

**COUNTY OF MONTEREY STANDARD AGREEMENT  
(MORE THAN \$100,000)**

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

Rancho Cielo, Incorporated  
(hereinafter "CONTRACTOR").

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

**1.0 GENERAL DESCRIPTION.**

1.01 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 goods and/or services are generally described as follows:

**Provide** Rancho Cielo Youth Corps program, a job readiness and placement program to all clients referred from the probation department and identified as AB109 funded participants aged 18 – 25 years old.

**2.0 PAYMENT PROVISIONS.**

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, 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 \$ 169,825.

**3.0 TERM OF AGREEMENT.**

3.01 The term of this Agreement is from July 1, 2019 to June 30, 2020, unless sooner terminated pursuant to the terms of this Agreement. 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.**

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

**4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.**

4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

- Exhibit A**    **Scope of Services/Payment Provisions**
- Exhibit B**    AB 109 Grant Guidelines
- Exhibit C**    The Criminal Justice Realignment Act of 2011



## 5.0 PERFORMANCE STANDARDS.

- 5.01 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.
- 5.02 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.
- 5.03 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.

## 6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice 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. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

## 7.0 TERMINATION.

- 7.01 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.

- 7.02 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.
- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

## 8.0 INDEMNIFICATION.

- 8.01 CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

## 9.0 INSURANCE REQUIREMENTS.

### 9.01 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 the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02 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.

- 9.03 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, Broad form 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.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County 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.

*(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County 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.

*(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County 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.

*(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

9.04 Other 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.

## 10.0 RECORDS AND CONFIDENTIALITY.

- 10.01 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.
- 10.02 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.
- 10.03 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.
- 10.04 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.
- 10.05 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.

## 11.0 NON-DISCRIMINATION.

- 11.01 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.

**12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.**

12.01 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.

**13.0 INDEPENDENT CONTRACTOR.**

13.01 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.

**14.0 NOTICES.**

14.01 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:

<b>FOR COUNTY:</b>	<b>FOR CONTRACTOR:</b>
<hr/> Marcia Parsons, Chief Probation Officer <hr/> Name and Title	<hr/> Susie Brusa, CEO <hr/> Name and Title
20 E. Alisal Street Salinas, CA 93901 <hr/> Address	710 Old Stage Road Salinas, CA 93908 <hr/> Address
(831) 755-3913, Fax (831) 759-7246 <hr/> Phone	(831) 444-3533 <hr/> Phone



## 15.0 MISCELLANEOUS PROVISIONS.

- 15.01 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 services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 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.
- 15.04 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.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 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.
- 15.07 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.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 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.

- 15.13 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.
- 15.14 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.
- 15.15 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.
- 15.16 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.
- 15.17 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 section left blank intentionally*-----

16.0 SIGNATURE PAGE.

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

**COUNTY OF MONTEREY**

**CONTRACTOR**

By: \_\_\_\_\_  
Contracts/Purchasing Officer

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

By: \_\_\_\_\_  
Department Head (if applicable)

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

By: \_\_\_\_\_  
Board of Supervisors (if applicable)

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

Approved as to Form<sup>1</sup>

By: \_\_\_\_\_  
County Counsel

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

Approved as to Fiscal Provisions<sup>2</sup>

By: \_\_\_\_\_  
Auditor/Controller

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

Approved as to Liability Provisions<sup>3</sup>

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

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

\_\_\_\_\_  
Rancho Cielo, Incorporated  
Contractor's Business Name\*

By: Susie Brusa  
(Signature of Chair, President, or  
Vice-President)\*

Susie Brusa, CEO  
Name and Title

Date: 4-3-19

By: Manuel Gonzalez  
(Signature of Secretary, Asst. Secretary, CFO,  
Treasurer or Asst. Treasurer)\*

Manuel Gonzalez, Secretary  
Name and Title

Date: 4-5-19

County Board of Supervisors' Agreement Number: \_\_\_\_\_, approved on (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.

