

**AMENDMENT NO. 3
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
BENCHMARK LAND USE GROUP, INC. (D.B.A. BENCHMARK RESOURCES)**

THIS AMENDMENT NO. 3 to the Professional Services Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Benchmark Land Use Group, Inc. (d.b.a. Benchmark Resources) (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the County and CONTRACTOR are referred to as the "Parties") as of the last date opposite the respective signatures.

WHEREAS, CONTRACTOR entered into a Professional Services Agreement with County on November 5, 2009, (hereinafter, "Agreement"); and

WHEREAS, a County Consent to Assignment, effective May 1, 2010, was executed by the County on June 7, 2011 for the benefit of Resource Design Technology, Inc., a corporation, and Benchmark Land Use Group, Inc. (d.b.a. Benchmark Resources), a corporation; and

WHEREAS, Agreement was amended by the Parties on November 6, 2012 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Scope of Services/Payment Provisions); and on October 2, 2013 (hereinafter, "Amendment No. 2", including Exhibit A-2 – Scope of Services/Payment Provisions); and

WHEREAS, Surface Mining and Reclamation Act (SMARA) annual inspections are required by the State of California for sixteen (16) mine sites located in the County of Monterey; and

WHEREAS, tasks as outlined in Exhibit A – Scope of Services/Payment Provisions and Exhibit A-1 – Scope of Services/Payment Provisions of the Agreement have been completed; and

WHEREAS, tasks as outlined in Exhibit A-2 – Scope of Services/Payment Provisions of the Agreement are nearing completion; and

WHEREAS, the County has a continuing need to conduct annual SMARA review and annual inspection reports for 2013 for the sixteen (16) mine sites, and for assistance to meet the requirements of the County's SMARA compliance program; and

WHEREAS, additional time and funding are necessary; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term to January 31, 2014 and increase the amount by \$127,520 to allow CONTRACTOR to continue to provide tasks identified in the Agreement and as amended by this Amendment No. 3.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the first sentence of Paragraph 1, "Services to be Provided", to read as follows:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibits A, A-1 A-2 and A-3** in conformity with the terms of this Agreement.

2. Amend Paragraph 2, "Payments by County", to read as follows:

County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibits **A, A-1, A-2 and A-3**, 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 \$306,113.50.

3. Amend the first sentence of Paragraph 3, "Term of Agreement", to read as follows:

The term of this Agreement is from November 3, 2009 to January 31, 2014, unless sooner terminated pursuant to the terms of this Agreement.

4. Amend Paragraph 4, "Additional Provisions/Exhibits", by adding "**Exhibit A-3, Scope of Services/Payment Provisions**".

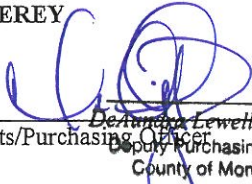
5. All other terms and conditions of the Agreement remain unchanged and in full force.

6. This Amendment No. 3 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Amendment No. 3 to the Agreement as of the last date opposite the respective signatures below:

COUNTY OF MONTEREY

By:



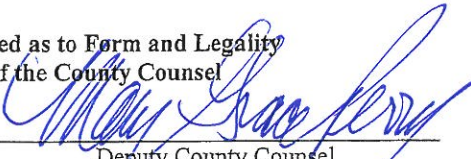
Deanna Lewelling, MBA
Contracts/Purchasing Agent
County of Monterey

Date:

10.28.13

Approved as to Form and Legality
Office of the County Counsel

By:



Deputy County Counsel

Date:

10-4-2013

Approved as to Fiscal Provisions

By:



Auditor/Controller

Date:

10-1-13

Approved as to Indemnity and Insurance Provisions

By:

Risk Management

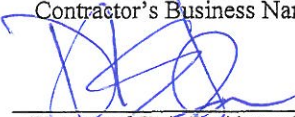
Date:

CONTRACTOR*

Benchmark Land Use Group, Inc.
(d.b.a. Benchmark Resources)

Contractor's Business Name

By:



(Signature of Chair, President or Vice President)

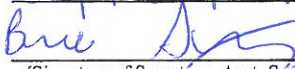
Its:

David E. Brown, President
(Print Name and Title)

Date:

Sept. 30, 2013

By:



(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

Its:

Bruce Steubing, Treasurer
(Print Name and Title)

Date:

Sept. 30, 2013

*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-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS



September 25, 2013

Laura Lawrence
Monterey County
Resource Management Agency—Planning Department
168 W. Alisal Street, 2nd Floor
Salinas, California 93901

SUBJECT | **PROPOSED SCOPE OF WORK AND BUDGET FOR SMARA REVIEW,
ANNUAL INSPECTION REPORTS, AND LART/SMGB SUPPORT**

Dear Ms. Laura Lawrence:

Benchmark Resources will support Monterey County (County) in conducting annual State Mining and Reclamation Act (SMARA) review and annual inspection reports for 2013. We are also available to provide assistance as necessary to respond to the Office of Mine Reclamation's (OMR) Lead Agency Review Team (LART) and State Mining and Geology Board (SMGB) review of the County's SMARA compliance program.

SMARA inspection tasks will include the following for each mining operation (see Attachment A, "Budget Tables," Table 1, "Budget for Annual SMARA Inspection and FAE Review"):

Review Files and Reclamation Requirements: Review approved reclamation plans and amendments, recent annual report, recent financial assurance estimate (FAE), documentation of the existing financial assurance mechanism (FAM), previous annual inspection reports, and County correspondence related to any continued violations or corrective actions taken by the operator. Verify current operator/owner information. Determine whether the operation is permitted based on a vested right or a use permit and identify permit conditions applicable to reclamation.

Conduct Mine Site Inspections and Prepare Annual Inspection Reports (Using the New Surface Mining Inspection Report [form MRRC-1]): Perform mine site inspections to observe operation and reclamation conditions at each mine site. The inspection task includes preinspection preparation, actual inspections, and postinspection analysis and documentation. Using information obtained through inspections and postinspection analysis, complete draft surface mining inspection reports for each mine using the MRRC-1 form, including supplemental information

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

Ms. Laura Lawrence | September 25, 2013

2

(e.g., graphics, photographs, documentation) as necessary to document observed mine operations and reclamation conditions relative to the requirements of the approved reclamation plan. Following County review and input, prepare final surface mining inspection reports for submittal to the County, including copies for the County to provide to the operator, OMR, and the SMGB Executive Officer (as required by the SMGB at their hearing on September 12, 2013). Benchmark Resources will also prepare a notice to OMR (pursuant to PRC § 2774[b]) documenting that inspections have been completed and identifying whether the operations comply with the State Mining and Reclamation Act (SMARA).

Verification of Financial Assurance Estimate: Review and make recommendations to clarify, substantiate, and standardize the reclamation estimates in the FAE in accordance with the requirements of §2773.1 of SMARA and §3800 *et seq.* of the regulations.


Verification of Financial Assurance Mechanism: Obtain current FAM value through review of operator evidence, compare the FAM to the FAE amounts, and verify that the FAM amount is appropriate. Provide memorandum of the FAM's adequacy. If the FAM is deemed inadequate, provide recommendations for adjusting the FAM. Review and verify any necessary revisions to the FAM when submitted by the operator and document this subsequent review in a memorandum to the County.

LART/SMGB Support tasks (see Attachment A, "Budget Tables," Table 2, "Budget for Proposed LART/SMGB Support Service"):

Response to SMGB Executive Officer Review: As a result of the LART review process, the SMGB is requiring the County to submit 2013 annual inspection forms to the Executive Officer of the SMGB. Support will be provided in responding to any comments received from the Executive Officer on the Surface Mining Inspection Reports. We will review any comments and draft a response to the comments for the County's consideration.

The schedule for the above tasks is shown in Attachment B, "Budget for Proposed LART/SMGB Support Services." We look forward to the opportunity to continue to assist the County in meeting its SMARA requirements.

Sincerely,



David E. Brown
Principal

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

ATTACHMENT A: BUDGET TABLES

Please note that our cost estimate to conduct mine inspections for 2013 reflects the initial increased effort of assembling information needed for completion of the State Mining and Geology Board's new MRRC-1 form. This initial year of preparing the new form will require more detailed investigation and documentation of reclamation plan requirements as compared to subsequent years, when this information will be documented in the format of the MRRC-1 form. Our budget reflects the initial 2013 preparation.

**TABLE 1
BUDGET FOR ANNUAL SMARA INSPECTION AND FAE REVIEW**

| Mine ID and Name | Annual Inspection | FAE/FAM | Total Site Fee |
|------------------------------------|--------------------------|-----------------|-----------------------|
| 91-27-0004—Metz Facility | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0005—Natividad Quarry | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0007—BLM Rockpile | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0009—Bitterwater (Bray) | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0011—Pine Canyon Quarry | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0012—Stonewall Canyon Quarry | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0019—Brinan Pit | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0020—Echenique Pit | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0021—Jefferson Pit | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0023—Beck Pit (DKD Pit) | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0025—Chalone Creek Pit | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0026—Bradley Mine | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0027—Chualar Site | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0028—Handley Ranch Quarry | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0029—Hidden Canyon | \$5,150 | \$2,450 | \$7,600 |
| 91-27-0030—Carmel Stone Mine | \$5,150 | \$2,450 | \$7,600 |
| TOTAL: | \$82,400 | \$39,200 | \$121,600 |

Notes: FAE = financial assurance estimate; FAM = financial assurance mechanism.

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

Attachment A: Budget Tables

TABLE 2
BUDGET FOR PROPOSED LART/SMGB SUPPORT SERVICES

| Professional Services | Hours | Rate | Amount |
|-----------------------|-------|-------|---------|
| Principal (Mr. Brown) | 24 | \$215 | \$5,160 |
| Document Specialist | 8 | \$95 | \$760 |
| TOTAL: | | | \$5,920 |

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

ATTACHMENT B: SCHEDULE

| Task | Completed By: |
|----------------------------------|--------------------------------|
| Preinspection Tasks | October 28 – November 15, 2013 |
| Field Inspections | November 18 – December 3, 2013 |
| Inspection Reports | December 2 – December 20, 2013 |
| FAE/FAM Review | December 2 – December 20, 2013 |
| County Review/Revisions | December 6 – December 23, 2013 |
| Submit Final Reports to OMR/SMGB | December 27, 2013 |

Notes: FAE = financial assurance estimate; FAM = financial assurance mechanism.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/19/2013

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

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

| | | |
|---|--|--|
| PRODUCER Van Oppen & Co. 2, Inc. P.O. Box 793 Teton Village, WY 83025 | Phone: 800-746-0048 Fax: 307-733-7439 | CONTACT NAME: Service Desk PHONE (A/C, No, Ext): 800-746-0048 FAX (A/C, No): 307-733-7439 E-MAIL ADDRESS: service@vanoppenco2.com |
| | | INSURER(S) AFFORDING COVERAGE |
| | | NAIC # |
| | | INSURER A: Starr Indemnity & Liability 38318 |
| | | INSURER B: Allstate Insurance Comp 19232 |
| | | INSURER C: |
| | | INSURER D: |
| | | INSURER E: |
| | | INSURER F: |

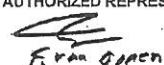
COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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

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

Project: Ongoing Operations. The County of Monterey, its agents, officers, and employees are named as Additional Insured-General & Auto Liability as required by written contract. Coverage shall be primary/non-contributory and a Waiver of Subrogation applies per contract. 10 days notice of cancellation/non-pay; 30/other. Blanket Endorsements apply, see attached.

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



CERTIFICATE OF LIABILITY INSURANCE

TB
R001DATE (MM/DD/YYYY)
08-22-2013

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 PAYCHEX INSURANCE AGENCY INC 210705 P: () - F: (888) 443-6112 PO BOX 33015 SAN ANTONIO TX 78265 | CONTACT NAME: | |
| | PHONE (A/C, No, Ext): | FAX (A/C, No): (888) 443-6112 |
| E-MAIL ADDRESS: | | |
| INSURER(S) AFFORDING COVERAGE | | NAIC # |
| INSURER A : Hartford Fire Ins Co | | |
| INSURER B : | | |
| INSURER C : | | |
| INSURER D : | | |
| INSURER E : | | |
| INSURER F : | | |

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|--|
| | GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | | 76 WEG ZW1192 | 06/09/2013 | 06/09/2014 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |

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

Those usual to the Insured's Operations. Re: all operations as pertains to named insured.

CERTIFICATE HOLDER CANCELLATION

| | |
|--|---|
| County of Monterey Contracts/Purchasing Department 168 W ALISAL ST FL 2 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 |
|--|---|

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Policy Number
648623364

SCHEDULE OF FORMS AND ENDORSEMENTS

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

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

Agent Name NETWORKED INSURANCE

COMMON POLICY FORMS AND ENDORSEMENTS

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

AUTOMOBILE FORMS AND ENDORSEMENTS

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



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

| Name Of Additional Insured Person(s) Or Organization(s): | Location And Description Of Completed Operations |
|--|--|
| As required by a written contract | As required by a written contract |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | |

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



Starr Indemnity & Liability Company

Dallas, TX 1-866-519-2522

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

Policy Number: SISIEIL70126813

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

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

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

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

SCHEDULE

All as required by written, signed or executed contract.

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

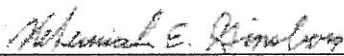
Insureds and Agents are advised that certificates of insurance should be used only to provide evidence of insurance in lieu of an actual copy of the applicable insurance policy. Certificates should not be used to amend, expand or otherwise alter the terms of the actual policy.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Signed for STARR INDEMNITY & LIABILITY COMPANY



Charles H. Dangelo, President



Nehemiah E. Ginsburg, General Counsel

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

| Name Of Additional Insured Person(s) Or Organization(s): | Location(s) Of Covered Operations |
|--|-----------------------------------|
| As required by a written contract | As required by a written contract |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | |

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO ENHANCEMENT ENDORSEMENT

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

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

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

The following is added:

D. Physical Damage Coverage for Temporary Substitute and Leased Autos

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

c. Personal Effects Coverage

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

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

No deductible applies to Personal Effects Coverage.

Under A. Coverage, the following is added:

5. Lease and Loan Gap Coverage

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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Policy Number
648623364

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.
COMMON POLICY CHANGE ENDORSEMENT**

Endorsement No. 003

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

Effective Date: 08-15-13
12:01 A.M., Standard Time

Agent Name NETWORKED INSURANCE

This endorsement will not be used to decrease coverages, increase rates or deductibles or alter any terms or conditions of coverage unless at the sole request of the insured.

COVERAGE PART INFORMATION – Coverage parts affected by this change as indicated by below.

- Commercial Property
- Commercial General Liability
- Commercial Crime
- Commercial Inland Marine
- COMMERCIAL AUTOMOBILE
-

NO CHARGE

The following item(s):

- | | |
|--|---|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/Business of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Exposure/Insurance |

is (are) changed to read {See Additional Page(s)}

SEE NEXT PAGE

The above amendments result in a change in the premium as follows:

This premium does not include taxes and surcharges.

- No Changes To be Adjusted at Audit

Additional NO CHARGE

Return NO CHARGE

Tax and Surcharge Changes

Additional

Return

Countersigned By: _____ NETWORKED INSURANCE
AUTHORIZED AGENT





Policy Number
648623364

COMMON POLICY CHANGE ENDORSEMENT

Endorsement No. 003

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

Effective Date: 08-15-13
12:01 A.M., Standard Time

Agent Name NETWORKED INSURANCE

POLICY CHANGES ENDORSEMENT DESCRIPTION (CONT'D)

THE POLICY IS AMENDED AS FOLLOWS:
CHANGE REQUEST EFFECTIVE 08-15-13 ADD AI (COUNTY OF MONTEREY)

THE FOLLOWING ADDITIONAL INTEREST (ADDITIONAL INSURED - OTHER) HAS
BEEN ADDED TO THE POLICY:

COUNTY OF MONTEREY
CONTRACTS/PURCHASING
168 WEST ALISAL ST 3RD FLOOR
SALINAS CA 93901

THE FOLLOWING FORM(S) HAS BEEN ADDED:
CA 20 48 02-99 DESIGNATED INSURED

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME

REMOVAL PERMIT

If this policy includes the Commercial Property Coverage Part, the following applies with respect to the Coverage Part:
If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.



Policy Number
648623364

SCHEDULE OF FORMS AND ENDORSEMENTS

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

Effective Date: 08-15-13
12:01 A.M., Standard Time

Agent Name NETWORKED INSURANCE

COMMON POLICY FORMS AND ENDORSEMENTS

| | | |
|----------|-------|------------------------------------|
| DM CW 30 | 01-10 | COMMON POLICY CHANGE ENDORSEMENT |
| DM CW 12 | 01-10 | SCHEDULE OF FORMS AND ENDORSEMENTS |

AUTOMOBILE FORMS AND ENDORSEMENTS

| | | |
|----------|-------|--------------------|
| CA 20 48 | 02-99 | DESIGNATED INSURED |
|----------|-------|--------------------|



CERTIFICATE OF INSURANCE

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

| | |
|---|--|
| Certificate Holder: COUNTY OF MONTEREY CONTRACTS/PURCHASING 168 WEST ALISAL ST 3RD FLOOR SALINAS, CA USA 93901 | Named Insured: BENCHMARK LAND USE GROUP, INC. 2515 E BIDWELL ST FOLSOM CA 95630-6474 |
|---|--|

| Automobile Liability | | | |
|---|---|---|---------------------------------------|
| Insurer Name: Allstate Insurance Company | | | |
| Policy Number: 648623364 | | | |
| <input type="checkbox"/> | 1 - Any Auto | <input type="checkbox"/> | 2 - Owned Autos Only |
| <input type="checkbox"/> | 4 - Owned Autos Other Than Priv. Pass. Autos Only | <input type="checkbox"/> | 5 - Owned Autos Subject to No Fault |
| <input type="checkbox"/> | 7 - Specifically Described Autos | <input checked="" type="checkbox"/> | 8 - Hired Autos Only |
| <input type="checkbox"/> | | <input type="checkbox"/> | 9 - Nonowned Autos Only |
| Policy Effective Date: 04-01-2013 | | Policy Expiration Date: 04-01-2014 | |
| Limits of Insurance: | \$1,000,000 | | Combined Single Limit (each accident) |
| | BI Per Person | | BI Per Accident |
| Description of Operations/Locations/Vehicles/Endorsements/Special Provisions | | | |
| | | | |
| Interested Party Type: Additional Insured - Municipality | | | |
| THIS CERTIFICATE DOES NOT GRANT ANY COVERAGE OR RIGHTS TO THE CERTIFICATE HOLDER. IF THIS CERTIFICATE INDICATES THAT THE CERTIFICATE HOLDER IS AN ADDITIONAL INSURED, THE POLICY(IES) MUST EITHER BE ENDORSED OR CONTAIN SPECIFIC LANGUAGE PROVIDING THE CERTIFICATE HOLDER WITH ADDITIONAL INSURED STATUS. THE CERTIFICATE HOLDER IS AN ADDITIONAL INSURED ONLY TO THE EXTENT INDICATED IN SUCH POLICY LANGUAGE OR ENDORSEMENT. | | | |
| Cancellation | | | |
| In the event of cancellation of any policy described above, the insurer will attempt to mail _____ days written notice to the certificate holder prior to the effective date of cancellation. However, failure to do so will not impose any duty or liability upon the insurer, its agents or representatives, nor will it delay cancellation. | | | |

| | |
|---|--------------|
| Producer: NETWORKED INSURANCE | |
| Authorized Representative: | |
| | Date: |



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POLICY NUMBER: 648623364

COMMERCIAL AUTO
CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

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

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

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

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

| | |
|------------------------|--|
| Endorsement Effective: | Countersigned By: (Authorized Representative) |
| Named Insured: | |

SCHEDULE

Name of Person(s) or Organization(s):

COUNTY OF MONTEREY
CONTRACTS/PURCHASING
168 WEST ALISAL ST 3RD FLOOR
SALINAS, CA USA 93901

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

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



| | |
|--|---|
| Policy Number 648623364 | |
| COMMON POLICY DECLARATIONS Allstate Insurance Company 2775 Sanders Road, Northbrook, IL 60062 A STOCK INSURANCE COMPANY | |
| Item 1. Named Insured and Mailing Address | Agent Name and Address |
| BENCHMARK LAND USE GROUP, INC. 2515 E BIDWELL ST FOLSOM CA 95630-6474 | NETWORKED INSURANCE 988 MCCOURTNEY RD B GRASS VALLEY CA 95949 |
| Item 2. Policy Period From: 04-01-2013 To: 04-01-2014 at 12:01 A.M., Standard Time at your mailing address shown above. | |
| Item 3. Business Description: ENVIRONMENTAL ENGINEERING FIRM Form of Business: CORPORATION | |
| Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. | |
| This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment. | |
| Coverage Part(s) | Premium |
| Commercial Property Coverage Part | NOT COVERED |
| Commercial General Liability Coverage Part | NOT COVERED |
| Crime and Fidelity Coverage Part | NOT COVERED |
| Commercial Inland Marine Coverage Part | NOT COVERED |
| Commercial Auto (Business or Truckers) Coverage Part | \$ 5,901.00 |
| Commercial Garage Coverage Part | NOT COVERED |
| Terrorism Risk Insurance Act Coverage | |
| Total Policy Premium | \$ 5,901.00 |
| Item 5. Forms and Endorsements Form(s) and Endorsement(s) made a part of this policy at time of issue: See Schedule of Forms and Endorsements | |

SEE THE IMPORTANT PAYMENT INFORMATION FORM FOR DETAILS ABOUT PAYMENT OPTIONS

Countersigned:

 Date: 03-22-13

 By: NETWORKED INSURANCE
 Authorized Representative


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

Policy Number
648623364

SCHEDULE OF FORMS AND ENDORSEMENTS

Allstate Insurance Company

Named Insured BENCHMARK LAND USE GROUP, INC.

Effective Date: 04-01-13

12:01 A.M., Standard Time

Agent Name NETWORKED INSURANCE

COMMON POLICY FORMS AND ENDORSEMENTS

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

AUTOMOBILE FORMS AND ENDORSEMENTS

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



BUSINESS AUTO COVERAGE FORM

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

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

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

SECTION I – COVERED AUTOS

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

A. Description Of Covered Auto Designation Symbols

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



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

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.



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.



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.



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.



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



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.