed), noxious weed control costs, and success monitoring and follow-up costs;

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Scope of Services/Payment Provisions

- equipment and plant removal costs, including documentation of stationary equipment removal costs, and scrap value;
- site cleanup and waste disposal, including concrete volume and other waste characterization; and
- other costs as may be applicable.

Benchmark Resources will document this review of the adequacy of the FACE and, if necessary, provide comments to the County regarding potential inadequacies that the County may provide to the operator requesting any necessary revisions. Benchmark Resources will review and verify any necessary revisions to the FACE if and when submitted by the operator and will document this subsequent review in a memorandum to the County.

1.5 FINANCIAL ASSURANCE MECHANISMS

The FAM must take one of the forms specified as acceptable by the SMGB (payable statement, letters of credit, surety bond, or certificate of deposit). The mechanisms are held by the County and OMR. To verify the adequacy of the FAM, for each mine site Benchmark Resources will obtain current FAM value through review of operator evidence, compare the FAM to the FACE amounts, and verify that the FAM amount is appropriate. Reasonable measures will be taken to investigate the financial strength of the bonding institution (as applicable) and recorded.

Benchmark Resources will document this review with a summary memorandum of the FAM's adequacy. If the FAM is deemed inadequate, we will include recommendations for adjusting the FAM.

1.6 SMARA TECHNICAL SUPPORT/REGULATORY COMPLIANCE

The following subsections describe how we will provide the specific activities listed in the RFP (in Section 5.1.4).

1.6.1 Verifying Use Permit Compliance with Conditions of Approval and Mitigation Measures

Mine site startup, operation, and closure can require special inspection attention for compliance with SMARA and the use permit. Mitigation monitoring is required for environmental mitigation required under the California Environmental Quality Act (CEQA). Our expertise in understanding regulatory requirements and operational realities facilitates this effort.

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

Exhibit A
Scope of Services/Payment Provisions

As part of this independent review of condition compliance, we will:

- review the use permit conditions and the intent of each requirement specified,
- review the operator's self-report,
- interview the operator and County staff regarding the status of certain conditions, and
- visit the site to document field conditions where conditions required construction actions or where operating conditions are observable.

We verify compliance as described in the following examples:

- Compliance with preoperation and construction conditions is generally evident by the facilities and infrastructure that exist.
- Compliance with operational conditions (such as operating hours) are verified by the operator's report, County staff knowledge, and file records.
- Field verification of certain conditions (e.g., fencing, landscaping) will be photographed and attached to the report.
- Conditions required before operator reports were submitted will be documented by the operator and available in County records.

Our final report will include a table divided by the conditions of approval. The "Requirement/Condition" column includes the full text for each condition and the "Condition Intent" column summarizes each condition. Each condition is coded under a "Compliance Timing" column to show whether the condition must be met before, during or after operations are complete. Identifying conditions this way eliminates time spent reviewing requirements that do not currently apply, resulting in a focused review process. A "Compliance Status" and "Compliance Notes" columns provide the compliance status and explanations of the status as needed.

We will review each mine's compliance with the use permit requirements simultaneously with the SMARA inspection. This process will make our compliance review more efficient by reducing the number of site visits necessary.

Overall, our knowledge and experience with compliance review of mining operations, our efficient process, and our familiarity with the mining operations in Monterey County will result in a highly efficient, accurate, and successful process.

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

Exhibit A
Scope of Services/Payment Provisions

1.6.2 Verifying Reclamation Plan Compliance

As described in Sections 1.2 and 1.3, above, Benchmark Resources will document observed mine operations and reclamation conditions relative to the requirements of each mine's approved reclamation plan.

1.6.3 Using Accela

We are familiar with a large variety of software and are capable of using Accela on our company smartphones or tablets in the field to compile data and verify compliance or noncompliance within 15 days of the field inspection, as required by the County.

1.6.4 Presenting Mine Status to County Planning Commission

Our knowledgeable and experienced staff is capable of preparing and presenting a report to the County Planning Commission on the status of mines operating in Monterey County. We will compile the information collected during mine inspections and prepare a presentation supported by graphics that will communicate the existing compliance status of the mines in an efficient summary.

1.6.5 Assisting with SMGB and OMR Correspondence

As a result of the Lead Agency Review Team (LART) process, the SMGB is requiring the County to submit 2013 annual inspection forms to the Executive Officer of the SMGB for review and comment. We are prepared to support the County by responding to the Executive Officer's comments on the reports. Benchmark Resources will review any comments and draft a response to the comments for the County's consideration.

OMR has not previously reviewed or commented on any inspection reports; however, we are also available to assist with preparing responses to any OMR comments received.

1.6.6 Additional Technical Assistance

Depending on the conditions and issues, annual inspections may require technical support. As consultants that are regularly involved in all aspects of SMARA compliance, we commonly provide advice to the lead agency and operator for resolution of site compliance objectives, follow-up to corrective actions, completion of special issue inspections, completion of site closure reports, completion of documentation for release of financial assurance, and other mining environmental and regulatory compliance issues that may involve, for example, biological, geotechnical,

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

engineering, or hydrological consultants. We are available to provide such services on a case-by-case basis.

