

**FOURTH AMENDMENT TO AGREEMENT
CSG CONSULTANTS, INC.**

This FOURTH AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, CSG CONSULTANTS, INC., a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Fourth Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on September 2, 2015.
2. The CITY and CONSULTANT entered into that "Consultant Agreement" made as of August 27, 2012, for consultant services for a maximum compensation of \$180,000 ("CONSULTANT AGREEMENT").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of October 30, 2013, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to \$330,000.
4. The CITY and CONSULTANT entered into a "Second Amendment to Agreement" made as of August 22, 2014, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to \$450,000.
5. The CITY and CONSULTANT entered into a "Third Amendment to Agreement" to extend the term of the Agreement to December 31, 2015. The CONSULTANT AGREEMENT, and the First, Second, and Third Amendments thereto are attached as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT, as amended, as attached as Exhibit "A," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. **Amount.** Compensation under this Agreement shall not exceed Five-Hundred-Fifty Thousand Dollars (\$550,000) and shall be billed based on the rate and basis set forth in Exhibit B.

2. **Conflicts.** In the event of a conflict between the terms and provisions of this Fourth Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT or any earlier amendment, the terms of this Fourth Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**

(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk

Date: _____

City Manager

Date: _____

APPROVED AS TO FORM:

CSG CONSULTANTS, INC.

City Attorney

Date: _____

By:

Title: CYRUS KIANPOUR, P.E., P.L.S. - PRESIDENT

Print Name and Title of Signer.

If Corporate: Chairman, President or
Vice President

Date: 8-20-15

By:

Title: Charles D Rider - Secretary

Print Name and Title of Signer.

If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer or
Assistant Treasurer

Date: 8/20/15

THIRD AMENDMENT TO AGREEMENT
CSG CONSULTANTS, INC.

This THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on 12/19/14 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, CSG CONSULTANTS, INC., a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Agreement is entered into based upon City of Morgan Hill City Manager's authority.
2. The CITY and CONSULTANT entered into that "Consultant Agreement" made as of August 27, 2012, for consultant services for a maximum compensation of \$180,000 ("CONSULTANT AGREEMENT").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of October 30, 2013, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to \$330,000.
4. The CITY and CONSULTANT entered into a "Second Amendment to Agreement" made as of August 22, 2014, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to \$450,000. The CONSULTANT AGREEMENT, and the First and Second Amendments thereto are attached as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Amendments: All terms and conditions of the CONSULTANT AGREEMENT, as amended, as attached as Exhibit "A," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. Term of Agreement. This Agreement shall be effective and cover services rendered from August 27, 2012, until December 31, 2015."

2. Conflicts. In the event of a conflict between the terms and provisions of this Third Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT or any earlier amendment, the terms of this Third Amendment to Agreement shall govern and control.

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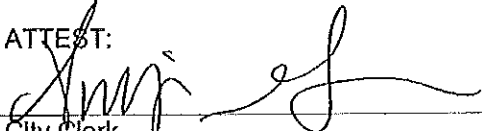
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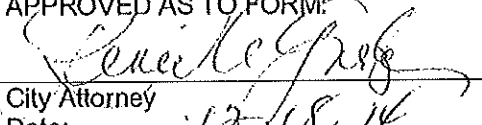
TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT
TREASURER.

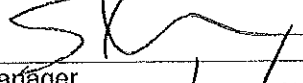
ATTEST:


City Clerk
Date: 12/22/14

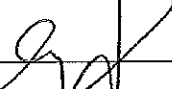
APPROVED AS TO FORM:


City Attorney
Date: 12/18/14

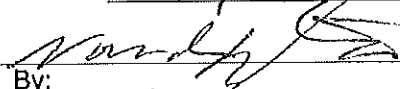
CITY OF MORGAN HILL


City Manager
Date: 12/19/14

CSG CONSULTANTS, INC.

By: 
Title: CYRUS KIANPOUR, P.E., P.L.S. - PRESIDENT
Print Name and Title of Signer.
If Corporate: Chairman, President or
Vice President

Date: 12/17/14


By:
Title: NOURDIN KHAYATA - SECRETARY
Print Name and Title of Signer.
If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer or
Assistant Treasurer

Date: 12/17/14

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1892-1893

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EXHIBIT A

127-04-12-028

SECOND AMENDMENT TO AGREEMENT
CSG CONSULTANTS, INC.

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on August 27, 2014 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, CSG CONSULTANTS, INC., a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on August 6, 2014.
2. The CITY and CONSULTANT entered into that "Consultant Agreement" made as of August 27, 2012, for consultant services for a maximum compensation of \$180,000 ("CONSULTANT AGREEMENT").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of October 30, 2013, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to \$330,000. The CONSULTANT AGREEMENT, and the First Amendment thereto are attached as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Amendments: All terms and conditions of the CONSULTANT AGREEMENT, as amended, as attached as Exhibit "A," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. Amount. Compensation under this Agreement shall not exceed Four Hundred Fifty Thousand Dollars (\$450,000) and shall be billed based on the rate and basis set forth in Exhibit B of the original agreement.

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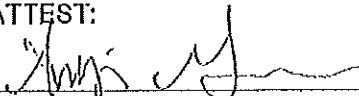
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2. Conflicts. In the event of a conflict between the terms and provisions of this Second Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT or any earlier amendment, the terms of this Second Amendment to Agreement shall govern and control.

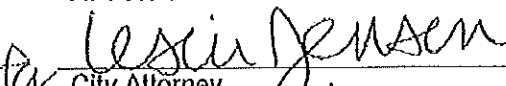
TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:


City Clerk
Date: 8/22/14

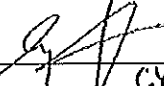
APPROVED AS TO FORM:


City Attorney
Date: 08/22/14

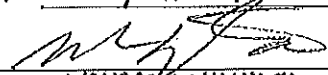
CITY OF MORGAN HILL


City Manager
Date: 8/22/14

CSG CONSULTANTS, INC.

