

AGREEMENT

Division 00500

THIS AGREEMENT is made by and between the COUNTY OF MONTEREY, a political subdivision of the State of California, hereinafter called "COUNTY," and Ausonio Incorporated., hereinafter called "CONTRACTOR." For reference purposes, the date of this Agreement is February 10, 2015.

THE COUNTY AND THE CONTRACTOR hereby agree as follows:

ARTICLE 1. SCOPE OF WORK.

This Job Order Contract (JOC) is an indefinite quantity contract pursuant to which the Contractor will perform a variety of Job Orders, consisting of specific construction tasks. The scope of this JOC is for general construction, repair, remodel and other repetitive related work. The County has published a Construction Task Catalog[®] (CTC) containing a series of construction tasks with preset Unit Prices. The CTC was developed using experienced labor and high quality materials. All Unit Prices are based on local labor, material and equipment prices including the current prevailing wages. The Contractor will bid Adjustment Factors to be applied to the Unit Prices. The price of an individual Job Order will be determined by multiplying the preset Unit Prices and the appropriate quantities by the appropriate Adjustment Factor.

The scope of Work for this Contract will be determined by the Detailed Scopes of Work issued in connection with individual Job Orders. The scope of work, for each Job Order will be explained to the Contractor at a Joint Scope Meeting. The County will provide a Request for Job Order Proposal and Detailed Scope of Work to the Contractor. The Contractor will be required to review the Detailed Scope of Work and develop a Price Proposal using appropriate tasks, quantities and the applicable Adjustment Factor. The County will review the Contractor's Proposal in detail and if found to be reasonable and acceptable, a Job Order may be issued. The agreed upon price will be fixed price for the performance of the Detailed Scope of Work.

The CONTRACTOR shall, within the time stipulated, perform the contract as herein defined and shall furnish all work, labor, equipment, transportation, material, and services to construct and complete in a good, expeditious, workmanlike, and substantial manner, the project:

PROJECT NO. JOC, BID NO. NMC 2014-02.

ARTICLE 2. TIME FOR START AND COMPLETION.

Contract Time commences upon the written execution of the Contract by County and shall end either one year from the date signed by county or upon the payment by County to Contractor of the maximum amount payable under this Agreement, whichever occurs earlier. County will not issue any new Job Orders after the expiration of this Agreement. Any Job Order authorized prior to the expiration of the Agreement must be completed within the time specified in the Job Order. In the event the scheduled completion for any Job Order extends beyond the term of this Agreement, Contractor and County agree that the terms of this Agreement shall continue in

effect and be applicable for such Job Orders. A separate Job Order Notice to Proceed will be issued for each Job Order. Each Job Order will specify a time limit for completion as stated on the Job Order Notice to Proceed.

ARTICLE 3. ADJUSTMENT FACTORS

County shall pay Contractor the Job Order Sum for completion of Work in accordance with Contract Documents and the Detailed Scope of Work described in each Job Order multiplied by the following Adjustment Factors:

ADJUSTMENT FACTORS

| ITEM | DESCRIPTION | ADJUSTMENT FACTORS |
|-------------|---|---------------------------|
| 1. | OSHPD 1 Normal Working Hours | 1.1800 |
| 2. | OSHPD 1 Other than Normal Working Hours | 1.3250 |
| 3. | Normal Working Hours | 1.1700 |
| 4. | Other than Normal Working Hours | 1.3150 |

The Minimum Contract Value is \$25,000. Contractor will receive Job Orders totaling at least \$25,000 during the Contract term. The Maximum Contract Value is \$4,550,000 for JOC NMC 2014-01. County does not guarantee Contractor will receive this volume of Work. County may award contracts or issue Job Orders to other contractors for the same or similar Work during the term of this Agreement. In no event will Contractor be issued Job Orders which, in total, exceed the Maximum Contract Value. At no time may the sum of the outstanding Job Orders exceed the amount of the Payment Bond and Performance Bond. A Job Order is outstanding until County has accepted the Work described in the Job Order by recordation of a Notice of Completion. Contractor will not be issued Job Orders which in total exceed the Maximum Contract Value.

ARTICLE 4. LIQUIDATED DAMAGES.

County and Contractor recognize that time is of the essence of this Agreement and that County will suffer financial loss, if all or any part of the Work is not completed within the time specified in the Job Order, plus any extensions thereof. Accordingly, County and Contractor agree that liquidated damages for delay will be established by County for each Job Order. Contractor shall pay County the dollar amount stipulated in the Job Order for each day that expires after the time specified therein for contractor to achieve Completion.

These measures of liquidated damages shall apply cumulatively and except as provided below, shall be presumed to be the damages suffered by County resulting from delay in completion of the Work.

Liquidated damages for delay shall only cover project administrative (such as Project management and consultant expenses) and cost damages suffered by County as a result of delay. Liquidated damages shall not cover the cost of completion of the Work, damages resulting from Defective Work, lost revenues or costs of substitute facilities, or damages suffered by others who then seek to recover their damages from County (for example, delay claims of other contractors, subcontractors, tenants, or other third-parties), and defense costs thereof.

ARTICLE 5. NOTIFICATION OF THIRD-PARTY CLAIMS.

COUNTY shall notify CONTRACTOR of the receipt of any third-party claim relating to the contract and is entitled to recover its reasonable costs incurred in providing the notification as provided in Public Contract Code Section 9201.

ARTICLE 6. COMPONENT PARTS OF THIS CONTRACT.

The contract entered into by this Agreement consists of the following documents, all of which are component parts of the contract as if herein set out in full or attached hereto:

- Notice to Contractors
- Information for Bidders
- Bid, as accepted
- Noncollusion Affidavit
- Workers' Compensation Certificate
- Affidavit Concerning Employment of Undocumented Aliens
- Contractor's Certification of Good Faith Effort to Employ Monterey Bay Area Residents
- Statement of Bidder's Qualifications
- Written Plan to Recruit Monterey Bay Area Residents, when applicable
- Bid Bond or Bidder's Security
- Agreement
- Performance Bond
- Payment Bond
- Insurance Certificate
- Division 00710 General Conditions, Bid No. NMC 2014-01, NMC 2014-02, NMC 2014-03
- Project Manual
- Construction Task Catalog[®] Sept. 2014
- Technical Specifications
- As issued, Addenda No: NA

All of the above-named contract documents are intended to be complementary. Work required by one of the above-named contract documents and not by others shall be done as if required by all.


IN WITNESS WHEREOF, the parties have duly executed four (4) identical counterparts of this instrument, each of which shall be for all purposes deemed an original thereof, on the dates set forth below.

CONTRACTOR:

Ausonio Incorporated

(Name of Company)

By:


Signature of Chair, President, or Vice-President

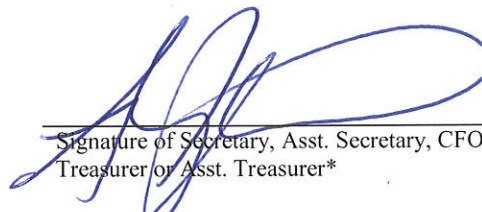
Ignacio "Mog" Cabatu, Vice-President

Printed Name and Title

Date:

1/27/2015

By:


Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer*

Andrew P. Ausonio, Secretary, CFO

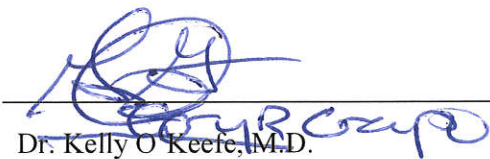
Printed Name and Title

Date:

1/27/2015

COUNTY OF MONTEREY:

By:


Name: Dr. Kelly O'Keefe, M.D.