Benchmark Resources maintains a full complement of the services needed to address mine operation and compliance issues, including individuals with the expertise in wildlife habitat and endangered species, slope stability, revegetation, engineering and erosion control, agricultural land and its productivity, surface waters, soils, and others. These services would be available to the County on an as-requested basis.

1.7 SCHEDULE

Pursuant to SMARA § 2774(b), inspections must be completed at least annually each calendar year. We typically begin the process in August-September. The 1.0, "Inspection Timeline," below is a typical schedule for completing the County's SMARA Compliance Program (as described in Section 1.0, above) for the contracted period.

TABLE 1.0
INSPECTION TIMELINE

Task	Duration for Completion
Review File Updates and Document Reclamation Plan Requirements	2 weeks
Inspect Site	2 weeks
Prepare Annual Inspection Report	2 weeks
Verify Financial Assurance Cost Estimate	
Verify Financial Assurance Mechanism	

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

2014 ANNUAL MINE INSPECTIONS AND COMPLIANCE REVIEW

Benchmark Resources has calculated a fixed fee for SMARA annual inspections, financial assurance verification, and review of conditional use permit compliance for Monterey County, which is set based on the size, complexity, and history of compliance for each operation. These fees cover routine compliance review activities. If violations are discovered that require substantial effort to resolve, or other services are requested by the County, our standard time and materials rates would apply the key personnel assigned these tasks see "Standard Schedule of Charges."

**APRIL 1, 2014 THROUGH DECEMBER 31, 2014
BUDGET FOR ANNUAL MINE INSPECTIONS**

Mine I.D. and Name	Annual Inspection	FAE/FAM	Total Site Fee
91-27-0004—Metz Facility	\$3,060	\$950	\$4,010
91-27-0005—Natividad Quarry	\$3,060	\$950	\$4,010
91-27-0007—BLM Rockpile	\$3,060	\$950	\$4,010
91-27-0009—Bitterwater (Bray)	\$3,060	\$950	\$4,010
91-27-0011—Pine Canyon Quarry	\$3,060	\$950	\$4,010
91-27-0012—Stonewall Canyon Quarry	\$3,060	\$950	\$4,010
91-27-0019—Brinan Pit	\$3,060	\$950	\$4,010
91-27-0020—Echenique Pit	\$3,060	\$950	\$4,010
91-27-0021—Jefferson Pit	\$3,060	\$950	\$4,010
91-27-0023—Beck Pit (DKD Pit)	\$3,060	\$950	\$4,010
91-27-0025—Chalone Creek Pit	\$3,060	\$950	\$4,010
91-27-0026—Bradley Mine	\$3,060	\$950	\$4,010
91-27-0027—Chualar Site	\$3,060	\$950	\$4,010
91-27-0028—Handley Ranch Quarry	\$3,060	\$950	\$4,010
91-27-0029—Hidden Canyon	\$3,060	\$950	\$4,010
91-27-0030—Carmel Stone Mine	\$3,060	\$950	\$4,010
TOTAL:	\$48,960	\$15,200	\$64,160

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

2014 Annual Mines Inspections
and Compliance Review

APRIL 1, 2014 THROUGH DECEMBER 31, 2014 BUDGET FOR COMPLIANCE REVIEW

Mine I.D. and Name	Use Permit Compliance Review
91-27-0004—Metz Facility	\$3,250
91-27-0005—Natividad Quarry	\$3,250
91-27-0007—BLM Rockpile	\$1,040
91-27-0009—Bitterwater (Bray)	\$1,040
91-27-0011—Pine Canyon Quarry	\$1,040
91-27-0012—Stonewall Canyon Quarry	\$3,250
91-27-0019—Brinan Pit	\$1,040
91-27-0020—Echenique Pit	\$1,040
91-27-0021—Jefferson Pit	\$1,040
91-27-0023—Beck Pit (DKD Pit)	\$2,100
91-27-0025—Chalone Creek Pit	\$1,040
91-27-0026—Bradley Mine	\$2,100
91-27-0027—Chualar Site	\$1,040
91-27-0028—Handley Ranch Quarry	\$3,250
91-27-0029—Hidden Canyon	\$3,250
91-27-0030—Carmel Stone Mine	\$3,250
TOTAL:	\$32,020

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

2015 ANNUAL MINE INSPECTIONS AND COMPLIANCE REVIEW

Benchmark Resources has calculated a fixed fee for SMARA annual inspections, financial assurance verification, and review of conditional use permit compliance for Monterey County, which is set based on the size, complexity, and history of compliance for each operation. These fees cover routine compliance review activities. If violations are discovered that require substantial effort to resolve, or other services are requested by the County, our standard time and materials rates would apply the key personnel assigned these tasks see "Standard Schedule of Charges."