By: 
Title: CYRUS KIANPOUR
PRESIDENT
Print Name and Title of Signer.
If Corporate: Chairman, President or
Vice President

Date: 7-22-14


By: NOURDIN KHAYATA
Title: SECRETARY
Print Name and Title of Signer.
If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer or
Assistant Treasurer

Date: 7-22-14

FIRST AMENDMENT TO AGREEMENT
CSG CONSULTANTS, INC.

FILED on call
1 \$ 150 K

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 10/30/13 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, CSG CONSULTANTS, INC., a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This FIRST Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on October 16, 2013.
2. The CITY and CONSULTANT entered into that "Consultant Agreement" made as of August 27, 2012, for consultant services for a maximum compensation of \$180,000 ("CONSULTANT AGREEMENT"). The CONSULTANT AGREEMENT is attached as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Amendments: All terms and conditions of the CONSULTANT AGREEMENT, as amended, as attached as Exhibit "A," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. Term of Agreement. This Agreement shall be effective and cover services rendered from August 27, 2012, until December 31, 2014. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both parties to this Agreement."

B. Paragraph 3 shall be amended by adding the following:

"The services to be performed by CONSULTANT shall consist of the following additional services set forth in Exhibit "B":

Providing inspection services for various Capital Improvement Program and Development Projects

C. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. Amount. Compensation under this Agreement shall not exceed Three-Hundred-Thirty-Thousand Dollars (\$330,000) and shall be billed based on the rate and base set forth in Exhibit B.

"4.2. Billing. CONSULTANT shall provide CITY with a monthly invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT. Any rate charged shall

be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY."

2. Conflicts. In the event of a conflict between the terms and provisions of this FIRST Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT, the terms of this FIRST Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

for [Signature]
City Clerk
Date: 10/31/13

APPROVED AS TO FORM:

for [Signature]
City Attorney
Date: 10/29/13

CITY OF MORGAN HILL

[Signature]
City Manager
Date: 10/30/13

CSO CONSULTANTS, INC.

By: [Signature]
Title: Cyrus Kianpour, President
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: 10-4-13

[Signature]
By:
Title: Nourdin Khayata, Secretary
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 10-4-13

CONSULTANT AGREEMENT
CSG CONSULTANTS, INC.

THIS AGREEMENT is entered into and becomes effective on 8-27-12 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and CSG CONSULTANTS, INC. a California, corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. City Authority. This Agreement is entered into pursuant to action of the Morgan Hill City Council taken on August 22, 2012.
2. Term of Agreement. This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2014 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. Scope of Service. The services to be performed by CONSULTANT shall be providing inspection services for various Capital Improvement Program and Development Projects as further described in Exhibit A.
4. Compensation. CONSULTANT shall be compensated as follows:
 - 4.1. Amount. \$180,000.00. Total compensation under this Agreement shall not exceed One Hundred Eighty Thousand dollars and shall be billed based on the rate and basis set forth in Exhibit B.
 - 4.2. Billing. CONSULTANT shall provide CITY with a monthly invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable.
5. Termination. CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT.
6. Performance of Work. CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws.

7. Insurance Requirements.

7.1. Commencement of Work. CONSULTANT shall not commence work under this Agreement until it has obtained CITY approved Insurance. For general liability insurance policies, CONSULTANT shall provide CITY, prior to commencement of work, with a separate endorsement which states that the policy contains the following language:

- The CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds; and,
- the insurer waives the right of subrogation against CITY and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,
- Insurance shall be primary non-contributing.

CONSULTANT shall furnish CITY with copies of all policies or certificates subject to this Agreement, whether new or modified, promptly upon receipt. No policy subject to this Agreement shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY.

7.2. Workers' Compensation Insurance. CONSULTANT and all subcontractors shall maintain Workers' Compensation Insurance, as required by law.

7.3. Insurance Types and Amounts. CONSULTANT shall maintain comprehensive general liability insurance; professional errors and omissions liability insurance; and automobile insurance each with policy limits of at least \$1,000,000 per occurrence for general liability, \$1,000,000 per accident for automobile liability and \$1,000,000 per claim for professional errors or omissions.

7.4. Acceptability of Insurers. All insurance required by this Agreement shall be carried only by responsible insurance companies licensed and admitted, or otherwise legally authorized to carry out insurance business, in California with a current A.M. Best's rating of no less than A:VII.

8. Non-Liability of Officials and Employees of the CITY. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. Compliance with Law. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

10. Independent Contractor. CONSULTANT is an independent contractor and not an agent or employee of CITY.

11. Confidentiality. All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.

12. Conflict of Interest and Reporting. CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

13. Notices. All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

CSG CONSULTANTS, INC.
1700 South Amphlett Boulevard - 3rd Floor
San Mateo, CA 94003

Address of CITY is as follows:

Yat Cho
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

with a copy to:
City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

14. Licenses, Permits and Fees. CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

15. Maintenance of Records.

15.1. Maintenance. CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 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 3 year period, then CONSULTANT shall retain said records until such action is resolved.

15.2. Access to and Audit of Records. The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services 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 CITY or as part of any audit of the CITY, 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.

15.3. Ownership of Work Product. All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

16. Familiarity with Work. By executing this Agreement, CONSULTANT represents that: (1) It has investigated the work to be performed; (2) It has investigated the site of the work and is aware of all conditions there; and (3) It understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

17. Time of Essence. Time is of the essence in the performance of this Agreement.

18. No Assignment. Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY.

19. Attorney Fees. In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

20. Defense and Indemnification.

20.1. Defense and Indemnification. CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, losses, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

20.2. Exceptions. CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

20.3. Not limited by insurance. The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.

20.4. Right to Offset. CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Section (20) and any amount due CITY from CONSULTANT arising from CONSULTANT's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

20.5. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

21. Modification. This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written Agreement executed by CITY and CONSULTANT.

22. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

23. Interpretation. This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

24. Preservation of Agreement. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

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26. Authority to Execute. Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER


ATTEST:


City Clerk/Deputy City Clerk

Michelle Wilson
Print Name

Date: 8/29/12


APPROVED AS TO FORM:


City Attorney

Danny Wan
Print Name

Date: 8/27/12

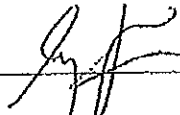
CITY OF MORGAN HILL


City Manager

Leslie N. Little
Print Name

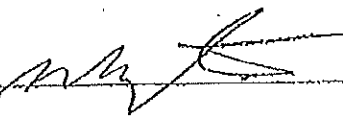
Date: 8/27/12

CSG CONSULTANTS, INC.

By: 

Title: CYRUS KIZANPOUR, P.E., PLS - PRESIDENT
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: 8/13/2012

By: 

Title: NOURDIN KHAYATA - SECRETARY
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 8/13/2012

Exhibit A to Consultant Agreement
CSG Consultants, Inc.

EXHIBIT A
SCOPE OF SERVICES

SEE ATTACHED

ADDITIONAL INFORMATION

Project Understanding

CSG has a number of experienced construction management and inspection professionals ready to perform the work requested by the City of Morgan Hill. Our staff includes Resident Engineers, Assistant Resident Engineers, Inspectors and Office Engineers, many of which are trained in more than one area and can perform dual duties on smaller projects, thereby eliminating the need for a team.

SCOPE OF WORK

CSG is dedicated to providing quality construction inspection services that will meet the City's needs. Based upon our past experience in defining successful roles and staffing responsibilities, the following represents typical duties under an on-call construction inspection scope of work.

Construction Inspection: The Inspector shall report to the Construction Manager and shall be responsible for observing, measuring and documenting the contractor's operations. Typical duties to be performed by the Inspector may include:

- ▷ Fully understanding the requirements in the plans and specifications and maintaining an open dialog with the construction manager for clarifications as necessary
- ▷ Monitoring and coordinating operations with the contractor so that critical operations are observed
- ▷ Bringing unacceptable work or material to the attention of the contractor and if not resolved promptly, bringing the situation to the construction manager for resolution
- ▷ Issuing and following up on field orders and referring matters to the construction manager for interpretation and settlement if disputed
- ▷ Maintaining complete, up to date and accurate diaries and photo logs that reflect: weather conditions; contractor (and subcontractor) forces and equipment utilized; compliance with contract documents; work completed including the location, quantity and methods; testing results; communications with the contractor including instructions, suggestions and requests; instructions from the engineer; communications with the public or other agencies
- ▷ Reviewing construction staking
- ▷ Reviewing, measuring and calculating quantities for progress payments

CSG'S APPROACH

The key to a project's success is often in understanding the process from which the issues will arise. Over the years, CSG staff has been involved in hundreds of projects sponsored or reviewed by the public agencies we represent. We have learned that the following issues and guidelines are important to consider when undertaking any public works construction project.

- ▷ Understanding of the project and the agencies primary goals and objectives
- ▷ Identification of stakeholders and stakeholder's concerns
- ▷ Compliance with CEQA (and NEPA if required) procedures and mitigation
- ▷ Compliance with NPDES requirements and Best Management Practices
- ▷ Understanding financial constraints/opportunities and resource allocation
- ▷ Public participation and notification
- ▷ Coordination with utility companies and permitting agencies/Caltrans
- ▷ Coordination with agency staff
- ▷ Realistic cost estimates with contingencies matched to each work phase
- ▷ Practical schedules and appropriate milestones with continuous monitoring

Project Staffing

CSG Consultants has the experience level of staffing necessary to provide the County with construction management and inspection resources for either a small or large scale project. Having grown from a staff of 70 to over 140 employees in the past 5 years, we have 5 offices throughout the state that serve over 80 municipalities. The CSG staff that we propose under this contract, along with references for each resource follows within this section. Please refer to the Appendix of this proposal for projected staff resumes.

John Pipkin | CONSTRUCTION INSPECTOR

Mr. Pipkin has over 25 years of experience as a superintendant and inspector on various public works projects. He has performed inspection services for the City on the Butterfield Blvd. South Extension and West Main Water Main Replacement Projects. His past inspection projects have included channel widening, recycled water pipeline excavation and installation, roadway, and underground pipeline projects.

REFERENCES

CITY OF MONTEREY: Hans Usler | *Director of Public Works* | (831) 646-3920
Project: Del Monte & Figueroa Signal Improvements, Monterey Street Reconstruction

MORGAN HILL: Nitesh S Pandya P.E., | *Resident Engineer* | Caltrans (408) 232-0224
Ms. Julie Behzad, P.E. | *Senior Civil Engineer* | Morgan Hill, CA (408) 776-7337

Saled Mostafavi | CONSTRUCTION INSPECTOR

Mr. Mostafavi has over 20 years of experience as an engineer, construction manager and inspector on various public works projects. Inspection project efforts have included roadway resurfacing, and underground pipeline projects.

REFERENCES

CITY OF DURLINGAME: Syed Murtuza | *Director of Public Works* | (650) 558-7230
Project: 2008 Street Micro-Surfacing Project, Inspector on street resurfacing project.

CITY OF PACIFICA: Van Ocampo | *City Engineer* | (650) 738-3767
Project: Palmetto Pavement Rehabilitation Project, Inspector and project manager on project consisting of AC paving, concrete repair, dig outs, drainage improvements and striping.

Naser Molnypour | ASSISTANT RESIDENT ENGINEER AND INSPECTOR

Mr. Molnypour has over 25 years of experience in public works projects. Naser's experience includes performing inspection services on the Tennant Ave. Overcrossing Project. Naser is very familiar with working on development projects as well as public works and knows the Caltrans Local Assistance Procedure Manual very well. Mr. Molnypour has performed both inspection as well as office engineering services. Naser is very experienced in dealing with contractor's personnel and is assertive in enforcing the plans and specifications. He is very detail oriented and has excellent public relation skills. Having worked on many projects in residential areas as well as busy streets granted him the experience of working with businesses, and residents to ensure that coordination is implemented and minimum impact is exerted.

