

**AMENDMENT NO. 9  
TO PROFESSIONAL SERVICES AGREEMENT  
BETWEEN COUNTY OF MONTEREY AND  
EMC PLANNING GROUP, INC.**

**THIS AMENDMENT NO. 9** to the Professional Services Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and EMC Planning Group, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

**WHEREAS**, CONTRACTOR entered into a Professional Services Agreement with County on September 11, 2012 (hereinafter, "Agreement") to provide an Environmental Impact Report (EIR) for the Paraiso Hot Springs Resort (hereinafter, "Project") through June 30, 2013 for an amount not to exceed \$143,554.80; and

**WHEREAS**, Agreement was amended by the Parties on March 22, 2013 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Scope of Services/Payment Provisions) to extend the term for one (1) additional year through June 30, 2014 and to increase the amount by \$6,850.00 which resulted in a total not to exceed amount of \$150,404.80; and

**WHEREAS**, Agreement was amended by the Parties on July 1, 2013 (hereinafter, "Amendment No. 2", including Exhibit A-2 – Scope of Services/Payment Provisions) to increase the amount by \$6,010.00 which resulted in a total not to exceed amount of \$156,414.80 with no extension to the term; and

**WHEREAS**, Agreement was amended by the Parties on May 21, 2014 (hereinafter, "Amendment No. 3") to extend the term for six (6) additional months through December 31, 2014 with no increase in the not to exceed amount; and

**WHEREAS**, Agreement was amended by the Parties on October 28, 2014 (hereinafter, "Amendment No. 4") to extend the term for six (6) additional months through June 30, 2015 with no increase in the not to exceed amount; and

**WHEREAS**, Agreement was amended by the Parties on June 9, 2015 (hereinafter, "Amendment No. 5") to extend the term for one (1) additional year through June 30, 2016 with no increase in the not to exceed amount; and

**WHEREAS**, Agreement was amended by the Parties on January 20, 2016 (hereinafter, "Amendment No. 6", including Exhibit A-3 – Scope of Services/Payment Provisions) to extend the term for six (6) additional months through December 31, 2016 and to increase the amount by \$146,232.28 which resulted in a total not to exceed amount of \$302,647.08; and

**WHEREAS**, Agreement was amended by the Parties on December 21, 2016 (hereinafter, "Amendment No. 7", including Exhibit A-4 – Scope of Services/Payment Provisions) to extend the term for six (6) additional months through June 30, 2017 and to reallocate funding in the amount of \$10,805.00 with no increase in the not to exceed amount; and



**WHEREAS**, Agreement was amended by the Parties on June 6, 2017 (hereinafter, "Amendment No. 8") to extend the term for one (1) additional year through June 30, 2018 with no increase in the not to exceed amount; and

**WHEREAS**, CONTRACTOR has completed Project tasks through circulation of the Project's Recirculated Draft EIR for Public review; and

**WHEREAS**, the Parties have identified a need for CONTRACTOR to update the Draft EIR to include a new approach to the analysis of the Greenhouse Gas (GHG) emissions to meet goals set forth in Assembly Bill (AB) 32, Senate Bill (SB) 32, and to address climate change in the California Environmental Quality Act (CEQA) process for the Project; and

**WHEREAS**, additional funding is necessary; and

**WHEREAS**, the Parties wish to further amend the Agreement to increase the amount by \$28,944.30 for a total not to exceed \$331,591.38 with no extension to the term to allow CONTRACTOR to continue to provide tasks identified in the Agreement and as amended by this Amendment No. 9.

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

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

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibits A, A-1, A-2, A-3, A-4 and A-5 in conformity with the terms of this Agreement.

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

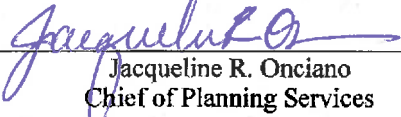
County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibits A, A-1, A-2, A-3, A-4 and A-5, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$331,591.38.

3. Amend Paragraph 4, "Additional Provisions/Exhibits", by adding "Exhibit A-5, Scope of Services/Payment Provisions".
4. All other terms and conditions of the Agreement remain unchanged and in full force.
5. This Amendment No. 9 and all previous amendments shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.
6. The recitals to this Amendment No. 9 are incorporated into the Agreement and this Amendment No. 9.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 9 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

**COUNTY OF MONTEREY**

**CONTRACTOR\***

By:   
Jacqueline R. Onciano  
Chief of Planning Services

EMC Planning Group, Inc.  
Contractor's Business Name


Date: 7 Aug 2017


By:   
(Signature of Chair, President or Vice President)

Its: Michael J. Groves, President  
(Printed Name and Title)

Date: 7/17/2017

**Approved as to Form and Legality  
Office of the County Counsel**

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

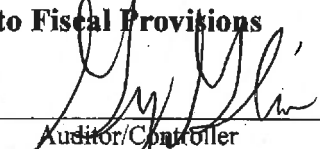
By:   
Brian P. Briggs  
Deputy County Counsel

Its: Teri Wissler Adam, Secretary  
(Printed Name and Title)

Date: 7-18-17

Date: 7/17/2017

**Approved as to Fiscal Provisions**

By:   
Auditor/Controller

Date: 7-18-17

**Approved as to Indemnity, Insurance Provisions**

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

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



## **EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS**

**To Agreement by and between  
County of Monterey, hereinafter referred to as "County"  
and  
EMC Planning Group, Inc., hereinafter referred to as "CONTRACTOR"**

### **BACKGROUND**

The Project Applicant for the Paraiso Hot Springs Resort Development (hereinafter, "Project") submitted an application for development of the proposed Project in 2005. County contracted with another consulting firm to prepare an Environmental Impact Report (EIR) for the Project. An Administrative Draft EIR (ADEIR) was prepared prior to expiration of that Agreement. On September 11, 2012, County entered into an Agreement with CONTRACTOR to revise and/or update limited and specific sections of the ADEIR including the Climate Change Section which had been prepared in 2009. CONTRACTOR completed the Climate Change Analysis Update in late 2012 and the Draft EIR (DEIR) was released to the Public in July 2013.