JANUARY 1, 2015 THROUGH DECEMBER 31, 2015 BUDGET FOR ANNUAL MINE INSPECTIONS

Mine I.D. and Name	Annual Inspection	FAE/FAM	Total Site Fee
91-27-0004—Metz Facility	\$3,060	\$950	\$4,010
91-27-0005—Natividad Quarry	\$3,060	\$950	\$4,010
91-27-0007—BLM Rockpile	\$3,060	\$950	\$4,010
91-27-0009—Bitterwater (Bray)	\$3,060	\$950	\$4,010
91-27-0011—Pine Canyon Quarry	\$3,060	\$950	\$4,010
91-27-0012—Stonewall Canyon Quarry	\$3,060	\$950	\$4,010
91-27-0019—Brinan Pit	\$3,060	\$950	\$4,010
91-27-0020—Echenique Pit	\$3,060	\$950	\$4,010
91-27-0021—Jefferson Pit	\$3,060	\$950	\$4,010
91-27-0023—Beck Pit (DKD Pit)	\$3,060	\$950	\$4,010
91-27-0025—Chalone Creek Pit	\$3,060	\$950	\$4,010
91-27-0026—Bradley Mine	\$3,060	\$950	\$4,010
91-27-0027—Chualar Site	\$3,060	\$950	\$4,010
91-27-0028—Handley Ranch Quarry	\$3,060	\$950	\$4,010
91-27-0029—Hidden Canyon	\$3,060	\$950	\$4,010
91-27-0030—Carmel Stone Mine	\$3,060	\$950	\$4,010
TOTAL:	\$48,960	\$15,200	\$64,160

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

2015 Annual Mines Inspections
and Compliance Review

JANUARY 1, 2015 THROUGH DECEMBER 31, 2015 BUDGET FOR COMPLIANCE REVIEW¹

Mine I.D. and Name	Use Permit Compliance Review
91-27-0004—Metz Facility	\$3,250
91-27-0005—Natividad Quarry	\$3,250
91-27-0007—BLM Rockpile	\$1,040
91-27-0009—Bitterwater (Bray)	\$1,040
91-27-0011—Pine Canyon Quarry	\$1,040
91-27-0012—Stonewall Canyon Quarry	\$3,250
91-27-0019—Brinan Pit	\$1,040
91-27-0020—Echenique Pit	\$1,040
91-27-0021—Jefferson Pit	\$1,040
91-27-0023—Beck Pit (DKD Pit)	\$2,100
91-27-0025—Chalone Creek Pit	\$1,040
91-27-0026—Bradley Mine	\$2,100
91-27-0027—Chualar Site	\$1,040
91-27-0028—Handley Ranch Quarry	\$3,250
91-27-0029—Hidden Canyon	\$3,250
91-27-0030—Carmel Stone Mine	\$3,250
TOTAL:	\$32,020

¹ Use Permit Compliance review for 2015 is an optional task.

Optional services described above shall not be provided unless authorized in writing by the County's Project Planner prior to the optional services being provided.

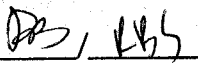
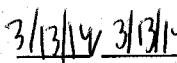


 (Contractor's Initials) (Date)

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

2016 ANNUAL MINE INSPECTIONS AND COMPLIANCE REVIEW

Benchmark Resources has calculated a fixed fee for SMARA annual inspections, financial assurance verification, and review of conditional use permit compliance for Monterey County, which is set based on the size, complexity, and history of compliance for each operation. These fees cover routine compliance review activities. If violations are discovered that require substantial effort to resolve, or other services are requested by the County, our standard time and materials rates would apply the key personnel assigned these tasks see "Standard Schedule of Charges."

**JANUARY 1, 2016 THROUGH DECEMBER 31, 2016
BUDGET FOR ANNUAL MINE INSPECTIONS**

Mine I.D. and Name	Annual Inspection	FAE/FAM	Total Site Fee
91-27-0004—Metz Facility	\$3,060	\$950	\$4,010
91-27-0005—Natividad Quarry	\$3,060	\$950	\$4,010
91-27-0007—BLM Rockpile	\$3,060	\$950	\$4,010
91-27-0009—Bitterwater (Bray)	\$3,060	\$950	\$4,010
91-27-0011—Pine Canyon Quarry	\$3,060	\$950	\$4,010
91-27-0012—Stonewall Canyon Quarry	\$3,060	\$950	\$4,010
91-27-0019—Brinan Pit	\$3,060	\$950	\$4,010
91-27-0020—Echenique Pit	\$3,060	\$950	\$4,010
91-27-0021—Jefferson Pit	\$3,060	\$950	\$4,010
91-27-0023—Beck Pit (DKD Pit)	\$3,060	\$950	\$4,010
91-27-0025—Chalone Creek Pit	\$3,060	\$950	\$4,010
91-27-0026—Bradley Mine	\$3,060	\$950	\$4,010
91-27-0027—Chualar Site	\$3,060	\$950	\$4,010
91-27-0028—Handley Ranch Quarry	\$3,060	\$950	\$4,010
91-27-0029—Hidden Canyon	\$3,060	\$950	\$4,010
91-27-0030—Carmel Stone Mine	\$3,060	\$950	\$4,010
TOTAL:	\$48,960	\$15,200	\$64,160

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

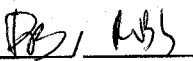
2016 Annual Mines Inspections
and Compliance Review