Name:

Title:

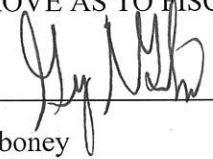
Natividad Medical Center CEO

Dated:

2/18/15

By:

APPROVE AS TO FISCAL TERMS


Name: Gary Giboney

Name:

Title:

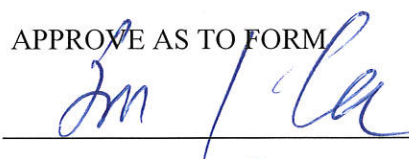
Chief Deputy Auditor-Controller

Date:

2-17-15

APPROVE AS TO FORM

By:


Name: 310 L Castro

Name:

Title:

NMC Purchasing Manager

Date:

2-19-15

APPROVE AS TO FORM & LEGALITY

By:


Name: Anne Brereton

Name:

Title:

Deputy County Counsel

Date:

Feb 12, 2015



CERTIFICATE OF LIABILITY INSURANCE

AUSOINC-01 DMORIKAWA

DATE (MM/DD/YYYY)
1/26/2015

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 Salinas-Alliant Insurance Services, Inc 928 E Blanco Rd 200 Salinas, CA 93901 | CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____ | | | | | | | | | | | | | | |
|--|--|-------------------------------|--------|---|-------|---|-------|---|-------|--|-------|--|-------|-------------|--|
| INSURED Ausonio, Inc. 11420 A Commercial Parkway Castroville, CA 95012 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A : National Fire Insurance Co of Hartford</td> <td style="text-align: center;">20478</td> </tr> <tr> <td>INSURER B : Valley Forge Insurance Company</td> <td style="text-align: center;">20508</td> </tr> <tr> <td>INSURER C : Continental Casualty Company</td> <td style="text-align: center;">20443</td> </tr> <tr> <td>INSURER D : State Compensation Insurance Fund of CA</td> <td style="text-align: center;">35076</td> </tr> <tr> <td>INSURER E : Indian Harbor Insurance Company</td> <td style="text-align: center;">36940</td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A : National Fire Insurance Co of Hartford | 20478 | INSURER B : Valley Forge Insurance Company | 20508 | INSURER C : Continental Casualty Company | 20443 | INSURER D : State Compensation Insurance Fund of CA | 35076 | INSURER E : Indian Harbor Insurance Company | 36940 | INSURER F : | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | |
| INSURER A : National Fire Insurance Co of Hartford | 20478 | | | | | | | | | | | | | | |
| INSURER B : Valley Forge Insurance Company | 20508 | | | | | | | | | | | | | | |
| INSURER C : Continental Casualty Company | 20443 | | | | | | | | | | | | | | |
| INSURER D : State Compensation Insurance Fund of CA | 35076 | | | | | | | | | | | | | | |
| INSURER E : Indian Harbor Insurance Company | 36940 | | | | | | | | | | | | | | |
| 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 | ADDL SUBR | | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | |
|----------|---|-------------------------------------|-----|---------------|-------------------------|-------------------------|---|-----------|
| | | INSD | WVD | | | | | |
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____ | <input checked="" type="checkbox"/> | | 6014518992 | 11/01/2014 | 11/01/2015 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 | |
| B | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | <input checked="" type="checkbox"/> | | 6016009417 | 11/01/2014 | 11/01/2015 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ | |
| C | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____ | <input checked="" type="checkbox"/> | | 6011720218 | 11/01/2014 | 11/01/2015 | EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 | |
| D | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | 9121117-2015 | 01/01/2015 | 01/01/2016 | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 | |
| E | Contractors Professi | | | PEC003611303 | 11/01/2014 | 11/01/2015 | Prof/Poll Liability | 2,000,000 |
| E | Contractors Professi | | | PEC003611303 | 11/01/2014 | 11/01/2015 | SIR | 50,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Natividad Medical Center JOC 2014-02
 County of Monterey, its officers, agents and employees are listed as Additional Insured.
 Endorsement(s) Attached:
 General Liability Additional Insured
 General Liability Primary
 Auto Additional Insured
 Auto Additional Insured Primary
 Cancellation Clause

| | |
|---|--|
| CERTIFICATE HOLDER County of Monterey, its officers, agents and employees 168 West Alisal Street, 3rd Floor 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 |
|---|--|

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CONTRACTORS' GENERAL LIABILITY EXTENSION ENDORSEMENT

It is understood and agreed that this endorsement amends the **COMMERCIAL GENERAL LIABILITY COVERAGE PART** as follows. The changes this endorsement makes do not apply with respect to any coverage that has been excluded or amended by another endorsement attached to this policy.

SCHEDULE

Coverage is summarized below. For particulars and limitations affecting each coverage, please refer to the corresponding policy provisions in the body of this endorsement.

| |
|--|
| 1. Additional Insureds Seven additional insured extensions. |
| 2. Bodily Injury – Expanded Definition |
| 3. Broad Knowledge of Occurrence/ Notice of Occurrence |
| 4. Broad Named Insured |
| 5. Broadened Liability Coverage For Damage To "Your Product" And "Your Work" Limit: \$100,000. |
| 6. Contractual Liability – Railroads Expanded definition of "insured contract." |
| 7. Contractual Liability For Personal And Advertising Injury |
| 8. Electronic Data Liability Loss of Electronic Data Limit: \$100,000. |
| 9. Expanded Personal And Advertising Injury - Discrimination Or Humiliation |
| 10. Expected Or Intended Injury Reasonable force – "bodily injury" or "property damage." |
| 11. General Aggregate Limits Of Insurance - Per Project |
| 12. In Rem Actions |
| 13. Incidental Health Care Malpractice Coverage |
| 14. Joint Ventures/Partnership/Limited Liability Companies Coverage for your interest in such terminated or ended organizations. |
| 15. Legal Liability/Alienated Premises/Borrowed Equipment Coverage Extended perils. Default limit increased to \$500,000 for Damage to Premises Rented To You. \$25,000 limit for "property damage" to borrowed tools or equipment at a jobsite. |
| 16. Liberalization Clause |
| 17. Liquor Liability Coverage Extension |
| 18. Medical Payments Limits increased to \$15,000. Reporting increased to three years from the date of accident. |
| 19. Non-owned Aircraft Coverage |
| 20. Non-owned Watercraft Increased to 75 feet. |
| 21. Primary And Non-Contributory To Other Insurance |
| 22. Property Damage - Elevators |
| 23. Supplementary Payments Cost of bail bonds increased to \$5,000. Daily loss of earnings increased to \$1,000. |
| 24. Unintentional Failure To Disclose Hazards |
| 25. Waiver of Subrogation - Blanket Waiver of subrogation where required by written contract or written agreement. |
| 26. Wrap-Up Extension |

1. ADDITIONAL INSURED

SECTION II – WHO IS AN INSURED is amended to include as an insured any person or organization (called additional insured) described in paragraphs A. through G. below whom you are required to add as an additional insured on this policy under a written contract or written agreement, provided the written contract or written agreement:

- i. Is currently in effect or becomes effective during the term of this policy; and
- ii. Was executed prior to the "bodily injury," "property damage" or "personal injury and advertising injury" for which the additional insured seeks coverage.

However, we will not provide the additional insured any broader coverage or any higher limit of insurance than the least that is:

- a. The maximum permitted by law;
- b. Required in the written contract or written agreement;
- c. Afforded to you under this policy; or
- d. Described in the applicable paragraphs A. through G. below.

A. Controlling Interest

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

1. Their financial control of you; or
2. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

B. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owner's liability as co-owner of such premises.

C. Lessor - Equipment

1. Any person or organization from whom you lease equipment, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

2. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

D. Lessor - Land

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease that land; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

E. Lessor - Premises

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

F. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

G. State or Governmental Agency or Subdivision or Political Subdivisions

A state or governmental agency or subdivision or political subdivision subject to the following provisions:

1. This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises

you own, rent, or control and to which this insurance applies:

- a. The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - b. The construction, erection, or removal of elevators; or
 - c. The ownership, maintenance or use of any elevators covered by this insurance.
2. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.
3. This insurance does not apply to:
- a. "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
 - b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

A governmental permit which requires you to add the governmental entity as an additional insured will trigger this Provision 1. as if the permit were a written contract.

2. BODILY INJURY – EXPANDED DEFINITION

SECTION V – DEFINITIONS, the definition of "bodily injury" is changed to read:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the bodily injury, sickness or disease.

3. BROAD KNOWLEDGE OF OCCURRENCE/ NOTICE OF OCCURRENCE

Condition 2. **Duties in The Event of Occurrence, Offense, Claim or Suit** of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to add the following provisions:

A. BROAD KNOWLEDGE OF OCCURRENCE

You must give us or our authorized representative notice of an "occurrence," offense, claim, or "suit" only when the "occurrence," offense, claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) An executive officer or the employee designated by you to give such notice, if you are a corporation; or
- (4) A manager, if you are a limited liability company.

B. NOTICE OF OCCURRENCE

Your rights under this Coverage Part will not be prejudiced if you fail to give us notice of an "occurrence," offense, claim or "suit" and that failure is solely due to your reasonable belief that the "bodily injury" or "property damage" is not covered under this Coverage Part. However, you shall give written notice of this "occurrence," offense, claim or "suit" to us as soon as you are aware that this insurance may apply to such "occurrence," offense claim or "suit."