Although the Climate Change Section of the DEIR was adequate when prepared, expectations of local agencies to advance their analytical and mitigation approaches to addressing climate change in the California Environmental Quality Act (CEQA) process for land use projects have grown. New State legislation and outcomes of Greenhouse Gas (GHG) related CEQA legal cases have "raised the bar" for analysis and mitigation of GHG impacts. Hence, the 2013 update to the DEIR is now considered outdated. Substantial revisions are necessary for the analysis to be adequate.

### **AB 32 and SB 32 Guidance**

With the adoption of Assembly Bill (AB) 32 in 2006, local and regional agencies began to align their CEQA processes and craft GHG thresholds of significance to be consistent with the year 2020 reduction goal embedded in AB 32 and further operationalized in subsequent Scoping Plans. Senate Bill (SB) 32 is the follow-on legislation to AB 32. It was passed in 2016 and sets the State on a path to reduce GHGs to forty percent (40%) below 1990 levels by 2030. This interim goal is intended to keep the State on a path to meeting a goal of reducing GHGs to eighty percent (80%) below 1990 levels by 2050. Standards of significance for this Project (operational after 2020 at the effective end of the AB 32 GHG reduction goal horizon) will be expected to align with the new 2030 reduction target.

### **PROPOSED APPROACH**

#### **GHG Analysis**

CONTRACTOR shall model unmitigated Project GHG emissions using CalEEMod based on an anticipated Project buildout year. Emissions shall be estimated for construction (including demolition), vegetation removal, transportation, energy and water consumption, area sources, solid waste generation, and vegetation removal.



## EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS

Construction emissions will be estimated based on the phasing schedule provided by the Project Applicant. Trip generation rates from the traffic study prepared for the proposed Project by Hatch Mott MacDonald (HMM) (2017) shall be used as a model input. CONTRACTOR shall coordinate with the Association of Monterey Bay Area Governments (AMBAG) to confirm if Project site-specific trip distances may be obtained. If not, trip distances in CalEEMod shall be modified to provide a reasonable estimate of vehicle miles traveled. Technical reports supplied by the Project Applicant may be sources of additional model inputs and shall be reviewed for this purpose (County shall provide the name of the reports). Where Project-specific data is not available, CalEEMod default values shall be used.

The fundamental components of the proposed GHG analysis shall include: a baseline GHG inventory using general assumptions of existing land uses within the Project site; an unmitigated Project GHG inventory; calculation of GHG reductions from the Project Applicant proposed mitigation measures where such reductions can be readily quantified based on information within available documentation for credible sources, such as air districts, determination of the GHG volume balance (if any) that must be mitigated to achieve net zero emissions; crafting of a GHG mitigation measure containing performance standards for reducing the balance to zero; and containing a representative menu of additional reduction options that can be considered to reduce emissions to zero. Four (4) hours shall be included in the budget to conduct one (1) additional CalEEMod run to determine whether the additional measures have potential to reduce emissions to zero. The Project Applicant shall be required to prepare a GHG emissions reduction plan which identifies and quantifies the additional measures to be incorporated into the Project that shall reduce emissions to net zero. On-site mitigation of GHG emissions is the priority. Purchase of carbon offsets shall also be addressed as a GHG reduction measure option to the extent that on-site reduction measures are insufficient to achieve the zero emissions goal. The plan shall be subject to review and approval of County staff prior to approval of a grading permit (or other discretionary approval preferred by County).

The Project Applicant shall craft an additional Project objective to achieve a net zero GHG emissions goal. No threshold of significance shall be proposed.

### Energy

CEQA section 21100 (b)(3) states, "The environmental impact report shall include a detailed statement setting forth mitigation measures proposed to minimize significant effects on the environment, including, but not limited to, measures to reduce the wasteful, inefficient, and unnecessary consumption of energy."

The three (3) primary sources of energy consumption from the proposed Project will be fuel use in vehicles traveling to and from the Project site, on-site use of natural gas, and on-site use of electricity in buildings and for other ancillary uses such as lighting. Energy demand from operation sources (on-site use of natural gas and electricity) at buildout of the proposed Project shall be modeled in CalEEMod as described in the GHG Analysis Section above. Vehicle miles traveled (VMT) serves as a general proxy for the magnitude of transportation fuel consumption. The change in VMT with the Project shall be input into the Emissions Factors (EMFAC) model to estimate the change in fuel demand that would result from the VMT increase. Annual average Project-related VMT shall be calculated using CalEEMod. CONTRACTOR assumes that CalEEMod default fleet mix for Monterey County applies to this Project. Other additional





## EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS

Project-specific information may be input into the model (e.g., vehicle trips and trip length if available from the Traffic Impact Analysis prepared for the Project or from AMBAG).

### Updates to Other EIR Sections

The criteria air emissions results of CalEEMod modeling conducted for the GHG analysis are likely to differ from those produced during the last update of the Air Quality Section of the Recirculated DEIR. Therefore, CONTRACTOR expects that revisions to other sections of the EIR such as the Air Quality, Cumulative Impacts, Alternatives, and Summary Sections will be needed to reflect the updated information.