<sup>1</sup>Approval by County Counsel is required

<sup>2</sup>Approval by Auditor-Controller is required

<sup>3</sup>Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

16.0. SIGNATURE PAGE.

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

**COUNTY OF MONTEREY**

**CONTRACTOR**

By: \_\_\_\_\_  
Contracts/Purchasing Officer

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

By: Maria Parsons  
Department Head (if applicable)

Date: 5-9-19

By: \_\_\_\_\_  
Board of Supervisors (if applicable)

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

Approved as to Form<sup>1</sup>

By: AB  
County Counsel

Date: 4-15-19

Approved as to Fiscal Provisions<sup>2</sup>

By: B. Mason  
Auditor/Controller

Date: 4/16/2019

Approved as to Liability Provisions<sup>3</sup>

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

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

\_\_\_\_\_  
Rancho Cielo, Incorporated  
Contractor's Business Name\*

By: Susie Brusa  
(Signature of Chair, President, or  
Vice-President)\*

Susie Brusa CEO  
Name and Title

Date: 4-3-19

By: Mannel Gonzalez  
(Signature of Secretary, Asst. Secretary, CFO,  
Treasurer or Asst. Treasurer)\*

Mannel Gonzalez, Secretary  
Name and Title

Date: 4-05-19

County Board of Supervisors' Agreement Number: \_\_\_\_\_, approved on (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.

<sup>1</sup>Approval by County Counsel is required

<sup>2</sup>Approval by Auditor-Controller is required

<sup>3</sup>Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

**EXHIBIT – A - Scope of Services / Payment Provisions  
To  
Service Agreement  
by and between  
County of Monterey hereinafter referred to as “COUNTY”  
AND  
Rancho Cielo, Incorporated, hereinafter referred to as “CONTRACTOR”**

**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, as set forth below:

**In support of the Public Safety Act of 2011 (AB109), Rancho Cielo will provide a job readiness and placement program to all clients referred from the Probation Department and identified as AB109 funded participants aged 18 – 25 years old. AB109 funded participants include Post Release Community Supervision, Mandatory Supervision and Intensive Supervision probationers.**

Rancho Cielo Youth Corps program is a six-month job training and paid employment program located at the Rancho Cielo Youth Campus. The program involves training for soft skills, appearance, professional behavior, resume writing, and interviewing, as well as counseling and participation in a cognitive behavioral group as needed with full time, on-campus Behavioral Health counselors. The on-site charter school provides diploma credit recovery, awarding diplomas to youth up to the age of 25.

The program is a sequence of three phases following an intake interview performed by Rancho Cielo Program Coordinator/Case Manager:

- If during the intake interview, the client expresses preference in first obtaining a high school diploma, he/she will be placed in the classroom. While in the classroom, the client will have the opportunity to complete the necessary credits to earn a high school diploma while receiving job training in solar panel installation or building tiny homes. This training is unpaid. Client will also have the opportunity to work on resume and mock interview sessions and will also receive job placement help upon completion of high school diploma. Further job training can be received by moving into Rancho Cielo’s Youth Corps program (explained below).
- If during the intake interview, client expresses interest in job training, then the following three (3) phases commence:

Phase I – Volunteer: Week 1

Orientation phase consists of 40 hours of unpaid program participation that is to be completed over the course of one week.

Phase II - Crew Membership: Week 2-19

Participant becomes an employee of Rancho Cielo and joins as a Youth Corps Crew Member. As part of the team, participants will receive supportive services, which include safety equipment, a work T-shirt, work boots, up to 6 months of employment readiness based training, opportunity to obtain a high school diploma or G.E.D, access to pre-employment, job searching and job retention services, workshops and ongoing support.

Phase III – Transition: Week 20-24

Referral to job placement, intense job search, exit interview and on-going case management.

**Management Plan and Staffing**

<b><u>Classification/Title</u></b>	<b><u>Full-Time Equivalent (FTE)</u></b>
Case Manager	0.25
Crew Supervisor	0.50

CONTRACTOR shall in writing notify the Adult Division Director and the Assistant Chief or Chief Probation Officer of any change in staffing within two working days of the modification.

**CONTRACTOR agrees to:**

1. Maintain a referral criterion that incorporates program eligibility and suitability requirements.
2. Protect the confidentiality and maintain the security of confidential information. Comply with the federal Health Insurance Portability and Accountability Act regarding individual's medical and health information.
3. Require the participant to be in full compliance with program rules. If a participants' behavior indicates otherwise, CONTRACTOR shall notify the Probation officer within two business days and expenditure of incentive based funds shall be placed on hold until further authorization is provided by the Probation Department.
4. Act as the fiscal agent in charge of issuing checks to participants for payment for employment for eligible individuals.