JANUARY 1, 2016 THROUGH DECEMBER 31, 2016 BUDGET FOR COMPLIANCE REVIEW¹

Mine I.D. and Name	Use Permit Compliance Review
91-27-0004—Metz Facility	\$3,250
91-27-0005—Natividad Quarry	\$3,250
91-27-0007—BLM Rockpile	\$1,040
91-27-0009—Bitterwater (Bray)	\$1,040
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91-27-0021—Jefferson Pit	\$1,040
91-27-0023—Beck Pit (DKD Pit)	\$2,100
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91-27-0026—Bradley Mine	\$2,100
91-27-0027—Chualar Site	\$1,040
91-27-0028—Handley Ranch Quarry	\$3,250
91-27-0029—Hidden Canyon	\$3,250
91-27-0030—Carmel Stone Mine	\$3,250
TOTAL:	\$32,020

¹ Use Permit Compliance review for 2016 is an optional task.

Optional services described above shall not be provided unless authorized in writing by the County's Project Planner prior to the optional services being provided.


 (Contractor's Initials)

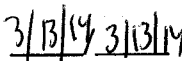

 (Date)

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

2017 ANNUAL MINE INSPECTIONS AND COMPLIANCE REVIEW

Benchmark Resources has calculated a fixed fee for SMARA annual inspections, financial assurance verification, and review of conditional use permit compliance for Monterey County, which is set based on the size, complexity, and history of compliance for each operation. These fees cover routine compliance review activities. If violations are discovered that require substantial effort to resolve, or other services are requested by the County, our standard time and materials rates would apply the key personnel assigned these tasks see "Standard Schedule of Charges."

**JANUARY 1, 2017 THROUGH DECEMBER 31, 2017
BUDGET FOR ANNUAL MINE INSPECTIONS**

Mine I.D. and Name	Annual Inspection	FAE/FAM	Total Site Fee
91-27-0004—Metz Facility	\$3,060	\$950	\$4,010
91-27-0005—Natividad Quarry	\$3,060	\$950	\$4,010
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TOTAL:	\$48,960	\$15,200	\$64,160

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

2017 Annual Mines Inspections
and Compliance Review

JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 BUDGET FOR COMPLIANCE REVIEW¹

Mine I.D. and Name	Use Permit Compliance Review
91-27-0004—Metz Facility	\$3,250
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91-27-0023—Beck Pit (DKD Pit)	\$2,100
91-27-0025—Chalone Creek Pit	\$1,040
91-27-0026—Bradley Mine	\$2,100
91-27-0027—Chualar Site	\$1,040
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91-27-0029—Hidden Canyon	\$3,250
91-27-0030—Carmel Stone Mine	\$3,250
TOTAL:	\$32,020

¹ Use Permit Compliance review for 2017 is an optional task.

Optional services described above shall not be provided unless authorized in writing by the County's Project Planner prior to the optional services being provided.


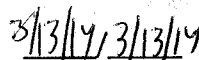


 (Contractor's Initials) (Date)

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

**COST PROPOSAL FOR 2014 – 2017 ANNUAL MINE INSPECTIONS
AND COMPLIANCE REVIEW
ADDITIONAL DUTIES**

TASK 1.6.6 Additional Technical Assistance

Allowable amount for the initial term of the Agreement (2014 – 2017) (Based on time and materials and the Standard Schedule of Charges)	\$5,000.00
GRAND TOTAL	<u>\$5,000.00</u>

Additional tasks/duties described in Exhibit A – Scope of Services/Payment Provisions of the Agreement shall not be provided unless authorized in writing by the County’s Project Planner prior to the additional services being provided.

(Contractor’s Initials)

3/13/14 3/13/14
(Date)

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS



**MONTEREY COUNTY
STANDARD SCHEDULE OF CHARGES**

Effective to December 31, 2017

Time spent on behalf of a client, and expenditures on behalf of a client, are charged as follows:

Item	Rate
LABOR	
Principal	\$195 – \$245/hour
Director	\$175 – \$215/hour
Senior Staff Project Manager, Engineer, Geologist, Biologist	\$175 – \$200/hour
Project Staff Engineer, Resource Planner, Geologist, Biologist, Coordinator	\$90 – \$130/hour
Technical Staff Analyst, CADD, GIS, Field Support	\$90 – \$125/hour
Support Staff Document Control, Word Processing, Database Management	\$85 – \$110/hour
EXPENDITURES	
Equipment, subconsultants, printing and miscellaneous costs	Cost, plus 10 percent ⁽¹⁾
Report Production – Black & White	\$0.15 (Letter), \$0.50 (Tabloid)
Report Production – Color	\$1.00 (Letter), \$1.50 (Tabloid)
Large Format Printing – Black & White	\$10 (18x24), \$24 (24x36), \$36 (36x48)
Large Format Printing – Color	\$20 (18x24), \$54 (24x36), \$65 (36x48)
Auto Mileage	IRS Standard Mileage Rate
Per Diem	\$40.00 per day

⁽¹⁾ Administrative Burden covers associated overhead, carrying costs, and warranty.