## A. SCOPE OF SERVICES

**A.1** CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work to update the climate change analysis contained in the Recirculated DEIR for the Project, as set forth below:

### Task 1 Administration, Management and Meetings

CONTRACTOR shall provide:

- Contract amendment, scope refinement, scope negotiations and management.
- Project team coordination between County staff, CONTRACTOR subconsultants, and CONTRACTOR, including any necessary discussions with Project Applicant.
- Climate change/CEQA consultation and management services for County.
- Conference calls or in-person meetings with County staff in connection with the climate change aspects of the Project. Up to two (2) conference calls or in-person meetings (a maximum of four (4) hours of staff time) is included in this scope.

### Task 2 Baseline Modeling, Calculation of GHG Reductions from Project Applicant Proposed Measures, Craft Mitigation Measure and Reduction Options, Additional CalEEMod Run (if needed)

CONTRACTOR shall conduct modeling to estimate baseline emissions and unmitigated GHG emissions that would be generated by construction and operations of the proposed Project. A menu of quantifiable reduction strategies shall be provided to the Project Applicant. Quantifiable Project Applicant proposed reduction strategies shall be incorporated into the model.

The model results shall be summarized in a memorandum suitable for incorporation as an appendix into the CEQA document. The following subtasks shall be included in this task:

- "Menu" of quantifiable on-site GHG reduction measures to illustrate options the Project Applicant can select to incorporate into the Project to reduce emissions as Project Applicant proposed mitigation.
- CalEEMod model development (data collection, model development, identify and describe assumptions and assessment of unmitigated emissions, identify and describe assumptions and assessment of emissions with Project Applicant proposed reduction mitigation measures incorporated). This scope assumes up to four (4) CalEEMod model runs: 1) baseline; 2) unmitigated GHG emissions; 3) GHG emissions with Project Applicant proposed reduction strategies incorporated; and 4) one (1) additional model run, if necessary, to refine or slightly modify Project Applicant proposed mitigation.



## EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS

- Troubleshoot and refine model.
- Prepare Emissions Assessment Memorandum that includes a summary of baseline emissions, unmitigated emissions, and emissions with Project Applicant proposed reduction mitigation measures incorporated.
- Respond to further comments from County team.

Deliverables: One (1) electronic PDF copy of the CalEEMod outputs suitable for use in the DEIR appendices. Provide one (1) electronic PDF copy of the Emissions Assessment Memorandum.

Deliverables: One (1) electronic PDF copy of summary memo

### **Task 3 Prepare Administrative Draft of the Climate Change Chapter and Energy Chapters of the DEIR**

CONTRACTOR shall:

- Conduct GHG impacts analysis and develop mitigation approach consistent with State CEQA Guidelines Section 15064.4.
- Conduct energy analysis consistent with Public Resources Code Section 21100 (b)(3).
- Prepare ADEIR Climate Change and Energy Chapters.

Note: CONTRACTOR assumes that the proposed uses are consistent with the uses studied in the previous EIR. Project Applicant proposed mitigation measures to reduce GHG emissions shall be identified as well as any other required mitigation.

Deliverables: Provide (1) digital (Word or PDF version) of the ADEIR Climate Change and Energy Chapters for County staff to review and comment. CONTRACTOR assumes that all comments shall be consolidated into one (1) set of comments.

### **Task 4 Prepare Administrative Draft of Modifications to Other Chapters of the DEIR**

The updated CalEEMod data will likely result in slightly different numeric outputs than identified in the Air Quality Section of the 2013 DEIR. Therefore, the Air Quality Section (including associated tables and appendices) will require an update.

CONTRACTOR shall provide the following;

- Prepare ADEIR Air Quality Section
- Minor updates may also be required to the Cumulative Impacts, Alternatives and Summary Sections of the DEIR

Note: This scope assumes that the refined numeric output will not result in changes to the significance level of air quality impacts.

Deliverables: One (1) digital (Word or PDF version) of ADEIR revisions for County staff to review and comment. CONTRACTOR assumes that all comments will be consolidated into one (1) set of comments.

## EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS

### **Task 5 Prepare DEIR Chapters**

CONTRACTOR shall prepare and submit to County draft copies of the following DEIR chapters: Climate Change, Energy, Air Quality, Cumulative Impacts, Alternatives and Summary.

Deliverables: One (1) digital (Word or PDF version) of the Climate Change, Energy, Air Quality Chapters, and relevant portions of the Cumulative Impacts, Alternatives and Summary Sections

### **Task 6 Assist with Responses to DEIR Comments**

CONTRACTOR shall assist County in responding to comments on the Climate Change, Air Quality, Cumulative Impacts, Alternatives, and Summary Sections of the DEIR related to work performed by CONTRACTOR.

Note: This scope assumes a maximum of five (5) comment letters or twelve (12) hours of CONTRACTOR staff time associated with this scope.

### **Task 7 Public Hearing**

CONTRACTOR's Climate Change Specialist, Ron Sissem, shall attend one (1) Public Hearing in connection with the climate change aspects of the Project.

This scope includes up to two (2) conference calls or in-person meetings (a maximum of four (4) hours of CONTRACTOR's staff time) (Task 1) and four (4) hours for CONTRACTOR's Climate Specialist to attend a Public Hearing.

- A.2** All written reports required under this Agreement must be delivered in written or hardcopy format as defined above to the following individual:

Mike Novo, AICP, Management Specialist  
County of Monterey  
Resource Management Agency (RMA) – Land Use and Community Development  
1441 Schilling Place, South 2<sup>nd</sup> Floor  
Salinas, California 93901-4527

## **B. SCHEDULE AND BUDGET**

### **B.1 Schedule**

CONTRACTOR shall begin work on this Project when the Notice to Proceed (NTP) is received from County. CONTRACTOR shall complete all modeling, analysis and administrative draft documents within seven (7) weeks of receipt of the executed Agreement and NTP is received from County.

### **B.2 Budget**

A not-to-exceed budget is included on the following page.



