

**AMENDMENT #2 TO AGREEMENT # A-13197
BY AND BETWEEN
COUNTY OF MONTEREY &
TURNING POINT OF CENTRAL CALIFORNIA, INCORPORATED**

THIS AMENDMENT is made to the Standard Agreement for the provision of transitional and emergency housing services for adult offenders eligible for the AB109 Public Safety Realignment Plan by and between **TURNING POINT OF CENTRAL CALIFORNIA, INCORPORATED**, hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County" (collectively, "the Parties").

WHEREAS, the County and CONTRACTOR first entered into the Agreement on June 28, 2016 by board action for the term July 1, 2016 through June 30, 2017, for an amount not to exceed \$364,094; and

WHEREAS, Agreement was amended by Parties on June 21, 2016 (hereinafter, "Amendment No.1", including Exhibit A-1 -Scope of Services/Payment Provisions) to extend the term an additional one (1) year to June 30, 2018 and to increase the Agreement's amount by \$364,094 which resulted in a total not to exceed amount of \$728,188, for the continuation of services; and

WHEREAS, due to an increase in the need for transitional and emergency housing services, additional funding is necessary; and

WHEREAS, the County and CONTRACTOR wish to further amend the Agreement to increase in the amount of \$130,000, for a total not to exceed amount of \$858,188 to allow CONTRACTOR to continue to provide services identified in the Agreement through the term ending June 30, 2018.

NOW THEREFORE, the County and CONTRACTOR hereby agree to amend the Agreement as follows:

1. The first sentence of Section 1.01 of Paragraph 1.0, "General Description", shall be amended to read as follows:

The County hereby engages CONTRACTOR to perform and CONTRACTOR hereby agrees to perform, the services described in Exhibit A-2 in conformity with the terms of this Agreement.

2. Section 2.01 of Paragraph 2, "Payment Provisions", shall be amended to read as follows:

County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A-2, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$858,188.

3. In Section 4.01 of Paragraph 4, "Scope of Services and Additional Provisions" delete "Exhibit A-1, Scope of Services/Payment Provisions" and add "Exhibit A-2, Scope of Services/Payment Provisions".
4. In all places within the Agreement, any reference to Exhibit A-1, Scope of Services/Payment Provisions is hereby replaced with Exhibit A-2, Scope of Services/Payment Provisions.
5. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement.
6. This Amendment No. 2 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement
7. The recitals to this Amendment No. 2 are incorporated into the Agreement and this Amendment No.2.

This space left blank intentionally

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

MONTEREY COUNTY

Marcia Pearson
Department Head

Dated: 5-21-18

Approved as to Fiscal Provisions:

[Signature]
Deputy Auditor/Controller

Dated:

4/23/18

Approved as to Liability Provisions:

Risk Management

Dated:

Approved as to Form:

[Signature]
Anne K. Brereton
Deputy County Counsel

Dated:

4-23-18

CONTRACTOR - Turning Point of Central California, Inc.

By:

[Signature]
Signature of Chair, President, or
Vice-President

Raymond R. Banks, Chief Executive Officer
Printed Name and Title

Dated:

4/18/18

By:

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

Bruce Tyler, Chief Financial Officer
Printed Name and Title

Dated:

4/18/18

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

EXHIBIT- A-2
To
Professional Service Agreement
Between
The County of Monterey, through the Probation Department, hereinafter referred
to as "COUNTY"
AND
Turning Point of Central California, Inc., hereinafter referred to as
"CONTRACTOR"

Scope of Services / Payment Provisions

A. SCOPE OF SERVICES

A.1 The CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

Turning Point (TP) will offer AB109 **Transitional Housing** (Probation Transitional Housing) and Emergency Housing Incentive Services to all clients referred from the probation department and identified as AB109 funded participants. AB109 funded participants include Post Release Community Supervision (PRCS) Mandatory Supervision, and Intensive Supervision probationers.

TRANSITIONAL HOUSING: Turning Point of Central California, Inc. Probation Transitional Housing Program will provide residential stability to clients who are chronically homeless or who lack local support following release from custody or completion of treatment in a residential treatment facility. An annual amount of **\$372,428** shall be allocated for transitional housing services to this target population in Monterey County.

The Probation Transitional Housing model offers direct placement from the street or the institution to housing with supervision, programming and support services. Clients will be assessed for program suitability and referred to TP by Probation. The objective of the program will be to assist clients with life skills training and self-sufficiency preparation to increase their chance of a successful reentry into the community and help them become aware of their responsibility to society. Outcomes of the program will include: not reoffending, increased potential for family reunification, increased access to employment or educational opportunities, abstinence from substance use, program completion, and housing at time of exit.

The male Probation Transitional Housing Program is located at 111 and 115 E. San Luis St. and the female Probation Transitional Housing Program is at 116 San Luis St., within the Turning Point Residential Reentry Center. Both programs are located in downtown Salinas with easy access to public transportation, places of business for employment opportunities, adult education and vocational training sites, substance abuse/mental health clinics, medical/dental offices, and the Probation Department.

The male program has the capacity to provide housing and a placement plan for twelve (12) residents for up to four (4) months. The female housing program has the capacity to provide housing and a placement plan for four (4) residents for up to four (4) months. The female Probation Transitional Housing Program will have the additional flexibility to house females on an emergency basis if any of the four beds are not occupied with transitional housing clients. Program participation extensions will be available for up to six months, based on client needs, and approval from the Probation Department.

TP will provide housing, sustenance, support services, programming, supervision, and access to a full array of reentry services. Security and supervision will be provided 24/7 by experienced monitor staff of the Turning Point Residential Reentry Center located directly across the street. The female housing program is located within the Turning Point Residential Reentry Center with 24/7 on site monitoring.

Transitional Housing Program Components

The service delivery system will be structured into three phases:

Phase 1: Transitions – Week 1 through Week 4

Phase 2: Change Plan – Week 5 through Week 8

Phase 3: Community Reentry – Week 9 through Week 16

Phase 1 will be the most restrictive. All client time will be limited to on-site and off-site programming, religious activities, approved recreation, and Probation approved activities. Phase 2 will allow clients increased opportunities for community activities (such as field trips, group movie night out etc.), job search, education, and possible approved over-night visits with family. Phase 3 will be the least restrictive, preparing clients for release from the program and strengthening their support system through collaboration with outside organizations to provide relapse prevention, personal, health, educational, and vocational services that are necessary for a successful reentry.

The Phase system will allow clients time to make a gradual change from incarceration to life in the community. While the program will be designed to move clients through the phases at one month intervals, individual needs will drive the amount of time required for each phase. Programming will include "The Change Companies Transition Skills Interactive Journaling" to help clients gain the knowledge and skills to make the choices that will keep them away from crime and incarceration.

Case Management Services

The program will have one (1) full-time Case Manager for the male program and one (1) full-time Case Manager for the female program who will also oversee the male and female emergency housing incentive program.

The Case Manager will be responsible for the following:

- 1) The Case Manager will steer clients through their Individual Treatment Plan, which will include a monthly collaborative multidisciplinary team meeting involving the client,

Probation, Behavioral Health, the employment case manager, the Probation Transitional Housing Case Manager and the Emergency Housing Case Manager;

- 2) The Probation Transitional Housing Case Manager will also provide all on-site program facilitation, supervision, client referral to local services, community advocacy and facility management;
- 3) In addition to the monthly collaborative multidisciplinary team meeting, the Case Manager will meet, as needed, with the client's Probation Officer for case conferencing to further the client's success;
- 4) The Case Manager will provide an Introduction and Orientation for clients within twenty-four (24) hours of arrival at the Center; as part of the Introduction and Orientation, clients will receive a written summary of procedures governing their conduct and activities related to the program components, services and activities;
- 5) The Case Manager will conduct an Individual Needs Intake Assessment within three (3) calendar days of arrival to determine the extent of the client's specific programming needs;
- 6) The Case Manager will complete an Individual Treatment Plan within seven (7) days of the client's arrival which will be used to guide the client to successful completion of the program;
- 7) The Case Manager will conduct Case Management reviews with the client bi-weekly for a systematic study of each client's needs and goal achievement.
- 8) The Case Manager will facilitate group client activities because group social experiences will promote fellowship, provide experiences for clients to enjoy social events without alcohol and drugs, and support pro-social skill development; and,

Additional Supportive Services

Clients will be provided with linen and towel supplies and there will be on-site washers and dryers for laundry. Indigent clients will be provided with personal care items, clothes, bus passes, assistance with medication and other support service needs.

Dietician approved, home cooked meals will be provided by the Residential Reentry Center kitchen which includes two (2) hot meals and one (1) cold meal, Monday – Friday and two (2) hot meals on Saturday and Sunday. Sack lunches will be prepared for clients who are out during the mid-day meal. Special need diets will be accommodated per documented physical, dental, and religious needs. The Centers will have refrigerators, microwaves, etc. for clients who chose to prepare their own meals.

Over-the-counter medication will be provided by the case manager for non-serious illnesses and prescription medications will be monitored and secured in a locked cabinet and dispensed by Turning Point staff.

Collaborative Services

Essential to the client's success in the program will be the effective collaborative relationships that TP has developed. TP has partnerships with the following organizations: Office for Employment Training, Department of Social Services, Sun Street Center, Food Bank for

Monterey County, Natividad Medical Center, Steinbeck Library, Center for Employment Training, the Faith Based Community, and other community-based organizations that will be relied upon to provide relapse prevention, personal, health, educational, and vocational services necessary for our client's successful reentry.

All non-emergency medical and dental needs will be met through Clinica de Salud which provides free on-site services at TP weekly that include medication prescription services.

A cross referral and shared case management system with TP AB109 Employment and Housing Incentive Programs will be a key component in wrap-around services, ensuring clients have opportunities to work and secure housing upon program completion.

Turning Point, Behavioral Health and the Probation Department will be the core multidisciplinary team that will drive the client's Individual Treatment Plan.

EMERGENCY HOUSING INCENTIVE SERVICES: Turning Point will offer AB109 Housing Incentive Services to all referred Monterey County PRCS, Mandatory Supervision, and Intensive Supervision probationers. CONTRACTOR will provide coordination of the AB 109 housing incentive. CONTRACTOR will work in partnership with Monterey County Probation in processing all referrals for a potential housing incentive from Probation.

An annual amount of **\$121,666** shall be allocated for emergency housing incentives and staffing to the target population in Monterey County. With Probation's approval, CONTRACTOR may provide men room and board at Turning Point facilities at a cost of \$35.00 per night or at local motels for both men and women at a price negotiated by Turning Point and approved by the County. The rate for emergency or transitional housing for women provided at the Turning Point facility will be at a cost of \$58.22 per night. In addition, with the Probation Department's approval, TP may provide support to qualified AB109-funded clients for their first month's rent/security deposit, provided they have the reasonable ability to maintain the rent payments.

The purpose of the housing incentive is to provide funding resources to secure housing for participants. Probation Officers will work closely with the Turning Point Coordinator in determining eligibility and amount for the housing incentive.

Management Plan and Staffing

<u>Classification/Title</u>	<u>Full-time Equivalent (FTE)</u>
Case Manager-Probation Transitional Housing	1.0
Case Manager-Emergency Housing Incentive Services	1.0

In delivering these services the following responsibilities have been identified for each of the partner agencies:

CONTRACTOR agrees to:

1. Protect the confidentiality and maintain the security of confidential information,
2. Comply with the federal Health Insurance Portability and Accountability Act in regard to individual's medical and health information,
3. Incentive-based programs require the participant to be in full compliance with their terms and conditions. If a participants' behavior indicates otherwise, the Probation Officer shall be notified and expenditure of incentive based funds shall be placed on hold until further authorization is provided by the Probation Department,
4. Provide or subcontract for case management services and assistance to help referred participants secure appropriate housing. These activities may include: housing needs assessments of individuals referred; development of housing plans, in coordination with Probation Officers; provide support with the completion of rental agreements, applications for low-income housing, advocacy for housing-related services, move-in expenses, or support in maintaining existing housing as appropriate,
5. Act as the fiscal agent in charge of issuing checks to participants and/or landlords for the housing stipend for eligible individuals,
6. Collaborate as necessary with other agencies involved in working with this population of individuals,
7. Maintain records and documentation of the services provided to individuals referred and the outcomes associated with the services they received. Submit monthly information and data to the Probation Department for program analysis, outcome and evaluation,
8. Submit referrals and record all case management activities through Efforts to Outcomes (ETO) Software,
9. Provide full access to the manner and specifics of the expenditures of all allocated funds from the grant,
10. Attend collaborative meetings, when necessary, to coordinate the overall implementation of the AB 109 funding,
11. Attend team meetings when necessary,
12. Communicate regularly with Probation regarding case management and financial assistance provided,
13. Upon mutual agreement, provide other services as needs are identified.
14. Accept referrals for services from Probation;
15. Conduct housing needs assessments and coordinate with Probation Officers;
16. Develop individual housing plans in coordination with Probation Officers;
17. Explore all other housing resources available to the general public, including General Assistance, before using AB 109 funding;
18. Maintain a county-wide housing referral data base;

19. Submit the Incentive Payment Request and Approval Form, and the Vendor Data Record;
20. Submit reports to Probation as required; and,
21. Provide follow-up services to participants.

COUNTY agrees to:

1. In FY 2017-18 provide a total of **\$494,094** in allocated funds from AB 109, to be disbursed on a monthly basis upon presentation, and verification of receipts, time cards, or other proofs of expenditure;
2. Identify a Probation staff member(s) to be the primary contact to CONTRACTOR;
3. Provide CONTRACTOR with a list of the specific information needed for adequate record keeping and data gathering, including a release of information from all individuals who are referred;
4. Maintain a referral criterion that incorporates program eligibility and suitability requirements;
5. Implement terms and conditions of supervision that support participation and provide accountability;
6. Continue to integrate services including, but not limited to, employment, into the court-involved service strategy;
7. Participate in and work to increase opportunities to collaborate with other providers to improve or expand services; and,
8. Communicate regularly with CONTRACTOR regarding program implementation.

EVIDENCE-BASED PRACTICES AND PROGRAMS

One of the legislative intents of AB109 is to maximize the role of evidence-based intervention strategies to effectively reduce criminal recidivism. The Probation Department has agreed to provide AB109 service providers additional support through the Smart Supervision Grant in collaboration with the city of Salinas. Specifically, an assessment of evidence-based practice utilization, training, and technical support will be provided for the contractor's staff. It is expected that these staff members will fully participate and utilize these trainings and techniques to enhance delivery of services. These efforts will also provide support for identifying measurable service objectives used in Probations program evaluation of your service delivery.

DATA COLLECTION

Individual participant data must be collected for each person referred and served. Collected data shall reflect the dates and specific services received and the outcome of service delivery and related participant expenditures. Aggregate data shall be collected to reflect total numbers of those persons referred each month, that were assessed, that were case managed, and for which their referrals were closed. Data shall be provided at least monthly, but also as requested by the COUNTY.

Through ETO (Efforts to Outcomes) software, all required data will be entered into the web-based software application. All users shall be responsible for maintaining confidentiality of their user license, accurately entering data on a daily-to-weekly basis, and immediately notifying Probation Site Administrators of identified issues relating to access, data entry, or training needs.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/ PAYMENT

BUDGET

<u>Annual Budget Line Item</u>	<u>Annual Budget Amount*</u>
Emergency Housing Incentive Services (payments for staffing and shelter)	\$121,666
Transitional Housing Program (payments for staffing, room, board, supplies, skills training)	\$372,428
TOTAL	\$494,094

NOTE*: Contractors will charge eligible expenses as allocated by line item. However, funding could be reallocated between line items upon request and justification by the Contractor and written approval by the Office of the Chief (or designee), providing that the total contract amount remain unchanged.

All fees and costs stated herein shall include all applicable tax.

B.3 Contractors Billing Procedures

Contractor shall invoice County monthly in arrears. Contractor shall submit a monthly claim for payment, with back-up documentation that provides validation of eligible expenses, such as system generated payroll reports no later than the 20th day following the month of service. Failure to submit reports will be deemed non-compliance with the Agreement terms and conditions and may cause reimbursement to be delayed or denied. Salary costs reimbursable under this Agreement include vacation, sick leave, and compensating time off (CTO) earned and paid to vendor employees during the Agreement performance period. Balances accrued during the Agreement funding cycle, but not used and paid to the employee, cannot be claimed. The leave costs claimed must be proportional to the amount of time spent by the employee working on the Agreement scope of services. Expenses may only be incurred prior to June 30, 2018.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/1/2018

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 have **ADDITIONAL INSURED** provisions or 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 (WC) Heffernan Insurance Brokers 1350 Carback Avenue Walnut Creek, CA 94596	CONTACT NAME: Stacey Okimoto	
	PHONE (A/C, No, Ext): 925-934-8500	FAX (A/C, No): 925-934-8278
	E-MAIL ADDRESS: StaceyO@Heffins.com	
INSURED TURNPOI-02 Turning Point of Central California, Inc. PO Box 7447 Visalia, CA 93290-7447	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Nonprofits Insurance Alliance of California	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	
	NAIC # 1184	

COVERAGES**CERTIFICATE NUMBER:** 1933479111**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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC OTHER:	Y		201802205NPO	1/28/2018	1/28/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 OTHER: \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY ☒ COMP & COLL ☒ DED: \$500	Y		201802205NPO	1/28/2018	1/28/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ OTHER: \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000			201802205UMB	1/28/2018	1/28/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ OTHER: \$
	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				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	SOCIAL SERVICE PROFESSIONAL LIABILITY			201802205NPO	1/28/2018	1/28/2019	EACH OCCURRENCE \$1,000,000 AGGREGATE \$2,000,000

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

Re: As Per Contract or Agreement on File with Insured. Monterey County Probation Department, the County of Monterey, its officers, agents and employees are included as an additional insured (primary and non-contributory) on General Liability policy and additional insured (and primary) on Automobile Liability policy per the attached endorsements, if required. Cancellation endorsement for the General Liability and Automobile Liability policies is attached, if required.

CERTIFICATE HOLDER**CANCELLATION**

Monterey County Probation Department
20 E. Alisal Street, 2nd Floor
Salinas, CA 93901

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

© 1988-2015 ACORD CORPORATION. All rights reserved.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

POLICY# 201802205NPO

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE ONLY

In consideration of the premium charged, it is understood and agreed that the following is added as an additional insured:

Monterey County Probation Department, 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 this endorsement.)

But only as respects a legally enforceable contractual agreement with the Named Insured and only for liability arising out of the Named Insured's negligence and only for occurrences of coverages not otherwise excluded in the policy to which this endorsement applies.

It is further understood and agreed that irrespective of the number of entities named as insureds under this policy, in no event shall the company's limits of liability exceed the occurrence or aggregate limits as applicable by policy definition or endorsement.

- (1) That this insurance be primary. If other insurance is also primary, we will share with all that other insurance as described in c. below; or
- (2) The coverage afforded by this insurance is primary and non-contributory with the additional insured(s)' own insurance.

Paragraphs (1) and (2) do not apply to other insurance to which the additional insured(s) has been added as an additional insured or to other insurance described in paragraph b. below.

b. Excess Insurance

This insurance is excess over:

1. Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is fire, lightning, or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE**.
 - (e) That is any other insurance available to an additional insured(s) under this Endorsement covering liability for damages arising out of the premises or operations, or products-completed operations, for which the additional insured(s) has been added as an additional insured by that other insurance.
- (1) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the additional insured(s) against any "suit" if any other insurer has a duty to defend the additional insured(s) against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the additional insured(s)' rights against all those other insurers.
- (2) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (3) We will share the remaining loss, if any, with any other insurance that is not described in this **Excess Insurance** provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Methods of Sharing

If all of the other insurance available to the additional insured(s) permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any other the other insurance available to the additional insured(s) does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

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 have the right and duty to defend any "suit" asking for these damages. However, we have no duty to defend "suits" for "bodily injury" or "property damage" not covered by this Coverage Form. 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 or parking "autos" unless that business is yours.
 - (4) Anyone other than your employees, partners, a lessee or borrower or any of their employees, while moving property to or from a covered "auto."
 - (5) A partner of yours for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone else who is not otherwise excluded under paragraph b. above and is liable for the conduct of an "insured" but only to the extent of that liability.

2. COVERAGE EXTENSIONS

- a. Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "insured."

(1) All expenses we incur.

(2) Up to \$250 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" 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 earning up to \$100 a day because of time off from work.

(5) All costs taxed against the "insured" in any "suit" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" 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.

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;" 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

- (1) The pollutants escape or are discharged, disbursed 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" or "property damage" 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 a(2) and a(3) of this exclusion do not apply if:

- (1) 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
- (2) The discharge, dispersal, release or escape of the pollutants is caused directly by such upset, overturn or damage.

12. WAR

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

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 all damages resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

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

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 Extension. We will pay up to \$10 per day to a maximum of \$300 for 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 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. 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. Other Exclusions.
 - a. We will not pay for "loss" to any of the

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.

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. Regardless of the provisions of paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract."
- c. 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. 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:
 - a. The United States of America;
 - b. The territories and possessions of the United States of America;
 - c. Puerto Rico; and
 - d. Canada.

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 apply 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

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.

- 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.