4. BROAD NAMED INSURED

- A. Any subsidiary or affiliate organization, other than a partnership, joint venture or limited liability company, in which a Named Insured specifically shown in the Declarations has management control, directly or through one or more subsidiary organizations, at the time of loss will qualify as a Named Insured but only if there is no other similar insurance available to such organization, nor similar insurance which would be available but for exhaustion of its limits. For the purpose of this provision, similar insurance means general liability or equivalent insurance, no matter whether its coverage is broader or narrower than that provided by this insurance. But if the only other similar insurance is for a "consolidated (wrap-up) program," then a subsidiary that qualifies as a Named Insured on such project-specific insurance can still qualify as a Named Insured on this insurance, but not for projects covered by the "consolidated (wrap-up) program."

[Please see Item 26.C. of this endorsement for the definition of "consolidated (wrap-up) program."]

- B. This endorsement does not apply to any organization for which coverage is excluded by another endorsement attached to this policy.
- C. Only for the purpose of this endorsement:

1. Management control means:
 - a. Ownership interest representing more than 50% of the voting, appointment, or designation power for the subsidiary organization's governing body; or
 - b. Having the right, pursuant to a written contract, or pursuant to the by-laws, charter, operating agreement, or similar document of a specifically shown Named Insured or controlled subsidiary organization to select, appoint, or designate a majority of the subsidiary organization's governing body. Such contract or document must have been created prior to the time of loss; or
 - c. Having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer and sell property held by a trust.
2. Governing body means the Board of Directors of a corporation.
3. Loss means:
 - a. The occurring of the "bodily injury" or "property damage"; or
 - b. The committing of the offense that caused the "personal and advertising injury."
- D. The insurance provided by this policy applies to Named Insureds when trading under their own names, or under such trading names or doing-business-as (DBA) names as any should choose to employ.

5. BROADENED LIABILITY COVERAGE FOR DAMAGE TO "YOUR PRODUCT" AND "YOUR WORK"

- A. Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions is amended to delete exclusions k. and l. and replace them with the following:

[This insurance does not apply to:]

k. Damage to Your Product

"Property damage" to "your product" arising out of it, or any part of it except when caused by or resulting from:

- (1) Fire;
- (2) Smoke;
- (3) Collapse; or
- (4) Explosion.

I. Damage to Your Work

"Property damage" to "your work" arising out of it, or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply:

- (1) If the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor; or
- (2) If the cause of loss to the damaged work arises as a result of:
 - (a) Fire;
 - (b) Smoke;
 - (c) Collapse; or
 - (d) Explosion.

B. The following paragraph is added to SECTION III – LIMITS OF INSURANCE:

Subject to 5. above, \$100,000 is the most we will pay under Coverage A for the sum of damages arising out of any one "occurrence" because of "property damage" to "your product" and "your work" that is caused by fire, smoke, collapse or explosion and is included within the "product-completed operations hazard." This sublimit does not apply to "property damage" to "your work" if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

C. This Provision 5. Broadened Liability Coverage For Damage To "Your Product" And "Your Work" does not apply if an endorsement of the same name is attached to this policy.

6. CONTRACTUAL LIABILITY – RAILROADS

With respect to operations performed within 50 feet of railroad property, the definition of "insured contract" in SECTION V – DEFINITIONS is replaced by the following:

"Insured Contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement;

- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. 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 party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

7. CONTRACTUAL LIABILITY FOR PERSONAL AND ADVERTISING INJURY

Under SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions is amended to delete exclusion e.

Contractual Liability.

This provision 7. does not apply to any person or organization who otherwise qualifies as an additional insured on this Coverage Part.

8. ELECTRONIC DATA LIABILITY

- A. Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE, Paragraph 2. Exclusions is amended to delete exclusion p. **Electronic Data** and replace it with the following:

[This insurance does not apply to:]

p. **Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

However, this exclusion does not apply to liability for damages because of "bodily injury."

B. The following paragraph is added to SECTION III – LIMITS OF INSURANCE:

Subject to 5. above, \$100,000 is the most we will pay under Coverage A for all damages arising out of any one "occurrence" because of "property damage" that results from physical injury to tangible property and arises out of "electronic data."

C. The following definition is added to the SECTION V – DEFINITIONS:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- D. For the purposes of the coverage provided by this endorsement, the definition of "property damage" in SECTION V – DEFINITIONS is replaced by the following:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or
- c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data," resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

- E. If Electronic Data Liability is provided at a higher limit by another endorsement attached to this



policy, then the \$100,000 limit provided by this Provision 8. **Electronic Data Liability** is part of, and not in addition to, that higher limit.

9. EXPANDED PERSONAL AND ADVERTISING INJURY - DISCRIMINATION OR HUMILIATION

A. SECTION V – DEFINITIONS is amended to add the following to the definition of "Personal and advertising injury":

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

(1) Not done intentionally by or at the direction of:

- (a) The insured; or
- (b) Any "executive officer," director, stockholder, partner, member or manager (if you are a limited liability company) of the insured; and

(2) Not directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person or persons by any insured.

B. Under SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. **Exclusions** is amended to add the following additional exclusions:

[This insurance does not apply to:]

Discrimination Relating To Room, Dwelling or Premises

"Personal or advertising injury" caused by discrimination directly or indirectly related to the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured.

Fines Or Penalties

Fines or penalties levied or imposed by a governmental entity because of discrimination.

This provision 9. does not apply to any person or organization who otherwise qualifies as an additional insured on this Coverage Part.

10. EXPECTED OR INTENDED INJURY

Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions** is amended to delete exclusion a. **Expected or**

Intended Injury and replace it with the following:

[This insurance does not apply to:]

a. **Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

11. GENERAL AGGREGATE LIMITS OF INSURANCE - PER PROJECT

A. For each construction project away from premises you own or rent, a separate Construction Project General Aggregate Limit, equal to the amount of the General Aggregate Limit, is the most we will pay for the sum of:

1. All damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

2. All medical expenses under Coverage C,

that arise from "occurrences" or accidents which can be attributed solely to ongoing operations at that construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations, nor the Construction Project Aggregate Limit of any other construction project.

B. All:

1. Damages under Coverage B, regardless of the number of locations or construction projects involved;

2. Damages under Coverage A, caused by "occurrences" which cannot be attributed solely to ongoing operations at a single construction project, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

3. Medical expenses under Coverage C caused by accidents which cannot be attributed solely to ongoing operations at a single construction project,

will reduce the General Aggregate Limit shown in the Declarations.

- C. The limits shown in the Declarations for Each Occurrence, for Damage To Premises Rented To You and for Medical Expense continue to apply, but will be subject to either the Construction Project Aggregate Limit or the General Aggregate Limit, depending on whether the "occurrence" can be attributed solely to ongoing operations at a particular construction project.
- D. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard," regardless of the number of locations involved will reduce the Products-Completed Operations Aggregate Limit shown in the Declarations.
- E. If a single construction project away from premises owned by or rented to the insured has been abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- F. The provisions of SECTION III – LIMITS OF INSURANCE not otherwise modified by this endorsement shall continue to apply as stipulated.

12. IN REM ACTIONS

Any action in rem against any vessel owned or operated by or for you, or chartered by or for you will be treated in the same manner as though the action were in personam against you.

In rem is a term used to designate actions instituted against the thing, as distinct from actions against the person, which are said to be in personam.

13. INCIDENTAL HEALTH CARE MALPRACTICE COVERAGE

- A. With respect only to "bodily injury" that arises out of a "health care incident," COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY OF SECTION I – COVERAGES is amended to replace Insuring Agreement Paragraphs 1.b.(1) and 1.b.(2) with the following:
 - b. This insurance applies to "bodily injury" only if you are not in the business of providing professional health care services, and only if:
 - (1) The "bodily injury" is caused by an "occurrence" that takes place in the "coverage territory." For the purpose of this insurance:

- (a) "Bodily injury" caused by a "health care incident" will be considered caused by an "occurrence"; and

- (b) All acts, errors or omissions that are logically connected by any common fact, circumstance, situation, transaction, event, advice or decision will be considered to constitute a single "occurrence";

- (2) The "bodily injury" occurs during the policy period. All "bodily injury" arising from an "occurrence" will be deemed to have occurred at the time of the first act, error, or omission that is part of the "occurrence"; and

- B. With respect only to the insurance provided by this Provision 13., Exclusion 2.e. **Employer's Liability** of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE, is amended to append the following:

Only for "bodily injury" not covered by other liability insurance (including state-sanctioned self insurance) available to the insured (or which would be available but for exhaustion of its limits), this exclusion does not apply to "bodily injury" that arises out of a "health care incident."