REFERENCES

MORGAN HILL: Nitesh S Pandya P.E., | *Resident Engineer* | Caltrans (408) 232-0224
Ms. Julie Behzad, P.E. | *Senior Civil Engineer* | Morgan Hill, CA (408) 776-7337
CITY OF MARINA: Craig Oliver | *Chief Building Official* | City of Marina (831) 884-1214

Lynette Rotaio, P.E. | ASSISTANT RESIDENT ENGINEER

Ms. Rotaio has been with CSG for seven years working mainly in the Construction Management Division as an Assistant/Associate Engineer. She provided services as an assistant resident engineer on the Tennant Ave. Overcrossing Project. She has served as Assistant Resident Engineer on Caltrans oversight projects and is very familiar with Caltrans best practices and procedures.

REFERENCES

CITY OF MORGAN HILL: Julie Behzad | *Senior Engineer* | (408) 776-7337

- ▷ Familiarity with applicable local codes, standards, and plans
- ▷ Partnership approach with public, designers, contractors and environmentalists
- ▷ Continuous coordination and communication with all stakeholders and policy makers
- ▷ Weekly/bi-monthly meetings between the CSG project manager, contractor and agency staff to monitor progress
- ▷ Timely documentation and project reporting, including the use of collaborative software

UNIQUE Qualifications

When called upon, CSG Inspection staff has repeatedly demonstrated their ability to perform at a high level, regardless of the project type. Over the last year, CSG has provided construction inspection services for the Butterfield Blvd. South Extension Project and the West Main Ave. Water Main Replacement Project. CSG has also recently completed construction management and inspection services on the Tennant Ave. Overcrossing Project for the City. These projects have included a broad scope of construction methods and disciplines.

CSG is uniquely qualified to continue provided on-call construction inspection services due to our expertise with all types of construction projects, our track record of providing a high level of service on past and current projects, and our knowledge of the City's specifications, plans, requirements and working procedures.

It is our understanding that the City will soon start construction on Phase 2A of the truck sewer replacement project on California Avenue, between Monterey Rd. and Harding Ave. CSG Inspectors are experienced with truck sewer replacement projects, having performed these services on both Phase I and Phase II for the City of South San Francisco's Wet Weather Program and the Town of Hillsborough's Crystal Springs Rd. / El Cerrito Ave. Truck Sewer Improvement Project. We will apply the knowledge and expertise that we have acquired towards insuring the successful completion of this project in the future.

CSG is also capable of providing construction inspection services on federally funded projects. Our Inspectors have worked on federally funding projects and are familiar with the documentation requirements and inspection standards.

CSG's inspection staff has worked on all types of infrastructure projects including transportation, underground utilities and facilities. CSG staff can work on a full-time or part-time basis; on routine assignments such as encroachment permit inspection or on a specific project that may require a project manager and inspector team.

In addition to having a wealth of knowledge in the area of construction management, many of our staff have worked directly for public agencies prior to joining CSG and bring first-hand knowledge of jurisdictional needs and concerns. All proposed staff have state and federally funded project experience and therefore familiar with the Local Assistance Procedure Manual.

CONTRACT MANAGEMENT FILING SYSTEM (CMFS)

CSG has developed an online Construction Management Filing System to assist with the storing and sharing of project information that can be used, if desired, on larger projects at no additional cost. The CM program tracks all coordination areas of the project to ensure that items are resolved in a timely manner.

This system is based on Caltrans' Local Assistance Procedures Manual and can be customized to include additional documents, as needed. The system has received great feedback from our clients as it allows project managers to access project information through the web; including such information as submittals, RFI status, CCO status and project expenditures, daily reports, and pictures.

Exhibit B to Consultant Agreement
CSG Consultants, Inc.

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

SEE ATTACHED

Exhibit B to Consultant Agreement
CSG Consultants, Inc.

EXHIBIT B

Consultant Fee

Services are billed on a time and materials basis. CSG will continue to honor the discounted rates provided to the City under the previous contract. A 5% rate increase will be implemented at the beginning of each fiscal year.

Staff	Position	Assigned Inspection Services (per hour)	Retainer (per month)
Naser Mohipour	Inspector	\$110	\$100
Saeid Mostafavi	Inspector	\$110	\$100
Lynette Rotarlo	Assistant Resident Engineer	\$110	\$100
Sydney Chow	Assistant Resident Engineer/ OE	\$110	\$100
John Pipkin	Inspector	\$110	\$100
Ramon Bernardo	Inspector	\$110	\$100
Daniel Gonzales	Assistant Resident Engineer	\$110	\$100

Inspection Service	Rate (per hour)
Inspection for Compaction	\$100
A/C Placement	\$100
Steel Inspection	\$100
Concrete Inspection	\$100
Welding Inspection	\$200

Rates reflect and include administrative costs and routine expenses such as local mileage, copying, fax, telephone, mail, in-house printing, software, and computer usage, etc. Reproduction and sub consultants are billed at cost plus 15%.