If County approves travel, lodging and meal reimbursement, Benchmark Land Use Group, Inc. (dba Benchmark Resources) shall receive compensation for travel expenses as per the Monterey County Travel and Business Expense Reimbursement Policy." A copy of the policy is available online at http://www.co.monterey.ca.us/auditor/pdfs/County_Travel_Business_Expense_Policy_12-5-12.pdf. To receive reimbursement, Benchmark Land Use Group, Inc. (dba Benchmark Resources) must provide a detailed breakdown of authorized breakdown of authorized expenses, identifying what was expended and when.

**EXHIBIT B – INCORPORATION OF REQUEST FOR PROPOSALS #10443
AND
PROPOSAL DOCUMENTS**

The County of Monterey invited submittals to Request for Proposals (RFP) through RFP #10443, Surface Mining and Reclamation Act (SMARA) Annual Inspection Services. Benchmark Land Use Group, Inc. dba Benchmark Resources submitted a responsive and responsible proposal to perform the services listed in RFP #10443.

RFP #10443 and the proposal submitted by Benchmark Land Use Group, Inc. dba Benchmark Resources are hereby incorporated into the Agreement by this reference for SMARA annual inspection services.



CERTIFICATE OF LIABILITY INSURANCE

BENCH-1 OP ID: MB

DATE (MM/DD/YYYY)
03/06/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

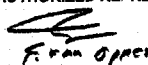
PRODUCER Van Oppen & Co. 2, Inc. P.O. Box 793 Teton Village, WY 83025 Rick van Oppen	CONTACT NAME: Service Desk	FAX (A/C, No): 307-733-7439
	PHONE (A/C, No, Ext): 800-746-0048	E-MAIL ADDRESS: service@vanoppenco2.com
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Benchmark Land Use Group, Inc. DBA: Benchmark Resources 2515 East Bidwell Street Folsom, CA 95630	INSURER A: Starr Indemnity & Liability	38318
	INSURER B: Allstate Insurance Comp	19232
	INSURER C:	
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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.

INSR LTR	TYPE OF INSURANCE	ADDD SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		SISIEIL70126813	04/01/2013	04/01/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	<input checked="" type="checkbox"/>				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 10,000
	<input checked="" type="checkbox"/> CPL					PERSONAL & ADV INJURY \$ 1,000,000
GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
<input checked="" type="checkbox"/> POLICY	<input type="checkbox"/> PROJECT	<input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY		648623364	04/01/2014	04/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO	<input type="checkbox"/>				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (PER ACCIDENT) \$
						\$
UMBRELLA LIAB OCCUR						EACH OCCURRENCE \$
EXCESS LIAB CLAIMS-MADE						AGGREGATE \$
DED RETENTION \$						\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS OTHER
ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N N/A						E.L. EACH ACCIDENT \$
If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
A	Professional Liab "Claims Made"		SISIEIL70126813 SUBJECT TO GL AGGREGATE	04/01/2013	04/01/2015	Ea Claim 1,000,000 Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Project: Ongoing Operations. The County of Monterey, its agents, officers, and employees are named as Additional Insured-General & Auto Liability as required by written contract. Coverage shall be primary/non-contributory and a Waiver of Subrogation applies per contract. 10 days notice of cancellation/non-pay; 30/other. Blanket Endorsements apply, see attached.

CERTIFICATE HOLDER County of Monterey Contracts/Purchasing 168 West Alisal St., 3rd Fl Salinas, CA 93901	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  Fran Oppen



Starr Indemnity & Liability Company

Dallas, TX 1-866-519-2522

Primary and Non-contributory, Additional Insured and Waiver of Subrogation

Policy Number: SISIEIL70126813

Effective Date: 4/1/2013 at 12:01 A.M.

Named Insured: Benchmark Land Use Group, Inc. dba Benchmark Resources

This endorsement modifies the insurance coverage form(s) listed below that have been purchased by you and evidenced as such on the Declarations page. Please read the endorsement and respective policy(ies) carefully.

Commercial General Liability Coverage Form
Owners and Contractors Protective Liability Coverage form
Products/Completed Operations Liability Coverage Form
Contractors Pollution Liability Coverage Form
Professional Liability Coverage Form
Site Pollution Liability Coverage Form

SCHEDULE

All as required by written, signed or executed contract.

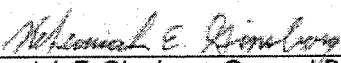
- A. SECTION II - WHO IS AN INSURED is amended to include as an insured the person or organization shown in the schedule of this endorsement, but only with respect to liability arising out of "your work" for that insured by or for you.
- B. As respects additional insureds as defined above, this insurance also applies to "bodily injury" or "property damage" arising out of your negligence when the following written contract requirements are applicable:
1. Coverage available under this coverage part shall apply as primary insurance. Any other insurance available to these additional insured's shall apply as excess and not contribute as primary to the insurance afforded by this endorsement.
 2. We waive any right of recovery we may have against these additional insured's because of payments we make for injury or damage arising out of "your work" done under a written contract with the additional insured.
 3. The term insured is used separately and not collectively, but the inclusion of more than one insured shall not increase the limits or coverage provided by this insurance.