## **EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS**

### **B.3 Assumptions**

If any of the Project Applicant proposed mitigation measures result in potentially significant environmental impacts, the potential impacts shall be identified and analyzed in the EIR document. Additional analysis resulting from Project Applicant proposed mitigation is not included in this scope and budget.

Services detailed in Exhibit A-5 – Scope of Services/Payment Provisions of the Agreement shall be provided as noted. Additional services cannot be provided until the additional work is presented to County and with County and Project Applicant approval, amended into this Agreement. Once the amendment to the Agreement is fully executed, CONTRACTOR will be authorized to proceed with the additional services.





## EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS

### PAYMENT PROVISIONS

Invoices for services / work products / deliverables under the AGREEMENT shall be submitted and shall identify the document or work product being delivered in accordance with the budget and shall include the following:

#### 1. Invoice Coversheet

**EMC Planning Group, Inc.**  
**Paraiso Hot Springs Resort Environmental Impact Report**

Date: \_\_\_\_\_

Invoice No. \_\_\_\_\_

<i>Original Agreement Term:</i>	<i>September 10, 2012 – June 30, 2013</i>
<i>Original Agreement Amount:</i>	<i>\$143,554.80 (\$143,554.80 base budget plus \$0.00 project contingency)</i>
<i>Amendment No. 1:</i>	<i>\$ 6,850.00 (\$ 6,850.00 base budget plus \$0.00 project contingency)</i> <i>Extension of Term to June 30, 2014</i>
<i>Amendment No. 2:</i>	<i>\$6,010.00 (\$ 6,010.00 base budget plus \$0.00 project contingency)</i>
<i>Amendment No. 3:</i>	<i>Extension of Term to December 31, 2014</i>
<i>Amendment No. 4:</i>	<i>Extension of Term to June 30, 2015</i>
<i>Amendment No. 5:</i>	<i>Extension of Term to June 30, 2016</i>
<i>Amendment No. 6:</i>	<i>\$146,232.28 (\$127,158.50 Base Budget plus \$19,073.78 project contingency)</i> <i>Extension of Term to December 31, 2016</i>
<i>Amendment No. 7:</i>	<i>\$ 0.00 (Reallocation of Funding)</i> <i>Extension of Term to June 30, 2017</i>
<i>Amendment No. 8:</i>	<i>Extension of Term to June 30, 2018</i>
<i>Amendment No. 9:</i>	<i>\$ 28,944.30 (\$26,313.00 Base Budget plus \$2,631.30 project contingency)</i>
<i>Total Agreement Amount:</i>	<i>\$331,591.38 (\$309,886.30 base budget plus \$21,705.08 project contingency)</i>

**EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS**

<b><i>This Invoice:</i></b>	<b><u>Budget</u></b>	
\$ 3,680.00	Task 1: Administration, Management, and Meetings	_____
\$ 7,255.00	Task 2: Baseline Modeling, Calculation of GHG Reductions from Project Applicant Proposed Measures, Craft Mitigation Measure and Reduction Options, Additional CalEEMod Run (if needed)	_____
\$ 7,860.00	Task 3: Prepare Administrative Draft of the Climate Change Chapter and Energy Chapters of the DEIR	_____
\$ 2,015.00	Task 4: Prepare Administrative Draft of Modifications to Other Chapters of the DEIR	_____
\$ 1,950.00	Task 5: Prepare DEIR Chapters	_____
\$ 2,665.00	Task 6: Assist with Responses to DEIR Comments	_____
\$ 800.00	Task 7: Public Hearing	_____
\$ 88.00	<b><u>Additional Costs</u></b>	_____
	\$25.00 Production Costs	_____
	\$30.00 Travel Costs	_____
	\$25.00 Postal/Deliverables	_____
	\$0.00 Miscellaneous	_____
	\$8.00 Administrative Overhead 10%	_____
<b>GRAND TOTAL:</b>		<b>\$26,313.00</b>

Remaining Balance \$ \_\_\_\_\_

Approved as to Work/Payment: \_\_\_\_\_  
*Mike Novo, AICP, Management Specialist* Date \_\_\_\_\_

**2. Invoice Detail**

Prior to the CONTRACTOR exceeding a payment amount from the Base Budget, CONTRACTOR shall contact the County's Management Specialist to obtain pre-approval to exceed the payment budget amount. If County approval is obtained, CONTRACTOR shall adjust the Base Budget payment amounts to reflect the overage and adjust the remaining Base Budget payment amounts to ensure that the total Project budget does not exceed the overall approved budget amount. CONTRACTOR shall forward the revised "Budget" with the pre-approved invoice to the County's Management Specialist for final approval for payment.

Subconsultant services must be invoiced based on the Subconsultant fee and the allowable overhead cost.

Invoices under this Agreement shall be submitted monthly and promptly, and in accordance with Paragraph 6, Payment Conditions, of the Agreement. All invoices shall reference the Project name with an original hardcopy of the invoices sent to the following:



## EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS

County of Monterey  
RMA – Finance Division  
1441 Schilling Place, South 2<sup>nd</sup> Floor  
Salinas, California 93901-4527

Any questions pertaining to invoices under this Agreement shall be directed to the RMA – Finance Division at (831) 755-4800.

County may, in its sole discretion, terminate the Agreement or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

### 3. **Transfer from Project Contingency Account**

Transfer of funding from the Project Contingency Account (increased in the amount of \$2,631.30 for a total Contingency budget amount of \$21,705.08) requires the prior written approval of either the RMA Director or the Chief of Planning Services and the Project Applicant.

A recommendation for such a transfer shall be presented in writing by CONTRACTOR to the Management Specialist, with a duplicate original delivered to the Contract Administrator, at the earliest possible date. The recommendation shall include:

- The dollar amount;
- The anticipated date the funded work would begin;
- The duration of the work;
- The entity (CONTRACTOR or subconsultant) to whom the funds would be transferred/allocated; and
- The justification for the expenditure.

