

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

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

AUSONIO INC. Ausonio Incorporated

(hereinafter "CONTRACTOR").

ALC / _____ 6/15/15 / _____
Contractor's Initials Date

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

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

TO PROVIDE "ON-CALL" CONSTRUCTION MANAGEMENT SERVICES FOR VARIOUS GENERAL PROJECTS LOCATED IN MONTEREY COUNTY, CALIFORNIA.

2. **TERM OF AGREEMENT.** The term of this Agreement is from ~~4/10/2015~~ 07/21/15 to ~~4/10/2018~~ 07/21/18, unless sooner terminated pursuant to the terms of this Agreement. The County has the option to extend the Agreement for two (2) additional one (1) year periods. If County exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate or terms or conditions in writing.

This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.

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

- Exhibit A Scope of Services**
- Exhibit B Payment Provisions**
- Exhibit C Incorporation of Request for Qualifications (RFQ) #10476, Addenda 1-4, and Statement of Qualifications Documents**

**The following documents are on file with the Office of Contracts/Purchasing:
RFQ 10476 plus Addenda 1-4
CONTRACTOR's Qualifications Package dated October 3, 2014**

4. **PAYMENTS BY COUNTY.**

4.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under this AGREEMENT in accordance with the pricing sheet (**Exhibit B**) attached hereto. The total aggregate amount payable to the CONTRACTOR under this AGREEMENT shall not exceed the sum of \$5,000,000.

4.2 Prices shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. County does not guarantee any minimum or maximum

Date
6/15/15
Contractor's Initials
ALC

amount of dollars to be spent under this AGREEMENT.

4.3 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than 30 days.

4.4 CONTRACTOR shall levy no additional fees or surcharges of any kind during the term of this AGREEMENT without first obtaining approval from County in writing.

4.5 Tax:

4.5.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.

4.5.2 County is registered with the Internal Revenue Service, San Francisco office, and registration number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

5. PERFORMANCE STANDARDS.

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

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

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

6. PAYMENT CONDITIONS.

6.1 CONTRACTOR shall reference RFQ #10476 on all invoices submitted to County to the attention of the Contract Administrator. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. County shall certify the invoice, either in the requested amount or in such other amount as County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to County Auditor-Controller for payment. County Auditor- Controller shall pay the amount certified within 30 days of receiving the certified invoice.

- 6.2 All County of Monterey Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 6.3 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by County. Surcharges and additional fees not included the AGREEMENT must be approved by County in writing via an Amendment.
- 6.4 In addition to any information and documentation otherwise required, invoices shall contain information and documentation satisfactory to County and Grantor (if project is grant funded) to facilitate expeditious reimbursement to County by Grantor for project expenses, and for Grantor project auditing purposes. County may require from time to time that supporting documentation or more detailed information be submitted in such format as may be required by applicable Federal or State granting agencies.

7. TERMINATION.

- 7.1 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.
- 7.2 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. INDEMNIFICATION.

- 8.1 For purposes of the following indemnification provisions ("Indemnification Agreement"), "construction management professional" has the same meaning as set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement and the provisions of California Civil Code Sections 2782 or 2782.8, the broadest indemnity protection for the COUNTY under this Indemnity Agreement that is permitted by law shall be provided by CONTRACTOR.
- 8.2 Indemnification for Construction Management Professional Services Claims:
CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONTRACTOR, its employees, subcontractors, and agents in the performance of construction management services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of the COUNTY, or defect in a design furnished by the COUNTY.

8.3 Indemnification for All Other Claims or Loss:

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

9. **INSURANCE.**

9.1 Evidence of Coverage:

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

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

9.2 Qualifying Insurers:

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

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

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

Modification (Justification attached; subject to approval).

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

Modification (Justification attached; subject to approval).

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

Modification (Justification attached; subject to approval).

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

Modification (Justification attached; subject to approval).

9.4 Other Insurance Requirements.

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

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

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

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

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

10. RECORDS AND CONFIDENTIALITY.

- 10.1 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.2 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.3 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.4 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.5 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11. NON-DISCRIMINATION.

- 11.1 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations, which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
- 11.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 11.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all agreements with subcontractors to perform work under the contract.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability, which County may incur because of CONTRACTOR's failure to pay such taxes.