5. Collaborate as necessary with other agencies involved in working with this population of individuals.
6. Maintain records and documentation of the services provided to individuals referred and the outcomes associated with the services they received.
7. Submit monthly information and data to the Probation Department for program analysis, outcome and evaluation.
8. Utilize Smart Probation Service Management System (SMS) for the receipt and processing of incoming referrals, documentation of service delivery and case management activities.
9. Provide full access to the manner and specifics of the expenditures of all allocated funds from County.
10. Attend collaborative meetings, when necessary, to coordinate the overall implementation of the AB 109 funding.
11. Attend team meetings when necessary.
12. Communicate regularly with Probation regarding case management and financial assistance provided.
13. Upon mutual agreement, provide other services as needs are identified.

**PROBATION agrees to:**

1. In FY 2019-20 provide allocated funds from AB 109 on a monthly basis upon presentation, and verification of receipts, time cards, or other proofs of expenditure for a total of **\$169,825**.
2. Identify a Probation staff member(s) to be the primary contact to CONTRACTOR.
3. Provide CONTRACTOR with access to Smart Probation (SMS) to track all referrals, program participants and outcomes.
4. Implement terms and conditions of supervision that support participation and provide accountability.
5. Communicate regularly with CONTRACTOR regarding clients referred to resolve identified issues and support service delivery.

**EVIDENCE-BASED PRACTICES AND PROGRAMS**

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

**DATA COLLECTION**

Individual participant data will be collected for each participant from referral to discharge. Collected data shall reflect dates, services received, outcome of service delivery and related participant expenditures. All required data will be entered into Smart Probation Services Management System (SMS) software. Users shall be responsible for maintaining confidentiality of their user license; accurately entering data on a daily and notifying the Probation Program Manager of identified issues relating to access, data entry, training needs, or changes to user accounts.

**B. PAYMENT PROVISIONS**

**B.1 COMPENSATION/ PAYMENT**

The County shall pay an amount not to exceed (**\$169,825**) for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

**B.2 BUDGET**

<b><u>Budget Line Item</u></b>	<b><u>Budget Amount*</u></b>
Program Participant Salaries	\$97,237
Contractor Employee Salaries	\$47,520
Supportive Services as described in Exhibit A, Item A.1: Scope of Services, "Phase II - Crew Membership"	\$9,629
Administrative & Operating Costs (10%)	\$15,439
<b>TOTAL</b>	<b>\$169,825</b>

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

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

If County approves travel reimbursement, CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at [www.co.monterey.ca.us/auditor/policies.htm](http://www.co.monterey.ca.us/auditor/policies.htm). To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.



CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

## **B.2 CONTRACTORS BILLING PROCEDURES**

Contractor shall invoice County monthly, in arrears, and based upon hours or expenses actually incurred. Contractor shall submit a monthly claim for payment, with back-up documentation, no later than the 20th day following the month of service. Failure to submit reports will be deemed non-compliance with the grant terms and conditions and may cause reimbursement to be delayed or denied. Expenses may only be incurred prior to June 30, 2020.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors

## **Exhibit B**

### **Public Safety Realignment Act of 2011 (AB 109) Grant Guidelines**

#### **SUMMARY**

The Public Safety Realignment Plan for Monterey County was developed by the local Community Corrections Partnership and approved by its Executive Committee and Monterey County Board of Supervisors.

#### **DISCUSSION**

The Public Safety Realignment Act of 2011 shifts responsibility for low-level offenders and parole supervision from the state to the counties. The state will continue to incarcerate offenders who commit serious, violent, or sex crimes, but the counties will supervise, rehabilitate and manage lower-level offenders. Local authority is extended to three new populations: a) specified non-violent, non-serious, non-sex offenders (“non-non-non”), who will no longer be sent to a state prison, but could serve time in jail and/or be supervised by Probation; b) eligible offenders who, after their prison sentence, will be managed by Probation under the new Post Release Community Supervision Program (PRCS); and c) parole violators who did not commit a new crime.

The Public Safety Realignment Plan promotes the design and implementation of a system of “community-based punishment” utilizing evidence-based correctional sanctions and programming other than jail incarceration. Intermediate sanctions include Electronic Monitoring, flash incarceration, community service, participation in residential and outpatient treatment programs, and educational and vocational training services. This represents a balanced approach that combines offender case management based on classification of recidivism risk, alternatives to detention, jail management and local incarceration, and evidence-based rehabilitative and treatment services for individuals under PRCS, Mandatory Supervision, and high-risk probationers.