Insureds and Agents are advised that certificates of insurance should be used only to provide evidence of insurance in lieu of an actual copy of the applicable insurance policy. Certificates should not be used to amend, expand or otherwise alter the terms of the actual policy.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Signed for STARR INDEMNITY & LIABILITY COMPANY


Charles H. Dangelo, President


Nehemiah E. Ginsburg, General Counsel

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
As required by a written contract	As required by a written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
As required by a written contract	As required by a written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Policy Number
648623364

SCHEDULE OF FORMS AND ENDORSEMENTS

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

Effective Date: 04-01-13
12:01 A.M., Standard Time

Agent Name NETWORKED INSURANCE

COMMON POLICY FORMS AND ENDORSEMENTS

DM CW 02	01-10	COMMON POLICY DECLARATIONS
XM CW 13	01-10	DESCRIPTION OF THE PAYMENT OPTIONS
AM CW 02	11-09	WITNESS CLAUSE
DM CW 12	01-10	SCHEDULE OF FORMS AND ENDORSEMENTS
AM CW 01	11-09	AMENDATORY ENDORSEMENT
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
AM CA 03	11-09	CALIFORNIA INDEPENDENT COUNSEL ENDT
IL 02 70	09-08	CA CHANGES - CANCELLATION & NONRENEWAL
IL 00 03	09-08	CALCULATION OF PREMIUM

AUTOMOBILE FORMS AND ENDORSEMENTS

AA CW 05	10-11	AMENDATORY ENDORSEMENT
DA CW 01	03-10	BUSINESS AUTO COVERAGE FORM DECLARATIONS
CA 00 01	03-10	BUSINESS AUTO COVERAGE FORM
CA 23 84	01-06	EXCLUSION OF TERRORISM
CA 23 94	03-06	SILICA/SILICA-RELATED EXCL FOR COVRD AU
CA 01 43	05-07	CALIFORNIA CHANGES
AA CW 20	10-11	BUSINESS AUTO ENHANCEMENT ENDORSEMENT CW
CA 21 54	09-09	CA UM COVERAGE - BODILY INJURY
CA 04 24	04-06	CA - AUTO MEDICAL PAYMENTS COVERAGE



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BUSINESS AUTO ENHANCEMENT ENDORSEMENT

Coverage provided under this policy is modified by the attachment of this endorsement. If there is any conflict in coverage provisions between this form and any state specific endorsement also attached to this policy, the provision(s) of the state specific form shall apply.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

In **SECTION I - COVERED AUTOS**, the following changes are made:

The following is added:

D. Physical Damage Coverage for Temporary Substitute and Leased Autos

If Physical Damage Coverage is provided by this policy, the following kinds of "autos" are covered "autos" for the same coverages provided by the policy:

1. Any private passenger "auto", or other than private passenger vehicle with gross vehicle weight of 20,000 lbs. or less, you do not own while used with the permission of the owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.
2. Private passenger "autos" and other than private passenger vehicles with gross vehicle weight of 10,000 lbs. or less, leased, hired, rented, or borrowed for a period of 30 days or less. This does not include any vehicle you lease, hire, rent, or borrow from any of your "employees" or partners or members of their households.

d. Any organization, other than a partnership or joint venture, over which you maintain ownership or in which you hold a majority interest. This provision applies only if there is no similar insurance provided to that organization.

e. Any organization you acquire or form after policy inception, other than a partnership or joint venture, over which you maintain ownership, or in which you hold a majority interest. Coverage under this provision does not apply;

(1) If there is similar insurance provided to that organization; or

(2) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

f. Any person or organization that you are required to name as an additional insured under the terms of a written job contract, or by written insurance requirements executed prior to any covered "loss" or claim. This protection applies only if the person or organization is liable for the conduct of an "insured" and only to the extent of that liability.

Under **A. Coverage, Coverage Extensions, Supplementary Payments**, subparagraphs (2) and (4) are replaced with the following:

- (2) Up to \$5,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

In **SECTION II - LIABILITY COVERAGE**, the following changes are made:

Under **A. Coverage, Who is An Insured**, the following is added:

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- (4) All reasonable expenses incurred by the "insured" at our request, including loss of earnings up to \$500 a day because of time off from work.

Under **B. Exclusions, Fellow Employee**, the following paragraph is added:

But this exclusion does not apply to "bodily injury" to a fellow "employee" caused by any person whose position within the insured organization is at or above the level of manager or supervisor.

Coverage afforded by this provision is excess over any other collectible insurance.

In **SECTION III - PHYSICAL DAMAGE COVERAGE**, the following changes are made:

Under **A. Coverage, Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles**, the following is added:

If damage to glass is repaired in lieu of being replaced, no deductible will apply for repair only.

Under **A. Coverage, Coverage Extensions**, the following is added:

c. Personal Effects Coverage

In the event of a total theft of your covered "auto", for which you carry either Comprehensive or Specified Causes of Loss coverage, we will pay up to \$500 for the personal effects which are:

1. owned by you; and
2. in your covered "auto" at the time of the total theft of such "auto".

No deductible applies to Personal Effects Coverage.

Under **A. Coverage**, the following is added:

5. Lease and Loan Gap Coverage

In the event of a total "loss" to a covered "auto" shown in the Schedule or Declarations for which a specific premium charge indicates that physical damage coverage applies, we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. The amount paid under the Physical Damage Coverage section of the policy; and
- b. Any:
 - (1) Overdue lease/loan payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Security deposits not returned by the lessor;

- (4) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and

- (5) Carry-over balances from previous loans or leases.

Under **D. Deductible**, the following paragraph is added:

When Collision Coverage is provided by this policy, the deductible amount will not be subtracted from the loss payment in collisions involving your covered "auto" and another auto covered by Allstate Insurance Company or any of its affiliates.

In **SECTION IV - BUSINESS AUTO CONDITIONS**, the following changes are made:

Under **A. Loss Conditions, Duties In The Event Of Accident, Claim, Suit Or Loss Condition**, the following is added under subpart a:

Knowledge of an "accident" or "loss" by any of your agents, servants or "employees" shall not in itself constitute knowledge by you, unless you or one of your corporate officers or managers, or any assignee, shall have received such notice from the agent, servant or "employee".

When you report an occurrence of any "accident" or "loss" to a Worker's Compensation carrier or self insured plan providing the named insured's Worker's Compensation insurance which later develops into a claim submitted under this policy, failure to report such "accident" or "loss" to us at the same time shall not be deemed a violation of this condition. After you become aware of such liability claim arising from the "accident" or "loss", you must give us prompt notice.

Under **A. Loss Conditions, Transfer of Rights of Recovery Against Others To Us**, the following is added:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of work you perform under a contract with such person or organization, in which you have agreed to waive your right of such recovery.

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Under **E. General Conditions, Concealment, Misrepresentation Or Fraud**, the following is added:

This condition does not apply to any omission or failure to provide material facts if the omission or failure was unintentional.



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Policy Number
648623364

COMMON POLICY DECLARATIONS
Allstate Insurance Company
 2775 Sanders Road, Northbrook, IL 60062
A STOCK INSURANCE COMPANY

Item 1.	Named Insured and Mailing Address	Agent Name and Address
	BENCHMARK LAND USE GROUP, INC. 2515 E BIDWELL ST FOLSOM CA 95630-6474	NETWORKED INSURANCE 988 MCCOURTNEY RD B GRASS VALLEY CA 95949
Item 2.	Policy Period	From: 04-01-2014 To: 04-01-2015
	at 12:01 A.M., Standard Time at your mailing address shown above.	
Item 3.	Business Description: ENVIRONMENTAL ENGINEERING FIRM	
	Form of Business: CORPORATION	
Item 4.	In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.	
	This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.	
	Coverage Part(s)	Premium
	Commercial Property Coverage Part	
	Commercial General Liability Coverage Part	
	Crime and Fidelity Coverage Part	
	Commercial Inland Marine Coverage Part	
	Commercial Auto (Business or Truckers) Coverage Part	\$ 8,779.00
	Commercial Garage Coverage Part	
	Terrorism Risk Insurance Act Coverage	
	Total Policy Premium	\$ 8,779.00
Item 5.	Forms and Endorsements	
	Form(s) and Endorsement(s) made a part of this policy at time of issue:	
	See Schedule of Forms and Endorsements	

SEE THE IMPORTANT PAYMENT INFORMATION FORM FOR DETAILS ABOUT PAYMENT OPTIONS

Countersigned:

 Date: 01-16-14

 By: NETWORKED INSURANCE
 Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

Policy Number
648623364

SCHEDULE OF FORMS AND ENDORSEMENTS

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

Effective Date: 04-01-14
12:01 A.M., Standard Time

Agent Name NETWORKED INSURANCE

COMMON POLICY FORMS AND ENDORSEMENTS

DM CW 02	01-10	COMMON POLICY DECLARATIONS
XM CW 13	01-10	DESCRIPTION OF THE PAYMENT OPTIONS
AM CW 02	11-09	WITNESS CLAUSE
DM CW 12	01-10	SCHEDULE OF FORMS AND ENDORSEMENTS
AM CW 01	11-09	AMENDATORY ENDORSEMENT
*IL 00 17	11-98	COMMON POLICY CONDITIONS
*IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
*AM CA 03	11-09	CALIFORNIA INDEPENDENT COUNSEL ENDT
IL 02 70	09-12	CA CHANGES - CANCELLATION & NONRENEWAL
*IL 00 03	09-08	CALCULATION OF PREMIUM