- C. SECTION V – DEFINITIONS is amended to add the following new definition:

"Health care incident" means a negligent act, error or omission by your "employees" or "volunteer workers" working on your behalf in the rendering of or failure to render professional health care services in any of the following capacities, or the related furnishing of food, beverages, medical supplies or appliances:

- a. Physician;
- b. Nurse;
- c. Emergency medical technician;
- d. Paramedic;
- e. Chiropractor;
- f. Dentist;
- g. Athletic trainer;
- h. Audiologist;
- i. Physical therapist;
- j. Psychologist;
- k. Speech therapist;
- l. Other allied health professional; or

m. Provider of first aid or Good Samaritan services rendered in an emergency and for which no payment is demanded or received.

D. SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE, Paragraph 2. Exclusions is amended to add the following additional exclusions. These new exclusions apply only to this Incidental Health Care Malpractice Coverage:

[This insurance does not apply to:]

Dishonesty or Crime

Any dishonest, criminal or malicious act, error or omission.

Clinical Trials / Product Testing

Acts, errors or omissions that occur in the course of human clinical trials or product testing.

Medicare/Medicaid Fraud

Medicare or Medicaid fraud or abuse.

Services Excluded by Endorsement

Any "health care incident" for which coverage is excluded by endorsement.

E. SECTION V – DEFINITIONS is amended to add the following subparagraph to Paragraph f. of the definition of "insured contract":

Paragraph f. does not include that part of any contract or agreement:

(4) Under which you assume another's tort liability for "bodily injury" arising out of the rendering of or failure to render professional health care services.

F. SECTION II – WHO IS AN INSURED is amended to add the following provisions:

1. Your "employees" are insureds with respect to:

- a. "bodily injury" to a co-"employee" while in the course of the co-"employee's" employment by you or while performing duties related to the conduct of your business; and
- b. "bodily injury" to a "volunteer worker" while performing duties related to the conduct of your business;

when such "bodily injury" arises out of a "health care incident."

2. Your "volunteer workers" are insureds with respect to:

a. "bodily injury" to a co-"volunteer worker" while performing duties related to the conduct of your business; and

b. "bodily injury" to an "employee" while in the course of the "employee's" employment by you or while performing duties related to the conduct of your business;

when such "bodily injury" arises out of a "health care incident."

3. Paragraphs 2.a. (1)(a), (b) and (c) of SECTION II – WHO IS AN INSURED do not apply to "bodily injury" for which insurance is provided this Provision 13.

4. Paragraph 2.a.(1)(d) of SECTION II – WHO IS AN INSURED is deleted.

G. With respect to the insurance provided by this Provision 13., the following is added to Paragraph 4.b.(1) of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

To the extent this insurance applies, it is excess over any of the other insurance (including qualified self insurance), whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

14. JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANIES

A. The following is added to SECTION II – WHO IS AN INSURED:

4. You are an insured when you had an interest in a joint venture, partnership or limited liability company which terminated or ended prior to or during this policy period, but only to the extent of your interest in such joint venture, partnership or limited liability company. This coverage does not apply:

- a. Prior to the termination date of any joint venture, partnership or limited liability company;
- b. If there is other valid and collectible insurance purchased specifically to insure the partnership, joint venture or limited liability company; or
- c. To a joint venture, partnership or limited liability company which is or was insured under a "consolidated (wrap-up) insurance program."

[Please see Item **26.C.** of this endorsement for the definition of "consolidated (wrap-up) program."]

- B.** The last paragraph of SECTION II – WHO IS AN INSURED is deleted and replaced by the following:

Except as provided under the Contractors' General Liability Extension Endorsement or by the attachment of another endorsement (if any), no person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

15. LEGAL LIABILITY/ALIENATED PREMISES/ BORROWED EQUIPMENT

- A.** Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE, Paragraph 2. Exclusions is amended to delete exclusion **j. Damage to Property** in its entirety and replace it with the following:

[This insurance does not apply to:]

j. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work."

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to tools or equipment loaned to you. A separate limit of insurance applies to such tools or equipment that are damaged while being used in your operations.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises rented to you or temporarily occupied by you with the permission of the owner, or to the contents of premises rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in SECTION III – LIMITS OF INSURANCE.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

- B.** Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE the last paragraph of Paragraph 2. Exclusions is deleted and replaced by the following.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner nor to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in SECTION III – LIMITS OF INSURANCE.

- C.** The following paragraph is added to SECTION III – LIMITS OF INSURANCE:

Subject to 5. above, \$25,000 is the most we will pay under Coverage A for damages arising out of any one "occurrence" because of "property damage" to tools or equipment loaned to you by others that occurs while the equipment is being used to perform operations.

- D.** Paragraph 6. Damage To Premises Rented To You Limit of SECTION III – LIMITS OF INSURANCE is replaced by the following:

6. Subject to Paragraph 5. above, (the Each Occurrence Limit), the Damage To Premises Rented To You Limit is the most we will pay under SECTION – I – COVERAGE A for damages because of "property damage" to any one premises while rented to you or temporarily occupied by you with the permission of the owner, including contents of such premises rented to you for a period of 7 or fewer consecutive days. The Damage To Premises Rented To You Limit is the greater of:

- a.** \$500,000; or

b. The Damage To Premises Rented To You Limit shown in the Declarations.

E. Paragraph 4.b.(1)(a)(ii) of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted and replaced by the following:

(ii) That is property insurance for premises rented to you, for premises temporarily occupied by you with the permission of the owner; or for personal property of others in your care, custody or control;

F. This Provision 15. does not apply if Damage To Premises Rented To You Liability under SECTION – I – COVERAGE A is excluded by endorsement.

16. LIBERALIZATION CLAUSE

If we adopt a change in our forms or rules which would broaden coverage for contractors under this endorsement without an additional premium charge, your policy will automatically provide the additional coverage as of the date the revision is effective in your state.

17. LIQUOR LIABILITY

Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE, Paragraph 2. Exclusions is amended to delete exclusion c. **Liquor Liability**.

This provision 17. does not apply to any person or organization who otherwise qualifies as an additional insured on this Coverage Part.

18. MEDICAL PAYMENTS

A. Paragraph 7. Medical Expense Limit, of SECTION III – LIMITS OF INSURANCE is deleted and replaced by the following:

7. Subject to Paragraph 5. above (the Each Occurrence Limit), the Medical Expense Limit is the most we will pay under SECTION – I – COVERAGE C for all medical expenses because of "bodily injury" sustained by any one person. The Medical Expense Limit is the greater of:

- (1) \$15,000; or
- (2) The amount shown in the Declarations for Medical Expense Limit.

B. Paragraph 1.a.(3)(b) of SECTION I – COVERAGE C MEDICAL PAYMENTS, is replaced by the following:

(b) The expenses are incurred and reported to us within three years of the date of the accident; and

This paragraph B. does not apply to medical expenses incurred in the state of Missouri.

19. NON-OWNED AIRCRAFT

Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions** is amended such that exclusion g. **Aircraft, Auto or Watercraft** does not apply to an aircraft you do not own, provided that:

1. The pilot in command holds a currently effective certificate issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
2. The aircraft is rented to you with a trained, paid crew; and
3. The aircraft does not transport persons or cargo for a charge.

20. NON-OWNED WATERCRAFT

Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions is amended to delete subparagraph (2) of exclusion g. **Aircraft, Auto or Watercraft** and replace it with the following.

[This exclusion does not apply to:]

(2) A watercraft you do not own that is:

- (a) Less than 75 feet long; and
- (b) Not being used to carry persons or property for a charge.

21. PRIMARY AND NON-CONTRIBUTORY TO OTHER INSURANCE

With respect to any person or organization that is an additional insured under this Coverage Part, the following is added to Paragraph 4. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

If you have agreed in writing in a contract or agreement that this insurance is primary and non-contributory relative to an additional insured's own insurance, then this insurance is primary and we will not seek contribution from that other insurance. For the purpose of this Provision 21., the additional insured's own insurance means insurance on which the additional insured is a Named Insured.

This Provision 21. does not apply in situations where the endorsement on this policy affording coverage to the additional insured specifies that this insurance is excess over any other insurance available to that additional insured.

22. PROPERTY DAMAGE – ELEVATORS

A. Under SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE, Paragraph 2. Exclusions is amended such that exclusion k. **Damage to Your Product**, and subparagraph (3), (4) and (6) of exclusion j. **Damage to Property** do not apply "property damage" that results from the use of elevators.

B. With respect only to the coverage provided by this endorsement, **Condition 4. Other Insurance** in SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to add the following subparagraph b.(1)(a)(v):

4. Other Insurance

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(v) That is Property insurance covering property of others damaged from the use of elevators.

23. SUPPLEMENTARY PAYMENTS

A. Under **Section I – Supplementary Payments – Coverages A and B**, Paragraph 1.b., the limit of \$250 shown for the cost of bail bonds is replaced by \$5,000:

B. In Paragraph 1.d., the limit of \$250 shown for daily loss of earnings is replaced by \$1,000.

24. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If unintentionally you should fail to disclose all existing hazards at the inception date of your policy, we will not deny coverage under this Coverage Part because of such failure.

25. WAIVER OF SUBROGATION - BLANKET

Under SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, The Transfer Of Rights Of Recovery Against Others To Us Condition is amended by the addition of the following:

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:

1. Your ongoing operations; or
2. "Your work" included in the "products completed operations hazard."

However, this waiver applies only when you have agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. Is in effect or becomes effective during the term of this policy; and
2. Was executed prior to loss.

26. WRAP-UP EXTENSION: OWNER CONTROLLED INSURANCE PROGRAM, CONTRACTOR CONTROLLED INSURANCE PROGRAM OR CONSOLIDATED (WRAP-UP) INSURANCE PROGRAMS

Note: The following provision does not apply to any public construction project in the state of Oklahoma, nor to any construction project in the state of Alaska, that is not permitted to be insured under a "consolidated (wrap-up) insurance program" by applicable state statute or regulation:

If the endorsement EXCLUSION – CONSTRUCTION WRAP-UP or another exclusionary endorsement pertaining to Owner Controlled Insurance Programs (O.C.I.P.) or Contractor Controlled Insurance Programs (C.C.I.P.) is attached to this policy, then the following changes apply:

A. The following wording is added to the endorsement:

With respect to a "consolidated (wrap-up) insurance program" project in which you are or were involved, this exclusion does not apply to those sums you become legally obligated to pay as damages because of:

1. "Bodily injury," "property damage," or "personal or advertising injury" that occurs during your ongoing operations at the project, or during such operations of anyone acting on your behalf; nor
2. "Bodily injury" or "property damage" included within the "products-completed operations hazard" that arises out of those portions of the project that are not "residential structures."

B. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to add the following subparagraph 4.b.(1)(c) to Condition 4. **Other Insurance:**

[This insurance is excess over:]

(c) Any of the other insurance whether primary, excess, contingent or any other basis that is insurance available to you as a result of your being a participant in a "consolidated (wrap-up) insurance program," but only as



respects your involvement in that "consolidated (wrap-up) insurance program."

C. SECTION V – DEFINITIONS is amended to add the following definition:

"Consolidated (wrap-up) insurance program" means a construction, erection or demolition project for which the prime contractor/project manager or owner of the construction project has secured general liability insurance covering some or all of the contractors or subcontractors involved in the project, such as an Owner Controlled Insurance Program (O.C.I.P.) or Contractor Controlled Insurance Program (C.C.I.P.).

"Residential structure" means any structure where 30% or more of the square foot area is used or is intended to be used for human

residency including but not limited to single or multifamily housing, apartments, condominiums, townhouses, co-operatives or planned unit developments and also includes their common areas and/or appurtenant structures (including pools, hot tubs, detached garages, guest houses or any similar structures). When there is no individual ownership of units, residential structure does not include military housing, college/university housing or dormitories, long term care facilities, hotels, or motels. Residential structure also does not include hospitals or prisons.

This provision **26.** does not apply to any person or organization who otherwise qualifies as an additional insured on this Coverage Part.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs **2.** and **3.** of the **Cancellation** Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

- (1)** Nonpayment of premium; or
- (2)** Discovery of fraud by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

- (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
- (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b.** We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph **3.a.**
- B.** The following provision is added to the **Cancellation Common Policy Condition:**
- 7. Residential Property**
- This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:
- Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form
- a.** If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in **b.** and **c.** below.
 - b.** We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
 - c.** We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (**c.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

- C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below.
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (**d.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
- (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1**.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

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. |

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| | | |
|----|--|---|
| 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. |
|----|--|---|

B. 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.

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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 sidetrack 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.

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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 earthquake;
- (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.

B. 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 elude 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.
6. 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.

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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 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.

Primary Wording

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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 6.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 cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or

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6. 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.

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: 11/01/2014 | Countersigned By: |
| Named Insured: Ausonio, Inc. | Ralph B. Busch III (Authorized Representative) |

SCHEDULE

| |
|--|
| Name of Person(s) or Organization(s): The County of Monterey, Its Officers, Agents and Employees |
|--|

(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.



BLANKET ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS – WITH PRODUCTS-COMPLETED OPERATIONS COVERAGE

It is understood and agreed that this endorsement amends the **COMMERCIAL GENERAL LIABILITY COVERAGE PART** as follows:

SCHEDULE (OPTIONAL)

| Name of Additional Insured Persons Or Organizations |
|---|
| (As required by "written contract" per Paragraph A. below.) The County of Monterey, Its Officers, Agents and Employees |

| Locations of Covered Operations |
|--|
| (As per the "written contract," provided the location is within the "coverage territory" of this Coverage Part.) |

A. Section II - Who Is An Insured is amended to include as an additional insured:

1. Any person or organization whom you are required by "written contract" to add as an additional insured on this Coverage Part; and
2. The particular person or organization, if any, scheduled above.

B. The insurance provided to the additional insured is limited as follows:

1. The person or organization is an additional insured only with respect to liability for "bodily injury," "property damage," or "personal and advertising injury" caused in whole or in part by:
 - a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your ongoing operations specified in the "written contract"; or
 - b. "Your work" that is specified in the "written contract" but only for "bodily injury" or "property damage" included in the "products-completed operations hazard," and only if:
 - (1) The "written contract" requires you to provide the additional insured such coverage; and
 - (2) This Coverage Part provides such coverage.
2. If the "written contract" specifically requires you to provide additional insurance coverage via the 10/01 edition of CG2010 (aka CG 20 10 10 01), or via the 10/01 edition of CG2037 (aka CG 20 37 10 01), or via the 11/85 edition of CG2010 (aka CG 20 10 11 85), then in paragraph **B.1.** above, the words 'caused in whole or in part by' are replaced by the words 'arising out of'.
3. We will not provide the additional insured any broader coverage or any higher limit of insurance than:
 - a. The maximum permitted by law;
 - b. That required by the "written contract";
 - c. That described in **B.1.** above; or
 - d. That afforded to you under this policy,whichever is less.
4. Notwithstanding anything to the contrary in Condition **4. Other Insurance** (Section **IV**), this insurance is excess of all other insurance available to the additional insured whether on a primary, excess, contingent or



any other basis. But if required by the "written contract" to be primary and non-contributory, this insurance will be primary and non-contributory relative to insurance on which the additional insured is a Named Insured.

5. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of:
 - a. The rendering of, or the failure to render, any professional architectural, engineering, or surveying services, including:
 - (1) The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - (2) Supervisory, inspection, architectural or engineering activities; or
 - b. Any premises or work for which the additional insured is specifically listed as an additional insured on another endorsement attached to this Coverage Part.

C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended as follows:

1. The **Duties In The Event of Occurrence, Offense, Claim or Suit** condition is amended to add the following additional conditions applicable to the additional insured:

An additional insured under this endorsement will as soon as practicable:

- (1) Give us written notice of an "occurrence" or an offense which may result in a claim or "suit" under this insurance, and of any claim or "suit" that does result;
- (2) Except as provided in Paragraph **B.4.** of this endorsement, agree to make available any other insurance the additional insured has for a loss we cover under this Coverage Part;
- (3) Send us copies of all legal papers received, and otherwise cooperate with us in the investigation, defense, or settlement of the claim or "suit"; and
- (4) Tender the defense and indemnity of any claim or "suit" to any other insurer or self insurer whose policy or program applies to a loss we cover under this Coverage Part. But if the "written contract" requires this insurance to be primary and non-contributory, this provision (4) does not apply to insurance on which the additional insured is a Named Insured.