#### **BASIC GUIDELINES**

Both parties agree to follow the guidelines of AB 109 as set forth in the legislation and in the guidelines and interpretations by the California Board of Corrections. It is understood between the parties that AB 109 funding is intended to be used prior to June 30, 2020, and that all expenditures of funds must adhere to the guidelines contained in that legislation.

It also is understood that the Probation Department bears oversight responsibility for administration of this grant and must monitor each participating agency’s adherence to mandated guidelines.

If the appropriated grant funds are discontinued or otherwise become unavailable to County during the term of the Agreement or any extension thereof, County shall have the right to terminate this Agreement by giving contractor written notice of such termination at least thirty (30) days prior to the effective date of the termination.

Public Safety Realignment Act (AB 109)  
FY2019-20

## **Exhibit C**

### **The Criminal Justice Realignment Act of 2011**

“California must reinvest its criminal justice resources to support community-based corrections programs and evidence-based practices that will achieve improved public safety returns on this state’s substantial investment in its criminal justice system. Realignment low-level felony offenders who do not have prior convictions for serious, violent, or sex offenses to locally run community-based corrections programs, which are strengthened through community-based punishment, evidence-based practices, improved supervision strategies, and enhanced secured capacity, will improve public safety outcomes among adult felons and facilitate their reintegration back into society. Community-based corrections programs require a partnership between local public safety entities and the county to provide and expand the use of community-based punishment for low-level offender populations. Each county’s Local Community Corrections Partnership, as established in paragraph (2) of subdivision (b) of Section 1230, should play a critical role in developing programs and ensuring appropriate outcomes for low-level offenders. Fiscal policy and correctional practices should align to promote a justice reinvestment strategy that fits each county. “Justice reinvestment” is a data-driven approach to reduce corrections and related criminal justice spending and reinvest savings in strategies designed to increase public safety. The purpose of justice reinvestment is to manage and allocate criminal justice populations more cost-effectively, generating savings that can be reinvested in evidence-based strategies that increase public safety while holding offenders accountable. “Community-based punishment” means correctional sanctions and programming encompassing a range of custodial and noncustodial responses to criminal or noncompliant offender activity. Community-based punishment may be provided by local public safety entities directly or through community-based public or private correctional service providers [et. seq]. “Evidence-based practices” refers to supervision policies, procedures, programs, and practices demonstrated by scientific research to reduce recidivism among individuals under probation, parole, or post release supervision.” (CA Pen. Code, § 17.5(a)(4)-(9).)



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/08/2019

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

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

PRODUCER <b>TNT Insurance Agency P.O. Box 95 Greenfield, CA 93927 License #: 0476326</b>	CONTACT NAME: <b>Elizabeth Andrade</b>	FAX (A/C, No): <b>(831)674-3660</b>	
	PHONE (A/C, No, Ext): <b>(831)674-5538</b>	E-MAIL ADDRESS: <b>Liz@tntinsurance.com</b>	
INSURED <b>RANCHO CIELO, INC. PO BOX 6948 SALINAS, CA 93912</b>	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A:	<b>Philadelphia Insurance Companies</b>	<b>18058</b>
	INSURER B:	<b>Philadelphia Insurance Co.</b>	<b>18058</b>
	INSURER C:	<b>State Compensation Ins. Fund</b>	<b>35076</b>
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: 00000000-754180 REVISION NUMBER: 58

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.

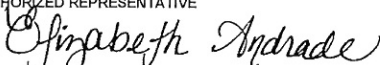
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR VWD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	Y	Y	PHPK1921588	01/01/2019	01/01/2020	EACH OCCURRENCE \$ <b>1,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>100,000</b> MED EXP (Any one person) \$ <b>5,000</b> PERSONAL & ADV INJURY \$ <b>1,000,000</b> GENERAL AGGREGATE \$ <b>2,000,000</b> PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b> \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	PHPK1921588	01/01/2019	01/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b> BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE  DED RETENTIONS			PHUB658998	01/01/2019	01/01/2020	EACH OCCURRENCE \$ <b>5,000,000</b> AGGREGATE \$ <b>5,000,000</b> \$
C	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/A	9100500-18	07/01/2018	07/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ <b>1,000,000</b> E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b> E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b>
A	Directors & Officers			PHSD1407452	01/01/2019	01/01/2020	Each Occurrence \$ <b>\$5,000,000</b>
A	EPLI			PHSD1407452	01/01/2019	01/01/2020	Each Occurrence \$ <b>2,000,000</b>