AUTOMOBILE FORMS AND ENDORSEMENTS

*AA CW 05	10-11	AMENDATORY ENDORSEMENT
DA CW 01	03-10	BUSINESS AUTO COVERAGE FORM DECLARATIONS
DA CW 04	10-11	SCHEDULE OF LOSS PAYEE(S)
*CA 00 01	03-10	BUSINESS AUTO COVERAGE FORM
*CA 23 84	01-06	EXCLUSION OF TERRORISM
*CA 23 94	03-06	SILICA/SILICA-RELATED EXCL FOR COVRD AU
*CA 01 43	05-07	CALIFORNIA CHANGES
*AA CW 20	10-11	BUSINESS AUTO ENHANCEMENT ENDORSEMENT CW
CA 21 54	09-09	CA UM COVERAGE - BODILY INJURY
*CA 04 24	04-06	CA - AUTO MEDICAL PAYMENTS COVERAGE
CA 20 48	02-99	DESIGNATED INSURED
*CA 99 44	12-93	LOSS PAYABLE CLAUSE

* These forms are part of this policy but are not printed





POLICY NUMBER: 648623364

COMMERCIAL AUTO
CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 04-01-2014	Countersigned By: (Authorized Representative)
Named Insured: BENCHMARK LAND USE GROUP, INC.	

SCHEDULE

Name of Person(s) or Organization(s):
COUNTY OF MONTEREY
CONTRACTS/PURCHASING
168 WEST ALISAL ST 3RD FLOOR
SALINAS, CA USA 93901

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.



BU114R-B



CERTIFICATE OF INSURANCE

This certificate is issued for informational purposes only. It certifies that the policies listed in this document have been issued to the Named Insured. It does not grant any rights to any party nor can it be used, in any way, to modify coverage provided by such policies. Alteration of this certificate does not change the terms, exclusions or conditions of such policies. Coverage is subject to the provisions of the policies, including any exclusions or conditions, regardless of the provisions of any other contract, such as between the certificate holder and the Named Insured. The limits shown below are the limits provided at the policy inception. Subsequent paid claims may reduce these limits.

Certificate Holder: COUNTY OF MONTEREY CONTRACTS/PURCHASING 168 WEST ALISAL ST 3RD FLOOR SALINAS, CA USA 93901	Named Insured: BENCHMARK LAND USE GROUP, INC. 2515 E BIDWELL ST POLSOM CA 95630-6474
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Automobile Liability			
Insurer Name: Allstate Insurance Company			
Policy Number: 648623364			
X	1 - Any Auto	2 - Owned Autos Only	3 - Owned Priv. Pass. Autos Only
	4 - Owned Autos Other Than Priv. Pass. Autos Only	5 - Owned Autos Subject to No Fault	6 - Owned Autos Subject to a Compulsory UM Law
	7 - Specifically Described Autos	8 - Hired Autos Only	9 - Nonowned Autos Only
Policy Effective Date: 04-01-2014		Policy Expiration Date:	
Limits of Insurance:	\$1,000,000	Combined Single Limit (each accident)	
	BI Per Person	BI Per Accident	PD Per Accident
Description of Operations/Locations/Vehicles/Endorsements/Special Provisions			
Interested Party Type: Additional Insured - Municipality			
THIS CERTIFICATE DOES NOT GRANT ANY COVERAGE OR RIGHTS TO THE CERTIFICATE HOLDER. IF THIS CERTIFICATE INDICATES THAT THE CERTIFICATE HOLDER IS AN ADDITIONAL INSURED, THE POLICY(IES) MUST EITHER BE ENDORSED OR CONTAIN SPECIFIC LANGUAGE PROVIDING THE CERTIFICATE HOLDER WITH ADDITIONAL INSURED STATUS. THE CERTIFICATE HOLDER IS AN ADDITIONAL INSURED ONLY TO THE EXTENT INDICATED IN SUCH POLICY LANGUAGE OR ENDORSEMENT.			
Cancellation			
In the event of cancellation of any policy described above, the insurer will attempt to mail _____ days written notice to the certificate holder prior to the effective date of cancellation. However, failure to do so will not impose any duty or liability upon the insurer, its agents or representatives, nor will it delay cancellation.			

Producer: NETWORKED INSURANCE	Date:
Authorized Representative:	

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BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols
1	Any "Auto"
2	Owned "Autos" Only Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos" Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.



19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
----	--	---

E. Owned Autos You Acquire After The Policy Begins

1. If Symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 7 is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

(1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
 - (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.



4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the coverage form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a "straddle" agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

a. War, including undeclared or civil war;

b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.



All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquakes;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and

c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

E. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to evade or disrupt speed-measurement equipment.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";

- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";

- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or

- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit Of Insurance

1. The most we will pay for "loss" in any one "accident" is the lesser of:

- a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

2. \$1,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or

- c. An integral part of such equipment.

3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.



SECTION IV - BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual-cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties in The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this coverage form until:

- a. There has been full compliance with all the terms of this coverage form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment-after-trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

2. Concealment, Misrepresentation Or Fraud

This coverage form is void in any case of fraud by you at any time as it relates to this coverage form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This coverage form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this coverage form.

3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee — Physical Damage Coverages

We will not recognize any assignment or grant of any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

5. Other Insurance

a. For any covered "auto" you own, this coverage form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this coverage form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph a. above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this coverage form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if:

(a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

(b) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.



We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

SECTION V - DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or s.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each Insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority;

I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building clearing, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or



E. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury" or "property damage"; or
2. A "covered pollution cost or expense" to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

P. "Trailer" includes semitrailer.