CSG's Inspection and Construction Management Services are available for overtime at time and one-half compensation; holidays and Sundays at double time compensation; differential pay for night work to be negotiated.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/1/2014

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

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

PRODUCER
Arthur J. Gallagher & Co.
Insurance Brokers of CA, Inc. LIC #0726293
1255 Battery Street, Suite 450
San Francisco CA 94111

CONTACT NAME:
PHONE (A/C, No, Ext): 415-536-8617 FAX (A/C, No): 415-536-8627
E-MAIL:
ADDRESS:

INSURED
CSGCONS-01
CSG Consultants, Inc., Precision Inspection - CSG
1700 S. Amphlett Blvd, 3rd Floor
San Mateo, CA 94402

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Berkshire Hathaway Homestate Insura	20044
INSURER B: Arch Insurance Company	11150
INSURER C: American Fire and Casualty Company	24066
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 948661760

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	ADOL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	Y	Y	BKA1556382768	12/4/2014	12/4/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/OP AGG \$2,000,000 \$
C	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" 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			BAA1550382766	12/4/2014	12/4/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTIONS <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE			USA1556382766	12/4/2014	12/4/2015	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	CSWC501194	12/4/2014	12/4/2015	<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
B	Professional Liability retro date: 1/1/1991			AEP004731503	12/4/2014	12/4/2015	Each Claim \$3,000,000 Aggregate \$3,000,000 Deductible: \$50,000

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

re: all operations of the Named Insured. City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees and volunteers are included as additional insureds on GL on Primary & Non-Contributory basis with Waiver of Subrogation and 30 Day Notice of Cancellation per attached endorsement.

CERTIFICATE HOLDER

City of Morgan Hill
17555 Peak Avenue
Morgan Hill CA 95037 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Don Tule

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. NON-OWNED AIRCRAFT

Under Paragraph 2. Exclusions of Section I – Coverage A - Bodily Injury And Property Damage Liability, exclusion g. Aircraft, Auto Or Watercraft does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

B. NON-OWNED WATERCRAFT

Under Paragraph 2. Exclusions of Section I – Coverage A - Bodily Injury And Property Damage Liability,

Subparagraph (2) of exclusion g. Aircraft, Auto Or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
- (a) Less than 52 feet long; and
 - (b) Not being used to carry persons or property for a charge.

C. PROPERTY DAMAGE LIABILITY – ELEVATORS

1. Under Paragraph 2. Exclusions of Section I - Coverage A – Bodily Injury And Property Damage Liability, Subparagraphs (3), (4) and (6) of exclusion j. Damage To Property do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.
2. The following is added to Section IV – Commercial General Liability Conditions, Condition 4. Other Insurance, Paragraph b. Excess Insurance:

The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:
 - a. The fourth from the last paragraph of exclusion j. Damage To Property is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

- (i) Premises rented to you for a period of 7 or fewer consecutive days; or
- (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in Section III – Limits of Insurance.

- b. The last paragraph of subsection 2. **Exclusions** is replaced by the following:
Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.
- 2. Paragraph 6. under Section III – Limits Of Insurance is replaced by the following:
 - 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to:
 - a. Any one premise:
 - (1) While rented to you; or
 - (2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or
 - b. Contents that you rent or lease as part of a premises rental or lease agreement.
- 3. As regards coverage provided by this provision **D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)** - Paragraph 9.a. of Definitions is replaced with the following:
 - 9.a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

E. MEDICAL PAYMENTS EXTENSION

If Coverage C Medical Payments is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph 1. Insuring Agreement of Section I – Coverage C – Medical Payments, Subparagraph (b) of Paragraph a. is replaced by the following:

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

F. EXTENSION OF SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

- 1. Under Supplementary Payments – Coverages A and B, Paragraph 1.b. is replaced by the following:
 - b. Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- 2. Paragraph 1.d. is replaced by the following:
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

G. ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT

- 1. Paragraph 2. under Section II – Who Is An Insured is amended to include as an Insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:
 - a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
 - (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
 - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
 - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

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

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. **Duties In the Event Of Occurrence, Offense, Claim Or Suit under Section IV – Commercial General Liability Conditions.**

- 2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. **Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural or engineering activities.
- d. "Bodily injury" or "property damage" occurring after:
- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. Other Insurance of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

- a. The following is added to Paragraph a. **Primary Insurance**:
If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.
- b. The following is added to Paragraph b. **Excess Insurance**:
When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

I. ADDITIONAL INSUREDS- EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

- 1. The following is added to Condition 2. **Duties In The Event Of Occurrence, Offense, Claim or Suit**:

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

- a. Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
- b. Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
- c. Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.

- d. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.
- 2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in **Section III – Limits of Insurance** of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.

J. WHO IS AN INSURED- INCIDENTAL MEDICAL ERRORS / MALPRACTICE WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION- MANAGEMENT EMPLOYEES

Paragraph 2.a.(1) of **Section II - Who Is An Insured** is replaced with the following:

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1) (a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph (d)) does not apply.

Paragraphs (a) and (b) above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision J. is excess over any other valid and collectable insurance available to your "employee".

K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES

Paragraph 3. of **Section II - Who Is An Insured** is replaced by the following:

- 3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
 - d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision.

L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES

Under **Section IV – Commercial General Liability Conditions**, the following is added to **Condition 6. Representations**:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under **Section IV – Commercial General Liability Conditions**, the following is added to **Condition 2. Duties In The Event of Occurrence, Offense, Claim Or Suit**:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph 1. of **Section II – Who Is An Insured** or a person who has been designated by them to receive reports of "occurrences", offenses, claims or "suits" shall have received such notice from the agent, servant or "employee".

N. LIBERALIZATION CLAUSE

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

O. BODILY INJURY REDEFINED

Under **Section V – Definitions**, **Definition 3.** is replaced by the following:

3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

P. EXTENDED PROPERTY DAMAGE

Exclusion a. of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

- a. **Expected Or Intended Injury**
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US – WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU

Under **Section IV – Commercial General Liability Conditions**, the following is added to **Condition 8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization 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" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – AMENDMENT OF CANCELLATION PROVISIONS
OR COVERAGE CHANGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Any term or provision of the Cancellation Conditions of the policy or any endorsement amending or replacing such Conditions is amended by the following:

If you have agreed in a written contract or written agreement to provide a person or organization who qualifies as an additional insured under this policy a notice of cancellation and/or material change that reduces or restricts the insurance afforded by this Coverage Part we agree to the following:

- a. Provide 30 days prior written cancellation notice for reasons other than nonpayment of premium and/or 30 days prior written notice of coverage change per schedule of additional insureds provided to us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

COVERAGE INDEX

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SECTION II – LIABILITY COVERAGE is amended as follows:

1. BROAD FORM INSURED

SECTION II – LIABILITY COVERAGE, paragraph A.1. –WHO IS AN INSURED is amended to include the following as an insured:

d. Any legally incorporated entity of which you own more than 50 percent of the voting stock during the policy period. However, "insured" does not include any organization that:

- (1) Is a partnership or joint venture; or
- (2) Is an insured under any other automobile policy; or
- (3) Has exhausted its Limit of Insurance under any other automobile policy.

Paragraph d. (2) of this provision does not apply to a policy written to apply specifically in excess of this policy.

e. Any organization you newly acquire or form, other than a partnership or joint venture, of which you own more than 50 percent of the voting stock. This automatic coverage is afforded only for 180 days from the date of acquisition or formation. However, coverage under this provision does not apply:

- (1) If there is similar insurance or a self-insured retention plan available to that organization;

- (2) If the Limits of Insurance of any other insurance policy have been exhausted; or
- (3) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

2. EMPLOYEES AS INSURED

SECTION II – LIABILITY COVERAGE, paragraph A.1. –WHO IS AN INSURED is amended to include the following as an insured:

- f. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow, but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".
- g. An "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

3. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT

SECTION II – LIABILITY COVERAGE, paragraph A.1. –WHO IS AN INSURED is amended to include the following as an insured:

- h. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit

4. SUPPLEMENTARY PAYMENTS

SECTION II – LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments, paragraphs (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (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.

5. AMENDED FELLOW EMPLOYEE EXCLUSION

In those jurisdictions where, by law, fellow employees are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

SECTION II – LIABILITY, exclusion B.5. FELLOW EMPLOYEE does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

SECTION III – PHYSICAL DAMAGE COVERAGE is amended as follows:

6. HIRED AUTO PHYSICAL DAMAGE

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

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or

- b. Your "employee" hires or rents under a written contract or agreement in that "employee's" name, but only if the damage occurs while the vehicle is being used in the conduct of your business,

subject to the following limit and deductible:

- A. The most we will pay for "loss" in any one "accident" or "loss" is the smallest of:
- (1) \$50,000; or
 - (2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, minus a deductible.
- B. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.
- C. Subject to the limit, deductible and excess provisions described in this provision, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.
- D. Subject to a maximum of \$1,000 per "accident", we will also cover the actual loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss.
- E. This coverage extension does not apply to:
- (1) Any "auto" that is hired, rented or borrowed with a driver; or
 - (2) Any "auto" that is hired, rented or borrowed from your "employee".

For the purposes of this provision, SECTION V -- DEFINITIONS is amended by adding the following:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

7. TOWING AND LABOR

SECTION III -- PHYSICAL DAMAGE COVERAGE, paragraph A.2. Towing, is amended by the addition of the following:

We will pay towing and labor costs incurred, up to the limits shown below, each time a covered "auto" classified and rated as a private passenger type, "light truck" or "medium truck" is disabled:

- a. For private passenger type vehicles, we will pay up to \$50 per disablement.
- b. For "light trucks", we will pay up to \$50 per disablement. "Light trucks" are trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- c. For "medium trucks", we will pay up to \$150 per disablement. "Medium trucks" are trucks that have a gross vehicle weight (GVW) of 10,001 – 20,000 pounds.

However, the labor must be performed at the place of disablement.

8. PHYSICAL DAMAGE - ADDITIONAL TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a., Coverage Extension of SECTION III -- PHYSICAL DAMAGE COVERAGE, is amended to provide a limit of \$50 per day and a maximum limit of \$1,500

9. RENTAL REIMBURSEMENT

SECTION III – PHYSICAL DAMAGE COVERAGE, A. COVERAGE, is amended by adding the following:

- a. We will pay up to \$75 per day for rental reimbursement expenses incurred by you for the rental of an "auto" because of "accident" or "loss", to an "auto" for which we also pay a "loss" under Comprehensive, Specified Causes of Loss or Collision Coverages. We will pay only for those expenses incurred after the first 24 hours following the "accident" or "loss" to the covered "auto."
- b. Rental Reimbursement will be based on the rental of a comparable vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for the period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days.
- c. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your tools and equipment from the covered "auto".
- d. This coverage does not apply unless you have a business necessity that other "autos" available for your use and operation cannot fill.
- e. 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 under Paragraph 4. Coverage Extension.
- f. No deductible applies to this coverage.

For the purposes of this endorsement provision, materials and equipment do not include "personal effects" as defined in provision 11.

10. EXTRA EXPENSE - BROADENED COVERAGE

Under SECTION III – PHYSICAL DAMAGE COVERAGE, A. COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you. The maximum amount we will pay is \$1,000.

11. PERSONAL EFFECTS COVERAGE

- A. SECTION III – PHYSICAL DAMAGE COVERAGE, A. COVERAGE, is amended by adding the following:

If you have purchased Comprehensive Coverage on this policy for an "auto" you own and that "auto" is stolen, we will pay, without application of a deductible, up to \$600 for "personal effects" stolen with the "auto."

The insurance provided under this provision is excess over any other collectible insurance.

- B. SECTION V – DEFINITIONS is amended by adding the following:

For the purposes of this provision, "personal effects" mean tangible property that is worn or carried by an insured." "Personal effects" does not include tools, equipment, jewelry, money or securities.

12. ACCIDENTAL AIRBAG DEPLOYMENT

SECTION III – PHYSICAL DAMAGE COVERAGE, B. EXCLUSIONS is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion for "loss" relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Any insurance we provide shall be excess over any other collectible insurance or reimbursement by manufacturer's warranty. However, we agree to pay any deductible applicable to the other coverage or warranty.

13. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, B. EXCLUSIONS, exception paragraph a. to exclusions 4.c. and 4.d. is deleted and replaced with the following:

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

- a. Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment 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" and physical damage coverages are provided for the covered "auto"; or

If the "loss" occurs solely to audio, visual or data electronic equipment or accessories used with this equipment, then our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.

14. LOAN / LEASE GAP COVERAGE

- A. Paragraph C., LIMIT OF INSURANCE of SECTION III -- PHYSICAL DAMAGE COVERAGE is amended by adding the following:

The most we will pay for a "total loss" to a covered "auto" owned by or leased to you in any one "accident" is the greater of the:

1. Balance due under the terms of the loan or lease to which the damaged covered "auto" is subject at the time of the "loss" less the amount of:
 - a. Overdue payments and financial penalties associated with those payments as of the date of the "loss",
 - b. Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear,
 - c. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease,
 - d. Transfer or rollover balances from previous loans or leases,
 - e. Final payment due under a "Balloon Loan",
 - f. The dollar amount of any unrepaired damage which occurred prior to the "total loss" of a covered "auto",
 - g. Security deposits not refunded by a lessor,
 - h. All refunds payable or paid to you as a result of the early termination of a lease agreement or as a result of the early termination of any warranty or extended service agreement on a covered "auto",
 - i. Any amount representing taxes,
 - j. Loan or lease termination fees; or
2. The actual cash value of the damage or stolen property as of the time of the "loss".

An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the "loss". This adjustment is not applicable in Texas.

- B. ADDITIONAL CONDITIONS

This coverage applies only to the original loan for which the covered "auto" that incurred the loss serves as collateral, or lease written on the covered "auto" that incurred the loss.

- C. SECTION V -- DEFINITIONS is changed by adding the following:

As used in this endorsement provision, the following definitions apply:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

A "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.

16. GLASS REPAIR - WAIVER OF DEDUCTIBLE

Paragraph D, Deductible of SECTION III – PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

No deductible applies to glass damage if the glass is repaired rather than replaced.

16. PARKED AUTO COLLISION COVERAGE (WAIVER OF DEDUCTIBLE)

Paragraph D, Deductible of SECTION III – PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

The deductible does not apply to "loss" caused by collision to such covered "auto" of the private passenger type or light weight truck with a gross vehicle weight of 10,000 lbs. or less as defined by the manufacturer as maximum loaded weight the "auto" is designed to carry while it is:

- a. In the charge of an "insured";
- b. Legally parked; and
- c. Unoccupied.

The "loss" must be reported to the police authorities within 24 hours of known damage.

The total amount of the damage to the covered "auto" must exceed the deductible shown in the Declarations.

This provision does not apply to any "loss" if the covered "auto" is in the charge of any person or organization engaged in the automobile business.

17. TWO OR MORE DEDUCTIBLES

Under SECTION III PHYSICAL DAMAGE COVERAGE, if two or more company policies or coverage forms apply to the same accident, the following applies to paragraph D. Deductible:

- a. If the applicable Business Auto deductible is the smaller (or smallest) deductible it will be waived; or
- b. If the applicable Business Auto deductible is not the smaller (or smallest) deductible it will be reduced by the amount of the smaller (or smallest) deductible; or
- c. If the loss involves two or more Business Auto coverage forms or policies the smaller (or smallest) deductible will be waived.

For the purpose of this endorsement company means any company that is part of the Liberty Mutual Group.

SECTION IV – BUSINESS AUTO CONDITIONS is amended as follows:

18. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

SECTION IV- BUSINESS AUTO CONDITIONS, Paragraph B.2. is amended by adding the following:

If you unintentionally fail to disclose any hazards, exposures or material facts existing as of the inception date or renewal date of the Business Auto Coverage Form, the coverage afforded by this policy will not be prejudiced.

However, you must report the undisclosed hazard of exposure as soon as practicable after its discovery, and we have the right to collect additional premium for any such hazard or exposure.

19. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS

SECTION IV – BUSINESS AUTO CONDITIONS, paragraph A.2.a. is replaced in its entirety by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when it is known to:
 - 1. You, if you are an individual;
 - 2. A partner, if you are a partnership;
 - 3. Member, if you are a limited liability company;
 - 4. An executive officer or the "employee" designated by the Named Insured to give such notice, if you are a corporation.

To the extent possible, notice to us should include:

- (1) How, when and where the "accident" or "loss" took place;
- (2) The "insureds" name and address; and
- (3) The names and addresses of any injured persons and witnesses.

20. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

SECTION IV – BUSINESS AUTO CONDITIONS, paragraph A.5., Transfer of Rights of Recovery Against Others to Us, is amended by the addition of the following:

If the person or organization has waived those rights before an "accident" or "loss", our rights are waived also.

21. HIRED AUTO COVERAGE TERRITORY

SECTION IV – BUSINESS AUTO CONDITIONS, paragraph B.7., Policy Period, Coverage Territory, is amended by the addition of the following:

- f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the insured's responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

SECTION V – DEFINITIONS is amended as follows:

22. BODILY INJURY REDEFINED

Under SECTION V – DEFINITIONS, definition C. is replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

COMMON POLICY CONDITIONS

23. EXTENDED CANCELLATION CONDITION

COMMON POLICY CONDITIONS, paragraph A. – CANCELLATION condition applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail 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 which require more than 60 days prior notice of cancellation.

POLICY NUMBER: BAA1556382766

COMMERCIAL AUTO
CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

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

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

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

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

Effective Date: 12/4/14

Named Insured: CSG Consultants, Inc.; Precision Inspection-CSG

SCHEDULE

Name of Person(s) or Organization(s): as required by written contract

(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.

AMENDMENT OF CANCELLATION PROVISIONS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
GARAGE COVERAGE FORM

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

Any term or provision of the Cancellation Conditions of the policy or any endorsement amending or replacing such Conditions is amended by the following:

If you have agreed in a written contract or written agreement to provide a person or organization notice of cancellation we agree to the following:

- a. Provide a 30 days prior written cancellation notice to such persons or organization for reasons other than nonpayment of premium, but only if we are provided with a schedule of persons or organizations with whom you have agreed to provide notification more than 30 days before the cancellation is to take effect.

As a condition of this endorsement, you must notify your agent of any written contract or agreement where you have agreed to provide notice of cancellation, other than nonpayment of premium, to a specific person or organization.

Failure to provide to a person or organization in accordance with the terms of this endorsement shall not extend the effective date of the cancellation or otherwise affect cancellation of the policy as to any insured.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA
BLANKET BASIS**

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 otherwise due on such remuneration.

The minimum premium for this endorsement is \$ 350.00

Schedule**Person or Organization****Job Description**

ALL ORGANIZATIONS FOR WHOM THE WAIVER OF SUBROGATION IS
ISSUED

ALL CALIFORNIA OPERATIONS

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 12/4/14

Policy No. CSWC501194

Insured CSG CONSULTANTS, INC.

Premium \$

Insurance Company Berkshire Hathaway Homestate Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION – CERTIFICATE HOLDERS

This endorsement modifies Insurance provided under the **Design Professional Liability Policy**.

The person(s) or organization(s) listed or described in the Schedule below have requested that they receive not less than thirty (30) days written notice of cancellation when this policy is cancelled by us. We will endeavor to mail or deliver to the Person(s) or Organization(s) listed or described in the Schedule a copy of the written notice of cancellation that we sent to you. Such copies of the notice will be mailed as soon as practicable to the address or addresses provided by your broker or agent.

This notification of cancellation of the policy is intended as a courtesy only. Our failure to provide such notification to the person(s) or organization(s) shown in the Schedule will not extend any policy cancellation date or impact or negate any cancellation of the policy. This endorsement does not entitle the person(s) or organization(s) listed or described in the Schedule below to any benefit, rights or protection under this policy.

Any provision of this endorsement that is in conflict with a statute or rule is hereby amended to conform to that statute or rule.

Schedule

Person(s) or Organization(s) including mailing address:

All certificate holders where written notice of the cancellation of this policy is required by written contract, permit or agreement with the Named Insured and whose names and addresses will be provided by the broker or agent listed in the Declarations page of this policy for the purpose of complying with such request.

All other terms and conditions of this policy remain unchanged.

Policy Number: AEP0047315- 03

Named Insured: CSG Consultants

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF SECTION V. B. OPTIONAL EXTENDED CLAIMS REPORTING PERIOD

This endorsement modifies insurance provided under the Design Professional Liability Policy.

In consideration of the premium charged, it is agreed that Section V. EXTENDED REPORTING PERIOD, Paragraph B. Optional Extended CLAIMS Reporting Period is deleted in its entirety and replaced with the following:

B. Optional Extended CLAIMS Reporting Period

If YOU do not renew this Policy, or YOU do not purchase other insurance that covers professional liability, or if WE cancel or refuse to renew this Policy for reasons other than (1) nonpayment of premium or Deductible; (2) noncompliance with the terms and conditions of this Policy; or (3) fraud or material misrepresentation, YOU shall have the option to extend the period by which a CLAIM can be made against YOU and reported to US.

The premium for the Optional Extended CLAIMS Reporting Period shall be determined by charging (1) 100% of the annual premium for twelve (12) months, (2) 150% for twenty-four (24) months, (3) 200% for thirty-six (36) months, or (4) 250% for sixty (60) months. The purchase of an Optional Extended CLAIMS Reporting Period shall be endorsed herein.

YOUR right to purchase the Optional Extended CLAIMS Reporting Period must be exercised by notice in writing not later than thirty (30) days after the cancellation or termination date of this policy. Effective notice must indicate the total Optional Extended CLAIMS Reporting Period desired AND MUST INCLUDE PAYMENT OF PREMIUM FOR SUCH PERIOD. If such notice and the premium are not mailed to US within thirty (30) days, then YOU shall not at a later date be entitled to purchase an Optional Extended CLAIMS Reporting Period.

At the commencement of any Optional Extended CLAIMS Reporting Period, the entire premium therefore shall be deemed earned, and in the event YOU terminate the Optional Extended CLAIMS Reporting Period before its term for any reason, WE shall not be obligated to return to YOU any portion of the premium.

The fact that the period during which CLAIMS can be made against YOU and reported to US is extended by virtue of the Optional Extended CLAIMS Reporting Period shall not in any way increase the Limits of Liability of this policy.

OUR liability shall further be limited to cover only those CLAIMS or CLAIM EXPENSES which arise out of YOUR providing or failure to have provided PROFESSIONAL SERVICES prior to the expiration date of the POLICY PERIOD or any earlier termination date, if applicable, and prior to the Optional Extended CLAIMS Reporting Period.

All other terms and conditions of this Policy remain unchanged.

Issued By: Arch Insurance Company

Policy Number: AEP0047315-03

Named Insured: CSG Consultants, Inc

Endorsement Effective Date: December 04, 2014



EXHIBIT "B"

August 19, 2015

Yat Cho
Associate Engineer
Development Services Center
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Sewer Inspection Amendment

CSG Consultants, Inc. (CSG) is pleased to present this amendment to provide sewer inspection as part of the City's Downtown Program Management.

CSG proposes **Curtis Brian** as the construction inspector. Prior to joining CSG, Mr. Brian served as a construction inspector for the City of San Leandro, providing inspection on a variety of CIP projects including but not limited to street improvements, sidewalk improvements, sewer and water rehabilitation and replacement, and pump stations.

Provided below is CSG's hourly rate for construction inspection.

Role	Hourly Rate
Construction Inspector	\$120

CSG is excited for this opportunity to provide construction inspection services for this project. As a Vice President and a Partner, I am empowered to commit to enter into a binding contract for these services. If you have any questions, please contact me at 650 522-2524.

Sincerely,

A handwritten signature in black ink, appearing to read "Nourdin Khayata", written over a light blue horizontal line.

Nourdin Khayata
Vice President, Construction Management