

EXHIBIT-A

To Professional Service Agreement by and between County of Monterey, hereinafter referred to as "County" AND

MARSH RISK & INSURANCES SERVICES, hereinafter referred to as "CONTRACTOR"

NOW THEREFORE, the parties agree as follows:

1. Payment.

Payment for services shall be \$10,000 per month (not to exceed \$120,000 per year), for the term of this contract, unless otherwise agreed by the parties.

2. Services.

Marsh will act as your insurance broker and/or risk management consultant with respect to the following lines of insurance :

Excess Liability, Fiduciary Liability, Volunteer (AD&D) Insurance

Marsh shall provide to you the following services:

Pre-Marketing Services

- (a) Conduct an initial strategy discussion in advance of each placement
- (b) Assist you in assessing your risks and in developing insurance specifications which Marsh will submit to insurers
- (c) Recommend potential insurers

Marketing and Placement Services

- (d) Solicit quotes from insurers that you select
- (e) Negotiate on your behalf with insurers
- (f) Assist you in evaluating the options received from insurers
- (g) Use best efforts to place insurance for you, but only after you have authorized Marsh to bind coverage for you

Services related to Marsh placements

- (h) Deliver confirmation of coverage once it is placed
- (i) Follow up with insurance carriers to obtain policies and/ or endorsements
- (j) Review policies and endorsements for conformity with agreed terms and coverages
- (k) Provide coverage summaries
- (l) At your request, issue certificates or memoranda of insurance and/or auto identification cards
- (m) Review premium and exposure audits, rating adjustments, dividend calculations and loss data
- (n) Provide you with invoices, except in the case of direct billing by insurers. Remit premiums to insurers and, where applicable, remit taxes and fees to the relevant authorities, following receipt thereof from you
- (o) Monitor published financial information of your current insurers and alert you when one of those insurers falls below Marsh's minimum financial guidelines

Claims-Related Services

- (p) Provide the following claims-related services:
 - Evaluate coverage applicability on all Marsh placed business
 - Assist you in the development of settlement strategies
 - Assist you with insurer negotiations
 - Assist you with litigation management issues that impact claim settlements
 - Excluding Workers Compensation, Primary Auto Liability / Physical Damage and non-complex Primary General Liability claims, prepare loss notices to insurers and notify insurers of claims; provided that your Marsh claims advocate is informed in writing by you of the claim, with details of the claim, and Marsh has placed the applicable policies or the Marsh claims advocate has been provided written notice by you of the applicable carrier and policies.

The total number of hours of property and casualty claims services described in this paragraph provided by Marsh to you in a calendar year shall not exceed 62.5. In the event such claims services exceed such hourly allotment, Marsh reserves the right to seek additional compensation.

Marsh may utilize the services of intermediaries to place your insurance, subject to your approval.

Marsh will not serve as your insurance broker, but only as your risk consultant, with respect to placements with ineligible insurers. In those circumstances, Marsh's non-U.S. affiliates shall provide the brokerage Services.

3. With respect to insurance placed by Contractor on the County's behalf, Contractor will disclose to the County any commissions received by Contractor, credit them against remaining installments of the annual fee and, to the extent in excess of the remaining installments, refund previously paid installments of the fee. In the event such commissions for a contract year exceed Contractor's annual fee for that year, then excess commissions will be returned to the County, if permitted by law. Otherwise, excess commissions will be carried forward and applied against Contractor's annual compensation for subsequent years, if permitted by law. Such commissions do not include, and Contractor shall be entitled to receive and retain: wholesale brokerage fees or commissions and enhanced commissions on policies placed by Marsh incepting on or after January 1, 2009. Contractor shall disclose to the County any wholesale or enhanced commissions collected by Contractor with respect to placements for the County
4. Contractor shall assist with documentation and other steps to obtain commitments for and implement the County's insurance program upon the County's instructions, it being understood that Contractor will not independently verify or authenticate County-provided information necessary to prepare underwriting submissions and other documents relied upon by insurers, and the County shall be solely responsible for the accuracy and completeness of such information and other documents furnished to Contractor and/or insurers and shall sign any application for insurance. The County understands that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage.
5. Contractor does not speak for any insurer, is not bound to utilize any particular insurer and does not have the authority to make binding commitments on behalf of any insurer, except under special circumstance which Contractor shall always endeavor to make known to the County. Contractor shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Contractor does not guarantee the performance of insurers or make any representation or warranty that insurance can be placed on terms acceptable to the County.
6. In no event shall either party to this Agreement be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by the Contractor or its affiliates. The aggregate liability of the Contractor, its affiliates and its and their employees to the County or its affiliates arising out of or relating to the provision of services by the Contractor or its affiliates shall not exceed \$10 million. This provision applies to the fullest extent permitted by applicable law.