Within five (5) working days of receipt of the recommendation, the Management Specialist and Contract Administrator will have contacted CONTRACTOR to discuss its recommendation and will have made a recommendation to the RMA Director or Chief of Planning Services, or in their absence, designee. Within ten (10) working days thereafter, the RMA Director, Chief of Planning Services or designee will approve, deny, or approve a revised version of the recommendation received from CONTRACTOR, and will send a written decision to the Project Applicant, and CONTRACTOR.

Unless the recommended transfer is denied by the RMA Director, Chief of Planning Services, or designee, the RMA Director, Chief of Planning Services, or designee will ask the Project Applicant to make a decision within five (5) working days regarding the recommended transfer from the Project Contingency Account. If necessary, reasonable efforts will be made to reach a compromise.

Upon receipt of the Project Applicant's written approval by the RMA Director, Chief of Planning Services or designee, payment for the funding transfer will be made. At the same time, a letter authorizing the work funded by the approved transfer will be sent to CONTRACTOR.

**EXHIBIT A-5 - SCOPE OF SERVICES/PAYMENT PROVISIONS**

<b>Paraiso Climate Change/Energy Analysis</b>						
<b>Task</b>	<b>EMC Planning Group Inc.</b>					
<b>Staff</b>	<b>Sr. Principal</b>	<b>Principal</b>	<b>Principal Planner</b>	<b>Admin/Production</b>	<b>Total Hours</b>	<b>Total Cost</b>
<b>Billing Rate (Per Hour)</b>	<b>\$210.00</b>	<b>\$200.00</b>	<b>\$180.00</b>	<b>\$85.00</b>	<b>19.0</b>	<b>\$3,680.00</b>
<b>Task 1 - Administration, Management and Meetings</b>	0.0	7.0	12.0	0.0	19.0	\$3,680.00
<b>Task 2 - Baseline Modeling, Calculation of GHG Reductions from Applicant Proposed Measures, Craft Mitigation Measure and Reduction Options, Additional CalEEMod Run (if needed)</b>	0.0	13.0	24.0	1.0	38.0	\$7,255.00
<b>Task 3 - Prepare Administrative Draft of the Climate Change Chapter and Energy Chapters of the Draft EIR</b>	1.0	24.0	14.0	2.0	41.0	\$7,860.00
<b>Task 4 - Prepare Administrative Draft of Modifications to Other Chapters of the Draft EIR</b>	0.0	2.0	8.0	1.0	11.0	\$2,015.00
<b>Task 5 - Prepare Draft EIR Chapters</b>	1.0	3.0	6.0	0.0	10.0	\$1,950.00
<b>Task 6 - Assist with Responses to Draft EIR Comments</b>	0.0	10.0	3.0	1.0	14.0	\$2,665.00
<b>Task 7 - Public Hearing</b>	0.0	4.0	0.0	0.0	4.0	\$800.00
<b>Subtotal (Hours)</b>	<b>2.0</b>	<b>63.0</b>	<b>67.0</b>	<b>5.0</b>	<b>137.0</b>	<b>\$26,226.00</b>
<b>Subtotal (Cost)</b>	<b>\$420.00</b>	<b>\$12,600.00</b>	<b>\$12,730.00</b>	<b>\$475.00</b>	<b>137.0</b>	<b>\$26,226.00</b>
<b>Additional Costs</b>						
Production Costs						\$25.00
Travel Costs						\$30.00
Postal/Deliverables						\$25.00
Miscellaneous						\$0.00
Administrative Overhead 10%						\$8.00
<b>Total</b>						<b>\$88.00</b>
<b>Total Costs</b>						<b>\$26,313.00</b>





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/16/2017

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).

<b>PRODUCER</b> Carmel Insurance Agency San Carlos 2 NW of 8th P.O. Box 6117 Carmel CA 93921-6117	<b>CONTACT NAME:</b> Monique Thanos, CIC <b>PHONE (A/C, No, Ext):</b> (831) 624-1234 <b>FAX (A/C, No):</b> (831) 624-4605 <b>E-MAIL ADDRESS:</b> moniquet@carmelinsurance.com													
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<b>INSURED</b> EMC Planning Group, Inc. 301 Lighthouse Avenue Suite C Monterey CA 93940														

**COVERAGES** CERTIFICATE NUMBER: GL Prof Auto REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY		PACER306986	5/1/2017	5/1/2018	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input checked="" type="checkbox"/> Aggregate Limits Include					MED EXP (Any one person) \$ 5,000
	<input type="checkbox"/> Errors & Omissions					PERSONAL & ADV INJURY \$ 1,000,000
GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJ-JECT <input type="checkbox"/> LOC					PRODUCTS - COM/PROP AGG \$ 3,000,000
	OTHER:					DEDUCTIBLE PER OCCUR \$ 10,000
B	AUTOMOBILE LIABILITY		ACP3067177663	5/1/2017	5/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						Medical payments \$ 5,000
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	DED	RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	<input type="checkbox"/> Y/N				PER STATUTE OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> N/A				E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omissions		PACER306986	5/1/2017	5/1/2018	EACH CLAIM \$1,000,000
	Retroactive Date 8/22/02					DEDUCTIBLE EACH CLAIM \$10,000

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

RE: All Work Performed on Behalf of Certificate Holder. Certificate Holder is Additional Insured under General Liability per attached Endorsement EPACE100-0814. Primary Wording & Waiver of Subrogation per attached endorsements EPACE107-0714 & EPACE113-0714. Certificate Holder is Additional Insured under the Auto Liability per Attached Endorsement AC7005 0316 which includes Primary Wording and Waiver of Subrogation.

**CERTIFICATE HOLDER****CANCELLATION**

County of Monterey Its agents, officers & employees Contracts/Purchasing Department 168 West Alisal Street 3rd Floor Salinas, CA 93901	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE M Little, CIC/MRT <i>Matthew J. Little</i>
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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/23/2017

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).

<b>PRODUCER</b> Carmel Insurance Agency San Carlos 2 NW of 8th P.O. Box 6117 Carmel CA 93921-6117	<b>CONTACT NAME:</b> Monique Thanos, CIC <b>PHONE (A/C, No, Ext):</b> (831) 624-1234 <b>FAX (A/C, No):</b> (831) 624-4605 <b>E-MAIL ADDRESS:</b> moniquet@carmelinsurance.com																					
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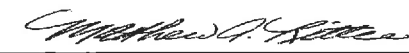
**COVERAGES    CERTIFICATE NUMBER: WC    REVISION NUMBER:**

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 VVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS  <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
<b>A</b>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> 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

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

RE: All Work Performed on Behalf of Certificate Holder

<b>CERTIFICATE HOLDER</b>  County of Monterey Its agents, officers & employees Contracts/Purchasing Department 168 West Alisal Street 3rd Floor Salinas, CA 93901	<b>CANCELLATION</b>  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  M Little, CIC/MRT 
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:  
 EnviroPACE Insurance Policy

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
ALL PERSON(S) OR ORGANIZATION(S) WHERE THIS ENDORSEMENT IS REQUIRED BY CONTRACT	ALL LOCATIONS WHERE THIS ENDORSEMENT APPLIES

A. Section XX. WHO IS AN INSURED, Coverage Part 1 and Part 2 is amended to include as an additional insured the person(s) or organization(s) shown in the SCHEDULE above, but only with respect to liability for bodily injury, property damage, environmental damage, or cleanup costs caused, in whole or in part, by your work at the location designated and described in the SCHEDULE of this endorsement performed for that additional insured and included in the products-completed operations hazard.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to section XXI. LIMITS OF LIABILITY AND DEDUCTIBLE:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Liability shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Liability shown in the Declarations.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

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

**PRIMARY AND NON-CONTRIBUTORY –  
OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

EnviroPACE Insurance Policy

**SCHEDULE**

<b>Person(s) or Organization(s):</b>
ALL PERSON(S) OR ORGANIZATION(S) WHERE THIS ENDORSEMENT IS REQUIRED BY CONTRACT

Section XXIII. CONDITIONS, 14. Other Insurance is amended by the addition of the following:

This insurance is primary to and will not seek contribution from any other insurance available to the person(s) or organization(s) listed in the SCHEDULE above provided that:

1. The person(s) or organization(s) listed in the SCHEDULE is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the person(s) or organization(s) listed in the SCHEDULE.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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

**WAIVER OF SUBROGATION FOR SPECIFIED  
PERSON, ENTITY OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

EnviroPACE Insurance Policy

**SCHEDULE**

**Name Of Person(s), Entity(ies) or Organization(s):**

**ALL PERSON(S) OR ORGANIZATION(S) WHERE THIS ENDORSEMENT IS REQUIRED BY  
CONTRACT**

Section XXIII. CONDITIONS, 17. Subrogation is amended by the addition of the following:

In the event of any payments made pursuant to this Policy, we shall be subrogated to any Insured's rights of recovery against any person, entity or organization. The insured shall execute and deliver instruments and papers and do whatever is necessary to secure and perfect such rights. No insured shall do anything to prejudice such rights.

Any recovery obtained as a result of subrogation, after such expenses incurred in the subrogation proceedings are deducted by us, shall accrue first to the insured to the extent of any payments in excess of the Limit of Liability; then us to the extent of any payments made under this Policy; and then to the insured to the extent of its Deductible.

However, solely with respect to Coverage Part 1 or Coverage Part 2, if the insured has waived rights of recovery against the person(s), entity(ies) or organization(s) shown in the SCHEDULE above prior to a loss or claim, we waive any right to recovery we may have under the Policy against such person(s), entity(ies) or organization(s).

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

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

## **BUSINESS AUTO PROTECTION - GOLD**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

### **SUMMARY OF COVERAGES**

- A. Effect of This Endorsement
- B. Newly Acquired or Formed Entities
- C. Employees as Insureds -- Nonowned Autos
- D. Additional Insured by Contract, Permit or Agreement
- E. Supplementary Payments -- Bail Bonds
- F. Supplementary Payments -- Loss of Earnings
- G. Personal Effects and Property of Others Extension
- H. Prejudgment Interest Coverage
- I. Fellow Employee -- Officer, Managers and Supervisors
- J. Hired Auto Physical Damage
- K. Temporary Substitute Autos -- Physical Damage Coverage
- L. Expanded Towing Coverage
- M. Auto Loan or Lease Coverage
- N. Original Equipment Manufacturer Parts -- Leased Private Passenger Types
- O. Deductible Amendments
- P. Rental Reimbursement Coverage
- Q. Expanded Transportation Expense
- R. Extra Expense -- Stolen Autos
- S. Physical Damage Limit of Insurance
- T. New Vehicle Replacement Cost
- U. Physical Damage Coverage Extension
- V. Transfer of Rights of Recovery Against Others To Us
- W. Section IV -- Business Auto Conditions -- Notice of and Knowledge of Occurrence
- X. Hired Car Coverage Territory
- Y. Emergency Lock Out
- Z. Cancellation Condition

**COMMERCIAL AUTO  
AC 70 05 03 16**

**A. EFFECT OF THIS ENDORSEMENT**

Coverage provided under this policy is modified by the provisions of this endorsement. If there is any conflict between the provisions of this endorsement and the provision(s) of any state-specific endorsement also attached to this policy, then the provision(s) of the state-specific endorsement shall apply instead of the provisions of this endorsement that are in conflict, but only to the extent of the conflict, and only to the extent necessary to bring such provisions into conformance with the state requirement(s) contained in the provision(s) of the state-specific endorsement.

**B. NEWLY ACQUIRED OR FORMED ENTITIES**

The Named Insured shown in the Declarations is amended to include any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority (more than 50%) interest; if there is no other similar insurance available to that organization. Coverage under this provision is afforded until the 180<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is later.

**C. EMPLOYEES AS INSUREDS - NONOWNED AUTOS**

The following is added to paragraph A.1. Who is An Insured of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

- d. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

**D. ADDITIONAL INSURED BY CONTRACT, PERMIT OR AGREEMENT**

The following is added to A.1. Who is An Insured of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

Any person or organization that you are required to name as an additional insured in a written contract or agreement that is executed or signed by you prior to a "bodily injury" or "property damage" occurrence is an "insured" for Covered Auto Liability coverage. However, with respect to covered "autos", such person or organization is an insured only to the extent that person or organization qualifies as an "insured" under A.1. Who is an Insured of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

If specifically required by the written contract or agreement referenced in the paragraph above, any coverage provided by this endorsement to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.

**E. SUPPLEMENTARY PAYMENTS - BAIL BONDS**

Supplementary Payments of SECTION II - COVERED AUTOS LIABILITY COVERAGE is revised as follows:

- (2) Up to \$2,500 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.

**F. SUPPLEMENTARY PAYMENTS - LOSS OF EARNINGS**

Supplementary Payments of the SECTION II - COVERED AUTOS LIABILITY COVERAGE is revised as follows:

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

**G. PERSONAL EFFECTS AND PROPERTY OF OTHERS EXTENSION**

1. The Care, Custody or Control Exclusion of SECTION II - COVERED AUTOS LIABILITY COVERAGE, does not apply to "property damage" to property, other than your property, up to an amount not exceeding \$250 in any one "accident". Coverage is excess over any other valid and collectible insurance.

2. The following paragraph is added to A.4. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE:

- c. We will pay up to \$500 for your property that is lost or damaged as a result of a covered "loss", without applying a deductible. Coverage is excess over any other valid and collectible insurance.

**COMMERCIAL AUTO**

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**H. PREJUDGMENT INTEREST COVERAGE**

The following paragraph is added to SECTION II - COVERED AUTOS LIABILITY COVERAGE, 2. Coverage Extensions, a. Supplementary Payments:

- (7) Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

**I. FELLOW EMPLOYEE - OFFICERS, MANAGERS, AND SUPERVISORS**

The Fellow Employee Exclusion in SECTION II - COVERED AUTOS LIABILITY COVERAGE is replaced as follows:

- A. "Bodily injury" to 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. This exclusion does not apply to an "insured" who occupies a position as an officer, manager, or supervisor.

**J. HIRED AUTO PHYSICAL DAMAGE**

If covered "auto" designation symbols 1 or 8 apply to Liability Coverage and if at least one "auto" you own is covered by this policy for Comprehensive, Specified Causes of Loss, or Collision coverages, then the Physical Damage coverages provided are extended to "autos" you lease, hire, rent or borrow without a driver; and provisions in the Business Auto Coverage Form applicable to Hired Auto Physical Damage apply up to a limit of \$100,000. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. Any Comprehensive deductible does not apply to fire or lightning.

**K. TEMPORARY SUBSTITUTE AUTOS - PHYSICAL DAMAGE COVERAGE**

The following is added to paragraph C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos of SECTION I - COVERED AUTOS:

If Physical Damage Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Physical Damage Coverage:

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

The coverage that applies is the same as the coverage provided for the vehicle being replaced.

**L. EXPANDED TOWING COVERAGE**

1. We will pay up to:
  - a. \$100 for a covered "auto" you own of the private passenger type, or
  - b. \$500 for a covered "auto" you own that is not of the private passenger type,
 for towing and labor costs incurred each time the covered "auto" is disabled. However, the labor must be performed at the place of disablement.
2. This coverage applies only for an "auto" covered on this policy for Comprehensive or Specified Causes of Loss Coverage and Collision Coverages.
3. Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto".

**M. AUTO LOAN OR LEASE COVERAGE**

1. In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the loan or lease, including up to a maximum of \$500 for early termination fees or penalties, for your covered "auto" less:
  - a. The amount paid under SECTION III - PHYSICAL DAMAGE COVERAGE of this policy; and
  - b. Any:
    - 1) Overdue lease/loan payments at the time of the "loss";
    - 2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
    - 3) Security deposits not refunded by a lessor;
    - 4) Costs of extended warranties, Credit Life insurance, Health, Accident, or Disability insurance purchased with the lease; and

**COMMERCIAL AUTO  
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- 5) Carry-over balances from previous leases.
2. This coverage only applies to a "loss" which is also covered under this policy for Comprehensive, Specified Causes of Loss, or Collision coverage.
3. Coverage does not apply to any unpaid amount due on a loan for which the covered "auto" is not the sole collateral.

**N. ORIGINAL EQUIPMENT MANUFACTURER PARTS - LEASED PRIVATE PASSENGER TYPES**

Under Paragraph C. Limit of Insurance of SECTION III - PHYSICAL DAMAGE COVERAGE, Section 4 is added as follows:

4. We will use new original equipment vehicle manufacturer parts for any private passenger type covered "auto" where required by the lease agreement which has a term of at least six months. If a new original equipment vehicle manufacturer part is not in production or distribution we may use a like, kind and quality replacement part.

**O. DEDUCTIBLE AMENDMENTS**

The following are added to the Deductible provision of SECTION III - PHYSICAL DAMAGE COVERAGE:

If another policy or coverage form that is not an automobile policy or coverage form issued by this company applies to the same "accident", the following applies:

1. If the deductible under this coverage is the smaller (or smallest) deductible, it will be waived;
2. If the deductible under this coverage is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

If a Comprehensive or Specified Causes of Loss Coverage "loss" from one "accident" involves two or more covered "autos", only the highest deductible applicable to those coverages will be applied to the "accident." If the cause of the loss is covered for those vehicles. This provision only applies if you carry Comprehensive or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any covered "autos" for which you do not carry such coverage.

No deductible applies to glass if the glass is repaired, in a manner acceptable to us, rather than replaced.

**P. RENTAL REIMBURSEMENT COVERAGE**

1. This coverage applies only to a covered "auto" for which Physical Damage Coverage is provided on this policy.
2. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto." No deductibles apply to this coverage.
3. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
  - a. The number of days reasonably required to repair or replace the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you.
  - b. The number of days shown in the Schedule.
4. Our payment is limited to the lesser of the following amounts:
  - a. Necessary and actual expenses incurred.
  - b. \$75 for any one day or for a maximum of 30 days.
5. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
6. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under SECTION III - PHYSICAL DAMAGE COVERAGE Coverage Extension.

**Q. EXPANDED TRANSPORTATION EXPENSE**

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is replaced by the following:

We will pay up to \$50 per day to a maximum of \$1500 for temporary transportation expense incurred by you because of the total theft of a

**COMMERCIAL AUTO  
AC 70 05 03 16**

covered "auto" of the private passenger type. We will only pay for those covered "autos" for which you carry Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 24 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".

**R. EXTRA EXPENSE — STOLEN AUTOS**

The following paragraph is added to Coverage Extensions of SECTION III — PHYSICAL DAMAGE COVERAGE:

- c. We will pay for up to \$5,000 for the expense of returning a stolen covered "auto" to you.. We will pay only for those covered "autos" for which you carry Comprehensive or Specified Causes of Loss Coverage

**S. PHYSICAL DAMAGE LIMIT OF INSURANCE**

Under SECTION III — PHYSICAL DAMAGE COVERAGE, Paragraph C., Limit of Insurance is replaced by the following:

**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.
2. \$1500 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. The cost of repairing or replacing may:
  - a. Be based on an estimate which includes parts furnished by the original equip-

ment manufacturer or other sources including non-original equipment manufacturers and

- b. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the net improvement.
5. If we offer to pay the actual cash value of the damaged or stolen property, we will value auto advertising wraps, paint customization, and similar business related advertising modifications, in addition to the actual cash value of the property. Auto advertising wraps, paint customization, and similar business related advertising modifications will be valued at the cost to replace them with an adjustment made for depreciation and physical condition.

**T. NEW VEHICLE REPLACEMENT COST**

The following is added to the Limit of Insurance provision of SECTION III — PHYSICAL DAMAGE COVERAGE:

5. The provisions of paragraphs 1. and 3. do not apply to a covered "auto" of the private passenger type or a vehicle with a gross vehicle weight rating of 20,000 pounds or less which is a "new vehicle."  
In the event of a total "loss" to your new vehicle to which this coverage applies, we will pay at your option:
  - a. The verifiable "new vehicle" purchase price you paid for your damaged vehicle, not including any insurance or warranties purchased;
  - b. If it is available, the purchase price, as negotiated by us, of a "new vehicle" of the same make, model, and equipment or the most similar model available, not including any furnishings, parts, or equipment not installed by the manufacturer or manufacturers' dealership; or
  - c. The market value of your damaged vehicle, not including any furnishings, parts, or equipment not installed by the manufacturer or manufacturer's dealership.

We will not pay for initiation or set up costs associated with loans or leases

As used in this endorsement, a "new vehicle" means an "auto" of which you are the original owner that has not been previ-



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ously titled and which you purchased less than 365 days before the date of the "loss".

**U. PHYSICAL DAMAGE COVERAGE EXTENSIONS**

Under SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, Coverage Extensions, b. Loss of Use Expenses is replaced by the following:

**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 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 \$50 per day, to a maximum of \$1,500. The insurance provided by this provision is excess over any other collectible insurance.

**V. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" because of payments we make for damages under this coverage form.

**W. NOTICE OF AND KNOWLEDGE OF OCCURRENCE**

SECTION IV – BUSINESS AUTO CONDITIONS, Paragraph A is amended as follows:

**6. NOTICE OF AND KNOWLEDGE OF OCCURRENCE**

a. Your obligation in the Duties in the Event of Accident, Claim, Suit or Loss Condition relative to notification requirements applies only when the "accident" or "loss" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

b. Your obligation in the Duties in the Event of Accident, Claim, Suit or Loss Condition relative to providing us with documents concerning a claim or "suit" will not be considered breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

**X. HIRED CAR – COVERAGE TERRITORY**

Item (5) of the Policy Period, Coverage Territory General Conditions is replaced by the following:

(5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

**Y. EMERGENCY LOCKOUT**

We will reimburse you up to \$100 for reasonable expense incurred for the services of a locksmith to gain entry into your covered "auto" subject to these provisions:

1. Your door key, electronic key or key entry pad has been lost, stolen or locked in your covered "auto" and you are unable to enter such "auto", or
2. Your keyless entry device battery dies and you are unable to enter such "auto" as a result,
3. Your key, electronic key or key entry pad has been lost or stolen and you have changed the lock to prevent an unauthorized entry; and

4. Original copies of receipts for services of a locksmith must be provided before reimbursement is payable.

**Z. CANCELLATION CONDITION**

Paragraph A.2. of the COMMON POLICY CONDITION - CANCELLATION applies except as follows:

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If we cancel for any reason other than non-payment of premium, we will mail or deliver to the First Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. This provision does not apply in those states that require more than 60 days prior notice of cancellation.