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

County of Monterey, its officers, agent and employees are included as an additional insured (Primary and non-contributory) on the General Liability policy and additional insured on Automobile Liability. Waiver of Subrogation applies. Notice of cancellation is 10 days for non-payment of premium. Per Forms CG 20 26 04 13; CG 24 04 05 09; PI-GL-005 07 12; CA 20 48 02 99; PI-CA-001 0915

## CERTIFICATE HOLDER

## CANCELLATION

<b>County of Monterey Contracts/Purchasing 1488 Schilling Place SALINAS, CA 93901</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  (EEA)

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

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<p><b>Name Of Additional Insured Person(s) Or Organization(s):</b>  County of Monterey, its Officers, Agents  and Employees</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

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

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

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 III – Limits Of Insurance:**

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 Insurance shown in the Declarations;

whichever is less.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED  
PRIMARY AND NON-CONTRIBUTORY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Effective Date: 01/01/2019

Name of Person or Organization (Additional Insured):  
County of Monterey, its Officers, Agents and Employees  
168 W Alisal St Fl 3  
Salinas CA 93901-2487

SECTION II – WHO IS AN INSURED is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” arising out of or relating to your negligence in the performance of “your work” for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or” occurrence” we cover for this Additional Insured.

The Additional Insured’s limits of insurance do not increase our limits of insurance, as described in SECTION III – LIMITS OF INSURANCE.

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

## 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:**

County of Monterey, its Officers, Agents and Employees

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: 01/01/2019	Countersigned By:          (Authorized Representative)
Named Insured: Rancho Cielo, Inc.	

### SCHEDULE

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

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

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



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

**CA2048 Additional Insured - Designated Insured**

The following is added per form CA2048 Additional Insured - Designated Insured with respect to transportation services:

County of Monterey, its Officers, Agents and Employees  
168 West Alisal St FL 3  
Salinas, CA 93901

All other terms and conditions of this Policy remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****COMMERCIAL AUTOMOBILE ELITE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE PART**

Following is a summary of the Limits of Insurance and additional coverages provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

<b>Coverage Applicable</b>	<b>Limit of Insurance</b>	<b>Page #</b>
Who is An Insured		2
Board Members	Included	
Newly Acquired Entities	Included	
Designated Insured	Included	
Lessor of Leased Autos	Included	
Cost of Bail Bonds	\$5,000	2
Reasonable Expenses – Loss of Earnings	\$500 per day	2
Fellow Employee Coverage	Amended	3
Towing	\$100 per disablement	3
Glass Breakage (Windshields and Windows)	No deductible applies	3
Transportation Expenses	\$100 per day / \$3,000 maximum	3
Hired Auto Physical Damage – Loss of Use	\$100 per day / \$1,000 maximum	3
Hired Auto Physical Damage	ACV or repair or replacement of the vehicle whichever is less	4
Personal Effects	\$500	4
Rental Reimbursement	\$100 per day / 30 days	4
Accidental Discharge – Air Bag	Amended	4
Electronic Equipment	\$1000	5
Original Equipment Manufacturer Parts Replacement	Included	5
Auto Loan / Lease Gap Coverage	Amended	5
One Comprehensive Coverage Deductible Per Occurrence	Amended	6
Notice of and Knowledge of Occurrence	Amended	7
Blanket Waiver of Subrogation	Amended (as required by written contract)	7
Unintentional Errors or Omissions	Amended	7
Mental Anguish – Bodily Injury Redefined	Amended	7

Coverage extensions under this endorsement only apply in the event that no other specific coverage for these extensions is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted in this endorsement.

Any deductible listed in the Auto Declarations Page will apply unless specific deductible provisions are set forth under a coverage enhancement below.

**I. LIABILITY COVERAGE EXTENSIONS**

**A. Who Is An Insured**

**SECTION II – LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured** is amended by adding the following:

The following are also "insureds":

1. **Board Members** – Board members (or their spouses) while renting a vehicle while on business for the named insured.
2. **Newly Acquired Entities** – Any business entity newly acquired or formed by you during the policy period, provided you own 50% or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of 180 days following the acquisition or the formation of the business entity.
3. **Designated Insured** – Any person or organization designated by the "insured" 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.
4. **Lessor of Leased Autos** – The lessor of a "leased auto" is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:
  - a. You;
  - b. Any of your "employees" or agents; or
  - c. Any person, except the lessor or any "employee" or agent of the lessor, operating a "leased auto" with the permission of any of the above.