We have no duty to defend or indemnify an additional insured under this endorsement until we receive from the additional insured written notice of a claim or "suit."

- D. Only for the purpose of the insurance provided by this endorsement, **SECTION V – DEFINITIONS** is amended to add the following definition:

"Written contract" means a written contract or written agreement that requires you to make a person or organization an additional insured on this Coverage Part, provided the contract or agreement:

1. Is currently in effect or becomes effective during the term of this policy; and
2. Was executed prior to:
 - a. The "bodily injury" or "property damage"; or
 - b. The offense that caused the "personal and advertising injury,"for which the additional insured seeks coverage under this Coverage Part.

All other terms and conditions of the Policy remain unchanged.

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COUNTY OF MONTEREY - VENDOR DATA RECORD (Rev. 3-2012)

Required when doing business with the County of Monterey - No IRS W-9 form needed (Foreign vendors should submit IRS W-8)

| | | | | | | | | | | | | |
|--|---|--|--|---------------------------|---------------|---------------------------|---|---------------------------------------|---|---|---|---|
| 1 | COUNTY OF MONTEREY Contracts/Purchasing 168 W. Alisal Street 3 rd Floor Salinas, CA 93901 Email: mcvss@co.monterey.ca.us Phone: (831) 755-4990 Fax: (831) 755-4969 | PURPOSE: Information contained in this form will be used by the County of Monterey to prepare information returns (Form 1099) and for withholding on payments to nonresident vendors. Prompt return of this fully completed form will prevent delays when processing payments. See Privacy Statement and California Non-Resident Withholding Information on next page. | | | | | | | | | | |
| 2 | VENDOR'S LEGAL NAME (as shown on your income tax return) Ausonio Incorporated BUSINESS NAME / DBA (if different from line 1) MAILING ADDRESS 11420 A Commercial Parkway ADDITIONAL MAILING ADDRESS CITY, STATE, ZIP CODE Castroville, CA 95012 | SELECT NAME TO BE MADE PAYABLE TO <input checked="" type="checkbox"/> Legal Name <input type="checkbox"/> Alias/DBA <input type="checkbox"/> Both PHONE NUMBER FAX NUMBER (831) 633-3371 (831) 633-3389 E-MAIL ADDRESS andrew@ausonio.com REMIT-TO ADDRESS REMIT-TO CITY, STATE, ZIP CODE | | | | | | | | | | |
| 3 | FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): <input checked="" type="checkbox"/> C CORPORATION <input type="checkbox"/> TRUST/ESTATE <input type="checkbox"/> S CORPORATION <input type="checkbox"/> LIMITED LIABILITY COMPANY (LLC) <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> C Corporation <input type="checkbox"/> EXEMPT PAYEE (e.g., government, non-profit) <input type="checkbox"/> S Corporation <input type="checkbox"/> OTHER: ▶ <input type="checkbox"/> Partnership SOCIAL SECURITY NUMBER (SSN): <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR | <table border="1" style="width:100%; border-collapse: collapse; text-align:center;"> <tr> <td style="width:20px;">7</td><td style="width:20px;">7</td><td style="width:20px;">-</td><td style="width:20px;">0</td><td style="width:20px;">3</td><td style="width:20px;">6</td><td style="width:20px;">0</td><td style="width:20px;">2</td><td style="width:20px;">0</td><td style="width:20px;">8</td> </tr> </table> <p style="font-size:small;">For Tax ID entry instructions, please see next page</p> <p style="font-size:small;">NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.</p> | 7 | 7 | - | 0 | 3 | 6 | 0 | 2 | 0 | 8 |
| 7 | 7 | - | 0 | 3 | 6 | 0 | 2 | 0 | 8 | | | |
| 4 | PLEASE CHECK ALL BOXES THAT ARE APPLICABLE TO THE CATEGORY OF PAYMENT: <input type="checkbox"/> SUPPLIES/EQUIPMENT <input type="checkbox"/> ATTORNEY SERVICES <input type="checkbox"/> INTEREST <input type="checkbox"/> SERVICES (MEDICAL) <input type="checkbox"/> LEGAL SETTLEMENT <input type="checkbox"/> GRANTS <input checked="" type="checkbox"/> SERVICES (NON-MEDICAL) <input type="checkbox"/> RENT/LEASE <input type="checkbox"/> OTHER: ▶ Are you a former employee of the County of Monterey? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Are you a Certified Green Business? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (See Information regarding green certification on next page) | | | | | | | | | | | |
| 5 | CALIFORNIA STATE WITHHOLDING STATUS (CA withholding information on next page): <input checked="" type="checkbox"/> California Resident <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> California Non-Resident <input type="checkbox"/> Waiver of State withholding from California Franchise Tax Board attached <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> All services for payments issued are performed OUTSIDE of California <input type="checkbox"/> No Services are being rendered, only goods are being provided for payment | <p style="font-size:small;">CA Form 590 required if your address above in section 2 is a non-CA address</p> <p style="font-size:small;">CA NON-RESIDENTS: 7% will be withheld from payment unless one of the lower four boxes on left is checked.</p> | | | | | | | | | | |
| 6 | <p><i>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the County of Monterey.</i></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">Authorized Representative's Name (Type or Print) Andrew P. Ausonio</td> <td style="width:50%;">Title President</td> </tr> <tr> <td>Signature </td> <td>Date 01/27/2015</td> </tr> <tr> <td></td> <td>Phone Number (831) 633-3371</td> </tr> </table> | | Authorized Representative's Name (Type or Print) Andrew P. Ausonio | Title President | Signature | Date 01/27/2015 | | Phone Number (831) 633-3371 | | | | |
| Authorized Representative's Name (Type or Print) Andrew P. Ausonio | Title President | | | | | | | | | | | |
| Signature | Date 01/27/2015 | | | | | | | | | | | |
| | Phone Number (831) 633-3371 | | | | | | | | | | | |

COUNTY OF MONTEREY – VENDOR DATA RECORD (Rev 3-2012)

Section 1 **Requirement to Complete Vendor Data Record**
 A completed Vendor Data Record (VDR) is required for payments to all vendors and will be kept on file at the County. Please return the fully completed VDR form and any other necessary documents for vendor setups/updates to the County of Monterey – Contracts/Purchasing at the address listed in this section. (For more information on Vendor Registration Process, visit <http://www.co.monterey.ca.us/admin/vendorinfo.htm>)

Section 2
 Enter the payee’s legal business name **as shown on your income tax return**. Individuals/Sole proprietorships must also include the owner’s full name **as shown on your income tax return**.
 The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here. The remit-to address should be the address the payee chooses to receive payments. If there are multiple remit-to addresses for the same payee, please list them and send it together with the completed Vendor Data Record (VDR) form.

Check **ONE** box that corresponds to the payee entity type. (For more information on account types and TIN info, visit www.irs.gov)

What Name and Number to Give the Requester

| For this type of Account | | Give name and SSN of: |
|--------------------------|---|---|
| 1 | Individual | The individual |
| 2 | Two or more individuals (joint account) | The actual owner of the account or if combined funds, the first individual on the account |
| 3 | Custodian account of a minor | The minor |
| 4 | a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee The actual owner |
| 5 | Sole proprietorship or disregarded entity owned by an individual | The owner |
| 6 | Grantor trust filing under Optional Form 1099 filing Method | The grantor |
| For this type of Account | | Give name and EIN of: |
| 7 | Disregarded entity not owned by an individual | The owner |
| 8 | A valid trust, estate, or pension trust | Legal entity |
| 9 | Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 10 | Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 11 | Partnership or multi-member LLC | The partnership |
| 12 | A broker or registered nominee | The broker or nominee |
| 13 | Account with the Dept of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 14 | Grantor trust filing under the Form 1041 filing Method or the Optional Form 1099 filing Method 2 | The trust |

Section 4
 Check **ALL** boxes that are applicable to the category of payment.
 Indicate if you are a former employee of the County of Monterey.
 Green Business Certification within the Tri-County area (Monterey, Santa Cruz and San Benito Counties) is administered through the Monterey Bay Area Green Business Program (www.montereybaygreenbusiness.org). Vendors from outside the Tri-County area are encouraged to seek similar certification from a local authority within their jurisdiction, and if a similar green business type of certification has been issued, vendors should check the “Yes” box. Green Business Certification may be used as one of the selection factors when awarding contracts from solicitations issued by the County of Monterey, therefore vendors should inform the County of this certification.

Section 5
ARE YOU A CALIFORNIA RESIDENT OR NONRESIDENT?
 A **corporation** will be defined as a CA Resident if it has a permanent place of business in California or is qualified through the Secretary of State to conduct business in California.
 A **partnership** is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at the time of death. A trust is considered a resident if at least one trustee is a California resident.
 For **individuals and sole proprietors**, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a non resident.
 Payments to all non-resident vendors may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes.
Due to resource limitations, the County of Monterey will withhold 7% of their total payments even when the following conditions apply:
1) The total payments to the vendor are \$1,500 or less for the calendar year; and
2) The vendor is providing a combination of goods and services; and
3) The vendor is performing services for the County of Monterey both inside and outside of California.
 If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form and submit to the County of Monterey.
 For information on Nonresident withholding, contact the Franchise Tax Board at the numbers listed below:
 Withholding Services and Compliance Section: 1-888-792-4900 or Outside the United States: 1-916-845-4900
 For hearing impaired with TDD, call: 1-800-822-6268 or E-mail Address: wscs.gen@ftb.ca.gov or visit FTB’s Website: www.ftb.ca.gov

Section 6
 Provide the name, title, signature and telephone number of the beneficial owner of the payment requested or authorized agent of beneficial owner.
 Provide the date the form was completed.

Privacy Statement
 Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.
 The County of Monterey requires that all parties entering into business transactions that may lead to payment(s) from the County must provide their Taxpayer Identification Number (TIN) as required by Revenue and Taxation Code Section 18646, to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by Internal Revenue Code Section 6109(a).
 It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties up to \$20,000.
 You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact County of Monterey, Contracts/Purchasing at the address listed in Section 1 of this form.

Withholding Exemption Certificate

20 1 5

(This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. This form cannot be used for exemption from wage withholding.)

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| | | | |
|--|---|--|--|
| File this form with your withholding agent. (Please type or print) | Withholding agent's name | | |
| Vendor/Payee's name | Vendor/Payee's <input type="checkbox"/> SOS. no. | <input type="checkbox"/> Social security number <input type="checkbox"/> California corp. no. | <input checked="" type="checkbox"/> FEIN |
| Ausonio Incorporated | 7 7 - 0 3 6 0 2 0 8 | Note: Failure to furnish your identification number will make this certificate void. | |
| Vendor/Payee's address (number and street) 11420 A Commercial Parkway | APT no. | Private Mailbox no. | Vendor/Payee's daytime telephone no. (831) 633-3371 |
| City Castroville | State CA | ZIP Code 95012 | |

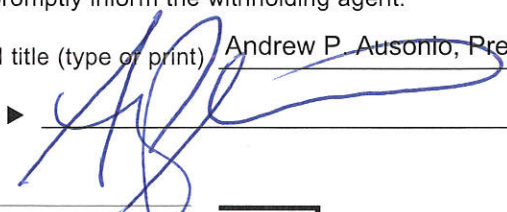
I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual. Read the following carefully and check the box that applies to the vendor/payee:

- Individuals — Certification of Residency:**
I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly inform the withholding agent. See instructions for Form 590, General Information D, for the definition of a resident.
- Corporations:**
The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State to do business in California. The corporation will withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California, I will promptly inform the withholding agent. See instructions for Form 590, General Information E, for the definition of permanent place of business.
- Partnerships:**
The above-named partnership has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The partnership will file a California tax return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent. **Note:** For withholding purposes, a Limited Liability Partnership is treated like any other partnership.
- Limited Liability Companies (LLC):**
The above-named LLC has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The LLC will file a California tax return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly inform the withholding agent.
- Tax-Exempt Entities:**
The above-named entity is exempt from tax under California or federal law. The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly inform the withholding agent.
- Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**
The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.
- California Irrevocable Trusts:**
At least one trustee of the above-named irrevocable trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly inform the withholding agent.
- Estates — Certification of Residency of Deceased Person:**
I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

CERTIFICATE: Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided herein is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent.

Vendor/Payee's name and title (type or print) Andrew P. Ausonio, President

Vendor/Payee's signature  Date 1/27/2015

Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

A Purpose

Use Form 590 to certify an exemption from nonresident withholding. Complete and present Form 590 to the withholding agent. The withholding agent will then be relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless told by FTB that the Form 590 should not be relied upon.

Important – This form cannot be used for exemption from wage withholding. Any questions regarding wage withholding should be directed to the California Employment Development Department.

Do not use Form 590 if you are a seller of California real estate. Sellers of California real estate should use Form 593-W, Real Estate Withholding Exemption Certificate and Waiver Request for Non-Individuals Sellers.

B Law

R&TC Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of this state.

Withholding is required on:

- Payments to nonresidents for services rendered in California;
- Distributions of California source income made to domestic nonresident partners and members and allocations of California source income made to foreign partners and members;
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business;
- Payments to nonresidents for royalties for the right to use natural resources located in California;
- Distributions of California source income to nonresident beneficiaries from an estate or trust; and
- Prizes and winnings received by nonresidents for contests in California.

For more information on withholding and waiver requests, get FTB Pub. 1017, Nonresident Withholding Partnership Guidelines, and FTB Pub. 1023, Nonresident Withholding Independent Contractor, Rent and Royalty Guidelines. To get a withholding publication see General Information G.

C Who can Execute this Form

Form 590 can be executed by the entities listed on this form.

Note: In a situation where payment is being made for the services of a performing entity, this form can only be completed by the performing entity or the performing entity's partnership or corporation. It **cannot** be completed by the performing entity's agent or other third party.

Note: The grantor of a revocable/grantor trust shall be treated as the vendor/payee for withholding purposes. Therefore, if the vendor/

payee is a revocable/grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors of a revocable/grantor trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

D Who is a Resident

A California resident is any individual who is in California for other than a temporary or transitory purpose or any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose.

Note: Return visits to California that do not total more than 45 days during any taxable year covered by the employment contract are considered temporary.

This provision does not apply if an individual has income from stocks, bonds, notes, or other intangible personal property in excess of \$200,000 in any taxable year in which the employment-related contract is in effect.

A spouse who is absent from California for an uninterrupted period of at least 546 days to accompany a spouse who is under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident. For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, or call the Franchise Tax Board (FTB) at (800) 852-5711 or (916) 845-6500 (not toll-free).

E What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California Secretary of State. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

F Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested by the FTB.

Note: If the withholding agent has received Form 594, Notice to Withhold Tax at Source, only the performing entity can complete and sign Form 590 as the vendor/payee. If the performing entity completes and signs Form 590 indicating that he or she is not subject to withholding, you must send a copy of Form 590 with Form 594 to the FTB.

For more information, contact the Nonresident Withholding Section. See General Information G.

The vendor/payee must notify the withholding agent if:

- The individual vendor/payee becomes a nonresident;
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California;
- The partnership ceases to have a permanent place of business in California;
- The LLC ceases to have a permanent place of business in California; or
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold. Remit the withholding using Form 592-A, Nonresident Withholding Remittance Statement, and complete Form 592, Nonresident Withholding Annual Return, and Form 592-B, Nonresident Withholding Tax Statement. Get Instructions for Forms 592, 592-A, and 592-B for due dates and other withholding information.

G Where to get Publications, Forms, and Additional Information

You can download, view, and print FTB Publications 1017, 1023, 1024, and nonresident withholding forms, as well as other California tax forms and publications not related to nonresident withholding from our Website at: www.ftb.ca.gov

You can also have nonresident withholding forms faxed to you by calling (800) 998-3676. To have publications or forms mailed to you or to get additional nonresident withholding information, please contact the Nonresident Withholding Section.

NONRESIDENT WITHHOLDING SECTION
FRANCHISE TAX BOARD
PO BOX 651
SACRAMENTO CA 95812-0651

Telephone: (888) 792-4900
(916) 845-4900 (not toll-free)
FAX: (916) 845-9512 (24 hours a day, 7 days a week)

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments: TTY/TDD (800) 822-6268.

Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

PERFORMANCE BOND
(Public Contract Code Section 20129)
Division 00600

WHEREAS, the County of Monterey has awarded to Principal,

Ausonio Incorporated

as Contractor, for the following project:

PROJECT NO. JOC, BID NO. NMC 2014-02; and

WHEREAS, Principal, as Contractor, is required to furnish a bond in connection with said contract, to secure the faithful performance of said contract.

NOW, THEREFORE, we Ausonio Incorporated

as Principal, and Travelers Casualty and Surety Company of America

as Surety, are held and firmly bound unto the County of Monterey, a political subdivision of the State of California (hereinafter called "County"), in the penal sum of Two Million Dollars (\$2,000,000.00), for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the Principal, as Contractor, or Principal's heirs, executors, administrators, successors, or assigns, (1) shall in all things stand to and abide by and well and truly keep and perform the covenants, conditions, and agreements in said contract and any alteration thereof made as therein provided, on Principal's part to be kept and performed, at the time and in the manner therein specified and in all respects according to their true intent and meaning, and (2) shall indemnify, defend, and save harmless the County, the members of its board of supervisors, and its officers, agents, and employees as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and virtue.

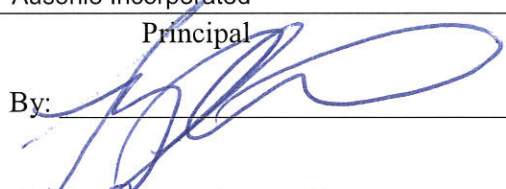
Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the contract or the call for bids, or to the work to be performed thereunder, or the specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said contract or the call for bids, or to the work, or to the specifications.

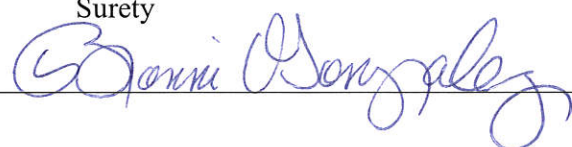
Whenever the Principal, as Contractor, is in default, and is declared in default, under the Contract by the County of Monterey, the County of Monterey having performed its obligation under the contract, Surety may promptly remedy the default, or shall promptly:

3. Complete the contract in accordance with its terms or conditions, or
4. Obtain a bid or bids for submission to County of Monterey for completing the Contract in accordance with its terms or conditions, and upon determination by the County of Monterey and Surety of the lowest responsible and responsive bidder, arrange for a contract between such bidder and the County of Monterey, and make available as work progresses (even though there should be a default or succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price.

If suit is brought upon this bond by the County and judgment is recovered, the Surety shall pay all litigation expenses incurred by the County in such suit, including attorneys' fees, court costs, expert witness fees, and investigation expenses.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this 21 day of November, 2014, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) Ausonio Incorporated
Principal
By: 
Title: PRESIDENT

(Corporate Seal) Travelers Casualty and Surety Company of America
Surety
By: 
Title: Bonnie Gonzalez Attorney In Fact

Attach: 1) Copy of authorization for signature for Principal, and 2) original or certified copy of unrevoked appointment, Power of Attorney, Attorney-in-Fact Certificate bylaws or other instrument entitling or authorizing person executing bond on behalf of Surety to do so.

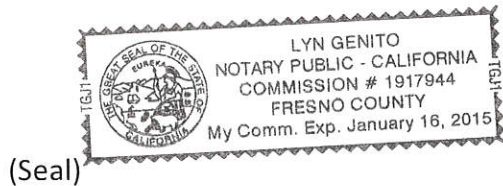
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

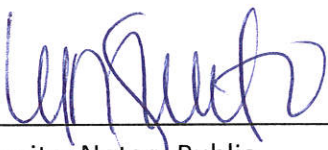
State of California)
) ss
County of Fresno)

On August 21, 2014, before me, Lyn Genito, Notary Public, personally appeared Bonnie Gonzalez, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: 
Lyn Genito, Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Monterey }

On Nov 25 2014 before me, Rhonda Warren-Wallace, Notary Public
Date Here Insert Name and Title of the Officer

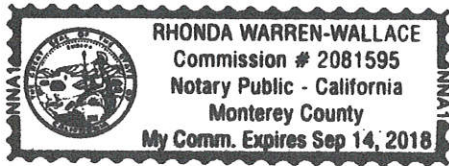
personally appeared Andrew P. Ausonio
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rhonda Warren Wallace
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

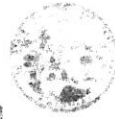
Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

PHOENIX WARREN WALLACE
Commissioner & Notary Public
Notary Public - California
Monterey County
My Comm. Expires Sep 14, 2018



PAYMENT BOND
(Civil Code section 9550)
Division 00610

WHEREAS, the County of Monterey has awarded to Principal,

Ausonio Incorporated

as Contractor, a contract for the following project:

PROJECT NO. JOC, BID PACKAGE NO. NMC 2014-02; and

WHEREAS, Principal, as Contractor, is required to furnish a bond in connection with said contract, to secure the payment of claims of laborers, mechanics, material providers, and other persons furnishing labor and materials on the project, as provided by law.

NOW, THEREFORE, we Ausonio Incorporated

as Principal, and Travelers Casualty and Surety Company of America

as Surety, are held and firmly bound unto the County of Monterey, a political subdivision of the State of California (hereinafter called "County"), and to the persons named in California Civil Code section 9100 in the penal sum of Two Million Dollars (\$2,000,000.00), for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If Principal or any of Principal's heirs, executors, administrators, successors, assigns, or subcontractors (1) fails to pay in full all of the persons named in Civil Code Section 9100 with respect to any labor or materials furnished by said persons on the project described above, or (2) fails to pay in full all amounts due under the California Unemployment Insurance Code with respect to work or labor performed under the contract on the project described above, or (3) fails to pay for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal and subcontractors pursuant to Unemployment Insurance Code section 13020 with respect to such work and labor, then the Surety shall pay for the same.

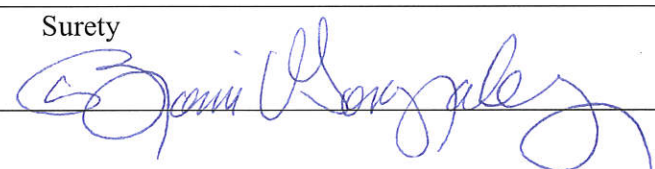
Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract on the call for bids, or to the work to be performed thereunder, or the specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said contract or the call for bids, or to the work, or to the specifications.

If the County brings suit upon this bond and judgment is recovered, the Surety shall pay all litigation expenses incurred by the County in such suit, including attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond inures to the benefit of any of the persons named in Civil Code section 9100, and such persons or their assigns shall have a right of action in any suit brought upon this bond, subject to any limitations set forth in Civil Code sections 9550 et seq. (Civil Code, Division 4, Part 6, Title 3, Chapter 5: Payment Bond for Public Works).

IN WITNESS WHEREOF the above-bounden parties have executed this instrument under their several seals this 21 day of November, 2014, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) Ausonio Incorporated
Principal
By: 
Title: PRESIDENT

(Corporate Seal) Travelers Casualty and Surety Company of America
Surety
By: 
Title: Bonnie Gonzalez Attorney In Fact

Attach: 1) Copy of authorization for signature for Principal, and 2) original or certified copy of unrevoked appointment, Power of Attorney, Attorney-in-Fact Certificate bylaws or other instrument entitling or authorizing person executing bond on behalf of Surety to do so.

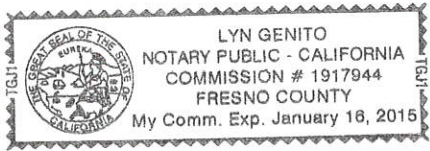
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California)
) ss
County of Fresno)


On August 21, 2014, before me, Lyn Genito, Notary Public, personally appeared Bonnie Gonzalez, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/~~they~~ executed the same in ~~his~~/~~her~~/~~their~~ authorized capacity(ies), and that by ~~his~~/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

Signature: 
Lyn Genito, Notary Public



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 227966

Certificate No. 005899210

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

John C. Day, Steven P. Edwards, Lyn Genito, Bonnie Gonzalez, and Cody Lyman

of the City of Fresno, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 12th day of May, 2014.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
Robert L. Raney, Senior Vice President

On this the 12th day of May, 2014, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 21 day of November, 20 14


Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Monterey

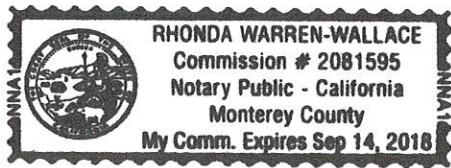
On Nov 25, 2014 before me, Rhonda Warren-Wallace, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Andrew P. Ausonio
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Rhonda Warren-Wallace
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