14. PREVAILING WAGE.

14.1 Contractor/General Requirements

CONTRACTOR shall comply with state prevailing wage law, Chapter 1 of Part 7 of Division 2 of the Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000, for any "public works" (as that term is defined in the statutes) performed on the project funded by this AGREEMENT. For purpose of compliance with prevailing wage law, the CONTRACTOR shall comply with provisions applicable to an awarding body. Compliance with state prevailing wage law includes without limitation: payment of at least prevailing wage as applicable; overtime and working hour requirements;

apprenticeship obligations; payroll recordkeeping requirements; and other obligations as required by law.

14.2 Flow Down Requirements

Contractor shall ensure that all agreements with its subcontractors to perform work pursuant to this AGREEMENT contain the following provisions:

14.2.1 Contractor shall comply with state prevailing wage law, Chapter 1 of Part 7 of Division 2 of the Labor Code, commencing with Section 1720; and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000, for all construction, alteration, demolition, installation, repair or maintenance work over \$1,000 performed under the contract. Contractor's obligations under prevailing wage laws include without limitation: pay at least the applicable prevailing wage for public works activities performed on the project; comply with overtime and working hour requirements; comply with apprenticeship obligations; comply with payroll recordkeeping requirements; and comply with other obligations as required by law.

14.2.2 CONTRACTOR shall ensure that the above requirements are included in all its contracts and any layer of subcontracts for activities performed pursuant to this AGREEMENT.

14.2.3 Copies of the determination of the general prevailing rate of per diem wages are available to interested parties at: <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>

15. **TRAVEL REIMBURSEMENT**

15.1 If travel expenses are to be reimbursed, they must be approved in writing in advance.

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

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

FOR COUNTY:	FOR CONTRACTOR:
County of Monterey – Public Works	<i>De</i> / _____ Contractor's Initials
Name and Title	Ausonio Incorporated <u>AUSONIO, INC.</u>
Don Searle – Architectural Services Manager	Name and Title Andrew Ausonio
167 West Alisal St., 2 nd Floor	11420 A Commercial Parkway
Salinas, CA. 93901	Castroville, CA. 95012
Address	Address
(831)755-5061	(831)633-3371
Phone	Phone
	<i>6/15/15</i> / _____ Date

17. MISCELLANEOUS PROVISIONS.

- 17.1 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 17.2 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 17.3 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 17.4 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 17.5 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 17.6 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 17.7 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 17.8 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 17.9 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 17.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 17.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 17.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 17.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the

effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

- 17.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 17.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 17.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 17.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

This space is left blank, intentionally.

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

COUNTY OF MONTEREY

By: [Signature]
Contracts/Purchasing Officer

Date: 8-26-15

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹

By: Cynthia S. Olvera
Deputy County Counsel

Date: 6-19-15

Approved as to Fiscal Provisions²

By: Don Holy
Auditor/Controller

Date: 6/22/15

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

IDL **CONTRACTOR** 6/15/15
Contractor's Initials Date

AUSONIO, INC Ausonio Incorporated
Contractor's Business Name*

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

Ignacio "Mog" Cabata Vice President
Name and Title

Date: 2/13/15

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

Andrew Ausonio CEO/CFO
Name and Title

Date: 2/18/15

County Board of Supervisors' Agreement Number: _____.

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

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

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

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

EXHIBIT A – SCOPE OF SERVICES

(As listed within RFQ #10476)

The scope of work shall include, but not limited to, the following range of Construction Management (CM) services including services of sub-consultants, typically required for architectural projects in the public sector. Basic services shall cover all phases of design development through the Project Close-Out Phase. Tasks required for each individual project may vary and may include but are not limited to any of the following:

6.1 Basic Services:

6.1.1 Design Development Phase:

- 6.1.1.1 CONTRACTOR shall review Design Professional's construction documents and specifications to determine whether they are consistent with the Project Program (including the gross and assignable floor areas), the Construction Budget, the Project Schedule, and design constructability.
- 6.1.1.2 CONTRACTOR shall confirm the Drawings and Specifications are consistent with the County's General Conditions for the Project.
- 6.1.1.3 CONTRACTOR shall check for coordination of the documents in terms of consistency and conformity between all disciplines.
- 6.1.1.4 CONTRACTOR shall back-check the resubmittal of documents to ensure that all corrections have been incorporated into the 100% construction documents and specifications.
- 6.1.1.5 If requested by County, CONTRACTOR shall meet with the assigned Design Professional to reconcile discrepancies between the CONTRACTOR's Estimated Project Construction Costs and the Design Professionals estimates. If necessary the CONTRACTOR will conduct value engineering exercises to bring costs into budget.
- 6.1.1.6 CONTRACTOR shall participate and advise County during LEED Coordination and Implementation process and confirm that drawings and specifications are consistent with LEED goals.

6.1.2 Design Development Phase deliverables:

- 6.1.2.1 CONTRACTOR shall develop a recommendation list of cost items that the Contractors should include in their cost breakdowns.
- 6.1.2.2 CONTRACTOR shall use the Construction Specification Institute format, and submit this list to County for inclusion in the Construction Documents.
- 6.1.2.3 CONTRACTOR shall prepare a Preliminary Master Construction Project Schedule for inclusion in the contract documents.
- 6.1.2.4 If required by County, CONTRACTOR shall schedule and conduct constructability reviews during the development of the design documents.
- 6.1.2.5 If required by County, CONTRACTOR shall prepare and submit to County, independent written Estimated Project Construction Costs based on the design documents and on the 100% back-checked documents.

6.1.3 Bidding Phase:

- 6.1.3.1 CONTRACTOR shall review plans, technical specifications, project schedule, project budget, and other pertinent documents provided by COUNTY to become familiar with all aspects of the project.
- 6.1.3.2 CONTRACTOR shall assist COUNTY and Architect in developing construction bid packages including prequalification criteria, and preparation of prequalification documents, as requested by COUNTY.
- 6.1.3.3 CONTRACTOR shall conduct a pre-bid conference with a site visit in accordance with COUNTY Contracts/Purchasing procedures.
- 6.1.3.4 CONTRACTOR shall coordinate a response to questions during question/answer period, and develop addenda as necessary for issuance by COUNTY.

- 6.1.3.5 CONTRACTOR shall attend bid opening.
- 6.1.3.6 CONTRACTOR shall perform bid analysis that includes checking for responsiveness to qualification requirements.
- 6.1.3.7 In the event that bids exceed budget, CONTRACTOR shall review and recommend strategy for rebidding project.
- 6.1.3.8 CONTRACTOR shall assist COUNTY in preparing a contract for the successful bidder and reviewing contract required documents from successful bidder
- 6.1.3.9 CONTRACTOR shall attend meetings when scheduled with project team including Architect and Project Manager.

6.1.4 Bidding Phase Deliverables:

- 6.1.4.1 CONTRACTOR shall prepare bid package in accordance with COUNTY procedures.
- 6.1.4.2 CONTRACTOR shall prepare and distribute meeting minutes and Addenda (as necessary) from pre-bid conference site visit and during Questions/Answer Period.
- 6.1.4.3 CONTRACTOR shall provide written report to COUNTY regarding recommendation for award of bids, and bid tabulation.
- 6.1.4.4 CONTRACTOR shall prepare and distribute meeting minutes of all meetings.

6.2 Construction Phase:

6.2.1 Project Budget and Schedule:

- 6.2.1.1 CONTRACTOR shall prepare and maintain a master construction project budget and schedule in a format acceptable to the COUNTY.

6.2.2 Construction Coordination:

- 6.2.2.1 CONTRACTOR shall conduct weekly meetings with Contractor, COUNTY and Architect to assure timely review and response to questions and resolution of field conflicts or incorporation of design changes, review project progress, schedule and budget, review special inspections, building department inspections and others
- 6.2.2.2 CONTRACTOR shall document all field conflicts and help resolve these issues by coordinating with Architect and other regulatory agencies.
- 6.2.2.3 CONTRACTOR shall prepare or review proposed and/or final contract change orders and make recommendations to the Project Manager regarding approval.
- 6.2.2.4 CONTRACTOR shall assist COUNTY and Architect in evaluating Contractors' Proposed and/or Change Order Requests, and make written recommendations regarding such requests.
- 6.2.2.5 CONTRACTOR shall assist in negotiations with Contractors as requested by COUNTY.
- 6.2.2.6 CONTRACTOR shall monitor Contractors's labor compliance.
- 6.2.2.7 CONTRACTOR shall review Contractors's safety program.
- 6.2.2.8 CONTRACTOR shall Coordinate Owner Furnished/Contractor Installed (OFICI) furniture, fixtures, and equipment (FF&E).

6.2.3 Inspections:

- 6.2.3.1 CONTRACTOR shall provide daily on-site inspection of the project to assure compliance with bid documents. This work includes pre-construction photos and site documentation as well as progress photos, daily inspection reports identifying type and number of crews and equipment. Daily records shall also identify conflicts, actions approved, and resolution of minor conflicts.
- 6.2.3.2 CONTRACTOR shall witness specialty testing and inspection.
- 6.2.3.3 CONTRACTOR shall co-ordinate all inspections with COUNTY Building Inspector(s) to prevent over-lap of tasks and ensure proper coverage of construction.

6.2.4 Review of Submittals/Shop Drawings:

- 6.2.4.1 CONTRACTOR shall record and distribute submittals and coordinate responses with Architect and Project Manager and resolve conflicting comments.
- 6.2.4.2 CONTRACTOR shall coordinate submittal reviews with Architect when appropriate.
- 6.2.4.3 CONTRACTOR shall also be required to coordinate all Contract Documents interpretations, Shop Drawings, Product Data and Samples through the Architect. In cases of conflict of opinion between Architect and CONTRACTOR regarding interpretation of Contract Documents, Shop Drawings, Product Data and Samples, the CONTRACTOR shall advise COUNTY and receive written direction from COUNTY prior to taking final action as COUNTY's Representative.
- 6.2.4.4 CONTRACTOR shall assist Architect, as requested by COUNTY, in obtaining back-up documentation, shop drawings, and materials submittals from Contractors.

6.2.5 Contract Compliance:

- 6.2.5.1 CONTRACTOR shall monitor Contractor's Insurance and Bonds to assure total coverage at all times.
- 6.2.5.2 CONTRACTOR shall keep a log of all Liens and Stop Notices and resolve any outstanding ones prior to acceptance of work.

6.2.6 Correspondence:

- 6.2.6.1 CONTRACTOR shall log all Contractor Requests For Information (RFI's) and other correspondence.
- 6.2.6.2 CONTRACTOR shall review issues with Consultants and other professionals, COUNTY, and other regulatory agencies to provide timely, complete, correct, and cost-effective responses to Contractor questions.
- 6.2.6.3 CONTRACTOR shall review Invoices and Pay Estimates, review with Contractor and Architect and forward to COUNTY. Payments shall be based on percentage of work progress minus any retainage.

6.2.7 Meetings:

- 6.2.7.1 Attend weekly meetings with project team including Architect and COUNTY as requested.

6.2.8 LEED Facilitation and Assistance:

- 6.2.8.1 CONTRACTOR shall assist the COUNTY and Architect with the LEED certification process and monitor the contractor's activities in the field to promote compliance with the LEED process.
- 6.2.8.2 CONTRACTOR shall assist the LEED commissioning agent by facilitating his work and coordinating it with ongoing project close out activities.

6.2.9 Records Documents:

- 6.2.9.1 CONTRACTOR shall receive Architect's Record Documents, evaluate their completeness and recommend to COUNTY in writing whether to accept or reject said documents.

6.2.10 Independent Reviews:

- 6.2.10.1 CONTRACTOR shall participate, and conduct, if requested by COUNTY, all independent reviews required by the Architect Agreement.

6.2.11 Construction Phase Deliverables:

- 6.2.11.1 Provide and Maintain Project Construction Budget and Schedule, updated for weekly meetings.
- 6.2.11.2 Provide and maintain logs including but not limited to:
 - a) Submitted RFI's
 - b) Proposed & Final Change Orders
 - c) Procurement and/or Shop Drawing Submittal reviews and processing
 - d) Request for quotations to evaluate proposed change orders
 - e) Correction Notices
 - f) Stop work Notices
 - g) Any other documents as required by COUNTY including photos and correspondence
- 6.2.11.3 Prepare daily records, inspection logs, monthly statements and invoices.
- 6.2.11.4 Prepare and distribute meeting minutes of all weekly meetings with project team.

6.3 Project Acceptance & Close Out Phase:

- 6.3.1 CONTRACTOR shall schedule and conduct punch list walkthroughs and shall prepare and distribute punch list to all parties, including Project Manager and Architect.
- 6.3.2 CONTRACTOR shall assure that punch list work is completed.
- 6.3.3 CONTRACTOR shall collect and distribute all required O&M manuals.
- 6.3.4 CONTRACTOR shall review and accept warranties.
- 6.3.5 CONTRACTOR shall schedule and ensure that all pre-testing, commissioning, keying and key boxes, and training of equipment and building systems are completed prior to final acceptance.
- 6.3.6 CONTRACTOR shall review as-built drawings to assure they reflect as-built conditions.
- 6.3.7 CONTRACTOR shall coordinate final meeting with COUNTY, Architect and Contractor to provide turnover of facility, warranty information, maintenance manuals and instructions on building systems.
- 6.3.8 CONTRACTOR shall provide recommendation on issuance of Final Notice of Completion.

6.4 Project Close-Out Phase Deliverables:

- 6.4.1 CONTRACTOR shall prepare and distribute meeting minutes to project team.
- 6.4.2 CONTRACTOR shall collect and distribute all project documents including punch-lists, O& M manuals, as-built drawings and warranty information.
- 6.4.3 CONTRACTOR shall prepare a final construction project report using COUNTY specified format.

6.5 CONTRACTOR Additional Services:

- 6.5.1 CONTRACTOR shall provide Additional Services only when and as authorized in a written Amendment executed by COUNTY. No Additional Services shall be compensable unless so authorized.

6.6 COUNTY Responsibilities:

6.6.1 Administration:

- 6.6.1.1 COUNTY shall designate, in writing, a COUNTY Project Manager who shall act on behalf of COUNTY with respect to each project which is assigned to CONTRACTOR. CONTRACTOR shall accept directives only from the COUNTY Project Manager and not from other COUNTY employees. COUNTY may replace the COUNTY Project Manager at its sole option; if this replacement is made, COUNTY shall notify CONTRACTOR in writing.

6.6.2 Provision of Information, Surveys, and Reports:

- 6.6.2.1 COUNTY shall furnish copies of Drawings, Specifications, and other Project-related documents deemed necessary by COUNTY and CONTRACTOR for the performance of CONTRACTOR's services for the Project.
- 6.6.2.2 COUNTY shall furnish information to CONTRACTOR for purposes of updating the Project Schedule as dates and durations applicable to the Project such as funding deadlines, review periods, anticipated periods of Project suspension, and construction deadlines.
- 6.6.2.3 COUNTY shall have the right to make reasonable changes to its Bidding Documents and CONTRACTOR shall be bound by such changes. When such changes increase the duties of CONTRACTOR, beyond those reasonably and customarily provided as described in the Scope of Work 6.1 through 6.4. CONTRACTOR shall be compensated in accordance with the fee schedule in the Agreement.

6.7 Specific requirements include but are not limited to the following:

- 6.7.1 CONTRACTOR Services will be provided on an on-call basis. The process will consist of the County contacting the CONTRACTOR(S) and requesting services related to an individual project. CONTRACTOR(S) will then prepare a detailed scope and cost.
- 6.7.2 The County has implemented a Job Order Contract (JOC) construction delivery method. Not all construction projects will use the JOC program. For those projects that elect to use the JOC program, CONTRACTOR(S) must become familiar with the quality and workmanship required by the applicable Construction Task Catalogs (CTC) and coordinate and adjust specifications and details produced by the JOC contractor if architectural documents have not been produced.
- 6.7.3 CONTRACTOR will advocate for the County and ensure the project produced is in the best interest of the County. CONTRACTOR is expected to deliver services on or ahead of the required schedule and within budget.
- 6.7.4 All work shall be done in conformance with all applicable County, State and Federal laws, County Design Manuals, County Standard Plans, all Caltrans manuals, policies, State Standard Plans and Specifications, Manual of Uniform Control Devices, California Building Code, (Fire, Electrical), Board of State and Community Corrections, Americans with Disabilities Act (ADA), California Green Building Standards Code (Part 11, Title 24, California Code of Regulations); and as revised and amended by County ordinance.

EXHIBIT B – PAYMENT PROVISIONS
(As Provided within Proposal for RFQ #10476)

The undersigned, having read and understood all RFQ information, hereby submits hourly rates. It is understood that the basic design of each particular type of facility can be duplicated as the situation permits. It is also understood that the Fee Schedule will be used by the County as a criteria to select the firm(s) for possible interviews by the selection Committee.

Ausonio Incorporated

Attachment K-: Fee Schedule

The undersigned, having read and understood all RFQ information, hereby submits hourly rates. It is understood that the basic design of each particular type of facility can be duplicated as the situation permits. It is also understood that the Fee Schedule will be used by the County as a criteria to select the firm(s) for possible interviews by the selection Committee, but that a final fee may be negotiated with the qualified firm(s) for the required services.

Position/Title (Indicate Below)	Hourly Rate (Indicate changes per year if any)	
	2014/2015	2015/2016
Principal/Owner	\$190	\$190
Project Manager	\$165	\$165
Cost Estimator	\$125	\$125
Clerical	\$65	\$65
LEED AP	\$125	\$125
Reimbursable Items to be Billed (please list)	Estimated Cost Bills (Markup not to exceed 10%)	
	Total Cost (if applicable at the time of RFQ)	% of Markup Calculated
MILEAGE per current IRS rate		N/A
ADD SERVICE - REPRODUCTION PRINTING:		
1 - 100 8.5 x11 blk/wht per page	\$.07	10%
1 - 100 11 x 17 blk/wht per page	\$.15	10%
1 - 100 8.5 x11 color per page	\$.55	10%
1 - 100 11 x 17 color per page	\$.89	10%
1 - 100 12 x 18 per sheet	\$.17	10%
1 - 100 15 x 21 per sheet	\$.19	10%
1 - 100 17 x 22 per sheet	\$.25	10%
1 - 50 24 x 36 per sheet	\$1.00	10%
1 - 100 20 x 42 per sheet	\$1.25	10%
Outside Reproduction as invoiced by Printing Firm		10%
ADD SERVICE - MEDIA:		
Mounted on 24" X 36" Foam Core	\$5.00	10%
Mounted on 30" x 42" Foam Core	\$5.00	10%
CD	\$.99	10%
DVD	\$.99	10%
POSTAGE/FREIGHT/DELIVERY SERVICE:		10%

**EXHIBIT C – INCORPORATION OF RFQ #10476, ADDENDA #1-4, AND
STATEMENT OF QUALIFICATION DOCUMENTS**

The County invited submittals to Request for Qualification (RFQ) through RFQ #10476, “On-Call” Construction Management Services for Various General Projects Located in Monterey County, California. AUSONIO, INC. submitted a responsive and responsible proposal to perform the services listed in RFQ #10476.

RFQ #10476, Addenda 1-4, and the Statement of Qualifications submitted by AUSONIO, INC. are hereby incorporated into the Agreement by this reference.





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/21/2015

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

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

PRODUCER Salinas-Alliant Insurance Services, Inc 928 E Blanco Rd 200 Salinas, CA 93901	CONTACT NAME: Debbie Morikawa
	PHONE (A/C, No, Ext): (831) 789-8560 FAX (A/C, No): E-MAIL ADDRESS: dmorikawa@alliant.com
INSURED Ausonio, Inc. 11420 A Commercial Parkway Castroville, CA 95012	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A : National Fire Insurance Co of Hartford 20478
	INSURER B : Valley Forge Insurance Company 20508
	INSURER C : Continental Casualty Company 20443
	INSURER D : State Compensation Insurance Fund of CA 35076
	INSURER E : Indian Harbor Insurance Company 36940
INSURER F :	NAIC #

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	6014518992	11/01/2014	11/01/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS	X	X	6016009417	11/01/2014	11/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		X		11/01/2014	11/01/2015	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	9121117-2015	01/01/2015	01/01/2016	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Professional Liab			PEC003611303	11/01/2014	11/01/2015	Each Claim 2,000,000
E	Professional Liab			PEC003611303	11/01/2014	11/01/2015	Aggregate Limit 2,000,000

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

RE: On-call construction management services for various general projects under RFQ #10476.
 The County of Monterey, its Officers, Agents and Employees are listed as Additional Insured.
 Endorsement(s) Attached:
 General Liability Additional Insured
 General Liability Primary
 General Liability Waiver of Subrogation
 Auto Additional Insured
 SEE ATTACHED ACORD 101

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

AGENCY Salinas-Alliant Insurance Services, Inc		NAMED INSURED Ausonio, Inc. 11420 A Commercial Parkway Castroville, CA 95012	
POLICY NUMBER SEE PAGE 1		EFFECTIVE DATE: SEE PAGE 1	
CARRIER SEE PAGE 1	NAIC CODE SEE P 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Description of Operations/Locations/Vehicles:
Auto Primary
Auto Waiver of Subrogation
Cancellation Clause



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

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

SCHEDULE (OPTIONAL)

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

All other terms and conditions of the Policy remain unchanged.

Material used with permission of ISO Properties, Inc.

**CONTRACTORS' GENERAL LIABILITY EXTENSION ENDORSEMENT**

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

SCHEDULE

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

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

1. ADDITIONAL INSURED

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

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

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

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

A. Controlling Interest

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

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

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

B. Co-owner of Insured Premises

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

C. Lessor - Equipment

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

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

D. Lessor - Land

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

This insurance does not apply to:

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

E. Lessor - Premises

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

This insurance does not apply to:

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

F. Mortgagee, Assignee or Receiver

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

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

G. State or Governmental Agency or Subdivision or Political Subdivisions

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

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

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

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

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

2. BODILY INJURY – EXPANDED DEFINITION

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

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

3. BROAD KNOWLEDGE OF OCCURRENCE/ NOTICE OF OCCURRENCE

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

A. BROAD KNOWLEDGE OF OCCURRENCE

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

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

B. NOTICE OF OCCURRENCE

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

4. BROAD NAMED INSURED

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

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

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

1. Management control means:

- a. Ownership interest representing more than 50% of the voting, appointment, or designation power for the subsidiary organization's governing body; or
- b. Having the right, pursuant to a written contract, or pursuant to the by-laws, charter, operating agreement, or similar document of a specifically shown Named Insured or controlled subsidiary organization to select, appoint, or designate a majority of the subsidiary organization's governing body. Such contract or document must have been created prior to the time of loss; or
- c. Having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer and sell property held by a trust.

2. Governing body means the Board of Directors of a corporation.

3. Loss means:

- a. The occurring of the "bodily injury" or "property damage"; or
- b. The committing of the offense that caused the "personal and advertising injury."

D. The insurance provided by this policy applies to Named Insureds when trading under their own names, or under such trading names or doing-business-as (DBA) names as any should choose to employ.

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

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

[This insurance does not apply to:]

k. Damage to Your Product

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

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

l. Damage to Your Work

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

This exclusion does not apply:

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

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

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

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

6. CONTRACTUAL LIABILITY – RAILROADS

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

"Insured Contract" means:

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

- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

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

7. CONTRACTUAL LIABILITY FOR PERSONAL AND ADVERTISING INJURY

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

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

8. ELECTRONIC DATA LIABILITY

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

[This insurance does not apply to:]

- p. **Electronic Data**

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

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

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

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

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

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

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

17. "Property damage" means:

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

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

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

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

9. EXPANDED PERSONAL AND ADVERTISING INJURY - DISCRIMINATION OR HUMILIATION

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

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

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

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

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

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

[This insurance does not apply to:]

Discrimination Relating To Room, Dwelling or Premises

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

Fines Or Penalties

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

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

10. EXPECTED OR INTENDED INJURY

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

Intended Injury and replace it with the following:

[This insurance does not apply to:]

a. **Expected or Intended Injury**

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

11. GENERAL AGGREGATE LIMITS OF INSURANCE - PER PROJECT

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

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

2. All medical expenses under Coverage C,

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

B. All:

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

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

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

will reduce the General Aggregate Limit shown in the Declarations.

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

12. IN REM ACTIONS

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

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

13. INCIDENTAL HEALTH CARE MALPRACTICE COVERAGE

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

- (a) "Bodily injury" caused by a "health care incident" will be considered caused by an "occurrence"; and
- (b) All acts, errors or omissions that are logically connected by any common fact, circumstance, situation, transaction, event, advice or decision will be considered to constitute a single "occurrence";
- (2) The "bodily injury" occurs during the policy period. All "bodily injury" arising from an "occurrence" will be deemed to have occurred at the time of the first act, error, or omission that is part of the "occurrence"; and

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

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

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

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

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

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

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

[This insurance does not apply to:]

Dishonesty or Crime

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

Clinical Trials / Product Testing

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

Medicare/Medicaid Fraud

Medicare or Medicaid fraud or abuse.

Services Excluded by Endorsement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANIES

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

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

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



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

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

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

**15. LEGAL LIABILITY/ALIENATED PREMISES/
BORROWED EQUIPMENT**

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

[This insurance does not apply to:]

j. Damage to Property

"Property damage" to:

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

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

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

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

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

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

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

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

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

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

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

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

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

- a. \$500,000; or

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

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

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

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

16. LIBERALIZATION CLAUSE

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

17. LIQUOR LIABILITY

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

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

18. MEDICAL PAYMENTS

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

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

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

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

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

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

19. NON-OWNED AIRCRAFT

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

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

20. NON-OWNED WATERCRAFT

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

[This exclusion does not apply to:]

- (2) A watercraft you do not own that is:
- (a) Less than 75 feet long; and
 - (b) Not being used to carry persons or property for a charge.

21. PRIMARY AND NON-CONTRIBUTORY TO OTHER INSURANCE

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

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

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

22. PROPERTY DAMAGE – ELEVATORS



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

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

4. Other Insurance

b. Excess Insurance

(1) This insurance is excess over:

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

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

23. SUPPLEMENTARY PAYMENTS

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

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

24. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

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

25. WAIVER OF SUBGROGATION - BLANKET

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

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of:

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

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

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

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

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

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

A. The following wording is added to the endorsement:

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

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

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

[This insurance is excess over:]

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



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

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

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

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

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

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

All other terms and conditions of the Policy remain unchanged.

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

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WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

Any person or organization with whom you have agreed in writing
in a contract or agreement to waive any right of recovery
against such person or organization, but only if the contract
or agreement:

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

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

The following is added to Paragraph 8. **Transfer Of
Rights Of Recovery Against Others To Us** of
Section IV – Conditions:

We waive any right of recovery we may have against
the person or organization shown in the Schedule
above because of payments we make for injury or
damage arising out of your ongoing operations or
"your work" done under a contract with that person or
organization and included in the "products-completed
operations hazard." This waiver applies only to the
person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

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

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

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

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

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

SCHEDULE

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

BUSINESS AUTO COVERAGE FORM

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

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

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

SECTION I – COVERED AUTOS

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

A. Description Of Covered Auto Designation Symbols

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

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

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

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

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

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

SECTION II – LIABILITY COVERAGE

A. Coverage

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

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

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

1. Who Is An Insured

The following are "insureds":

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

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

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

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

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

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

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

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

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

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

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

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

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

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

3. Workers' Compensation

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

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4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

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

This exclusion applies:

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

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

5. Fellow Employee

"Bodily injury" to:

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

6. Care, Custody Or Control

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

7. Handling Of Property

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

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

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

8. Movement Of Property By Mechanical Device

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

9. Operations

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

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

10. Completed Operations

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

In this exclusion, your work means:

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

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

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

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

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

11. Pollution

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

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured."

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

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

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

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

12. War

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

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

13. Racing

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

C. Limit Of Insurance

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

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

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

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

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

a. **Comprehensive Coverage**

From any cause except:

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

b. **Specified Causes Of Loss Coverage**

Caused by:

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

c. **Collision Coverage**

Caused by:

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

2. **Towing**

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

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

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

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

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

4. Coverage Extensions

a. **Transportation Expenses**

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

b. **Loss Of Use Expenses**

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

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

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

B. Exclusions

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

a. **Nuclear Hazard**

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

b. War Or Military Action

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

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

3. We will not pay for "loss" due and confined to:
- a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

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

4. We will not pay for "loss" to any of the following:
- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measurement equipment.
 - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
 - d. Any accessories used with the electronic equipment described in Paragraph e. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss," is:
- a. Permanently installed in or upon the covered "auto";

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

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

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

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

C. Limit Of Insurance

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

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

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

- a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- c. An integral part of such equipment.

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

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

D. Deductible

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

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SECTION IV - BUSINESS AUTO CONDITIONS

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

A. Loss Conditions

1. Appraisal For Physical Damage Loss

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

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

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

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

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

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the "accident" or "loss." Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit."
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit."
 - (4) Authorize us to obtain medical records or other pertinent information.

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

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

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

3. Legal Action Against Us

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

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

4. Loss Payment - Physical Damage Coverages

At our option we may:

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

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

5. Transfer Of Rights Of Recovery Against Others To Us

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

B. General Conditions

1. Bankruptcy

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

2. Concealment, Misrepresentation Or Fraud

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

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

3. Liberalization

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

4. No Benefit To Bailee - Physical Damage Coverages

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

5. Other Insurance

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

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

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

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

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

6. Premium Audit

- a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

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

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

The coverage territory is:

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

- (a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
- (b) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

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

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

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

SECTION V - DEFINITIONS

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

B. "Auto" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H. "Insured contract" means:

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

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

a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees," if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

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

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

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

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to premises you own or rent;

3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

a. Power cranes, shovels, loaders, diggers or drills; or

b. Road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or

b. Cherry pickers and similar devices used to raise or lower workers; or

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

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

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

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

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

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

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

"Suit" includes:

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

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

P. "Trailer" includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

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

<p>Named Insured: Ausonio, Inc.</p> <p>Endorsement Effective Date: 11/01/2014</p>

SCHEDULE

<p>Name(s) Of Person(s) Or Organization(s):</p> <p style="text-align: center;">ANY PERSON OR ORGANIZATION FOR WHOM OR WHICH YOU ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT TO OBTAIN THIS WAIVER FROM US. YOU MUST AGREE TO THAT REQUIREMENT PRIOR TO LOSS.</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.