Any "leased auto" in the policy schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow.

The coverages provided under this endorsement apply to any "leased auto" in the policy schedule until the expiration date of the lease, or when the lessor or his or her agent takes possession of the "leased auto," whichever occurs first.

"Leased auto" means an "auto" leased or rented to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.

**B. Cost of Bail Bonds**

**SECTION II – LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments**, Item (2) is deleted in its entirety and replaced with the following:

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

**C. Reasonable Expenses**

**SECTION II – LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments**, Item (4) is deleted in its entirety and replaced with the following:

- (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.

**D. Fellow Employee Coverage**

**SECTION II – LIABILITY COVERAGE, B. Exclusions, 5. Fellow Employee** is deleted in its entirety and replaced by the following:

"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.

However, this exclusion does not apply to any manager or officer of your company.

**II. PHYSICAL DAMAGE COVERAGE EXTENSIONS**

**A. Towing**

**SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Towing** is deleted in its entirety and replaced with the following:

**2. Towing**

We will pay up to \$100 for towing and labor costs incurred each time a covered "auto" is disabled. However, the labor must be performed at the place of disablement. No deductible applies to this enhancement.

**B. Glass Breakage**

**SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles** is amended by adding the following:

No deductible applies to "loss" to glass used in the windshield or windows.

**C. Transportation Expenses**

**SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions, a. Transportation Expenses** is deleted in its entirety and replaced with the following:

**a. Transportation Expenses**

We will pay up to \$100 per day to a maximum of \$3,000 for temporary transportation expenses incurred by you because of a "loss" to a covered "auto." We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the "loss" and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."

**D. Hired Auto Physical Damage – Loss of Use**

The last sentence of **SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions, b. Loss of Use Expenses** is deleted in its entirety and replaced with the following:

However, the most we will pay for any expenses for loss of use is \$100 per day, to a maximum of \$1,000.

**E. Hired Auto Physical Damage**

**SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions** is amended by adding the following extension:

**Hired Auto Physical Damage**

Any "auto" you lease, hire, rent or borrow from someone other than your "employees" or partners, or members of their household is a covered "auto" for each of your physical damage coverages.

The most we will pay for any "loss" in any one "accident" is the ACV or the cost for repair or replacement of the vehicle, whichever is less.

For each covered "auto" our obligation to pay will be reduced by a deductible of \$500 for Comprehensive Coverage and \$1000 for Collision Coverage.

**F. Personal Effects Coverage**

**SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions** is amended by adding the following extension:

**Personal Effects Coverage**

We will pay up to \$500 for "loss" to personal effects, which are:

1. Owned by an "insured"; and
2. In or on your covered "auto."

This coverage applies only in the event of the total theft of your covered "auto." No deductible applies to this coverage.

**G. Rental Reimbursement**

**SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions** is amended by adding the following extension:

**Rental Reimbursement Coverage**

We will pay up to \$100 per day, for up to 30 days, for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto."

We will also pay up to \$300 for reasonable and necessary expenses incurred by you to remove and replace your materials and equipment from the covered "auto."

If "loss" results from the total theft of a covered "auto," we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Item III. C. **Transportation Expenses** of this endorsement.

**H. Accidental Discharge – Airbag Coverage**

**SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions, Paragraph 3.** is amended by adding the following exception:

This exclusion does not apply to the accidental discharge of an airbag. This coverage is excess of any other collectible insurance or warranty. No deductible applies to this coverage.

**I. Electronic Equipment Coverage**

The following supersedes anything to the contrary in **SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions, Paragraph 4.**

Exclusions 4.c. and 4.d. do not apply to:

Any risk management or monitoring equipment and electronic equipment that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound. This coverage applies only if the equipment is permanently installed in the covered "auto" at the time of the "loss" or the equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss," and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto."

The most we will pay for all "loss" to risk management or monitoring equipment, audio, visual or data electronic equipment that is not designed solely for the reproduction of sound and any accessories used with this equipment as a result of any one "accident" is the least of:

- a. The actual cash value of the damaged or stolen property at the time of the "loss";
- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
- c. \$1,000.

This coverage will not apply if there is other insurance provided by this policy for the above-described electronic equipment. We will, however, pay any deductible, up to \$500, that is applicable under the provisions of the other insurance.

**J. Original Equipment Manufacturer (OEM) Parts Replacement**

**SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance, Paragraph 1.** is amended to include:

However, if the covered "auto" has less than 20,000 miles on its odometer, then the following condition will apply:

We will pay the cost to replace the damaged parts (excluding glass and mechanical parts) with new Original Equipment Manufacturer replacement parts if the damaged parts cannot be repaired.

**K. Auto Loan / Lease Gap Protection**

**SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance** is amended to include the following:

4. In the event of "loss" to a covered "auto" that is loaned or leased to an "insured":
  - a. The most we will pay for "loss" in any one "accident" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss";  
or
  - (2) The cost of repairing or replacing the damaged or stolen property with other property of like, kind and quality.
- b. Our Limit of Insurance for "total loss" will be the greater of:
- (1) The balance due under the terms of the lease or loan, to which your "auto" is subject but not including:
    - (a) Past due payments;
    - (b) Financial penalties imposed under the lease;
    - (c) Security deposits not refunded;
    - (d) Costs for extended warranties or insurance; or
    - (e) Final payment due under a "balloon loan"; or
  - (2) Actual cash value of the stolen or damaged property.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of "loss."

c. Additional Definitions

- (1) "Total loss" for the purpose of this coverage, means a loss in which the estimated cost of repairs, plus the salvage value, exceeds the actual cash value.
- (2) "Balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.

d. Additional Conditions

This coverage will apply only to the original lease or loan written on your covered "auto." In order for this coverage to apply, leased "autos" must be leased or rented to you under a leasing or rental agreement, for a period of not less than six months, which requires you to provide direct primary insurance for the benefit of the lessor.

**L. One Comprehensive Coverage Deductible**

**SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible** is amended by adding the following:

Only one Comprehensive Coverage Deductible per occurrence will apply to any "loss" resulting from a covered peril.

For the purpose of this extension, occurrence means a single incident, including continuous or repeated exposure to substantially the same general harmful conditions within a 24-hour period.

### III. BUSINESS AUTO CONDITIONS

#### A. Notice and Knowledge of Occurrence

**SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 2. Duties In The Event Of Accident, Claim, Suit Or Loss, Paragraph a.** is deleted in its entirety and replaced with the following:

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.

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" 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; or
- (3) An executive officer or insurance manager, if you are a corporation.

#### B. Blanket Waiver Of Subrogation

**SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us,** is amended by adding the following exception:

However, we waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract."

#### C. Unintentional Errors or Omissions

**SECTION IV – BUSINESS AUTO CONDITIONS, B. General Conditions, 2. Concealment, Misrepresentation, Or Fraud** is amended by adding the following:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

### IV. DEFINITIONS

#### A. Mental Anguish

**SECTION V – DEFINITIONS, C. "Bodily injury"** is amended by adding the following:

"Bodily injury" also includes mental anguish but only when the mental anguish arises from other bodily injury, sickness, or disease.





ENDORSEMENT AGREEMENT  
WAIVER OF SUBROGATION  
BLANKET BASIS

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REP 06  
9100500-18  
RENEWAL  
NA  
7-19-13-79  
PAGE 1 OF 1

HOME OFFICE  
SAN FRANCISCO

EFFECTIVE JULY 1, 2018 AT 12.01 A.M.  
AND EXPIRING JULY 1, 2019 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE  
AT 12:01 AM PACIFIC  
STANDARD TIME OR THE  
TIME INDICATED AT  
PACIFIC STANDARD TIME

RANCHO CIELO, INC  
710 OLD STAGE RD  
SALINAS, CA 93908

WE HAVE THE RIGHT TO RECOVER OUR PAYMENTS FROM ANYONE  
LIABLE FOR AN INJURY COVERED BY THIS POLICY. WE WILL  
NOT ENFORCE OUR RIGHT AGAINST THE PERSON OR  
ORGANIZATION NAMED IN THE SCHEDULE.

THIS AGREEMENT APPLIES ONLY TO THE EXTENT THAT YOU  
PERFORM WORK UNDER A WRITTEN CONTRACT THAT REQUIRES YOU  
TO OBTAIN THIS AGREEMENT FROM US.

THE ADDITIONAL PREMIUM FOR THIS ENDORSEMENT SHALL BE  
2.00% OF THE TOTAL POLICY PREMIUM.

SCHEDULE

<u>PERSON OR ORGANIZATION</u>	<u>JOB DESCRIPTION</u>
ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER	BLANKET WAIVER OF SUBROGATION

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR  
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: JULY 3, 2018

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO