

Docket: : A.15-07-001
Exhibit Number : ORA - ____
Commissioner : Catherine J.K. Sandoval
Administrative Law Judge : Gerald F. Kelly
ORA Witnesses : Michael Conklin
Lisa Bilir
Alex Lau
Pat Ma
Wenli Wei
Sung Han



**OFFICE OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on
The Results of Operations
Great Oaks Water Company
Fiscal Test Year 2016/2017 General Rate Case
A.15-07-001**

**APPENDIX H (Part 2)
PUBLIC**

**San Francisco, California
October 19, 2015**

1

APPENDIX H (GOWC Responses to ORA's Data Requests) Part 2

2 Appendix H contains GOWC's Responses and Supplemental Responses to ORA's Data
3 Requests as well as select attachments as listed below:

4	Response to WW2-001 (O&M and A&G Follow up)	(p. 150)
5	Supplemental Response to WW2-001 (O&M and A&G Follow up)	(p. 158)
6	Response to WW2-002 (NTP&S & Rent)	(p. 161)
7	Attachment to Response to WW2-002(1.iii.)	(p. 164)
8	Response to WW2-003 (Nots Recv)	(p. 202)
9	Response to WW2-004 (O&M and A&G Follow up)	(p. 205)
10	Supplemental Response to WW2-004 (O&M and A&G Follow up)	(p. 210)
11	Attachment to Supplemental Response to WW2-004 (NPDES)	(p. 213)
12	Response to WW2-005 (O&M Expenses)	(p. 216)
13	Response to WW2-006 (O&M Expenses)	(p. 219)
14	Response to WW2-007 (O&M and A&G Expenses)	(p. 221)
15	Supplemental Response to WW2-007 (O&M and A&G Expenses)	(p. 224)
16	Response to WW2-008 (Pension)	(p. 226)
17	Supplemental Response to WW2-008 (Pension)	(p. 230)
18	Response to WW2-009 (NTP&S)	(p. 233)
19	Response to WW2-010 (HomeServe Revenue)	(p. 235)
20	Response to WW2-012 (Medical Insurance)	(p. 239)
21	Attachment to Response to WW2-012 (7) Part 1	(p. 242)
22	Attachment to Response to WW2-012 (7) Part 2	(p. 270)
23	GOWC Updated Medical Information, September 2015	(p. 294)
24	Supplemental Response to WW2-12	(p. 339)
25	Attachment to Response to WW2-012(6)	(p. 341)
26	Response to WW2-013 (Employee Benefits)	(p. 350)



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

July 10, 2015

Via email to:

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Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-001

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-001.

Pursuant to the instructions provided in Michael Conklin's July 2, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Exhibit E, GRC Work papers, "Operation and Maintenance Expenses", p. WP-4:
 - i. For each O&M Expense Account: 702, 711, 725, 732, 756, 761, 763, 772, 773, and 775, Great Oaks entered the projected expense amount for year 2014-15 as

a hard-coded amount divided by 9 and then multiplied by 12; it appeared as if it was 9 months actual data prorated to 12 months.

- a. Please confirm if this was the case.

Response: Yes. The assumption is confirmed.

- b. If the answer to question 1.i.a. is yes, please clarify the specific 9 months that was used for the actual data.

Response: July 2014 – March 2015

- c. Explain why Great Oaks relies on this forecasting methodology rather than applying the ORA escalation factors to average historical data.

Response: Accuracy. Great Oaks did not file for an escalation year increase for the 2014/2015-rate year and the values provided are not based upon an escalation year methodology. Using actual data is significantly more accurate.

- ii. Explain how Great Oaks derived the “DRA Escalation Rate (March 2015)” of 3.17% for test year 2016/2017, escalation year 2017/2018, and 2.98% for escalation year 2018/2019. For reference, these numbers appear at the bottom right corner. Provide account details and all supporting documentation for Great Oaks’ calculation.

Response: The values of 3.17% and 2.98% are legacy numbers which will be updated when ORA publishes its escalation rates for June 2015 (which Great Oaks expects will be before July 31, 2015).

- iii. For O&M Account 702, Operation Labor and Expenses:

- a. Please explain the variance between the year 2014/2015 projected amount of $(\$12,781.29/9*12)$ and the adopted amount of zero for this account. Provide all supporting documentation for the 2014/2015 amount projected in this account.

Response: Costs charged to Account 903 are allocated to Accounts 702, 725, 756, 772, 773, and 805. Twenty percent (20%) of the costs charged to Account 903 are allocated to Account 702. The amount for Account 702 represents 20% of the annualized costs charged to Account 903.

- iv. For O&M Account 744, Chemicals, please explain how Great Oaks calculated or decided upon the hard-coded expense amount of \$38,590 for year 2015/2016, and provide all supporting documents Great Oaks used for this projection.

Response: Great Oaks provided an explanation for this expense item in Exhibit D, Chapter 3, paragraph 25 (pages 3-6). By way of further response, the amount of the expense is based upon the annualized cost for the same chemicals Great Oaks has used and is using to address the water quality issue discussed in the referenced paragraph 25. More specifically, when the need arose for chemicals in April, 2015 (as discussed in the referenced portion of Exhibit D, Chapter 3), expenses for chemicals purchased, including the cost of the chlorine reagent analyzer, were totaled and then annualized. An additional amount (\$623.68 per month) was added to guard against unexpected expenses and probable cost increases over time. The total cost for chemicals and the analyzer was \$2,592.15 for the month of April, 2015. See attached documents in file WW2-001(1.iv.). Copies of the receipts for the chemicals for the month of April are included, as is a copy of June's receipt showing the monthly cost of the analyzer. The documents are also marked as Exhibit 3-9 and will be included in Great Oaks' update of its General Rate Case Application, as permitted under D.07-05-062.

- v. For O&M Account 761, Maintenance T&D Mains, please provide the following information:
 - a. Explain the variance between adopted amount (\$37,612) for 2014/2015 and the projected amount (\$97,374) for 2014/2015.

Response: The adopted amount (\$37,612) for the 2014/2015-rate year proved to be very inaccurate when compared to actual costs. For example, recorded costs for Account 761 for the 2013/2014-rate year were \$59,944, as compared to adopted costs of \$36,709. The annualized costs for the same account for the 2014/2015-rate year projected to \$73,030, as compared to the adopted costs of \$37,612. The variance is due to the use of the escalation percentage for the 2014/2015-rate year as compared to actual expenses. The amounts will be updated as permitted under D.07-05-062.

- vi. For O&M Account 763, Maintenance Services:
 - a. Explain the variance between the adopted 2014/15 amount of \$37,066 and projected amount of \$58,285 for Year 2014/15.

Response: The same rationale as explained in the Response to Data Request 1.v.a., above, applies here as well. Updates will be provided as permitted under D.07-05-062.

- 2. Refer to Exhibit E, GRC Work papers, tab "Maintenance Expense" and for O&M Expense Account 805, Maintenance of General Plant, p. WP -5:
 - i. Explain the variance between the adopted 2014/15 amount of \$36,166 and projected amount of \$101,557 for Year 2014/15.

Response: See response to Data Request 1.vi.a, above. Updates will be provided as permitted under D.07-05-062.

3. Refer to Exhibit E, GRC Work papers, “Administrative and General Expenses”, p. WP-6:
- i. For A&G Account 797, Regulatory Commission Expense, in Excel format, please provide account details identifying the actual CPUC Fees and Rate Case Expense entries separately, for each year from 2009/10 through 2013/14.

Response: See table below.

Year >	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Expense					
CPUC Fee	\$171,196	\$176,263	\$184,273	\$211,006	\$235,950
Advice Letter Costs			\$5,998	\$2,459	\$3,769
GRC Costs	\$9,510				
Total	\$180,706	\$176,263	\$190,271	\$213,465	\$239,719

- ii. For A&G Account 798, Outside Services Employed:
 - a. Please explain the basis for the \$200,000 hard-coded amount added to the test year and each escalation year, and provide detailed calculations including expense breakdowns for each category.

Response: The \$200,000 hard-coded amount represents projected expenses for WaterSmart Software. See Exhibit D, Chapter 9, pp. 1-2; see also Application, Item I.4.(e), page 4.

- iii. For A&G Account 799, Miscellaneous General Expenses:
 - a. Beginning in TY 2016/2017, Great Oaks added a hard-coded amount of \$75,188, which became embedded in the following escalation years. Please explain Great Oaks’ rationale behind this annual add-on expense and provide all supporting documentation.

Response: The \$75,188 represents membership expenses for California Water Association. See Exhibit D, Chapter 5, pp. 27-28.

- iv. For A&G Account 502.795, Employee Benefits:
 - a. Explain how Great Oaks derived the escalation factors indicated on the Excel spreadsheet, columns E to H, for years 2015/16 through 2018/19 for each of the line items.

Response: The “escalation factors” are a combination of values. The non-ORA escalation factors are estimated rates of increase for the specifically listed expenses based

upon experience and historical values. The ORA escalation factors will be updated when ORA makes the June escalation memos available. Please also see the answer to Data Request 1.v.a., above, for further information on ORA escalation factors in Exhibit E, GRC Workpapers.

- b. Please provide 5 years of historical data for all the line items under the account 502.795 and all the actual renewal notices from the insurance providers.

Response: See attached Excel spreadsheet labeled GOWC Response to ORA Data Request WW2-001(3). In particular, please see page WP-7. See also attached documents labeled GOWC Response to WW2-001(3.iv.b.).

- c. Great Oaks entered arithmetical formulas for the Year 2014/15 expense projections under line items “Dental, AD&D, Life Insurance” and “HSA ER Contribution”, please explain the rationale behind these formulas.

Response: For Dental, AD&D, and Life Insurance:

\$3,135.11 is the monthly premium for July through December, 2014.
\$3,276.00 is the monthly premium for January through June, 2015.

For HSA ER Contribution:

2014 calendar year expense = $\$644,817/2 = \$322,408.50$ for July to December. 2015 calendar year expense = $\$838,098/2 = \$419,049.00$ for January to June 2015. Total = $\$741,457.50$ for the 2014/2015 year.

- d. Explain the derivation of the hard-coded numbers shown forecasted under the Pension Expense “Annual Contribution” line.

Response: See Exhibit D, Chapter 5, pages 25-26.

- e. Explain how Great Oaks’ previous GRC stipulated terms of \$680,000 annual pension contribution for seven years reconciles to the hard-coded forecasts shown in the current GRC.

Response: See Exhibit D, Chapter 5, pages 25-26.

- f. Besides the email from Great Oaks’ insurance broker, please provide all other supporting documents that would justify Great Oaks’ forecasted 15% annual increase in Medical Insurance and 5% annual increase in Dental and Vision Insurance Premiums for the next 3 years.

Response: Great Oaks requests Confidential Treatment for the documents being produced pursuant to this request. [REDACTED]

4. Refer to Exhibit D, Report on Results of Operations, Section II.B.10, Table 3-4:
- i. Please submit EDD Quarterly Payroll Tax Report, 2013 and 2014 W-2 records for each of the employees mentioned in Table 3-4.

Response: Great Oaks requests Confidential Treatment of the quarterly payroll tax reports being provided in response to this request. [REDACTED]

5. Refer to Exhibit 5-1, Great Oaks Water Company Compliance Plan for Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services:
- i. According to the Compliance Plan, "Great Oaks developed and implemented appropriate management and accounting internal controls to identify, quantify, and record in the books of account the time and other resources Great Oaks' employees spend on non-regulated activities." Please present Great Oaks' account record(s) quantifying the costs associated with the time spent by each of the employees mentioned in question 4.i above.

Response: See attached documents labeled GOWC Response WW2-001(5).

VERIFICATION

I, Timothy S. Guster, am Vice President and General Counsel of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-001 and know the contents thereof. I certify that the Responses to Data Requests 1.ii., 3.i., 3.ii.a., 3.iii.a., 4., and 5 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 10, 2015.

/s/
Timothy S. Guster

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-001 and know the contents thereof. I certify that the Responses to Data Requests 1.i.a, 1.i.b., 1.ic., 1.ii., 1.iii.a., 1.v.a., 1.vi.a., 2.i., 3.i., 3.iv.a., 3.iv.b., 3.iv.c., 3.iv.d., 3.iv.e., 3.iv.f., 4, and 5 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 10, 2015.

/s/
Ron Ceolla

VERIFICATION

I, Mike Carey, am responsible for water quality issues for Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-001 and know the contents thereof. I certify that the Response to Data Request 1.iv. is true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 10, 2015.

/s/
Mike Carey



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 27, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Supplemental Responses to ORA Data Request WW2-001

Great Oaks Water Company (Great Oaks) hereby provides its supplemental responses to ORA Data Request WW2-001.

Pursuant to the instructions provided in Michael Conklin's July 2, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Great Oaks provided its responses to ORA Data Request WW2-001 on July 10, 2015. On August 18, 2015, ORA requested supplemental responses for two of the requests contained in WW2-001. Those two requests are provided below, together with Great Oaks' supplemental responses.

Supplemental Responses to Data Requests

3. Refer to Exhibit E, GRC Workpapers, “Administrative and General Expenses,” p. WP-6:

iv. For A&G Account 502.795, Employee Benefits:

b. Please provide 5 years of historical data for all the line items under the account 502.795 and all the actual renewal notices from the insurance providers.

Supplemental Request (1): For 2011 and 2012, no renewal notices submitted for any of its insurances (Life, AD&D, Dental offered via MetLife, VSP via CoPower, and Medical Insurance Via Kaiser).

Supplemental Request (2): For 2013 and 2014, no VSP renewal notices submitted.

Response: See documents attached and labeled as GOWC SR WW2-001 (3.iv.b.).

c. Great Oaks entered arithmetical formulas for the Year 2014/15 expense projections under line items “Dental, AD&D, Life Insurance” and “HSA ER Contribution”, please explain the rationale behind these formulas.

Supplemental Request (1): For HAS ER Contribution, please explain what each of the numerical values in the formula in Cell $L23 = (((445.83 * 11) + (258.33 * 7)) * 12)$ means.

Response: 445.83 is the monthly contribution for “family” coverage; 11 is the number of employees with “family” coverage; 258.33 is the monthly contribution of “single” coverage; 7 is the number of employees with “single” coverage; 12 is the number of months in a year.

Supplemental Request (2): Explain what each of the numerical values in Cell $M23 = (L23 * (1 + E23)) + (445.83 * 6)$ means, and why an additional $445.83 * 6$ amount was added on top of L23.

Response: Column M is the 2015/2016 year; E23 is an escalation factor (in this instance, it is zero); $445.83 * 6$ represents six (6) months of contributions for a new hire as of January 1, 2016 in customer service.

Supplemental Request (3): The same applied to Cell $N23 = (M23 * (1 + F23)) + (445.83 * 6)$, explain why an additional $445.83 * 6$ is added.

Response: See response to Supplemental Request (2), above, as the same methodology is used. The second 445.83*6 is to pick up the second half of the 2015/2016 year for the January 1, 2016 new hire.

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Supplemental Responses to ORA Data Request WW2-001 and know the contents thereof. I certify that the Supplemental Responses to Data Requests are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 27, 2015.

/s/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

July 17, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-002

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-002.

Pursuant to the instructions provided in Michael Conklin's July 10, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Exhibit D, Report on Results of Operations, Part B "Corporate and Unregulated Activities":
 - i. Please provide all 2008 purchase documents for the building in which the Company's offices are located.

Response: By email on July 13, 2015, Michael Conklin withdrew this data request.

- ii. Please provide all 2014 sales documents for the same building mentioned in 1.i.

Response: By email on July 13, 2015, Michael Conklin withdrew this data request.

- iii. In PDF format, please provide the lease agreement and all other supporting documentation used to forecast TY 2016/2017 for Acct 811 Rent.

Response: See documents attached hereto and labeled as GOWC Response to ORA Data Request WW2-002(1.iii.).

- iv. Please provide related timesheets for the people involved in the purchase, sale and lease transactions.

Response: See documents attached to Great Oaks Water Company's Response to ORA Data Request WW2-001(5).

- 2. Refer to Great Oaks' 2014 Annual Report to the Commission, page 11 of 60, "Excess Capacity and Non-Tariffed Services":

- i. Please state the exact location in Great Oaks' workpapers where the reported passive revenue derived from Non-Tariffed Services can be seen.

Response: Great Oaks inadvertently omitted the data described and will supplement its General Rate Case submission and this response as soon as practicable.

- ii. In PDF format, provide copies of any and all antennae lease agreements with telecommunications providers that Great Oaks has been involved with, from the period of 2009 to the present.

Response: See documents attached hereto as GOWC Response to WW2-002(2.ii.).

VERIFICATION

I, Timothy S. Guster, am Vice President and General Counsel of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-002 and know the contents thereof. I certify that the Responses to Data Requests 1.i., 1.ii., 1.iii., 1.iv., and 2.ii. are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 17, 2015.

/s/
Timothy S. Guster

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-002 and know the contents thereof. I certify that the Responses to Data Request 2.i. are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 17, 2015.

/s/
Ron Ceolla

Great Oaks Water Company

Response to ORA Data Request WW2-002(1.iii.)

COMMERCIAL OFFICE LEASE
FOR
GREAT OAKS WATER COMPANY

1. Basic Provisions:

1.1 Parties: This Lease ("Lease), dated as of January 1, 2009, is made by and between Great Oaks Water LLC ("Lessor") and Great Oaks Water Company, ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2 (a) Premises: The Premises consists of that certain portion of the Project known as Suite Number 120, consisting of approximately 8,669 rentable square feet and approximately 7,808 useable square feet ("Premises"). The Premises is located at the commercial office building at 20 Great Oaks Boulevard, San Jose, California, 95119. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are collectively referred to as the "Project." The Project consists of approximately 51,840 rentable square feet. In addition to Lessee's rights to use and occupy the Premises Lessee shall have non-exclusive rights to the Common Areas, and shall be allowed to use the roof for existing and new communication antennas related to its present and future businesses.

(b) Parking: Lessee and its customers, employees and invitees shall have access to the unreserved vehicle parking, as available on a first-come, first-served basis with other tenants and users of the Project. Lessee parking may also be subject to that Reciprocal Parking Agreement dated October 7, 1998 by and between Great Oaks Properties and Family Community Church and that Reciprocal Easement Agreement dated October 7, 1998 by and between Great Oaks Properties and Family Community Church.

1.3 Term: The Term of this Lease is for five years ("Original Term") commencing January 1, 2009 ("Commencement Date") and ending December 31, 2013 ("Expiration Date"). Lessee is further granted two successive Options to renew the Lease for a period of five years, each at a revised Base Rent determined to be 95% of the then market rate for a comparable Premises.

1.4 Base Rent: The Base Rent is \$13,870 per month ("Base Rent)", payable on the 1st day of each month commencing January 1, 2009. There are provisions in this Lease for the Base Rent to be adjusted.

1.5 Lessee's Share of Operating Expense Increase: Lessee's Share of Operating Expense Increase ("Lessee's Share) has been calculated at 16.7% percent by dividing the approximate rentable square footage of the Premises by the total approximate square footage of the rentable space contained in the Project and shall not be subject to revision except in connection with an actual change in the size of the Premises or a change in the space available for lease in the Project.

1.6 Base Rent and Other Monies Paid Upon Execution:

(a) Base Rent: \$13,870 for the period beginning January 1, 2009.

- (b) Security Deposit: None
- (c) Parking: No additional charge.
- (d) Other: None.
- (e) Total Due upon Execution of this Lease: \$13,870.

1.7 Base Year: The Base Year is January 1, 2009 through December 31, 2009.

1.8 Agreed Use: The Premises is to be used and occupied as commercial office space, with operational and equipment shop, laboratory and storage facilities commonly required for a public water utility.

1.9 Business Hours for Lessee: Lessee shall be entitled to access the Premises and Project, and occupy and operate its facilities at all times.

1.10 Lessor Supplied Services: Lessor is not obligated to provide janitorial services or interior tenant improvements for the Premises.

1.11 Real Estate Brokers: No real estate brokers are involved in this transaction and no broker is entitled to a commission or finders fee.

1.12 Attachments: Attached hereto is a plot plan depicting the Premises, along with the current set of the Rules and Regulations for the Project.

2. Premises:

2.1 Letting: Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating Rent, is an approximation which the Parties agree is reasonable and any payments based thereon are not subject to revision whether or not the actual size is more or less. Lessee has been advised and given the opportunity to verify the actual size prior to executing this Lease.

2.2 Condition: Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date, and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC") were intact and operational when constructed.

2.3 Compliance: Lessor warrants that the improvements comprising the Premises and the Common Areas complied with the building codes ("Applicable Requirements") that were in effect at the time that each such improvement, or portion thereof, was constructed. This warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use, or to any Alterations or Utility Installations made or to be made by Lessee. Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are

appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months of the then Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months of Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as governmentally mandated seismic modifications), then Lessor and Lessee shall allocate the cost of such Capital Expenditure as follows: Lessor shall advance the funds necessary for such Capital Expenditure but Lessee shall be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying Lessee's share of the cost of such Capital Expenditure (the ~~percentage specified in Paragraph 1.5 by a fraction, the numerator of which is one, and the denominator of which is 144~~ (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance of Lessee's share at a rate that is commercially reasonable in the judgment of Lessor's accountants. Lessee may prepay its obligation at any time. However, if such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct the same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to involuntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost thereof, and Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements: Lessee acknowledges that Lessee has been advised by Lessor to satisfy itself with respect to the condition of the Premises, including but not limited to the electrical, HVAC, fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements, and their suitability for Lessee's intended use, and that Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and that Lessor has not made any oral or written representations or warranties with respect to the matters other than those set forth in this Lease.

2.5 Vehicle Parking: Subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, and as to those agreements described in Paragraph 1.2(b), Lessee and its customers, employees and invitees shall have access to the unreserved vehicle parking, as available on a first-come, first-served basis with other tenants and users of the Project.

2.6 Common Areas - Definition: The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project. They include the interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.7 Common Areas - Lessee's Rights: Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.8 Common Areas - Rules and Regulations: Lessor or such other person as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable Rules and Regulations for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with the Rules and Regulations by other tenants of the Project.

2.9 Common Areas – Changes: Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof;

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate; and

(g) To coordinate maintenance, repairs, and improvements for the Project as may be necessary in the sole discretion of Lessor pursuant to the requirements of the Reciprocal Easement Agreement and the Reciprocal Parking Easement referred to in Paragraph 1.2(b).

3. Term:

3.1 Term: The Commencement Date, Expiration Date and Original Term of this Lease are specified in Paragraph 1.3.

3.2 Early Possession: If Lessee partially or totally occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall not be abated for the period of such early possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such early possession shall not affect the Expiration Date.

4. Rent:

4.1. Rent Defined: All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent"). Rent includes Base Rent, as may be adjusted pursuant to the terms of this Lease, including but not limited to those of Paragraph 4.3.

4.2 Operating Expense Increase: Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase", in accordance with the following provisions:

(a) "Base Year" is as specified in Paragraph 1.7.

(b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) "Operating Expenses" include all costs incurred by Lessor relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied for the year, including, but not limited to, the following:

(i) The operation, repair, and maintenance in neat, clean, safe, good order and condition of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, lessees or occupants of the Project, including elevators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(ii) Trash disposal, exterior janitorial and security services, pest control services, and the costs of any environmental inspections;

~~(iii) Any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";~~

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to Paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to Paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any Capital Expenditure to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such Capital Expenditure over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(ix) Replacement of equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any

such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have the improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase shall be payable by Lessee within 10 days after a reasonably detailed statement of actual expenses is presented to Lessee by Lessor. At Lessor's option, however, an amount may be estimated by Lessor from time to time in advance of Lessee's Share of the Operating Expense Increase for any Comparison Year, and the same shall be payable monthly during each Comparison Year of the Lease term, on the same day as the Base Rent is due. In the event that Lessee pays Lessor's estimate of Lessee's Share of Operating Expense Increase, Lessor shall deliver to Lessee within 60 days after the expiration of each Comparison Year a reasonably detailed statement showing Lessee's Share of the actual Operating Expense Increase incurred during such year. If Lessee's payments under this subparagraph during the Comparison Year exceed Lessee's Share as indicated on the statement, Lessee shall be entitled to credit the amount of such overpayment against Lessee's Share of Operating Expense Increase next falling due. If Lessee's payments under this Paragraph during the Comparison Year were less than Lessee's Share as indicated on the statement, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement. Lessor and Lessee shall adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include any expenses paid by Lessee directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 Exclusions: Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more unless it is of the type described in Paragraph 4.2(c) (viii), in which case their cost shall be included as above provided.

4.4 Base Rent Adjustment: The Base Rent set forth in Paragraph 1.4 shall be adjusted annually upward by a factor of 3% per annum. The adjustments to Base Rent are separate and distinct from the obligation to pay Operating Expense Increases as set forth above.

4.5 Payment: Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction except as specifically permitted in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of the month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment

which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Operating Expense Increase, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit: No security deposit is required of Lessee as of the Commencement Date. If Lessee fails to pay Rent, however, or otherwise defaults under this Lease, Lessor may require Lessee to deposit monies with Lessor sufficient to fund a Security Deposit equal to the then Base Rent. As Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional moneys with Lessor. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep any Security Deposit separate from its general accounts. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. Use.

6.1 Use: Lessee shall use and occupy the Premises for the Agreed Use, or any other legal use which is reasonably comparable thereto. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC and other systems of the Building, and/or will not materially affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances:

(a) Reportable Uses Require Consent: The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either regulated or monitored by any governmental authority, or is a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful

risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications) and/or increasing the Security Deposit.

(b) Duty to Inform Lessor: If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation: Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee.

(d) Lessee Indemnification: Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) Lessor Indemnification: Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the negligence of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations: Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate

fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) Lessor Termination Option: If a Hazardous Substance Condition occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 120 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent. Lessee shall provide Lessor with the funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements: Except as otherwise provided in this Lease, Lessee shall, ~~at Lessee's sole expense, fully, diligently and in a timely manner, materially~~ comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether the requirements are now in effect or become effective after the Commencement Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing with copies of any documents involved of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements.

6.4 Inspection; Compliance: Lessor and Lessor's consultants shall have the right to enter into Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations:

7.1 Lessee's Obligations: Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment wherever located, that serves only Lessee or the Premises, to the extent such cost is attributable to causes beyond normal wear and tear. Lessee shall be responsible for the cost of painting, repairing or replacing interior wall coverings, interior and exterior windows or glass and to repair or replace any improvements within the Premises.

7.2 Lessor's Obligations: Consistent with the terms of this Lease, Lessor shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants and the Common Areas.

7.3 Utility Installations; Trade Fixtures; Alterations:

(a) Definitions: The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment and plumbing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) Consent: Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Utility Installations to the interior of the Premises without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, and will not affect the electrical, plumbing, HVAC and/or life safety systems. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's acquiring all applicable governmental permits, furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, compliance with all conditions of the permits and other Applicable Requirements in a prompt and expeditious manner and non-interference with facilities of existing tenants. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. For work which costs an amount in excess of one month's then Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) Liens; Bond: Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialman's lien against the Premises or any interest

therein. Lessee shall give Lessor notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof.

7.4 Ownership; Removal; Surrender; and Restoration:

(a) Ownership: Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations.

(b) Removal: By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent. Unless otherwise instructed, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(c) Surrender; Restoration: Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 25 below.

8. Insurance; Indemnity:

8.1 Insurance Premiums: The cost of the premiums for the insurance policies maintained by Lessor pursuant to Paragraph 8 is included as Operating Expenses. Such costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Such costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Commencement Date, assuming the most nominal use possible of the Building and/or Project.

8.2 Liability Insurance:

(a) Carried by Lessee: Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000, an "Additional Insured-Managers or Lessor's of Premises Endorsement" and contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of the insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. The insurance carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) Carried by Lessor: Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee.

8.3 Property Insurance - Building, Improvements and Rental Value:

(a) Building and Improvements: Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee under Paragraph 8.4. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Such policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located.

(b) Lessee Assessment: Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if the increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 Lessee's Property; Business Interruption Insurance:

(a) Property Damage: Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility

Installations. Such insurance shall be full replacement cost coverage. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

8.5 Insurance Policies: Insurance required herein shall be by companies duly licensed or admitted to transact business in the State of California, and maintaining during the policy term a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Commencement Date, deliver to Lessor certified copies of policies of such insurance or certificates evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or insurance binders evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party fails to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Indemnity: Except for damages resulting from Lessor's comparative or contributory negligence, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, employees and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.7 Exemption of Lessor from Liability: Except for damages resulting from Lessor's own comparative or contributory negligence, Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor nor from the failure of Lessor to enforce the provisions of any other lease in the Project.

9. Damage or Destruction:

9.1 Definitions:

(a) "Premises Partial Damage" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 months of the then Base Rent.

(b) "Premises Total Destruction" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 months of the then Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises which requires repair, remediation, or restoration.

9.2 Partial Damage - Insured Loss: If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose.

9.3 Partial Damage - Uninsured Loss: If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with the funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction: Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee.

9.5 Damage Near End of Term: If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by exercising such option and providing Lessor with any shortage in insurance proceeds needed to make the repairs on or before the earlier of the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or the day prior to the date upon which such option expires. If Lessee exercises such option during such period and provides Lessor with funds to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies:

(a) Abatement: In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies: If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation accrues, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in the notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments: Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of any Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes:

10.1 Definitions: As used herein, the term "Real Property Taxes" shall include any form of assessment whether real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes), improvement bonds and/or license fees imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project or any portion thereof or a change in the improvements thereon.

10.2 Payment of Taxes: Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and the payments shall be included in the calculation of Operating Expenses.

10.3 Additional Improvements: Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Lessee shall, however, pay to Lessor at the time Operating Expenses are payable, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request.

10.4 Joint Assessment: If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes: Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's property is assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services:

11.1 Services Provided by Lessor: Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Common Areas, but not to the Premises.

11.2 Services Exclusive to Lessee: Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee.

11.3 Hours of Service: Services and utilities shall be provided at all times.

11.4 Excess Usage by Lessee: Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over proportioned standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 Interruptions: There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. Assignment and Subletting:

12.1 Lessor's Consent Required:

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or an incurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as an incurable Breach, Lessor may either terminate this Lease, or upon 30 days written notice, increase the monthly Base Rent to 150% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 150% of the price previously in effect, and all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 150% of the scheduled adjusted rent.

12.2 Terms and Conditions Applicable to Assignment and Subletting:

(a) Regardless of Lessor's consent, no assignment or subletting shall be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, or release Lessee of any obligations hereunder, or alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible to Lessor, or any security held by Lessor.

(e) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment or entering into such sublease, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of the assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(f) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing.

12.3 Additional Terms and Conditions Applicable to Subletting: The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect the Rent. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of the option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies:

13.1 Default; Breach: A "Default" is defined as a failure by either Party to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of a Party to cure such Default within any applicable grace period:

(a) The abandonment of the Premises, or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, or to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee.

(c) The failure by Lessee to provide reasonable written evidence of compliance with Applicable Requirements, the service contracts, the rescission of an unauthorized assignment or subletting, an Estoppel Certificate, or a requested subordination, where any such failure continues for a period of 10 days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, where such Default continues for a period of 30 days after written notice, provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within the 30 day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: the making of any general arrangement or assignment for the benefit of creditors, becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto, the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease where possession is not restored to Lessee within 30 days, or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(f) A formal action by the California Public Utilities Commission limiting or restricting Lessee's title, possession, use or occupancy of the Premises.

13.2 Remedies: If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice, or in case of an emergency, without notice, Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee the unpaid Rent which had been earned at the time of termination, the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided, the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided, and any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises and reasonable attorneys' fees. The worth at the time of award of the amount referred to in the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of California. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Late Charges: Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent has not been received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a one-time

late charge equal to 10% of each such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.4 Interest: Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor when due as to scheduled payments or within 30 days following the date on which it was due for nonscheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31st day after it was due as to nonscheduled payments. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.3.

13.5 Breach by Lessor:

(a) Notice of Breach: Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) Performance by Lessee on Behalf of Lessor: In the event that neither Lessor nor Lender cures the Breach within 30 days after receipt of the notice, or if having commenced the cure they do not diligently pursue it to completion, then Lessee may elect to cure the Breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor. Lessee shall document the cost of the cure and supply the documentation to Lessor.

14. Condemnation: If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of the power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's parking spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the

value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees:

15.1 Representations and Indemnities of Broker Relationships: Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder in connection with this Lease, and that no broker or other party is entitled to any commission or finder's fee in connection with this Lease.

16. Estoppel Certificates:

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by the American Industrial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party fails to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that the Lease is in full force and effect without modification except as may be represented by the Requesting Party, that there are no uncured Defaults in the Requesting Party's performance, and if Lessor is the Requesting Party, that not more than one months Rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in the Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee shall deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor: The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor.

18. Severability: The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision of this Lease.

19. Days: Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability: The obligations of the Parties under this Lease shall not constitute personal obligations of the Parties or their partners, members, directors, officers or shareholders. Lessee shall look to this Lease, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence: Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements: This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective.

23. Notices:

23.1 Notice Requirements: All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice: Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 48 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon

telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers: No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. No Right To Holdover: Lessee has no right to retain possession of the Premises nor any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

26. Cumulative Remedies: No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27. Covenants and Conditions; Construction of Agreement: All provisions of this Lease to be observed or performed by the Parties are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

28. Binding Effect; Choice of Law: This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Lease shall be initiated in Santa Clara County, California.

29. Subordination; Attornment; Non-Disturbance:

29.1 Subordination: This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

29.2 Attornment: In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated Lessee shall, subject to the nondisturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of such new owner, this Lease shall automatically become a new Lease between Lessee and such new owner, upon all of the terms and conditions hereof, for the remainder of the term hereof, and Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations hereunder.

29.3 Non-Disturbance: With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any Options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement.

30. Attorneys' Fees: If either Party brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

31. Lessor's Access; Showing Premises; Repairs: Lessor shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times for the

purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee. Lessor may at any time place on the Premises any ordinary "For Sale" signs and Lessor may during the last 6 months of the term hereof place on the Premises any ordinary "For Lease" signs. In addition, Lessor shall have the right to retain keys to the Premises and to unlock all doors in or upon the Premises other than to files, vaults and safes, and in the case of emergency to enter the Premises by any reasonably appropriate means, and any such entry shall not be deemed a forcible or unlawful entry or detainer of the Premises or an eviction.

32. Signs: Lessee shall not place any sign upon the Project without Lessor's prior written consent.

33. Termination; Merger: Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 30 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest shall constitute termination of such interest.

34. Consents: Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Either Party's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of or response to, a request by a Party for any consent, including but not limited to consents to an assignment, or a subletting or the presence or use of a Hazardous Substance, shall be paid by the Requesting Party upon receipt of an invoice and supporting documentation.

35. Quiet Possession: Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

36. Options: If Lessee is granted an Option, as defined below, then the following provisions shall apply.

36.1 Definition: "Option" shall mean the right to extend the term of or renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor, or the right of first refusal

or first offer to lease either the Premises or other property of Lessor, or the right to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

36.2 Options Personal To Original Lessee: Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than the original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

36.3 Multiple Options: In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

36.4 Effect of Default on Options:

(a) Lessee shall have no right to exercise an Option during the period commencing with the giving of any notice of Default and continuing until the Default is cured, or during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), or during the time Lessee is in Breach of this Lease, or in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, Lessee fails to pay Rent for a period of 30 days after such Rent becomes due or if Lessee commits a Breach of this Lease.

37. Security Measures: Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide such service. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

38. Reservations:

(a) Lessor reserves the right to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, or to cause the recordation of parcel maps and restrictions, or to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also change the name, address or title of the Building or Project upon at least 120 days prior written notice or provide and install at Lessee's expense Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate. Lessor reserves the right to grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein, and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the

Building or the Project or on pole signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessee shall not use a representation, photographic or otherwise, of the Building or Project in connection with Lessee's business or suffer or permit anyone, except in emergency, to go upon the roof of the Building. Lessee may go upon the roof at any time to service Lessee's own equipment.

39. Authority:

(a) As each Party hereto is a corporation or limited liability company, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

40. Conflict: Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

41. Amendments: This Lease may be modified only in writing and signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

42. Americans with Disabilities Act: In the event that as a result of Lessee's use, or intended use, of the Premises the Americans with Disabilities Act or any similar law requires modifications or the construction or installation of improvements in or to the Premises, Building, Project and/or Common Areas, the Parties agree that such modifications, construction or improvements as between Lessor and Lessee shall be made or provided at Lessee's expense.

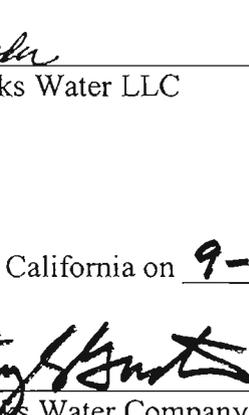
43. Miscellaneous: Lessor and Lessee have carefully read and reviewed this Lease and each term and provision contained herein, and by the execution of this lease show their informed and voluntary consent thereto. The Parties hereby agree that, at the time this Lease is executed, the terms of this Lease are commercially reasonable and effectuate the intent and purpose of Lessor and Lessee with respect to the premises.

44. Execution: The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

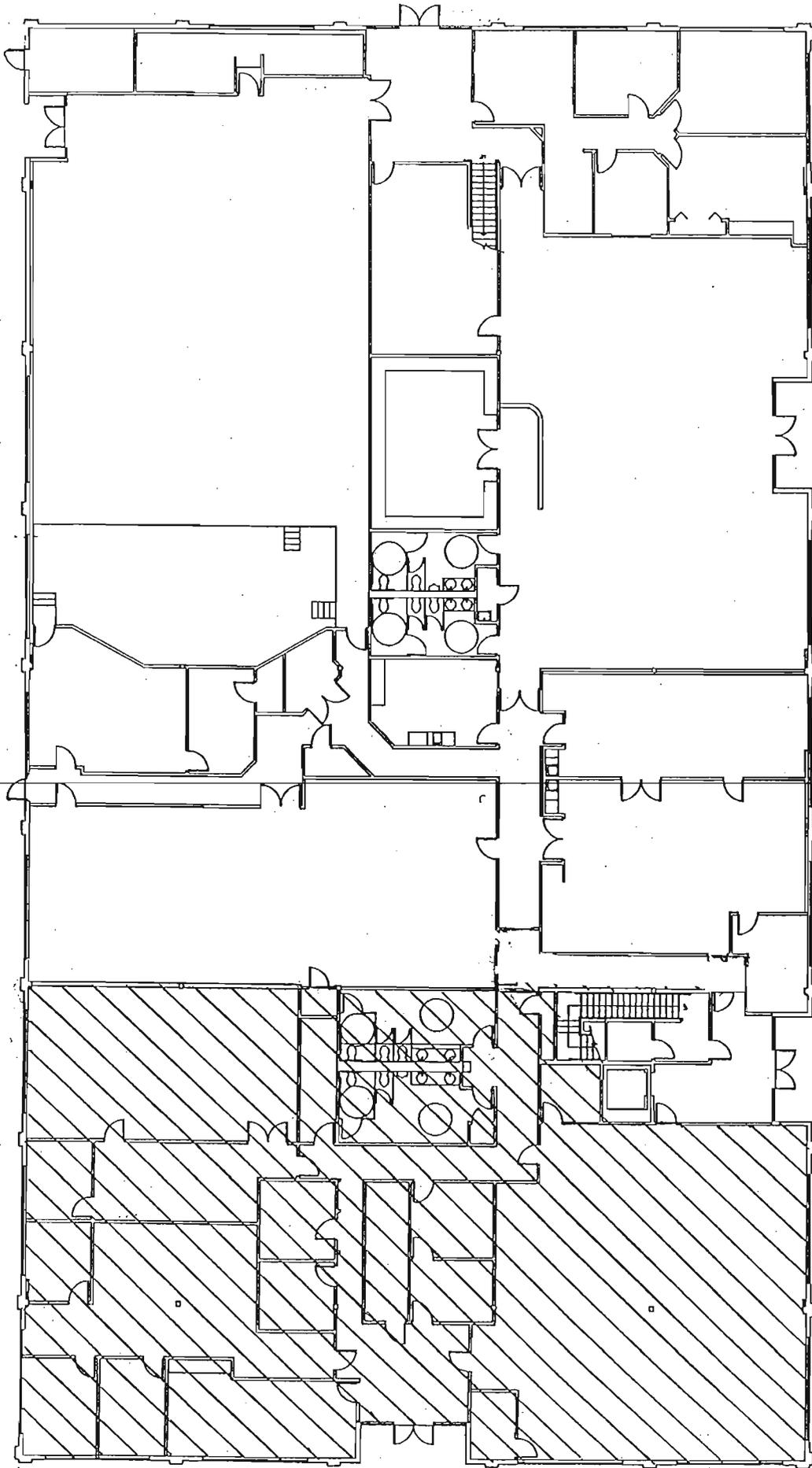
Executed at San Jose, California on 7-2-09

By: 
For: Lessor Great Oaks Water LLC

Executed at San Jose, California on 9-9-09

By: 
For: Lessee Great Oaks Water Company

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20 GREAT OAKS BLVD
FIRST FLOOR PARTITION PLAN

Attachment A

Rules and Regulations for 20 Great Oaks Boulevard, San Jose, California

1. The sidewalks, halls, passages, exits, entrances, elevators and stairways of the Building shall not be obstructed by Lessee or used by it for any purpose other than for ingress and egress from the Premises. The halls, passages, exits, entrances, elevators and stairways are not for the use of the general public, and Lessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence is in the judgment of Lessor would be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Lessee normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities.
2. No sign, placard, picture, name, advertisement or notice visible from the exterior of the Premises shall be inscribed, painted, affixed, or otherwise displayed by Lessee on any part of the Building without the prior written consent of Lessor. Lessor will adopt and furnish to Lessee general guidelines relating to signs inside the Building on the office floors, and Lessee agrees to conform to such guidelines. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Lessee by a person approved by Lessor, which approval will not be unreasonably withheld.
3. The Premises shall not be used for the storage of merchandise held for sale to the general public or for lodging. Unless the Premises has a permitted kitchen and dining area, no cooking shall be done or permitted by Lessee on the Premises, except that use by Lessee of portable equipment for brewing coffee and similar beverages shall be permitted, provided that all such uses are in accordance with all applicable federal, state and local laws, codes, ordinances, rules and regulations.
4. Lessee shall not employ any person or person other than the janitor of Lessor for the purpose of cleaning the premises, unless otherwise agreed to by Lessor in writing. Except with the written consent of Lessor, no person or persons other than those approved by Lessor shall be permitted to enter the Building for the purpose of cleaning any part thereof. Lessee shall not cause any unnecessary labor by reason of Lessee's carelessness or indifference in the preservation of good order and cleanliness.
5. Lessor will furnish Lessee with two keys to the Premises, free of charge. Additional keys shall be obtained only from Lessor, and Lessor may make a reasonable charge for such additional keys. No additional locking devices shall be installed in the Premises by Lessee, nor shall any locking device be changed or altered in any respect without the prior written consent of Lessor. All locks installed in the Premises, excluding Lessee's vaults and safes, or special security areas (which shall be designated by Lessee a written notice to the Lessor), shall be keyed to a Premises master key system. Lessor may make reasonable charge for any additional lock or any bolt (including labor) installed on any door of the Premises. Lessee, upon the termination of its tenancy, shall deliver to Lessor all keys to doors in the Premises.

Attachment B

6. The elevators to be used for the loading of freight shall be available to Lessee in accordance with such reasonable scheduling as Lessor shall deem appropriate. Lessee shall schedule with Lessor, by written notice given no less than forty-eight hours in advance, its move, into or out of the Building, which moving shall occur only on weekend days if required by Lessor, and Lessee shall reimburse Lessor upon demand for any additional security or other charges incurred by Lessor. All damage done to the Building by moving or maintaining Lessee's property shall be repaired at the expense of Lessee.
7. Lessee shall not use, keep or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Lessor or other occupants of the Building by reason of noise, odors, and or vibrations, or interfere in any way with other tenants or those having business in the Building.
8. The directory of the Building will be provided for the display of the name and location of tenants. Any additional name that Lessee shall desire to place upon the directory must first be approved by Lessor, and if so approved, a charge may be made for each such name.
9. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings, or decorations shall be attached to, hung or placed in or used in connection with any window of the Building without the prior written consent of Lessor. In any event, with the prior written consent of Lessor, such items shall be installed on the office side of Lessor's standard window covering.
10. Lessee shall not obtain for use in the Premises from outside services ice, drinking water, food, beverage, towel, barbering, shoe polishing or other similar services, except at such reasonable hours and under such reasonable regulations as may be fixed by Lessor.
11. Lessee shall see that the doors of the Premises are closed and locked and that all water faucets, water apparatus and utilities are shut off before Lessee or Lessee's employees leave the Premises, so as to prevent waste or damage, and for any default or carelessness in this regard Lessee shall make good all injuries sustained by other tenants or occupants of the Building or Lessor. All tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress, and all tenants shall at all times comply with any rules or orders of the fire department with respect to ingress and egress.
12. The toilet rooms, toilets, urinals, wash basins and other apparatus shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind shall be deposited therein, and any damage resulting from Lessee's misuse thereof shall be paid for by Lessee.
13. Except with the prior consent of Lessor, Lessee shall not sell, or permit the sale from the Premises of, or use or permit the use of any sidewalk or mall area adjacent to the Premises for the sale of newspapers, magazines, periodicals; theater tickets or any other goods, merchandise or service, nor shall Lessee carry on, or permit or allow any employee or other person to carry on, business in or from the Premises for the service or accommodation of occupants of any other portion of the Building, nor shall the Premises be used for manufacturing of any kind, or for any business or activity other than that specifically provided for in Lessee's lease.

14. Lessee shall not use any space, or in the common areas of the Building, any hand-truck except those equipped with rubber tires and side guards or such other material-handling equipment as Lessor may approve.

15. Lessee shall store all its trash and garbage within the Premises until removal to such location in the Building as may be designated from time to time by Lessor. No material shall be placed in the Building trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the City of San Jose without being in violation of any law or ordinance governing such disposal.

16. All loading and unloading of merchandise, supplies, materials, garbage and refuse shall be made only through such entryways and freight elevators and at such times as Lessor may designate. In its use of the loading areas of the Building, Lessee shall not obstruct or permit the obstruction of the loading areas, and at no time shall Lessee park vehicles therein except for immediate loading and unloading purposes.

17. Except as permitted by law, canvassing, soliciting, peddling or distribution of handbills or any other written material in the Building is prohibited, and Lessee shall cooperate to prevent such practices.

18. Lessor reserves the right to select the name of the Building and to make such change or changes in the name as it may deem appropriate from time to time, and Lessee shall not refer to the Building by any other name than the name as selected by Lessor (as such may be changed from time to time), or the postal address, approved by the United States Post Office. Lessee shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Lessor.

19. Lessee assumes all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry closed.

20. All incoming mail and package deliveries shall be received at the area in the Building designated by Lessor for such purposes and distributed through means established by Lessor. No messenger or other delivery personnel shall be permitted to enter any area of the Building other than the area which may be designated by Lessor for pickup and receipt of such deliveries.

21. Lessor reserves the right to exclude or expel from the Building any person who is, in the sole judgment of Lessor, intoxicated or under the influence of alcohol or other drug or who is in violation of any of the Rules and Regulations of the Building. Lessee shall be responsible for compliance by its employees, agents and guests of current local rules regarding smoking or use of tobacco products in and about the Premises or in the Building.

22. Lessor may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Lessor shall be construed as a waiver of these Rules and Regulations in favor of any other tenant or tenants, nor prevent Lessor from thereafter enforcing any such Rules and Regulations against any or all of the tenants in the Building.

23. These Rules and Regulations are in addition to, and shall not be construed in any way to limit, modify, alter or amend, in whole or part, the terms, covenants, agreements and conditions of any lease of premises in the Building.

24. Lessor reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building, and for the preservation of quiet enjoyment and good order.

25. Lessee shall be responsible for the observance of all of the foregoing rules and regulations by Lessee's employees, agents, clients, customers, invitees, and guests.

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**FIRST AMENDMENT TO
COMMERCIAL OFFICE LEASE
GREAT OAKS WATER COMPANY**

This First Amendment to Commercial Office Lease (the "First Amendment") is entered into by and between Great Oaks Water Company ("Lessee") and Great Oaks Water LLC ("Lessor") (collectively referred to as the "Parties" or individually as a "Party").

RECITALS

Whereas Lessee and Lessor are parties to Commercial Office Lease ("Lease") with an effective date of January 1, 2009, and

Whereas Lessee and Lessor desire to extend the Original Term of the Lease and modify existing terms of the Lease through an Amendment consistent with the terms of Paragraph 41 of the Lease.

Now, therefore, for and in consideration of the mutual covenants and promises contained herein, Lessee and Lessor agree that the Lease shall be amended as follows:

TERMS AND CONDITIONS OF THE FIRST AMENDMENT

The following Paragraphs of the Lease are hereby amended. If a Paragraph of the Lease is not amended, the terms and conditions of that Paragraph remain in full force and effect. For ease of reference, only those Paragraphs being amended are listed below.

1.2(c) Storage Container: Lessee shall be entitled to keep, maintain, and/or replace, in Lessee's sole discretion, the storage container located in the parking lot in its present location at no additional cost or rent.

1.3 Term: The Original Term of this Lease was for five years commencing January 1, 2009 ("Commencement Date") and ending December 31, 2013 ("Expiration Date"). From January 1, 2014 through June 30, 2014, Lessee occupied the Premises pursuant to the first of two Options to renew the Lease. The Parties desire to extend the current term by ten years, beginning July 1 2014. This Lease is hereby amended so that the current Term of this Lease is for ten years commencing July 1, 2014 ("Commencement Date") and ending June 30, 2024 ("Expiration Date"). Lessee is further granted two successive Options to renew the Lease, with each Option for a period of five years, at a revised Base Rent calculated at 95% of the then market rate for comparable Premises, but at a rate no higher than three percent (3%) above the Base Rent for the time period from July 1, 2023 to June 30, 2024.

1.4 Base Rent: The Base Rent is \$1.85 per rentable square foot ("RSF") per month, an amount equal to \$16,037.65 per month for the first twelve-month period ("Base

Rent”), payable on the first day of each month commencing July 1, 2014. There are provisions in this Lease for the Base Rent to be adjusted.

1.7 Base Year: The Base Year is January 1, 2015 through December 31, 2015.

4.2(h) Notwithstanding any of the provisions of sub-paragraphs 4.2(a) through 4.2(g), Lessee’s share of Operating Expenses shall not increase by more than five percent (5%) per year, regardless of the actual Operating Expense Increase for the year.

4.4 Base Rent Adjustment: The Base Rent set forth in Paragraph 1.4 shall be adjusted annually according to the table below. The adjustments to Base Rent are separate and distinct from the obligation to pay Operating Expense Increases as set forth above.

Time Period	Base Rent per RSF	Base Rent Per Month	Base Rent Per Year
July 1, 2015 – June 30, 2016	\$1.9055	\$16,518.78	\$198,225.36
July 1, 2016 – June 30, 2017	\$1.9627	\$17,014.65	\$204,175.80
July 1, 2017 – June 30, 2018	\$2.0216	\$17,525.25	\$210,303.00
July 1, 2018 – June 30, 2019	\$2.0822	\$18,050.59	\$216,607.08
July 1, 2019 – June 30, 2020	\$2.1447	\$18,592.40	\$223,108.80
July 1, 2020 – June 30, 2021	\$2.2090	\$19,149.82	\$229,797.84
July 1, 2021 – June 30, 2022	\$2.2753	\$19,724.58	\$236,694.96
July 1, 2022 – June 30, 2023	\$2.2436	\$19,449.77	\$233,397.24
July 1, 2023 – June 30, 2024	\$2.3109	\$20,033.19	\$240,398.28

32. Signs: Lessee shall have the right to keep, maintain, and/or replace, in Lessee’s sole discretion, signs at their present locations at no additional cost to Lessee.

Lessee and Lessor execute and deliver this First Amendment to Commercial Office Lease as of June 30, 2014 (the “Effective Date”).

Lessee’s Address:

20 Great Oaks Blvd., Suite 120
San José, CA 95119

LESSEE

Great Oaks Water Company

By: *Timothy S. Guster*
Name: TIMOTHY S. GUSTER
Its: VICE PRESIDENT

Lessor’s Address:

20 Great Oaks Blvd., Suite 120
San José, CA 95119

LESSOR

Great Oaks Water LLC

By: *John Roder*
Name: John Roder
Its: President / Manager



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

July 22, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-003

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-003.

Pursuant to the instructions provided in Michael Conklin's July 15, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Schedule A-9, page 23 of 60 from the 2014 Annual Report of Great Oaks. In PDF format, provide the following:
 - i. Please provide copies of the loan agreements between Great Oaks and Roeder Holdings, LLC for the notes issued on 11/9/2010 and 12/31/10.

Response: Objection. This data request does not seek evidence relevant to any issue in the pending proceeding and it is, therefore, improper under Commission Rule 10.1. The “loan agreements” requested are assets of Great Oaks Water Company that have no relevance to or affect upon the pending application. The “loan agreements” are subject to Commission Decision 15-03-006 and are being transferred to GOW Corporation pursuant to the Commission-approved settlement agreement between Great Oaks and ORA. Without waiving this objection, please see the documents attached hereto and labeled GOWC Response to ORA Data Request WW2-003 (1.i.).

- ii. Provide a copy of the loan agreement between Great Oaks and Hale-Campbell Properties LLC for the note issued on 2/1/2013.

Response: Objection. This data request does not seek evidence relevant to any issue in the pending proceeding and it is, therefore, improper under Commission Rule 10.1. The “loan agreement” requested is an asset of Great Oaks Water Company that has no relevance to or affect upon the pending application. The “loan agreement” is subject to Commission Decision 15-03-006 and is being transferred to GOW Corporation pursuant to the Commission-approved settlement agreement between Great Oaks and ORA. Without waiving this objection, Great Oaks responds by stating that the 2/1/2013 date referenced is a typographical error. The correct date is 6/1/2013. Please see the document attached hereto and labeled GOWC Response to ORA Data Request WW2-003 (1.ii.).

- iii. Provide a copy of the loan agreement between Great Oaks and Regal Center, LLC for the note issued on 11/21/2014.

Response: Objection. This data request does not seek evidence relevant to any issue in the pending proceeding and it is, therefore, improper under Commission Rule 10.1. The “loan agreement” requested is an asset of Great Oaks Water Company that has no relevance to or affect upon the pending application. The “loan agreement” is subject to Commission Decision 15-03-006 and is being transferred to GOW Corporation pursuant to the Commission-approved settlement agreement between Great Oaks and ORA. Without waiving this objection, please see the document attached hereto and labeled GOWC Response to ORA Data Request WW2-003 (1.iii.).

- iv. Provide a copy of the loan agreement between Great Oaks and Larry & Brenda Kine for the note issued on 2/14/2014.

Response: Objection. This data request does not seek evidence relevant to any issue in the pending proceeding and it is, therefore, improper under Commission Rule 10.1. The “loan agreement” requested is an asset of Great Oaks Water Company that has no relevance to or affect upon the pending application. The “loan agreement” is subject to Commission Decision 15-03-006 and is being transferred to GOW Corporation pursuant to the Commission-approved settlement agreement between Great Oaks and ORA. Without waiving this objection, please see the document attached hereto and labeled GOWC Response to ORA Data Request WW2-003 (1.iv.).

- v. Provide copies of the loan agreements between Great Oaks and John WS Roeder for notes issued on 12/9/13, 12/31/13, and 4/14/14, and any repayment schedules.

Response: Objection. This data request does not seek evidence relevant to any issue in the pending proceeding and it is, therefore, improper under Commission Rule 10.1. The documents requested are an asset of Great Oaks Water Company that has no relevance to or affect upon the pending application. The “loan agreements” are subject to Commission Decision 15-03-006 and is being transferred to GOW Corporation pursuant to the Commission-approved settlement agreement between Great Oaks and ORA. Without waiving this objection, please see the document attached hereto and labeled GOWC Response to ORA Data Request WW2-003 (1.v.). This document pertains to the December 9, 2013 loan agreement. The other loan agreements were short-term arrangements recorded in the accounts of Great Oaks but not otherwise documented. All three loans have been paid in full, as shown in Great Oaks 2014 Annual Report.

Objections to the Data Requests have been made by Timothy S. Guster, Vice President and General Counsel for Great Oaks Water Company.

Date: July 22, 2015

_____/s/_____
 Timothy S. Guster
 Vice President and General Counsel
 Legal and Regulatory Affairs
 Great Oaks Water Company
 PO Box 23490
 San Jose, CA 95153
 Telephone: (408) 227-9540
 Facsimile: (408) 227-7126
 Email: tguster@greatoakswater.com

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company’s Responses to ORA Data Request WW2-003 and know the contents thereof. I certify that the Responses to Data Request WW2-003 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 22, 2015.

_____/S/_____
 Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

July 28, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-004

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-004.

Pursuant to the instructions provided in Michael Conklin's July 20, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Exhibit E, GRC Work papers, tab "WP6- A&G Expense":
 - i. In Excel format, please provide the 2013/2014 recorded sub-account entries supporting the amounts charged to Account 903 and the amounts subsequently allocated from Account 903 to Accounts 702, 725, 756, 772, 773, and 805.

Response: See attached spreadsheet entitled GOWC Response to ORA Data Request WW2-004 (1.i.).

2. Refer to Exhibit E, GRC Work papers, tab “WP4- O&M Expense”:
- i. For O&M Account 744, Chemicals, please provide all the invoices for the actual expenses incurred in year 2014-15.

Response: See documents attached and labeled GOWC Response to ORA Data Request WW2-004 (2.i.). Great Oaks will supplement this response with additional documents.

- ii. For O&M Account 761, Maintenance T&D Mains, explain what caused the variance between the adopted amount (\$37,612) for 2014/2015 and the projected amount (\$97,374) for 2014/2015.

Response: Actual expenses incurred and recorded in Account 761, Maintenance T&D Mains, for 2014/2015 totaled \$132,130.74. Account 761 Labor expenses were \$57,809.50 and Account 761 Parts expenses were \$74,321.24. The adopted amount was a projection made and accepted by all parties, while the recorded expenses reflect what were actually incurred. Great Oaks will be updating the Account 761 expenses to show actual incurred expenses through June 30, 2015.

- iii. For O&M Account 763, Maintenance Services, explain what caused the variance between the adopted 2014/2015 amount of \$37,066 and the projected amount of \$58,285 for 2014/2015.

Response: Actual expenses incurred and recorded in Account 763, Maintenance Services, for 2014/2015 totaled \$98,865.11. Account 763 Labor expenses were \$55,108.41 and Parts expenses were \$43, 756.70. The adopted amount was a projection made and accepted by all parties, while the recorded expenses reflect what were actually incurred. Great Oaks will be updating the Account 763 expenses to show actual incurred expenses through June 30, 2015.

3. Refer to Exhibit E, GRC Work papers, tab “WP5- Maintenance Expense” and for O&M Account 805:

- i. Explain what caused the variance between the adopted 2014/2015 amount of \$36,166 and the projected amount of \$101,557 for Year 2014/2015.

Response: Actual expenses incurred and recorded in Account 805, Maintenance of General Plant, for 2014/2015 totaled \$103,910.41. The following detail shows the sub-account totals:

Allocation In – Transportation Clearing	\$17,475.43
Janitor	\$ 2,880.00
Labor	\$ 6,260.92
Tools/Supplies	
Uniforms/Boots	\$10,646.15
Tools/Supplies – Other	\$66,647.91

The adopted amount was a projection made and accepted by all parties, while the recorded expenses reflect what were actually incurred. Great Oaks will be updating the Account 805 expenses to show actual incurred expenses through June 30, 2015.

4. Refer to Exhibit E, GRC Work papers, tab “WP6- A&G Expense”:

i. For A&G Account 798, Outside Services, \$200,000 WaterSmart Software:

- a. In Excel format, please provide the sub-account entries reflecting the actual costs incurred during the pilot program.

Response: See GOWC Response to ORA Data Request MC8-001 (1). On page 2-A-24 (Conservation Memorandum Account), cells N53 (\$120,000 expense) and N59 (\$60,000 credit – cost sharing with Santa Clara Valley Water District).

- b. In PDF format, provide the invoices substantiating the sub-account entries provided in response to question 4.i.a above.

Response: See document attached as GOWC Response to ORA Data Request WW2-004 (4.i.b.) – WaterSmart Software Inc. Invoice for \$120,000 and copy of payment.

- c. Provide the cost benefit analysis for the pilot program showing how much savings the WaterSmart Software brought to the ratepayers.

Response: The pilot program has not been in effect long enough for evaluation. WaterSmart Software, Inc. will perform an Efficiency Study according to the attached protocol (see document attached as GOWC Response to ORA Data Request WW2-004 (4.i.c.)) when the program has been in effect for at least three HWR cycles.

- d. In PDF format, provide the actual WaterSmart Software licensing contract with pricing information for the test year (2016/17) and escalation years (2017/18 and 2018/19).

Response: See documents attached as GOWC Response to ORA Data Request WW2-004 (4.i.d.).

ii. For A&G Account 798, Outside Services:

- a. In Excel format, provide details analysis showing how Great Oaks determined the projected expenses of Title 22 Monitoring, Bacteriological Monitoring, Lead and Copper, NPDES, and UCMR4 expenses for the years 2016/17, 2017/18, and 2018/19.

Response: See Exhibit D, Report on Results of Operations, Chapter 3, pages 5-6; See also Exhibit 3-9 to Exhibit D (Contract for Drinking Water Analysis).

- b. Provide supporting documents to back up your analysis provided in 4.ii.a, such as invoices, etc.

Response: See response to data request 4.ii.a., above.

iii. For A&G Account 799, Miscellaneous General Expenses:

- a. In PDF format, provide the invoice to support the amount of \$75,188 from the California Water Association; if there is no invoice, please explain how Great Oaks arrived at this amount.

Response: See document attached at GOWC Response to ORA Data Request WW2-004 (4.iii.). Note that the document produced is an invoice, but it was not paid, as Great Oaks is not a member of CWA. The invoice provides the basis for the \$75,188 expense shown in Account 799.

iv. For A&G Account 811, Rent:

- a. In PDF format, provide the previous lease agreement between Great Oaks, LLC and Great Oaks Water Company for 1/6 of the building.

Response: See GOWC Response to ORA Data Request WW2-002 (1.iii.).

- b. In PDF format, provide the previous lease agreements between Great Oaks, LLC and other tenants for 5/6 of the building.

Response: Objection. This data request is not in compliance with Commission Rule 10.1 in that it does not request relevant evidence nor is it reasonable calculated to lead to the discovery of relevant evidence. Without waiving this objection, attached and labeled as GOWC Response to ORA Data Request WW2-004 (4.iv.b.) are the only other leases that were in effect at the time the building was sold.

- c. In PDF format, provide the lease agreement between Menlo Land and Capital IV, LLC and Great Oaks Water Corporation.

Response: See GOWC Response to ORA Data Request WW2-002 (1.iii.).

- d. In PDF format, provide the sales contract between Great Oaks, LLC and Menlo Land and Capital IV, LLC.

Response: Objection. This data request is not in compliance with Commission Rule 10.1 as it does not seek relevant evidence nor is it reasonable calculated to lead to the discovery of relevant evidence. Great Oaks requested ORA to explain the relevance of this data request and ORA did not provide any explanation. Without waiving this objection, see documents attached as GOWC Response to ORA Data Request WW2-004 (4.iv.d.).

5. Refer to Exhibit E, GRC Work papers, tab “WP7- Employee Benefits”:

i. For A&G Account 502.795, Employee Benefits:

- a. Explain the arithmetical formulas for the Year 2014/15 expense projections under line items “Dental, AD&D, Life Insurance” and “HSA ER Contribution”.

Response: $\$3,125.11 \times 6 = \$18,810.66$
 $\$3,276.00 \times 6 = \$19,656.00$
 Total = \$38,466.66 (rounded to \$38,467)

- b. In PDF format, provide the September 2014 invoice and April 2015 invoice for Dental, AD&D, and Life Insurance.

Response: See documents attached and labeled GOWC Response to ORA Data Request WW2-004 (5.i.b.).

- c. Under the Pension Expense “Annual Contribution” line, please provide supporting documentation for contribution of \$741,457.50 for year 2014/2015.

Response: \$644,817.00/2 = \$322,408.50
 \$838,098.00/2 = \$419,049.00
 Total = \$741,457.50

Objections to the Data Requests have been made by Timothy S. Guster, Vice President and General Counsel for Great Oaks Water Company.

Date: July 28, 2015

 /s/
 Timothy S. Guster
 Vice President and General Counsel
 Legal and Regulatory Affairs
 Great Oaks Water Company
 PO Box 23490
 San Jose, CA 95153
 Telephone: (408) 227-9540
 Facsimile: (408) 227-7126
 Email: tguster@greatoakswater.com

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company’s Responses to ORA Data Request WW2-004 and know the contents thereof. I certify that the Responses to Data Request WW2-004 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on July 28, 2015.

 /s/
 Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

September 3, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Supplemental Responses to ORA Data Request WW2-004

Great Oaks Water Company (Great Oaks) hereby provides its supplemental responses to ORA Data Request WW2-004.

Pursuant to the instructions provided in Michael Conklin's July 20, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Supplemental Responses to Data Requests

2. Refer to Exhibit E, GRC Work papers, tab "WP4- O&M Expense":
 - i. For O&M Account 744, Chemicals, please provide all the invoices for the actual expenses incurred in year 2014-15.

Supplemental Response: See document attached and labeled GOWC SR WW2-004 (2.i.).

Email Request: Question 4.ii: GOWC's response did not explain how GOWC determined Title 22 Monitoring expense amounts of **\$65,638** in 2016-17, **\$10,187** in 2017-18, and **\$1,000** in 2018-19. Please provide invoices if there are any, contracts, or third-party estimates that substantiate the amounts.

Supplemental Response: See Declaration of Michael A. Carey attached hereto. If invoices are still requested, please advise, as converting to .pdf files will take time.

Email Request: Question 4.ii: GOWC's response did not explain how GOWC determined NPDES expenses projected at \$25,000 per year. Please provide actual invoices, contracts, or third-party estimates that substantiate the amounts.

Supplemental Response: See Declaration of Michael A. Carey attached hereto. See also documents attached and labeled GOWC SR WW2-004(NPDES).

VERIFICATION

I, Michael A. Carey, am Water Quality Manager of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Supplemental Responses to ORA Data Request WW2-004 and know the contents thereof. I certify that the Supplemental Responses to Data Request WW2-004, Email Requests, are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on September 3, 2015.

/S/
Michael A. Carey

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Supplemental Responses to ORA Data Request WW2-004 and know the contents thereof. I certify that the Supplemental Responses to Data Request WW2-004, number 2.i., are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on September 3, 2015.

/S/
Ron Ceolla

Great Oaks Water Company

GOWC SR WW2-004(NPDES)

*Polis Associates
Environmental Consultants
6083 Penela Way
El Dorado Hills, California
800.579.4979*

Scope of Work and Proposal

Compliance Assistance for Implementation of New Statewide NPDES Permit for Discharges from Drinking Water Systems

Statewide Permit Background and Regulatory Requirements:

On November 19, 2014 the California State Water Resources Control Board (SWRCB) adopted its Statewide General National Pollutant Discharge Elimination System (NPDES) Permit for Discharges from Drinking Water Systems. The permit regulates both planned discharges conducted for compliance with the federal Safe Drinking Water Act and the California Health and Safety Code for water supply, treatment, storage, and distribution systems, as well as unplanned discharges such as pipe breaks, system failures, and emergencies. The permit requires the development of monitoring plans and Best Management Practices for each utility over 1000 connections. There are reporting, record keeping and training requirements within the permit.

Brandyn Hancocks Qualifications:

Brandyn Hancocks has more than 17 years of experience managing regulatory compliance across several industries and a Master's Degree in Environmental Science and Management from the Bren School of Environmental Science & Management at the University of California, Santa Barbara. Ms. Hancocks began working in the drinking water industry in 2004 when she joined Golden State Water Company (Golden State Water). In her role as Manager of Environmental Compliance for Golden State Water, Ms. Hancocks and her team oversee all environmental, health and safety compliance and training across 38 drinking water systems. Beginning in 2009, she worked with the Central Valley Regional Water Quality Control Board staff on a new drinking water discharge permit, helping to draft early versions and provide technical assistance. When the permit transitioned into a statewide permit, Ms. Hancocks headed up the California-Nevada American Water Works Association (CA-NV AWWA) and California Water Association workgroups dedicated to the development of the permit. Ms. Hancocks has given presentations and conducted compliance training on this permit at various workshops across the state including CA-NV AWWA, CWA, and Metropolitan Water District of Southern California.

Scope of Work:

This scope of work covers the tasks required for compliance with the new Statewide Drinking Water Discharge Permit. It is based on time and materials. It can and will be modified based on client needs. All work product, including plans and training materials, will be transferred to the client in an editable format, upon payment.

Rate: \$300/hr. Driving billed at 50% standard rate.

Summary of tasks:

	Task Description		Estimate
Task 1: Site visit	Site visit to determine scope of operations and discharge types. This will include a sample groundwater well operations, flushing activities (if possible)	\$2400 - 8 hours \$750 - 5 hours drive time \$500 travel costs - lodging, mileage etc.	\$3,650
Task 2: Review of existing procedures	Review of existing written procedures to determine areas needing additional focus and change management.	\$2400 - 8 hours	\$2,400
Task 3: Development of Monitoring Plan	Drafting and development of a Monitoring Plan based on information gathered during the site visit. This will include development of representative plan per regulatory requirements.	\$2400 - 8 hours	\$2,400
Task 4: Development of BMP plan	Development of a Best Management Practices manual and logs, per regulatory requirements.	\$2400 - 8 hours	\$1,200
Task 5: Training	Conducting two (1/2 day) training sessions to cover all necessary personnel and shifts. One course in the am and another in the pm. This includes all training materials and handouts.	\$2400 - development of training \$3600 - training set up and delivery \$1500 - 10 hours drive time \$500 travel costs - lodging, mileage etc.	\$8,500
Total			\$18,150



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 4, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-005

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-005.

Pursuant to the instructions provided in Michael Conklin's July 24, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Great Oaks GRC work paper Exhibit E, tab "WP9 – Purchased Power":
 - i. Please explain how line 22, Purchased Power, \$/Kwh of \$0.176 was derived for Test Year 2016-17, and Escalation Years 2017-18, 2018-19.

Response: After review, Great Oaks believes the values in Cells I22 through M22 are the product of inadvertent error. Great Oaks will provide corrected values on or before August 15, 2015.

2. Refer to Great Oaks GRC work paper Exhibit E, tab “WP14 – Pump Tax Expense” and explain (while providing calculations):

i. How line 28, Zone W-2 production capacity 87.26% was derived.

Response: Great Oaks’ wells in Zone W-2 comprise 87.24% of total production capacity. Great Oaks will correct the percentage when it provides its GRC update on or before August 15, 2015. The error was the simple transposition of a digit. See response to 2.ii., below.

ii. How line 29, Zone W-5 production capacity 12.74% was derived.

Response: Great Oaks’ wells in Zone W-5 comprise 12.76% of total production capacity. Great Oaks will correct the percentage when it provides its GRC update on or before August 15, 2015. The error was the simple transposition of a digit. See response to 2.i., above.

iii. Why line 23, column A indicates Zone W-2 as 80%.

Response: Line 23, column A, of page WP-14 of Exhibit E, GRC Workpapers is a Row Label. This is simply a legacy from the 2012 General Rate Case Workpapers. Great Oaks has presented a more objective approach by using production capacity in its current General Rate Case Workpapers, as production varies from time to time and from Zone to Zone depending upon wells in operation, groundwater conditions, demand, and seasonality. Great Oaks will change the percentage in the Row Label to 87.24% when it submits its update on or before August 15, 2015.

iv. Why line 24, column A indicates Zone W-5 as 20%.

Response: Line 24, column A, of page WP-14 of Exhibit E, GRC Workpapers is a Row Label. This is simply a legacy from the 2012 General Rate Case Workpapers. Great Oaks has presented a more objective approach by using production capacity in its current General Rate Case Workpapers, as production varies from time to time and from Zone to Zone depending upon wells in operation, groundwater conditions, demand, and seasonality. Great Oaks will change the percentage in the Row Label to 12.76% when it submits its update on or before August 15, 2015.

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-005 and know the contents thereof. I certify that the Responses to Data Request WW2-005 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 4, 2015.

/s/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 3, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-006

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-006.

Pursuant to the instructions provided in Michael Conklin's July 27, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Great Oaks GRC work paper Exhibit E, tab "WP9 – Purchased Power":
 - i. Explain how Great Oaks arrived at the following formulas on line 17, Total Kwh:
 - a. Cell K17, Test Year 2016-17: (=4708474*1.1)

Response: Due to lower groundwater levels from a combination of the drought and insufficient groundwater recharge, Great Oaks estimated that power consumption for its wells (pumping) and boosters would be ten percent (10%) higher than normal. The formula reflects the estimated 10% higher purchased power consumption.

b. Cell L17, Escalation Years 2017-18: (=4929718*1.1)

Response: See response to 1.i.a., above.

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-006 and know the contents thereof. I certify that the Responses to Data Request WW2-006 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 3, 2015.

/s/

Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 7, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-007

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-007.

Pursuant to the instructions provided in Michael Conklin's July 31, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Great Oaks GRC work paper Exhibit E, tab "WP4 – Operations and Maintenance Expenses":
 - i. Please explain how Great Oaks came up with the ratio of 0.28% for the amount of uncollectible revenue for Account 775.

Response: The ratio (0.28%) used is the uncollectible/bad debt ratio from its 2012 General Rate Case. In its update to expenses for this General Rate Case, Great Oaks has calculated the uncollectible/bad debt ratio for the last five recorded years (including 2014/2015). The ratio in the updated General Rate Case Workpapers will be 0.25%, which is the calculated average of the last five years. The uncollectible/bad debt ratio for the last five years are shown below.

Year >>	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Bad Debt	\$43,871.98	\$28,369.76	\$35,213.03	\$31,163.36	\$36,365.17
Revenue	\$11,958,453.65	\$12,731,091.61	\$14,798,404.75	\$16,578,050.89	\$15,324,104.57
Ratio	0.37%	0.22%	0.24%	0.19%	0.24%

2. Refer to Great Oaks GRC work paper Exhibit E, tab “WP6 – Administrative and General Expenses”:

i. In Excel format, for Account 805, Maintenance of General Plant, provide the sub-account journal entries that comprise the following recorded balances:

a. 2011-12 balance: \$98,535

Response:

Allocation In – Transportation Clearing Account	\$20,345.00
Janitor	2,880.00
Uniforms/Boots	7,021.52
Tools/Supplies	68,288.04
Total	\$98,534.56

b. 2012-13 balance: \$80,531

Response:

Allocation In – Transportation Clearing Account	\$18,583.92
Janitor	2,880.00
Uniforms/Boots	7,483.64
Tools/Supplies	51,583.80
Total	\$80,531.36

c. 2013-14 balance: \$104,472

Response:

Allocation In – Transportation Clearing Account	\$20,348.04
Janitor	2,880.00
Uniforms/Boots	12,743.36
Tools/Supplies	68,338.43
Maintenance of General Plant – Other	162.18
Total	\$104,472.01

- ii. In Excel format, for Account 799, Miscellaneous General Expenses, provide the sub-account journal entries that comprise the following recorded and updated balance:
- a. 2014-2015 (7/1/14 to 3/31/15) balance: \$69,756.71

Response: Great Oaks will be updating the Account 799, Miscellaneous General Expenses, per D.07-05-062 on or before August 15, 2015, to reflect actual expenses for the entire year. The following values are the updated amounts for the full 2014/2015-year.

Classes/Meetings	\$5,811.89
Director Fees	43,200.00
Dues & Subscriptions	15,265.09
Licenses – Business	8,515.00
Other	5,745.47
Payroll Fees	4,402.42
PWWA Expenses	0.00
Short (Over) Cash	2,141.93
Travel	2,864.51
Total	\$87,946.31

- b. 2014-2015 (4/1/15 to 6/30/15) balance: Actual amount incurred.

Response: See response to 2.ii.a., above.

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-007 and know the contents thereof. I certify that the Responses to Data Request WW2-007 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 7, 2015.

/s/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 11, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Supplemental Responses to ORA Data Request WW2-007

Great Oaks Water Company (Great Oaks) hereby provides its supplemental responses to ORA Data Request WW2-007.

Pursuant to the instructions provided in Michael Conklin's July 31, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Supplemental Responses to Data Requests

2. Refer to Great Oaks GRC work paper Exhibit E, tab "WP6 – Administrative and General Expenses":

- i. In Excel format, for Account 805, Maintenance of General Plant, provide the sub-account journal entries that comprise the following recorded balances:

a. 2011-12 balance: \$98,535

Response: See excel spreadsheet attached and labeled GOWC Sup Resp WW2-007 (2.i.).

b. 2012-13 balance: \$80,531

Response: See excel spreadsheet attached and labeled GOWC Sup Resp WW2-007 (2.i.).

c. 2013-14 balance: \$104,472

Response: See excel spreadsheet attached and labeled GOWC Sup Resp WW2-007 (2.i.).

- ii. In Excel format, for Account 799, Miscellaneous General Expenses, provide the sub-account journal entries that comprise the following recorded and updated balance:

a. 2014-2015 (7/1/14 to 3/31/15) balance: \$69,756.71

Response: See excel spreadsheet attached and labeled GOWC Sup Resp WW2-007 (2.ii.).

b. 2014-2015 (4/1/15 to 6/30/15) balance: Actual amount incurred.

Response: See response to 2.ii.a., above.

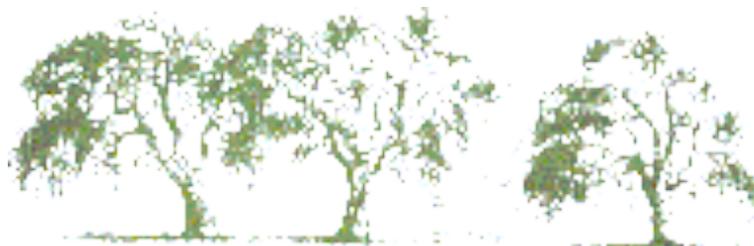
VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Supplemental Responses to ORA Data Request WW2-007 and know the contents thereof. I certify that the Responses to Data Request WW2-007 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 11, 2015.

/S/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 13, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-008

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-008.

Pursuant to the instructions provided in Michael Conklin's August 3, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. On August 10, 2015, Great Oaks communicated with ORA, requesting ORA to confirm that information responsive to this data request was provided during ORA's August 4, 2015 site visit to Great Oaks. On August 11, 2015, ORA replied, indicating additional information was required. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Great Oaks GRC work paper Exhibit 5-3, "Pension Plan Contribution Obligations":

- a. Provide an Excel version of Exhibit 5-3.

Response: See spreadsheet attached and labeled GOWC Response to ORA Data Request WW2-008 (1.a.).

- b. In Excel format, provide detailed calculations that explain how the Projected Plan Liabilities column was projected for each year, from 2015-2020.

Response: See formulas within spreadsheet attached and labeled GOWC Response to ORA Data Request WW2-008 (1.a.).

- c. In Excel format, provide a list of active participants in the pension plan, their current age, years of service, and annual compensation.

Response: Great Oaks requests CONFIDENTIAL treatment of the information provided in response to this data request because of the personal information contained therein [REDACTED]

- d. Please explain the derivation of the \$38,000 per year distribution.

Response: Per Michael Conklin's August 11, 2015 email, ORA represents that this information was provided directly to ORA by Great Oaks at its August 4, 2015 site visit.

- e. Explain why Exhibit 5-3 shows a 2016/2017 "rate year" amount of \$1,086,928 but Exhibit E, GRC Workpapers, shows Test Year 2016/2017 amount \$860,432.

Response: Please refer to original Exhibit 5-3, which was prepared by The Standard for Great Oaks. Note on the bottom that there is an apparent typographical error in the "Rate Year" column. Instead of "2015/2016" the Exhibit shows "2015/2015." The next year in the same column shows "2015/2016" when it should be "2016/2017." The same typographical error flows through the next years listed in the same column. The values in Exhibit E, GRC Workpapers, page WP-7, are correct and are based upon the values provided in Exhibit 5-3, absent the typographical errors in showing the years.

2. The Settlement adopted by D.13-05-020 specified that ORA and GOWC agreed to a seven-year pension expense schedule of \$680,000 per year beginning in Test Year 2013/2014.

- a. Explain why Great Oaks workpapers Exhibit E is forecasting \$860,432 for Test Year 2016-17 instead of \$680,000 as agreed to in the Settlement.

Response: The amount forecast is based upon information from the plan administrator advising Great Oaks of the required contribution amount. See Exhibit 5-3 of Exhibit D, Report on Results of Operations. Due to changes in employees and other variables that

determine the amount of the required contribution, the amount of the required contribution differed from the amount in the equalized payment schedule from the 2012 general rate case. The equalized payment scheduled from the 2012 general rate case was based upon information available at that time and it was and is known that the variables that determine the amount of the required contribution change from time to time and over a period of years. That is, in part, the reason for the requested Pension Expense Balancing Account. See Exhibit D, Chapter 5, Section I.C.

- b. Explain why GOWC only recorded \$516,409 for 2013-2014 pension expense despite settling on the adopted amount of \$680,000 as agreed to in the settlement.

Response: See response to 2.a., above.

- c. Explain what is causing GOWC's forecasted 2016/2017 pension expense to increase 67% over the recorded 2013/2014 amount (\$516,409 to \$860,432).

Response: The expense is based upon information from the plan administrator and is based, in part, on different information (e.g., employees) for the 2013/2014 and 2016/2017 years. See Exhibit 5-3 of Exhibit D, Report on Results of Operations.

- d. In PDF format, provide all actuarial reports for the pension plan provided to GOWC from its actuary over the last five years.

Response: Great Oaks requests CONFIDENTIAL treatment of these documents because of the personal information they contain. [REDACTED]

- e. Explain what actuarial assumptions have changed or "updated" since the settlement agreement in D.13-05-020.

Response: Actuarial assumptions in the following categories have changed: number of active participants; number of vested terminated participants; number of retired/beneficiary participants; total plan compensation; average plan compensation; minimum required contribution as of January 1 of each year; market value of assets; estimated rate of return; actuarial value of assets; funding target interest rates for years 1 to 5, years 6 to 20, and for years 21 and over; funding target; funding target attainment percentage; and adjusted funding target attainment percentage.

3. Please submit a list of all employee who have resigned, retired, or been terminated, in the past three years starting from 2013/2014, including their names, titles, and date of termination, resignation, or retirement, and a list of all new hires in the past three years starting from 2013/14, including their names, titles, and the date they started with the company.

Response: See GOWC Response to ORA Data Request WW2-008 (1.c.) for hire dates of employees. In addition, the following employees retired/resigned/terminated employment with Great Oaks since July 1, 2013: Robert Dartez (begin: 6/23/97, end: 4/23/13); Corey Rondeau (begin: 11/8/99, end: 11/23/13); Charles Croom (begin: 3/1/99, end: 11/28/14).

4. In Excel format, provide the sub-account journal entries for Account 795, Employee Pension and Benefits, for year 2013-14, and explain what caused the variance between adopted amount of \$992,431 and recorded amount of \$656,387 for year 2013-14.

Response: See spreadsheet attached and labeled GOWC Response to ORA Data Request WW2-008(4).

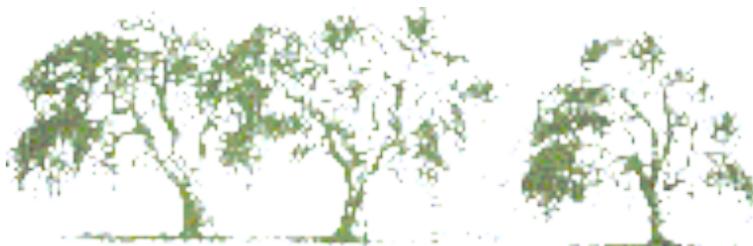
VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-008 and know the contents thereof. I certify that the Responses to Data Request WW2-008 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 13, 2015.

/s/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 21, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

**RE: Great Oaks Water Company Supplemental Responses to ORA Data Request
WW2-008**

Great Oaks Water Company (Great Oaks) hereby provides its supplemental responses to ORA Data Request WW2-008.

Pursuant to the instructions provided in Michael Conklin's August 3, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. On August 17, 2015, ORA Financial Examiner Wenli Wei submitted a series of data requests related to those originally stated in ORA Data Request WW2-008. Great Oaks has agreed to provide responses to the additional data requests in the form of a Supplemental Response to ORA Data Request WW2-008. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests
(data requests are from W. Wei's August 17, 2015 email)

1. Last GRC's Pension Plan Contribution Obligation Schedule for comparison.

Response: See excel spreadsheet attached and labeled GOWC SR W002-008(1).

- 2. Calculations of Exhibit 5-3 Projected Plan Liability Column (show all parameters GOWC Requested the actuary to use, i.e., Benefit Formula factor, ROR, etc.).

Response: Great Oaks requested Standard Retirement Services to run two projections: (1) a projection showing 110% funding as a constant for each year, allowing employer contributions to fluctuate; and (2) a projection showing a straight-line (same amount) employer contribution, allowing the percentage of funding to fluctuate, but not below 110% during the plan transition. Great Oaks made this same request for both the 2012 and the 2015 general rate case applications.

The statement quoted below is from David Taylor of Standard Retirement Services addressing this issues, as well as the reasonableness of the assumed 6.00% ROR used for the pension contribution projections:

Regarding the liability projection, the liability for a given participant as of January 1 of the year in question is the present value of the accrued benefit payable at NRA. It is not a projected benefit as of NRA. This is the method for developing the Funding Target actuarial liability defined in the IRS regulations for actuarial valuation purposes. The assumptions for determining the present value are the government mandated interest and mortality assumptions.

Regarding the asset rate of return, as a comparison, our typical FASB expected rate of return for a small pension plan is 6% - 7%. The expected rate of return is a long term assumption and in general assuming a 10% rate of return for pension purposes seems aggressive to me.

Great Oaks believes that the use of a rate above 6.00% would be obviously incorrect, and that a rate in the range of 2.00% to 3.00% would be much more realistic, even if somewhat high given current interest rates.

- 3. [REDACTED]

[REDACTED]

- 4. Regulations and rules that support the 110% funding of the Pension Plan.

Response: See document attached and labeled GOWC SR WW2-008(4). This is an excerpt from the Pension Plan Document responsive to the request.

5. Funding Standard Accounts as specified in the Actuarial Valuation Report on page 11.

Response: This request is referring to the Form 5500-SF tax return for the pension plan that Standard Retirement Services prepares every year. Attached and labeled GOWC SR WW2-008(5) is the 2013 Form 5500-SF tax return document. The 2014 document is not yet final.

6. Statements from GOWC's investment company showing the Plan Assets Beginning Balance of \$1,690,509 and annual contribution made in June 2015 for \$644,817.

Response: See documents attached and labeled GOWC SR WW2-008(6).

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Supplemental Responses to ORA Data Request WW2-008 and know the contents thereof. I certify that the Supplemental Responses to Data Request WW2-008 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 21, 2015.

/s/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 10, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-009

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-009.

Pursuant to the instructions provided in Michael Conklin's August 3, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Great Oaks' 2014 Annual Report to the Commission, page 11 of 60, "Excess Capacity and Non-Tariffed Services":
 - i. Page 11 of 60 states that the CPUC set forth rules and requirements regarding water utility provision of non-tariffed services using excess capacity, requiring utilities to file an advice letter requesting Commission

approval of those services. Please specify the Advice Letter(s) where GOWC requested approval of the services listed on page 11 of 60.

Response: The statement referenced in the Annual Report on page 11 of 60 is not entirely accurate. Not all non-tariffed services require advice letter filings. See, e.g., D.04-12-023. No advice letter filings were required for Great Oaks.

2. Great Oaks' July 17, 2015 response to Data Request WW2-002, q 2.i stated that "Great Oaks inadvertently omitted the data described and will supplement its General Rate Case submission and this response as soon as practicable."

i. Please specify when and in what form this supplement will be submitted.

Response: On or before August 15, 2015 when Great Oaks updates expenses in its GRC Workpapers.

3. Please list all of the antenna lease contracts that currently exist between GOWC and any telecommunications providers.

Response: 1. T-Mobile West Corporation;
2. Clear Wireless LLC.

4. In PDF format, provide any and all contracts and agreements that exist between HomeServe USA and GOWC.

Response: See document attached and labeled GOWC Response to ORA Data Request WW2-009 (4).

VERIFICATION

I, Timothy S. Guster, am Vice President and General Counsel of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-009 and know the contents thereof. I certify that the Responses to Data Request WW2-009 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 10, 2015.

/S/
Timothy S. Guster



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

August 27, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-010

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-010.

Pursuant to the instructions provided in Michael Conklin's August 20, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Explain why GOWC did not disclose its contracted activities with HomeServe USA on its 2013 or 2014 Annual Report to the Commission under "Excess Capacity and Non-Tariffed Services."

Response: Objection. The data request assumes facts to be true when they are not true. Great Oaks had no “contracted activities” with HomeServe USA Corp. in 2013. For 2014, see Great Oaks’ Annual Report, Schedule B-7, page 44.

2. In Excel format, provide a list of all revenues, by month that GOWC has received from HomeServe USA since the inception of its contract through June 30, 2015.

Response: See document attached and labeled GOWC ORA WW2-010(2).

3. State whether GOWC has received, or is expecting to receive any consideration in exchange for its exclusivity arrangement with HomeServe USA.

Response: Exclusivity is just one term of the contract which, alone, amounts to nothing, but when considered together with the other terms and conditions, results in a contract.

- i. If the answer to question 3 is “yes” list the dates and amounts of all consideration received, or expected to be received by GOWC in exchange for the exclusivity arrangement.

Response: No answer required.

4. Explain why GOWC did not forecast any revenue sharing with ratepayers in this GRC for its HomeServe USA contract, in accordance with Commission D.11-10-034.

Response: Objection. This data request assumes facts to be true when they are not true. See A1507001 Updated and Corrected Exhibit E, GRC Workpapers, August 17, 2015, pages WP-31, WP-39.

5. D.11-10-034, Rule X.F states that “When a utility initiates the offering of NTP&S that are designated as active or passive in the table below, the utility shall provide notice of such activity by letter to the Director of the Division of Water and Audits and the Program Manager of the Division of Ratepayer Advocates-Water Branch, within 30 days of instituting such activity.”
 - i. Provide a copy of the letter sent to the Commission [sic] regarding GOWC’s initiation of the HomeServe USA non-tariffed service.

Response: Objection. This data request incorrectly assumes that the services provided by HomeServe USA Corp. are listed in the “table” referenced in D.11-10-034, when that is not the case.

6. Provide a copy of an actual letter sent to GOWC customers informing them of the option to enroll in HomeServe USA.

Response: See document attached and labeled GOWC ORA WW2-010(6).

7. Provide the cost of drafting, printing, and mailing these letters to customers along with detailed supporting documentation.

Response: No answer required. Great Oaks does not draft, print, or mail HomeServe letters to customers, and incurs no costs of these kinds.

8. Provide a list of GOWC employee positions involved in the provision of the HomeServe USA non-tariffed service and the amount of time each employee spends annually on HomeServe USA.

Response: See GOWC Response to ORA Data Request WW2-001(5).

9. Provide a listing of all non-tariffed contracts that currently exist between GOWC and any and all companies, whether previously disclosed or not.

Response: Objection. This data request has already been asked and answered. No further answer required.

- a. For each contract listed in 9 above:

- i. List GOWC's 2014 annual revenues from the contract.

Response: See Great Oaks' 2014 Annual Report, pages 11 and 44.

- ii. List GOWC's 2015 total contract revenues through June 30, 2015.

Response: T-Mobile: \$12,525.44; HomeServe: \$20,154.33; Sprint/Clearwire: \$7,143.53.

Objections to the Data Requests have been made by Timothy S. Guster, Vice President and General Counsel for Great Oaks Water Company.

Date: August 27, 2015

_____/s/_____
 Timothy S. Guster
 Vice President and General Counsel
 Legal and Regulatory Affairs
 Great Oaks Water Company
 PO Box 23490
 San Jose, CA 95153
 Telephone: (408) 227-9540
 Facsimile: (408) 227-7126
 Email: tguster@greatoakswater.com

VERIFICATION

I, Timothy S. Guster, am Vice President and General Counsel of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-010 and know the contents thereof. I certify that the Responses to Data Request WW2-010, numbers 1, 3, 4, 5, 6, 7, and 8, are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 27, 2015.

/s/
Timothy S. Guster

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-010 and know the contents thereof. I certify that the Responses to Data Request WW2-010, numbers 2, 8, and 9, are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on August 27, 2015.

/s/
Ron Ceolla



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

September 23, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-012

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-012.

Pursuant to the instructions provided in Lisa Bilir's September 16, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. GOWC informed ORA by e-mail on September 8, 2015 that it had received a quote for the employee health insurance renewal with an 18.06% increase over current costs. On September 14, 2015, GOWC provided ORA with a packet of information from Kaiser.
 - a. Please confirm that this packet from Kaiser forms the basis for the 18.06% increase over current costs.

Response: Great Oaks provided ORA with information on the employee health insurance renewal with Kaiser on September 11, 2015, not on September 14, 2015. The information sent on September 11, 2015 forms the basis for the increase in employee health insurance expenses.

b. How did GOWC calculate or determine this 18.06% number?

Response: The percentage increase is actually calculated in the information from Kaiser previously sent to ORA. In the initial email sent on September 11, 2015, ORA's attention was drawn to Kaiser's calculated 18.1% increase as shown on page 25 of the Kaiser information provided on that date.

c. Please provide all additional relevant documentation to substantiate the 18.06% increase.

Response: Great Oaks provided the renewal package received from Kaiser that clearly shows the basis for the increase in expenses.

2. What is the deadline for GOWC to respond to Kaiser regarding plan selection for GOWC's employees?

Response: The Kaiser deadline is December 1, 2015.

3. What is the enrollment deadline for GOWC's employees to turn in their plan selection to GOWC management?

Response: Great Oaks requests that its employees submit their selections to Great Oaks on or before the Wednesday of Thanksgiving week. This year that date is November 25, 2015.

4. Please provide the answers to Kaiser Renewal Part 2, Section 5, page 1, Company Premium Contribution for the December 1, 2015 plan year. Specifically,

a. Will GOWC be offering dependent coverage?

Response: Yes. Upon information and belief, Great Oaks has always offered dependent coverage.

b. What percentage or dollar amount does GOWC contribute for each employee's medical premium and each employee's dependents?

Response: Great Oaks pays 100% of the employee premium for the base plan (in this instance, the base plan will be the Bronze plan – see page 25 of the Kaiser renewal package provided to ORA on September 11, 2015) and 50% of the dependent premium. If an employee opts for a more expensive plan, the employee pays 100% of the difference between the base plan and the more expensive plan (for both the employee premium and dependent premium).

c. If the response to question 4.b. is a percentage, indicate whether GOWC's percentage of the premium is based on the lowest Kaiser Permanente Plan offered by the employer or all Kaiser Permanente plans offered by the employer?

Response: See response to subpart b, above.

5. GOWC Report on Results of Operations, Exhibit 5-2 "Communications with Insurance Broker Basis for Insurance Cost Projections" states "Kaiser has told us that there

are NO indications that they will stop offering the grandfathered plans.” . . . “As long as Great Oaks is allowed to keep their grandfathered status . . .”

a. Does GOWC still have grandfathered status?

Response: Upon information and belief, the answer is no. See information sent on September 11, 2015.

b. If the response to question 5.a. is yes, how many GOWC employees are currently enrolled in grandfathered Kaiser medical plans for the December 1, 2014 – November 30, 2015 plan year?

Response: No answer required.

6. Please provide Medical Insurance Expense Account Details (with the monthly journal entries, invoices, proof of GOWC’s payment, and employee payroll record or employee enrollment form for 2014/15).

Response: Great Oaks’s CFO is presently away from the office and will return September 28, 2015. This requested information will be provided after his return.

7. Please submit the very same Kaiser renewal notification package GOWC received (with GOWC’s responses included) for coverage effective December 1, 2014.

Response: See documents attached and labeled GOWC Response to ORA Data Request WW2-012(7). Great Oaks has redacted personal employee information from these documents in the same manner as it did for the Kaiser renewal package sent to ORA on September 11, 2015.

VERIFICATION

I, Timothy S. Guster, am Vice President and General Counsel of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company’s Responses to ORA Data Request WW2-012 and know the contents thereof. I certify that the Responses to Data Request WW2-012 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

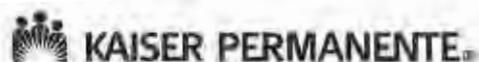
Executed at San Jose, California on September 23, 2015.

/s/
Timothy S. Guster

Great Oaks Water Company

GOWC Response to ORA Data Request WW2-012(7)

Part 1



Your December 1, 2014 renewal information

Monthly premium: **\$11,723.00**

Rate differential: **8.0%**

Medical RAF for grandfathered plans: **1.10**

September 8, 2014

RON CEOLLA
 GREAT OAKS WATER CO.
 20 GREAT OAKS BLVD STE 120
 SAN JOSE, CA 95119-1368

Dear Ron:

Selecting a health care partner is an important decision, and we thank you for continuing to choose Kaiser Permanente. We're committed to offering you the coverage that best fits your needs while providing the support you need to keep your employees and your business healthy. We urge you to review this packet and carefully consider your options so you can make the best decision for yourself and your employees.

On June 26, 2014, the Governor of California signed SB 1446 allowing small groups to keep their current health plan even if it does not meet certain requirements under the Affordable Care Act (ACA). **This means you may renew your current 2013 non-ACA-compliant, nongrandfathered Kaiser Permanente plan for one more year.**

Your 2014 renewal information

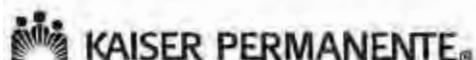
We are renewing your group into your current nongrandfathered plan. If you're also offering a grandfathered plan, this doesn't affect your grandfathered status but you still need to decide if you would like to keep your nongrandfathered plan.

This packet also contains information about our 2014 Kaiser Permanente ACA-compliant plans. Under health care reform, our 2014 plans offer more comprehensive benefits than your 2013 plan and limit your cost-sharing (out-of-pocket spending).

Important information about your 2013 Kaiser Permanente nongrandfathered plan

New health care coverage options are available in California. You currently have health care coverage that is not required to comply with many new laws. A new health care service plan contract may be more affordable and/or offer more comprehensive benefits. New plans may also have limits on deductibles and out-of-pocket costs, while your existing plan may have no such limits.

You have the option to remain with your current coverage for one more year or switch to new coverage that complies with the new laws. Covered California, the state's new health insurance marketplace, offers small employers health insurance from a number of companies through its Small Business Health Options Program (SHOP). Federal tax credits are available through the SHOP to those small employers that qualify. Talk to Covered California (1-877-453-9198), your plan representative, or your insurance agent to discuss your options.



GREAT OAKS WATER CO.

Your next steps

To keep your current 2013 nongrandfathered plan —You don't need to do anything now. We will continue your coverage in the 2013 nongrandfathered plan identified in this renewal package.

To renew into an ACA-compliant plan —You must complete the Renewal Change form enclosed in this renewal package. We have also included a plan comparison guide to help you choose the ACA-compliant plan that better fits your needs. You will have to move all of your nongrandfathered plans in order to choose an ACA-compliant plan.

You're a valued partner, and we're here to ensure your employees continue getting the high-quality care they've come to expect from us. If you have any questions, please contact your broker or call our Customer Connection Team at **800-790-4661, option 3**.

In addition to the information in this renewal package, please see the attached notice that we are providing in accordance with federal guidance.

Sincerely,

A handwritten signature in black ink that reads "Joseph E. Smith".

Joseph E. Smith
Vice President
Small Business

cc: BRANDI MILLER
PACIFIC DIVERSIFIED INSURANCE SERVICES INC.

Federally Required Notice

Dear Policyholder,

We are writing to inform you that, consistent with federal guidance initially announced in November 2013 and extended in March 2014, you may keep your existing coverage for the upcoming policy year.

How Do I Keep My Current Policy?

To keep your current policy, please contact us.

As you think about your options, there are some things to keep in mind. If you choose to renew your current policy, it may NOT provide all of the protections of the Affordable Care Act. These include one or more of the following new protections of the Public Health Service Act (PHS Act) that were added by the health care law and took effect for coverage beginning in 2014. If you choose to renew your current policy, your coverage:

- May not meet standards for fair health insurance premiums, so you might be charged more based on factors such as gender or a pre-existing medical condition, and it might not comply with rules limiting the ability to charge older people more than younger people (PHS Act section 2701).
- May not meet standards for guaranteed availability, so it might exclude consumers based on factors such as a pre-existing medical condition (PHS Act section 2702).
- May not meet standards for guaranteed renewability (PHS Act section 2703).
- May not meet standards for non-discrimination with respect to health care providers (PHS Act section 2706).
- May not cover essential health benefits or limit annual out-of-pocket spending, so it might not cover benefits such as prescription drugs or maternity care, or might have unlimited cost sharing (PHS Act section 2707).
- May not meet standards for participation in clinical trials, so you might not have coverage for services related to a clinical trial for a life-threatening or other serious disease (PHS Act section 2709).

How Do I Choose A Different Policy?

You have options for getting quality health insurance. You may shop in the Health Insurance Marketplace, where all policies meet certain standards to help guarantee health care security, and no one who is qualified to purchase coverage through the Marketplace can be turned away or charged more because of a pre-existing medical condition. The Marketplace allows you to choose a private policy that fits your budget and health care needs. You may qualify for tax credits or other federal financial assistance to help you afford health insurance coverage purchased through the Marketplace.

You can also get new health insurance outside the Marketplace. All new policies guarantee certain protections, such as your ability to buy a policy even if you have a pre-

existing medical condition. However, federal financial assistance is not available outside the Marketplace.

You should review your options as soon as possible, because you may have to buy your coverage within a limited time period.

How Can I Learn More?

To learn more about the Health Insurance Marketplace and protections under the health care law, visit HealthCare.gov or call 1-800-318-2596 or **TTY: 1-855-889-4325**.

If you have questions, please contact us.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Employer Renewal Notification – Medical Plans

To learn more about the rate changes for your 2014 plans, please review the "How your plan rates are calculated" section of this packet.

2013 Medical Plan(s) Offered	GF Status*	2013 RAF		2014 Medical Plan(s) Offered	GF Status*	2014 RAF
\$30 Copay - EOC #3	NGF	1.05	→	\$30 Copay - EOC #3	NGF	1.10
\$50 Copay - EOC #2	NGF	1.05	→	\$50 Copay - EOC #2	NGF	1.10
\$0/\$2,000 HSA - EOC #1	NGF	1.05	→	\$0/\$2,000 HSA - EOC #1	NGF	1.10
\$0/\$2,700 HSA - EOC #4	NGF	1.05	→	\$0/\$2,700 HSA - EOC #4	NGF	1.10
\$30/\$3,000 HSA - EOC #5	NGF	1.05	→	\$30/\$3,000 HSA - EOC #5	NGF	1.10

	2013 Rate	2014 Rate	% Change
Employee rate	\$5,365.00	\$5,792.00	8.0%
Dependent rate	\$5,493.00	\$5,931.00	8.0%
Total rate	\$10,858.00	\$11,723.00	8.0%

Renewal Rate Notification – Medical Plans

	Name	ZIP	Rate Area*	Age	Tier	2014 Plan	2013 Rate	2014 Rate	% Change
1.	[REDACTED]	95123	GF 1	27	EE Only	\$30/\$3,000 HSA	\$175.00	\$188.00	7.4%
2.	[REDACTED]	94025	GF 1	42	EE+S+C	\$30/\$3,000 HSA	\$723.00	\$780.00	7.9%
	>Employee			42	EE				
	>Spouse			37	S				
	>Child			13	C				

*GF=Grandfathered, NGF=Nongrandfathered

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

Renewal Rate Notification – Medical Plans*(continued)*

Name	ZIP	Rate Area*	Age	Tier	2014 Plan	2013 Rate	2014 Rate	% Change
>Child			9	C				
>Child			5	C				
3. [REDACTED]	95123	GF 1	43	EE+S+C	\$30/\$3,000 HSA	\$723.00	\$780.00	7.9%
>Employee			43	EE				
>Spouse			42	S				
>Child			18	C				
>Child			16	C				
4. [REDACTED]	95020	GF 1	41	EE Only	\$0/\$2,700 HSA	\$315.00	\$340.00	7.9%
5. [REDACTED]	95139	GF 1	44	EE+S+C	\$0/\$2,700 HSA	\$817.00	\$882.00	8.0%
>Employee			44	EE				
>Spouse			45	S				
>Child			12	C				
>Child			9	C				
6. [REDACTED]	95123	GF 1	66	EE+S	\$30/\$3,000 HSA	\$1,639.00	\$1,770.00	8.0%
>Employee			66	EE				
>Spouse			65	S				
7. [REDACTED]	95123	GF 1	47	EE+S+C	\$30/\$3,000 HSA	\$723.00	\$780.00	7.9%
>Employee			47	EE				
>Spouse			44	S				
>Child			15	C				
>Child			11	C				
8. [REDACTED]	95119	GF 1	51	EE+S	\$30/\$3,000 HSA	\$773.00	\$835.00	8.0%
>Employee			51	EE				
>Spouse			50	S				
9. [REDACTED]	95123	GF 1	57	EE+S+C	\$30/\$3,000 HSA	\$1,053.00	\$1,138.00	8.1%

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

Renewal Rate Notification – Medical Plans*(continued)*

Name	ZIP	Rate Area*	Age	Tier	2014 Plan	2013 Rate	2014 Rate	% Change
>Employee			57	EE				
>Spouse			59	S				
>Child			21	C				
>Child			19	C				
10. [REDACTED]	95118	GF 1	56	EE+S	\$0/\$2,700 HSA	\$1,086.00	\$1,173.00	8.0%
>Employee			56	EE				
>Spouse			60	S				
11. [REDACTED]	95116	GF 1	33	EE Only	\$0/\$2,700 HSA	\$233.00	\$252.00	8.2%
12. [REDACTED]	95119	GF 1	48	EE+S+C	\$30/\$3,000 HSA	\$723.00	\$780.00	7.9%
>Employee			48	EE				
>Spouse			54	S				
>Child			20	C				
>Child			16	C				
13. [REDACTED]	95138	GF 1	53	EE+C	\$30/\$3,000 HSA	\$510.00	\$551.00	8.0%
>Employee			53	EE				
>Child			23	C				
14. [REDACTED]	95023	GF 1	40	EE+C	\$30/\$3,000 HSA	\$436.00	\$471.00	8.0%
>Employee			40	EE				
>Child			11	C				
>Child			6	C				
15. [REDACTED]	95123	GF 1	34	EE Only	\$30/\$3,000 HSA	\$206.00	\$223.00	8.3%
16. [REDACTED]	95138	GF 1	47	EE+S+C	\$30/\$3,000 HSA	\$723.00	\$780.00	7.9%
>Employee			47	EE				
>Spouse			47	S				

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

Renewal Rate Notification – Medical Plans

(continued)

Name	ZIP	Rate Area*	Age	Tier	2014 Plan	2013 Rate	2014 Rate	% Change
>Child			24	C				
>Child			23	C				
>Child			22	C				
>Child			22	C				
>Child			4	C				
>Child			2	C				

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

COBRA (Medical Plan) Direct Bill Renewal Notification Informational Only

The individuals listed below elected COBRA and are being billed directly by Kaiser Permanente.

2013 Medical Plan(s) Offered	GF Status*	2013 RAF		2014 Medical Plan(s) Offered	GF Status*	2014 RAF
\$30 Copay - EOC #3	NGF	1.05	→	\$30 Copay - EOC #3	NGF	1.10
\$50 Copay - EOC #2	NGF	1.05	→	\$50 Copay - EOC #2	NGF	1.10
\$0/\$2,000 HSA - EOC #1	NGF	1.05	→	\$0/\$2,000 HSA - EOC #1	NGF	1.10
\$0/\$2,700 HSA - EOC #4	NGF	1.05	→	\$0/\$2,700 HSA - EOC #4	NGF	1.10
\$30/\$3,000 HSA - EOC #5	NGF	1.05	→	\$30/\$3,000 HSA - EOC #5	NGF	1.10

	2013 Rate	2014 Rate	% Change
Employee rate	\$5,365	\$5,792	8.0%
Dependent rate	\$5,493	\$5,931	8.0%
Total rate	\$10,858	\$11,723	8.0%

Name	ZIP	Rate Area*	Age	Tier	2014 Plan	2013 Rate	2014 Rate	% Change
1. [REDACTED]	95123	GF 1	45	EE Only	\$30/\$3,000 HSA	\$279.00	\$301.00	7.9%

*GF=Grandfathered, NGF=Nongrandfathered

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What types of plans do you have?

Starting January 1, 2014, there are new options for health care under the Affordable Care Act (ACA) — also known as health care reform. To understand those options, it's important to know what kinds of plans you currently offer — grandfathered or nongrandfathered.

Here's an overview that can help you see what your options are for 2014. If you have any questions, please call **800-790-4661, option 3**, to speak with our Customer Connection Team, or contact your broker.

Grandfathered plans

- If your plan has covered at least one employee and continued unchanged since the ACA was signed into law on March 23, 2010, it's considered a "grandfathered" plan.
- Grandfathered plans aren't required to meet some of the guidelines outlined by the ACA, such as essential health benefits and some preventive services.
- This means you can continue offering your employees the same plan for 2014.
- You also have the option of moving to one of our new 2014 metal tier plans that meet the guidelines outlined by the ACA.
 - If you choose to move to one of our new 2014 metal tier plans, you can purchase your Kaiser Permanente coverage through us, your broker, or the Small Business Health Options Program (SHOP). Visit coveredca.com/small-business for more information on the SHOP.
 - Please note that if you choose to move to one of our metal plans, you won't be able to go back to your grandfathered plan after you leave it.

Nongrandfathered plans

- If your plan was in place after the ACA was signed into law on March 23, 2010, it's considered a "nongrandfathered" plan.
- Nongrandfathered plans do not meet all of the guidelines outlined by the ACA.
- With the new guidance received through SB 1446, you have the option of renewing your current 2013 Kaiser Permanente nongrandfathered, non-ACA-compliant plan for one more year.
- You also have the option of moving to one of our other new 2014 metal tier plans that meet the guidelines outlined by the ACA.
 - Our new ACA-compliant plans may be more affordable and/or offer more comprehensive benefits. These plans also have limits on deductible and out-of-pocket costs, while your existing plan may not have such limits.
 - When you move to one of our new 2014 metal tier plans, you can purchase your Kaiser Permanente coverage through us, your broker, or the Small Business Health Options Program (SHOP). For more information on the SHOP, visit coveredca.com/small-business.

Visit kp.org/reformadvisor

to see if purchasing coverage through the SHOP is right for you.

What health care reform means for you

On March 23, 2010, the Affordable Care Act (ACA) — also known as health care reform — became federal law. To comply with the ACA, for plan years beginning on or after January 1, 2014, all insurers must offer small group plans that meet new standards for coverage. This excludes grandfathered plans, which may be renewed for 2014 as is. Under the provisions of SB 1446, nongrandfathered medical plans may also be renewed as is for one more year for groups renewing in November and December 2014.

Whether you're offering a grandfathered plan, nongrandfathered plan, or a new 2014 metal tier plan, your employees still get the quality services and support they need to stay healthy and productive every day — top doctors, a focus on prevention, innovative health management tools, and high-quality, personalized care.

Essential health benefits

Starting with plan years beginning on or after January 1, 2014, the ACA requires nongrandfathered small group plans to cover 10 categories of essential health benefits, as defined by ACA regulations:

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including dental and vision care^{1,2}

New "metal tiers" of coverage

For 2014, plans fit into four main categories of coverage, known as "metal tiers." Each tier has a different actuarial value — the percent that the health plan will pay for covered essential health benefits based on the claims of a standard population;³

- Platinum — 90% actuarial value
- Gold — 80% actuarial value
- Silver — 70% actuarial value
- Bronze — 60% actuarial value

These four categories offer different levels of copayments, coinsurance, and deductibles. For example, Bronze plans have lower premiums with higher out-of-pocket costs, while other metal tier plans have higher premiums and lower out-of-pocket costs.

¹Pediatric vision is a new benefit and is embedded in the medical plan.

²For more information on pediatric dental, go to the "Pediatric dental" section of this packet.

³The ACA allows a difference of +/- two points for actuarial percentage.

How your plan rates are calculated

The rates for your 2014 plans are based on a number of factors, such as the types of plans you're offering to your employees and whether your plans are grandfathered, nongrandfathered, or ACA-compliant metal plans. Here's an overview of the rate rules.

Rate rules for 2014 metal tier plans

If your employees are enrolled in a nongrandfathered plan, health care reform has introduced a new way of calculating rates for your 2014 metal tier plans:

- **Rate areas** — There are now 19 geographical rate areas.
- **Residential ZIP code** — Rates are based on the ZIP code of the employee's residential address.
- **Individual age categories** — Rates are calculated by member-level ratings, or the age of each covered member as of the plan's effective date, including:
 - employee
 - spouse or domestic partner
 - no more than three children under age 21; other children under 21 are covered at no additional cost
 - all adult children ages 21 to 25, whether or not they're in school or living at home

The individual rates are shown in the "2014 Employer Renewal Notification" pages in your packet.

Rate rules for grandfathered plans

If your employees are enrolled in a grandfathered plan, your rates for 2014 were calculated using the same factors that were used in 2013:

- **Rate areas** — There are currently seven rate areas for grandfathered plans.
- **Business ZIP code** — Your rate area is based on the ZIP code of your business location.
- **Subscriber age categories** — Rates are based on the employee's age as of the plan effective date.
- **Risk adjustment factor (RAF)** — RAFs for renewing groups are calculated using a model that assigns risk scores to each enrolled member based on the member's age, gender, and the types of prescription drugs the member is taking. Extensive studies have shown that the types of prescriptions used by a group's plan members are an accurate predictor of the group's future medical utilization.

For more information, please see the enclosed *Small Business Guidelines*.

Are you offering both grandfathered and nongrandfathered plans?

Both rate rules will apply, depending on the types of plans you're offering and their status.

What else is required under state and federal regulations?

Here's a summary of additional provisions and requirements under the ACA that may affect your coverage for 2014.

New limits for waiting periods

In 2014, small group health plans in California — including grandfathered plans — cannot have a waiting period of longer than 60 days from the date of eligibility. Previously, the maximum waiting period was 180 days from the first of the month following the date of hire.

If your waiting period was longer than 60 days, it's automatically been adjusted to 60 days at your renewal. If you have multiple waiting periods, your waiting period has been adjusted to the shortest one you have that doesn't exceed 60 days.

On the enclosed *Renewal Changes* form, you may choose a different waiting period for your business. If you choose a 60-day waiting period, rates will be prorated for newly hired employees if their effective date of coverage is after the first of the month.

Changes to small business eligibility

On January 1, 2014, the definition of a small business in California changed. Under health care reform, a small business must have at least one eligible common-law employee who is not the business owner or a spouse. This means the following groups will no longer qualify as small businesses:

- Owner-only businesses
- Husband/wife businesses wholly owned by one or both spouses — even if a spouse is employed by the business

With this new definition, groups that fall under these two categories can't be renewed for 2014 under small business coverage. We've reached out to those under review that may be ineligible for group coverage. While you've received this renewal notification, if you're under review, you must demonstrate that your group meets all requirements to qualify as a small business. Renewal under group coverage must also be approved by our Recertification Department.

If you aren't eligible for group coverage, you can continue to receive our high-quality care by enrolling in a Kaiser Permanente Individual and Family plan through us, your broker, or Covered California, the state's new health insurance marketplace.

Visit kp.org/reformadvisor

to see if purchasing coverage through the SHOP is right for you.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

What's included with pediatric dental coverage?

Pediatric dental services is one of the essential health benefits required to be provided in conjunction with your ACA metal tier medical plan(s). Employees and their dependents enrolled in a metal HMO medical plan(s) will also be enrolled in a separate pediatric dental plan based on their metal tier and underwritten by Delta Dental of California. The pediatric dental plan will be determined based on the metal tier plan selected. PPO medical plan members enrolled in any of our metal plans receive pediatric dental PPO benefits as part of their medical coverage and not as a separate plan.

Pediatric dental services apply to all members up to 19 years old who are on a metal plan. Pediatric dental plans are not an available option for grandfathered plans.

In addition to pediatric dental, we continue to offer a selection of dental plans available to both grandfathered and metal plans that provide dental coverage for the entire family, including adults and dependent children up to age 26. A family plan is not a substitute for pediatric dental coverage, which you still need to have with your metal plans. Please see the 2014 renewal option dental pages for more information about family dental plans.

Pediatric Dental	For Bronze and Silver HMO medical plans	For Gold and Platinum HMO medical plans	Included in all metal tier PPO medical plans
SERVICES	Member pays		
Deductible	\$0	\$0	\$60/child \$120/multichild
Annual out-of-pocket (OOP) maximum	\$1,000/child \$2,000/multi-child	\$1,000/child \$2,000/multi-child	N/A ¹
Waiting periods (Major & Orthodontics)	N/A	N/A	N/A
Office visit	\$20	\$0	N/A
Preventive Periodic and comprehensive oral evaluation, bitewing X-rays, prophylaxis cleanings, space maintainers, and sealants	\$0	\$0	\$0
Fluoride treatments	\$0	\$0	\$0
Restorative Fillings — primary or permanent amalgam	\$120	\$45	50%
Composite crowns— resin-based	\$170	\$110	50%
Crown — porcelain	\$560	\$560	50%
Inlay — metallic	Not covered	Not covered	Not covered
Orthodontics (medically necessary)	\$1,000 ²	\$1,000 ²	50%

For detailed plan information, visit kp.org/smallbusinessplans/ca.

¹No separate OOP maximum — applied to medical OOP maximum.

²Orthodontics includes medically necessary orthodontia only.

Compare our grandfathered and nongrandfathered plans with our ACA-compliant metal plans

Whether you offer your employees our grandfathered or nongrandfathered plans, you have the option of moving to one of our new 2014 metal plans that meet the guidelines outlined by the ACA. Our new metal plans offer more comprehensive benefits than our current grandfathered and nongrandfathered plans and have limits on deductibles and out-of-pocket costs.

Here's an overview of how our grandfathered and nongrandfathered plans match up to the new 2014 metal tier plans. For detailed plan information visit kp.org/smallbusinessplans/ca. If you have questions, call 800-790-4661, option 3, to speak to our Customer Connection Team.

Grandfathered/Nongrandfathered Plans → 2014 Metal Plans

\$5 Copayment HMO Plan \$15 Copayment HMO Plan \$20 Copayment HMO Plan	Platinum 0/20 Copayment HMO Plan
\$30 Copayment HMO Plan \$50 Copayment HMO Plan	Gold 0/30 Copayment HMO Plan
\$30/\$1,000 Deductible HMO Plan \$30/\$1,500 Deductible HMO Plan	Gold 500/30 Deductible HMO Plan
\$40/\$2,000 Deductible HMO Plan \$40/\$3,000 Deductible HMO Plan	Silver 1000/40 Deductible HMO Plan
\$0/\$2,000 HSA-Qualified Deductible HMO Plan \$0/\$2,700 HSA-Qualified Deductible HMO Plan	Silver 1500/20% HSA-Qualified Deductible HMO Plan
\$30/\$3,000 HSA-Qualified Deductible HMO Plan	Bronze 3500/30 HSA-Qualified Deductible HMO Plan
\$30/\$1,500 Deductible HMO Plan with HRA \$30/\$2,500 Deductible HMO Plan with HRA	Gold 2000/30 Deductible HMO Plan with HRA
\$35 POS Plan	Gold PPO 0/30 Plan
\$40/\$1,000 PPO Plan \$40/\$2,500 PPO Plan with HSA	Silver PPO 1500/45 Plan

What is the SHOP health insurance marketplace?

In Covered California, the state's new health insurance marketplace (also called an exchange), there is a specific program for small businesses called the Small Business Health Options Program, or SHOP.

Through the SHOP, your employees can easily compare, purchase, and enroll in any health plan from any participating health insurance provider in the metal tier you choose. Since Kaiser Permanente plans are available at every level in the SHOP, you can continue offering your employees the high-quality, integrated care they already know and trust.

Benefits of the SHOP

Here are some of the benefits the SHOP offers you:

- **Choice** — The SHOP consolidates the buying power of small businesses to offer more choices for affordable health care coverage. Employees can select any plan in the metal tier you choose.
- **One-stop shopping** — Employees can research, compare, purchase, and enroll in primary and ancillary coverage, such as dental and vision, all through the SHOP website.
- **Less paperwork** — The SHOP handles enrollment, plan administration, and billing, which will help you save time and resources.
- **One monthly payment** — You make only one monthly payment directly to the SHOP, no matter how many different insurers your employees enroll with.

Tax credits in the SHOP

Some small businesses with 24 or fewer full-time-equivalent employees for the taxable year may qualify for a small business tax credit of up to 50 percent in 2014. (See below for information on how to calculate your number of full-time-equivalent employees.)

The credit is only available through participation in the SHOP, and you can claim the credit for two years beginning in 2014.

You may qualify for the tax credit if you:

- have 24 or fewer full-time-equivalent employees for the taxable year (for example, two half-time employees equal one full-time employee for purposes of the credit)
- pay average annual wages below \$50,000
- contribute 50% or more toward employee health insurance premiums

To learn more about the SHOP in California, visit coveredca.com/small-business.

How do I calculate my number of full-time-equivalent employees to see if I am eligible for the tax credit?

1. Take the number of full-time employees who work at least 40 hours a week.
2. Calculate the number of full-time-equivalent employees by dividing the total annual hours of your part-time employees by 2,080.
3. Add these two numbers together to get your total number of full-time-equivalent employees.

This document is designed to provide a general overview of portions of the Affordable Care Act and should not be relied upon as legal or tax advice. Federal and state laws and regulations are subject to change. Seek professional advice regarding how the new requirements will affect your particular circumstances from an independent tax adviser or legal counsel. Information may have changed since publication.

We've made it easy to have the right plan

If you want to switch to a 2014 metal plan, you can continue to purchase coverage directly from Kaiser Permanente for all of your employees, just as you do now. But if you qualify for the small business tax credit, you may want to offer your employees our coverage through the SHOP. Just be aware that if you have a grandfathered plan and move to a 2014 metal tier plan, you won't be able to go back to your grandfathered coverage. All deductible or out-of-pocket maximum accumulation will reset to \$0 when switching from Kaiser Permanente to SHOP administration.

To switch to a different 2014 metal plan through the SHOP

- **Step 1** — Review our *Plan Highlights* brochure for details about the benefits and cost shares for all the plans we offer so you can find just the right fit for you and your employees. Look for the indicator showing which plans are also available in the SHOP.
- **Step 2** — Decide which metal tier of coverage you want to offer to your employees and the contribution you want to make toward their premiums.
- **Step 3** — Visit the Covered California SHOP website at coveredca.com/small-business or call 877-453-9198 to purchase Kaiser Permanente coverage.

To switch to a different 2014 plan through Kaiser Permanente

- **Step 1** — Review our *Plan Highlights* brochure for details about the benefits and cost shares for all the plans we offer so you can find just the right fit for you and your employees.
- **Step 2** — In your packet are comparison charts so you can see what your rates would be under the different plans.
- **Step 3** — Complete the *2014 Renewal Change* form in your packet and fax the changes to 800-369-8010.

Need help?

You're an important partner for us, and we're ready to answer any questions to help you make the right decisions for your business.

- Visit kp.org/reformadvisor, answer a few simple questions about your business, and see if purchasing coverage through the SHOP or directing your employees to the individual exchange might be a better choice.
- Call 800-790-4661, **option 3**, to speak with our Customer Connection Team, or contact your broker.

This document is designed to provide a general overview of portions of the Affordable Care Act and should not be relied upon as legal or tax advice. Federal and state laws and regulations are subject to change. Seek professional advice regarding how the new requirements will affect your particular circumstances from an independent tax adviser or legal counsel. Information may have changed since publication.

Small business policy updates

These are important policy changes that will apply to your coverage for 2014. If you have any questions, please call 800-790-4661, option 3, to speak to our Customer Connection Team.

Subscriber terminations

Effective August 1, 2014, all subscriber terminations will be effective in the month that we receive the termination request, unless you request that the termination be effective in a future month. We will no longer retroactively terminate subscribers prior to the month we receive the request to terminate. For example, if you want the subscriber's coverage to be terminated beginning August 1, we must receive the request to terminate no later than August 31. A termination request received in August cannot be made effective retroactively back to July 1 or June 1.

You can still add subscribers or dependents and have the coverage effective retroactively up to two months prior to the current month.

Binding arbitration

Kaiser Permanente is working to enhance California's Binding Arbitration Notice process and modernize how we gather our applicants' signatures. In September 2013, Kaiser Permanente launched a new web service solution for capturing agreement to arbitration signatures electronically at the point of enrollment.

Since we use binding arbitration, the state of California requires us to notify applicants at the point of enrollment. We're also required to capture applicants' signatures during that enrollment process to confirm that they've read and agreed to our binding arbitration.

We want to ensure all of your employees/applicants are informed of Kaiser Permanente's use of binding arbitration when they choose to enroll in a Kaiser Permanente plan. Binding arbitration is used to settle member disputes in a less formal proceeding than a civil trial in state or federal court, and it can lead to quicker dispute resolutions.

Compliance with state law and ensuring that your employees/applicants are properly informed depends on how you collect enrollments:

If you collect enrollments using a current Kaiser Permanente enrollment form: Your enrollment process is in compliance as long as you're using a relatively new version of our form that includes a current version of our binding arbitration notice. If you're not sure how old your enrollment form is, please contact the Customer Connection Team at 800-790-4661, option 2.

If you collect enrollments using your own form (a universal form): As long as your form includes our most current arbitration notice and it has been approved by Kaiser Permanente's Regulatory department, your enrollment process is in compliance. We recertify universal forms on an annual basis; please contact the Customer Connection Team at 800-790-4661, option 2.

If you collect enrollments using an online enrollment website: By early 2015, we'll be releasing enhancements to a new web service tool that will make it easier to display our binding arbitration notice and capture agreement to arbitration signatures at the point of enrollment. The new tool, called the California Arbitration Management System (CAMS), a web service that can be added to an enrollment website. If you use an online enrollment site, please contact Kaiser Permanente's representative by emailing: California.Arbitration.Inquiry.and.Request@kp.org

Your 2014 plan checklist

Use this handy checklist to guide you through the steps you need to complete for your 2014 plans. If you're happy with your current coverage and don't wish to make any changes, there's nothing you need to do.

1. Review your 2014 plan(s)

Your packet has all the details about your group's 2014 plans and costs. **If you'd like to stay in your 2014 plans we selected for you, skip to #3.** If you're considering changes, review our January 2014 *Plan Highlights* brochure for more information about all the plans we offer so you can find just the right fit for you and your employees.

2. Make plan changes

If you'd like to make plan changes, complete the *Renewal Changes* form in your packet and fax the changes to **800-369-8010**. Plan changes received by the 15th of the effective month will be applied retroactively to the first of the month. Plan changes received after the 15th of the effective month will be applied to the following month. And please note that if you have a grandfathered plan, you won't be able to go back to your current plan once you leave it.

To determine whether or not to change your plans through the small business marketplace, please see the "What is the SHOP health insurance marketplace?" section of your packet.

If you selected to offer an HSA or HRA plan and would like Kaiser Permanente to administer your plan, please contact the Customer Connection Team at 800-790-4661 option 3 for more information on your next step.

3. Choose your waiting period

If your waiting period was longer than 60 days, it has been adjusted to comply with the state and federal regulations. To change your waiting period, complete the "waiting period" section on the *Renewal Changes* form and fax the form to **800-369-8010**.

4. Make employee changes

Our policy on subscriber terminations has been revised. **Effective August 1, 2014**, all subscriber terminations will be effective in the month that we receive the termination request, unless you request that the termination be effective in a future month. We will no longer retroactively terminate subscribers prior to the month we receive the request to terminate. For example, if you want the subscriber's coverage to be terminated beginning August 1, we must receive the request to terminate no later than August 31. A termination request received in August cannot be made effective retroactively back to July 1 or June 1.

You can still add subscribers or dependents and have the coverage effective retroactively up to two months prior to the current month. For example, you have until August 30 to add members with a coverage effective date of June 1.

If you'd like to add employees or their dependents, complete an *Employee Enrollment* form. To update member or dependent information, have your employees complete an *Employee Change* form. Fax the completed forms to **858-614-3344** (Northern California accounts) or **858-614-3345** (Southern California accounts). These forms are available at kp.org/smallbusinessforms/ca.

(continues on next page)

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 plan checklist *(continued)*

 5. Review your ERISA status

Please review the *ERISA Status* form in your packet. If your Employee Retirement Income Security Act (ERISA) status is incorrect, provide the requested information and fax the form to **800-369-8010**.

 6. Make sure your plan meets grandfathered requirements

If you have grandfathered plans, review the "Understanding Your Grandfathered Health Plans" information in this packet to make sure that your plans meet the grandfathering requirements. If your plans do not meet the requirements or you believe a grandfathered plan is missing, complete and fax the *Grandfathered Coverage Notice, Correction Form and Instructions* to **800-369-8010**.

 7. Provide your employees and their dependents with SBCs

Under the ACA, you're required to provide *Summaries of Benefits and Coverage (SBCs)* to participants and beneficiaries for plans that you offer. For more information about SBCs, please visit kp.org/smallbusiness-sbc/ca.

 8. If we notified you that your group is under review as an "owner-only" or husband/wife group, submit your documentation to your Kaiser Permanente recertification associate as soon as possible

We must recertify your group as a small business before we can renew your coverage. If you have questions about the recertification process, please call us toll free at **877-490-4983** or email your questions to recert@kp.org.

 9. Submit your changes by your renewal date

The effective date for your renewal is December 1, 2014. You will need to submit your renewal changes before December 15, 2014.

Have questions about your 2014 plans?

We're here to help. Give us a call at 800-790-4661, option 3.

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GREAT OAKS WATER CO.Renewal Date: **December 1, 2014**Customer ID: **671012****ERISA status**

The federal Employee Retirement Income Security Act (ERISA) sets minimum standards for employee retirement and benefit plans established by private employers and employee organizations. While ERISA doesn't require that employers or unions offer any retirement or benefit plan, it does require that those who do establish plans meet certain standards.

ERISA covers retirement as well as health and other welfare benefit plans such as those providing life insurance, disability coverage, and flexible spending accounts for health care expenses. Among other things, ERISA requires that individuals who manage retirement and benefit plans meet certain standards of conduct as fiduciaries. ERISA also imposes detailed requirements for reporting to the federal government and disclosure to participants, as well as assuring that plan funds are protected and qualified plan participants receive their benefits.

The Employee Benefits Security Administration website —www.dol.gov/ebsa/— has information that will help employers and employee benefit plan representatives understand and comply with ERISA requirements for administration of their health and welfare plans. Although paying for employee health care coverage means an employer has established a group health plan, the following types of group health plans are generally not subject to ERISA:

- Government plans
- Church plans
- Plans maintained solely for complying with applicable workers' compensation laws or unemployment compensation or disability insurance laws.
- Plans maintained outside the U.S. primarily for the benefit of nonresident aliens
- Unfunded excess benefit plans

On July 23, 2010, the Departments of Labor, Treasury, and Health and Human Services issued interim final regulations regarding claims and appeals procedures for group health plans to implement certain requirements of the federal health care reform legislation. To answer federal and state regulatory inquiries regarding members' claims and appeals related to the new requirements, we must verify your group's status under the Employee Retirement Income Security Act (ERISA) at each renewal.

Our records indicate that your group:	Is subject to ERISA
--	----------------------------

If your status has not changed from last year, then there is nothing you need to do.

If your status has changed from last year:

1. Check the box below. 2. Sign to confirm changes. 3. Fax this page to 800-369-8010.

If you are unsure of your group health plan's ERISA status, we recommend that you consult with your financial or legal adviser before responding.

ERISA Status — check the box and return this page after signing below only if your group's status has changed

Is not subject to ERISA

If you return this page without checking a box, we will assume you are not changing your ERISA status, and we will retain your group health plan's status as it is currently listed in our records.

Confirm ERISA changes by signing here

Authorized company signer	Title (please print)
RON CEOLLA	
Signature	Date
X	

Fax this page to **800-369-8010** only if you are making changes.

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Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Changes

Summary of Benefits and Coverage (SBC) documents for all of our plans are available at kp.org/smallbusiness-sbc/ca.¹

1 YOUR CURRENT PLANS

If you are happy with your current coverage and don't wish to make any changes, there's nothing you need to do. If you **don't** want to offer any of these plan(s) at your renewal, check the cancel box to the left of the plan name.

- | | | | |
|--------------------------|---------------------------|--------------------------|--------------------------|
| Cancel | Medical Plan(s) | Cancel | Medical Plan(s) |
| <input type="checkbox"/> | \$30 Copay - EOC #3 | <input type="checkbox"/> | \$50 Copay - EOC #2 |
| <input type="checkbox"/> | \$0/\$2,000 HSA - EOC #1 | <input type="checkbox"/> | \$0/\$2,700 HSA - EOC #4 |
| <input type="checkbox"/> | \$30/\$3,000 HSA - EOC #5 | | |

2 MEDICAL PLANS To add plans, please mark the box to the left of the plan name.^{2,3}

- | | | |
|-----------------|---|--|
| Bronze | <input type="checkbox"/> Bronze 5000/60 Deductible | <input type="checkbox"/> Bronze 3500/30 Deductible HSA |
| | <input type="checkbox"/> Bronze 4500/40% Deductible HSA | <input type="checkbox"/> Bronze 5000/60 PPO ^{3,4} |
| Silver | <input type="checkbox"/> Silver 1000/40 Deductible | <input type="checkbox"/> Silver 1500/45 Deductible |
| | <input type="checkbox"/> Silver 1500/20% Deductible HSA | <input type="checkbox"/> Silver 1500/45 PPO ^{3,4} |
| Gold | <input type="checkbox"/> Gold 0/30 Copay | <input type="checkbox"/> Gold 500/30 Deductible |
| | <input type="checkbox"/> Gold 2000/30 Deductible HRA | <input type="checkbox"/> Gold 0/30 PPO ^{3,4} |
| Platinum | <input type="checkbox"/> Platinum 0/20 Copay | <input type="checkbox"/> Platinum 0/20 PPO ^{3,4} |

If you selected to offer either an HSA or HRA plan above, please indicate if you would like Kaiser Permanente to administer your plan.⁴

HSA administered through Kaiser Permanente?	<input type="checkbox"/> Yes <input type="checkbox"/> No	HRA administered through Kaiser Permanente?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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If you selected yes, please contact the Customer Connection Team at 800-790-4661 option 3 for more information on your next step.

Groups selecting the Gold HRA 2000/30 Deductible HMO with HRA above must fund the HRA for each enrolled employee. The allowable funding range is \$3000 to \$7000 per employee. The allowable funding range per family is \$600 to \$1,400.

3 DENTAL PLANS⁵

- Select one:
- | | | | | |
|----------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| KPIC Dental Premier: | <input type="checkbox"/> Plan C | <input type="checkbox"/> Plan D | <input type="checkbox"/> Plan E | <input type="checkbox"/> Plan E w/Orthodontics ⁶ |
| KPIC Dental PPO: | <input type="checkbox"/> PPO D 1500 | <input type="checkbox"/> PPO E 1000 | <input type="checkbox"/> PPO E 1500 | |
| DeltaCare HMO: | <input type="checkbox"/> 10A HMO | <input type="checkbox"/> 13B HMO | | |

CONFIRM CHANGES BY SIGNING HERE	
RON CEOLLA	
Authorized Company Signer	Title (please print)
X	
Signature	Date

(continues on next page)

If you have made changes, please fax all updated pages, including the signature page, to 800-369-8010.

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GREAT OAKS WATER CO.Renewal Date: **December 1, 2014**Customer ID: **671012****2014 Renewal Changes** *(continued)***4 CHIROPRACTIC/ACUPUNCTURE PLANS** ^{5,7}

Select one: Chiropractic/Acupuncture plan for copayment, deductible HMO, deductible HMO with HRA plans
 Chiropractic/Acupuncture plan for PPO plan only

5 WAITING PERIOD

Benefits are effective (select one):

1st of month after hire date 1st of month 30 days after hire date 60 days after hire date

6 COMPANY PREMIUM CONTRIBUTION

The contribution can be a percentage or a fixed dollar amount. Minimum contribution is at least 50 percent of the employee's premium for the lowest priced Kaiser Permanente medical plan offered by the employer.

Will you be offering dependent coverage? Yes No

Company contribution for employees:

\$ _____ or _____ % of premium

Company contribution for dependents:

\$ _____ or _____ % of premium

Percentage of the premium is based on the following (check one):

- Lowest Kaiser Permanente plan offered by the employer
 All Kaiser Permanente plans offered by the employer

7 UNDERWRITING STATEMENT

The copayment HMO plans, HSA-qualified deductible HMO plans, deductible HMO plans, and the deductible HMO plans with HRA are underwritten by Kaiser Foundation Health Plan, Inc. (KFHP). Kaiser Permanente Insurance Company (KPIC), a subsidiary of KFHP, underwrites the Preferred Provider Organization (PPO) plans as well as the Premier and PPO dental plans. The chiropractic/acupuncture plan is administered by American Specialty Health Plans of California, Inc. The PPO chiropractic/acupuncture plan is administered by Private Healthcare Systems (PHCS).

8 FOOTNOTES

¹ You have access to SBC documents to help you make an informed choice about your health plan(s). These documents summarize information about your health coverage options so you can easily compare Kaiser Permanente benefits and coverage with those of other carriers. Please provide your eligible employees with SBCs for your renewal plan(s) or for any plan(s) you change to in the future.

² Groups with one to two subscribers can offer one plan. A group with three to five subscribers can offer one or two plans. A group with six or more subscribers can offer one or more plans.

³ Adding a PPO plan requires a New Group Application (NGA) be submitted with this renewal form. Please contact your Customer Connection Team at **800-790-4661, option 3**, to complete the process.

⁴ For your group to be eligible for the PPO Plan, you must have Kaiser Permanente as your sole carrier, and the plan must be offered with at least one copayment or deductible HMO plan as part of a multiple plan offering. If you include the PPO plan in your multiple plan offering, at least 70 percent of all employees enrolled in the Health Plan must be enrolled in a copayment or deductible HMO plan, and combined enrollment in KPIC medical plans must not exceed 30 percent.

⁵ Dental and chiropractic/acupuncture Plans are only available when purchased with a medical plan at group enrollment or group renewal. Out-of-state employees are not eligible for Dental or chiropractic/acupuncture plans.

⁶ 10 or more subscribers are needed to enroll the group in Dental Plan E with Ortho.

⁷ Chiropractic/acupuncture plans cannot be combined with any HSA-qualified deductible HMO plans or the PPO with HSA plan.

If you have made changes, please fax all updated pages, including the signature page, to 800-369-8010.

No changes to your current coverage? There's nothing you need to do!

Great Oaks Water Company

GOWC Response to ORA Data Request WW2-012(7)

Part 2

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GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Changes (continued)**10 RENEWAL HEALTH PLAN SELECTION FOR EACH EMPLOYEE**

Please complete the "Renewal Plan" column for each employee listed below. Indicate the new plan selection or N/C (no change) for each employee. Add new employees to the list, indicating their plan selection. **An *Employee Enrollment* form must be completed and faxed with this sheet for all new employees that you add to your group coverage at this time.** Please include all COBRA and COBRA subsidy members; they have not been printed on this page. Go to businessnet.kp.org for *Employee Enrollment* forms. This census was taken approximately 150 days prior to your group renewal date.

RENEWAL HEALTH PLAN SELECTION FOR EACH EMPLOYEE						
	Name	Age	ZIP	Tier	2013 Plan	2014 Plan
1.	[REDACTED]	27	95123	EE Only	\$30/\$3,000 HSA	
2.	[REDACTED]	42	94025	EE+S+C	\$30/\$3,000 HSA	
3.	[REDACTED]	43	95123	EE+S+C	\$30/\$3,000 HSA	
4.	[REDACTED]	41	95020	EE Only	\$0/\$2,700 HSA	
5.	[REDACTED]	44	95139	EE+S+C	\$0/\$2,700 HSA	
6.	[REDACTED]	66	95123	EE+S	\$30/\$3,000 HSA	
7.	[REDACTED]	47	95123	EE+S+C	\$30/\$3,000 HSA	
8.	[REDACTED]	51	95119	EE+S	\$30/\$3,000 HSA	
9.	[REDACTED]	57	95123	EE+S+C	\$30/\$3,000 HSA	
10.	[REDACTED]	56	95118	EE+S	\$0/\$2,700 HSA	
11.	[REDACTED]	33	95116	EE Only	\$0/\$2,700 HSA	
12.	[REDACTED]	48	95119	EE+S+C	\$30/\$3,000 HSA	
13.	[REDACTED]	53	95138	EE+C	\$30/\$3,000 HSA	
14.	[REDACTED]	40	95023	EE+C	\$30/\$3,000 HSA	
15.	[REDACTED]	34	95123	EE Only	\$30/\$3,000 HSA	
16.	[REDACTED]	47	95138	EE+S+C	\$30/\$3,000 HSA	
17.						
18.						
19.						
20.						

If you have made changes, please fax all updated pages, including the signature page, to 800-369-8010.

No changes to your current coverage? There's nothing you need to do!

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GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Bronze Tier Plans

** Also available in Covered California

Benefits/Services	** Bronze 5000/60 Deductible HMO	Bronze 3500/30 HSA-Qualified Deductible HMO	** Bronze 4500/40% HSA-Qualified Deductible HMO	Bronze 5000/60 PPO	
				Participating providers (in-network)	Non- participating providers (out-of-network)
Annual plan deductible Individual/Family	\$5,000/ \$10,000	\$3,500/ \$7,000	\$4,500/ \$9,000	\$5,000/ \$10,000	\$10,000/ \$20,000
Pharmacy annual deductible Brand-name drugs	n/a	n/a	n/a	n/a	
Annual out-of-pocket maximum Individual/Family	\$6,350/ \$12,700	\$6,350/ \$12,700	\$6,350/ \$12,700	\$6,350/ \$12,700	\$12,700/ \$25,400
Hospital care	30% (after deductible)	30% (after deductible)	40% (after deductible)	30% (after deductible)	50% (after deductible)
Primary care visits	\$60 (after deductible)	\$30 (after deductible)	40% (after deductible)	\$60 (after deductible)	50% (after deductible)
Prescriptions	up to a 30-day supply	up to a 30-day supply	up to a 100-day supply	up to a 30-day supply	
Generic drugs	\$19 (after deductible)	\$15 (after deductible)	40% (after deductible)	\$19 (after deductible)	
Brand-name drugs	\$50 (after deductible)	\$40 (after deductible)	40% (after deductible)	\$50 (after deductible)	

Benefits listed are for employer groups with at least one but no more than 50 full time employees (working at least 20 hours per week). Refer to the enclosed *Plan Highlights* brochure or online at kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all of our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	** Bronze 5000/60 Deductible	Bronze 3500/30 Deductible HSA	** Bronze 4500/40% Deductible HSA	Bronze 5000/60 PPO
Employee rate	\$5,269.37	\$5,620.16	\$5,181.26	\$8,695.58
Dependent rate	\$7,178.33	\$7,645.52	\$7,061.09	\$11,580.43
Total rate	\$12,447.70	\$13,265.68	\$12,242.35	\$20,276.01

Rate differential % for renewal options as compared with existing medical plan rate of \$10,858.

14.6%	22.2%	12.7%	86.7%
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Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Bronze Tier Plans

Name	ZIP	Rate Area*	Age	Tier	** Bronze 5000/60 Deductible	Bronze 3500/30 Deductible HSA	** Bronze 4500/40% Deductible HSA	Bronze 5000/60 PPO
1. [REDACTED]	95123	NGF 7	27	EE Only	\$207.96	\$221.80	\$204.48	\$343.17
2. [REDACTED]	94025	NGF 8	42	EE+S+C	\$921.05	\$980.08	\$906.25	\$1,463.06
>Employee			42	EE	\$262.92	\$280.43	\$258.53	\$433.88
>Spouse			37	S	\$245.66	\$262.01	\$241.55	\$405.39
>Child			13	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			9	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			5	C	\$137.49	\$145.88	\$135.39	\$207.93
3. [REDACTED]	95123	NGF 7	43	EE+S+C	\$807.17	\$859.39	\$794.08	\$1,294.10
>Employee			43	EE	\$269.27	\$287.20	\$264.77	\$444.36
>Spouse			42	S	\$262.92	\$280.43	\$258.53	\$433.88
>Child			18	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			16	C	\$137.49	\$145.88	\$135.39	\$207.93
4. [REDACTED]	95020	NGF 7	41	EE Only	\$258.36	\$275.56	\$254.04	\$426.35
5. [REDACTED]	95139	NGF 7	44	EE+S+C	\$838.73	\$893.03	\$825.11	\$1,346.16
>Employee			44	EE	\$277.21	\$295.66	\$272.58	\$457.45
>Spouse			45	S	\$286.54	\$305.61	\$281.75	\$472.85
>Child			12	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			9	C	\$137.49	\$145.88	\$135.39	\$207.93
6. [REDACTED]	95123	NGF 7	66	EE+S	\$1,190.58	\$1,269.84	\$1,170.66	\$1,964.76
>Employee			66	EE	\$595.29	\$634.92	\$585.33	\$982.38
>Spouse			65	S	\$595.29	\$634.92	\$585.33	\$982.38
7. [REDACTED]	95123	NGF 7	47	EE+S+C	\$862.34	\$918.22	\$848.32	\$1,385.12
>Employee			47	EE	\$310.15	\$330.80	\$304.96	\$511.81
>Spouse			44	S	\$277.21	\$295.66	\$272.58	\$457.45

*GF=Grandfathered, NGF=Nongrandfathered

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Bronze Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	** Bronze 5000/60 Deductible	Bronze 3500/30 Deductible HSA	** Bronze 4500/40% Deductible HSA	Bronze 5000/60 PPO
>Child			15	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			11	C	\$137.49	\$145.88	\$135.39	\$207.93
8. [REDACTED]	95119	NGF 7	51	EE+S	\$724.48	\$772.70	\$712.37	\$1,195.53
>Employee			51	EE	\$370.08	\$394.71	\$363.89	\$610.70
>Spouse			50	S	\$354.40	\$377.99	\$348.48	\$584.83
9. [REDACTED]	95123	NGF 7	57	EE+S+C	\$1,324.53	\$1,412.70	\$1,302.39	\$2,185.77
>Employee			57	EE	\$483.58	\$515.77	\$475.50	\$798.01
>Spouse			59	S	\$516.52	\$550.90	\$507.88	\$852.37
>Child			21	C	\$198.43	\$211.64	\$195.11	\$327.46
>Child			19	C	\$126.00	\$134.39	\$123.90	\$207.93
10. [REDACTED]	95118	NGF 7	56	EE+S	\$1,001.49	\$1,068.16	\$984.74	\$1,652.66
>Employee			56	EE	\$462.94	\$493.76	\$455.20	\$763.95
>Spouse			60	S	\$538.55	\$574.40	\$529.54	\$888.71
11. [REDACTED]	95116	NGF 7	33	EE Only	\$237.72	\$253.55	\$233.75	\$392.29
12. [REDACTED]	95119	NGF 7	48	EE+S+C	\$1,011.58	\$1,078.17	\$994.87	\$1,650.37
>Employee			48	EE	\$324.44	\$346.04	\$319.01	\$535.39
>Spouse			54	S	\$423.65	\$451.86	\$416.57	\$699.12
>Child			20	C	\$126.00	\$134.39	\$123.90	\$207.93
>Child			16	C	\$137.49	\$145.88	\$135.39	\$207.93
13. [REDACTED]	95138	NGF 7	53	EE+C	\$603.23	\$643.39	\$593.14	\$995.47
>Employee			53	EE	\$404.80	\$431.75	\$398.03	\$668.01
>Child			23	C	\$198.43	\$211.64	\$195.11	\$327.46
14. [REDACTED]	95023	Out of Area	40	EE+C	\$528.58	\$562.24	\$520.14	\$834.35

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Bronze Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	** Bronze 5000/60 Deductible	Bronze 3500/30 Deductible HSA	** Bronze 4500/40% Deductible HSA	Bronze 5000/60 PPO
>Employee			40	EE	\$253.60	\$270.48	\$249.36	\$418.49
>Child			11	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			6	C	\$137.49	\$145.88	\$135.39	\$207.93
15. [REDACTED]	95123	NGF 7	34	EE Only	\$240.90	\$256.93	\$236.87	\$397.53
16. [REDACTED]	95138	NGF 7	47	EE+S+C	\$1,689.00	\$1,799.92	\$1,661.14	\$2,749.32
>Employee			47	EE	\$310.15	\$330.80	\$304.96	\$511.81
>Spouse			47	S	\$310.15	\$330.80	\$304.96	\$511.81
>Child			24	C	\$198.43	\$211.64	\$195.11	\$327.46
>Child			23	C	\$198.43	\$211.64	\$195.11	\$327.46
>Child			22	C	\$198.43	\$211.64	\$195.11	\$327.46
>Child			22	C	\$198.43	\$211.64	\$195.11	\$327.46
>Child			4	C	\$137.49	\$145.88	\$135.39	\$207.93
>Child			2	C	\$137.49	\$145.88	\$135.39	\$207.93

For your group to be eligible for the PPO plan, you must have Kaiser Permanente as your sole carrier and the plan must be offered with at least one Kaiser Permanente HMO plan. At least 70 percent of all employees enrolled must be enrolled in an HMO plan, and enrollment in Kaiser Permanente Insurance Company (KPIC) PPO plans must not exceed 30 percent.

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Silver Tier Plans

**Also available in Covered California

Benefits/Services	Silver 1000/40 Deductible HMO	**Silver 1500/45 Deductible HMO	**Silver 1600/20% HSA-qualified Deductible HMO	Silver 1500/45 PPO	
				Participating providers (in-network)	Non-participating providers (out-of-network)
Annual plan deductible Individual/Family	\$1,000/ \$2,000	\$1,500/ \$3,000	\$1,500/ \$3,000	\$1,500/ \$3,000	\$3,000/ \$6,000
Pharmacy annual deductible Brand-name drugs	\$0	\$500/individual	\$0	\$500/individual	
Annual out-of-pocket maximum Individual/Family	\$6,350/ \$12,700	\$6,350/ \$12,700	\$6,350/ \$12,700	\$6,350/ \$12,700	\$12,700/ \$25,400
Hospital care	30% (after deductible)	20% (after deductible)	20% (after deductible)	20% (after deductible)	40% (after deductible)
Primary care visits	\$40	\$45	20% (after deductible)	\$45	40% (after deductible)
Prescriptions	up to a 30-day supply	up to a 30-day supply	up to a 100-day supply	up to a 30-day supply	
Generic drugs	\$25	\$19	20% (after deductible)	\$19	
Brand-name drugs	\$50	\$50 (after brand- name deductible)	20% (after deductible)	\$50 (after brand- name deductible)	

Benefits listed are for employer groups with at least one but no more than 50 full time employees (working at least 20 hours per week). Refer to the enclosed *Plan Highlights* brochure or online at kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all of our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	Silver 1000/40 Deductible	**Silver 1500/45 Deductible	**Silver 1500/20% Deductible HSA	Silver 1500/45 PPO
Employee rate	\$7,252.74	\$7,048.55	\$6,766.55	\$12,737.62
Dependent rate	\$9,819.78	\$9,547.88	\$9,172.36	\$16,963.50
Total rate	\$17,072.52	\$16,596.43	\$15,938.91	\$29,701.12

Rate differential % for renewal options as compared with existing medical plan rate of \$10,858.

57.2%	52.8%	46.8%	173.5%
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GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Silver Tier Plans

Name	ZIP	Rate Area*	Age	Tier	Silver 1000/40 Deductible	**Silver 1500/45 Deductible	**Silver 1500/20% Deductible HSA	Silver 1500/45 PPO
1. [REDACTED]	95123	NGF 7	27	EE Only	\$286.23	\$278.17	\$267.04	\$502.69
2. [REDACTED]	94025	NGF 8	42	EE+S+C	\$1,254.78	\$1,220.43	\$1,172.99	\$2,143.16
>Employee			42	EE	\$361.89	\$351.70	\$337.63	\$635.56
>Spouse			37	S	\$338.13	\$328.61	\$315.46	\$593.83
>Child			13	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			9	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			5	C	\$184.92	\$180.04	\$173.30	\$304.59
3. [REDACTED]	95123	NGF 7	43	EE+S+C	\$1,102.36	\$1,071.97	\$1,030.01	\$1,895.65
>Employee			43	EE	\$370.63	\$360.19	\$345.78	\$650.91
>Spouse			42	S	\$361.89	\$351.70	\$337.63	\$635.56
>Child			18	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			16	C	\$184.92	\$180.04	\$173.30	\$304.59
4. [REDACTED]	95020	NGF 7	41	EE Only	\$355.60	\$345.59	\$331.77	\$624.53
5. [REDACTED]	95139	NGF 7	44	EE+S+C	\$1,145.78	\$1,114.18	\$1,070.52	\$1,971.92
>Employee			44	EE	\$381.55	\$370.81	\$355.97	\$670.10
>Spouse			45	S	\$394.39	\$383.29	\$367.95	\$692.64
>Child			12	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			9	C	\$184.92	\$180.04	\$173.30	\$304.59
6. [REDACTED]	95123	NGF 7	66	EE+S	\$1,638.72	\$1,592.58	\$1,528.86	\$2,878.02
>Employee			66	EE	\$819.36	\$796.29	\$764.43	\$1,439.01
>Spouse			65	S	\$819.36	\$796.29	\$764.43	\$1,439.01
7. [REDACTED]	95123	NGF 7	47	EE+S+C	\$1,178.28	\$1,145.76	\$1,100.84	\$2,029.00
>Employee			47	EE	\$426.89	\$414.87	\$398.27	\$749.72
>Spouse			44	S	\$381.55	\$370.81	\$355.97	\$670.10
>Child			15	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			11	C	\$184.92	\$180.04	\$173.30	\$304.59

*GF=Grandfathered, NGF=Nongrandfathered

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Silver Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	Silver 1000/40 Deductible	**Silver 1500/45 Deductible	**Silver 1500/20% Deductible HSA	Silver 1500/45 PPO
8. [REDACTED]	95119	NGF 7	51	EE+S	\$997.17	\$969.09	\$930.33	\$1,751.27
>Employee			51	EE	\$509.37	\$495.03	\$475.23	\$894.58
>Spouse			50	S	\$487.80	\$474.06	\$455.10	\$856.69
9. [REDACTED]	95123	NGF 7	57	EE+S+C	\$1,823.09	\$1,771.76	\$1,700.88	\$3,201.80
>Employee			57	EE	\$665.60	\$646.86	\$620.98	\$1,168.96
>Spouse			59	S	\$710.94	\$690.92	\$663.28	\$1,248.58
>Child			21	C	\$273.12	\$265.43	\$254.81	\$479.67
>Child			19	C	\$173.43	\$168.55	\$161.81	\$304.59
10. [REDACTED]	95118	NGF 7	56	EE+S	\$1,378.44	\$1,339.65	\$1,286.04	\$2,420.89
>Employee			56	EE	\$637.19	\$619.26	\$594.48	\$1,119.07
>Spouse			60	S	\$741.25	\$720.39	\$691.56	\$1,301.82
11. [REDACTED]	95116	NGF 7	33	EE Only	\$327.20	\$317.99	\$305.27	\$574.64
12. [REDACTED]	95119	NGF 7	48	EE+S+C	\$1,388.02	\$1,349.27	\$1,295.76	\$2,417.53
>Employee			48	EE	\$446.55	\$433.98	\$416.62	\$784.26
>Spouse			54	S	\$583.12	\$566.70	\$544.03	\$1,024.09
>Child			20	C	\$173.43	\$168.55	\$161.81	\$304.59
>Child			16	C	\$184.92	\$180.04	\$173.30	\$304.59
13. [REDACTED]	95138	NGF 7	53	EE+C	\$830.29	\$806.91	\$774.63	\$1,458.20
>Employee			53	EE	\$557.17	\$541.48	\$519.82	\$978.53
>Child			23	C	\$273.12	\$265.43	\$254.81	\$479.67
14. [REDACTED]	95023	Out of Area	40	EE+C	\$718.89	\$699.30	\$672.25	\$1,222.20
>Employee			40	EE	\$349.05	\$339.22	\$325.65	\$613.02
>Child			11	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			6	C	\$184.92	\$180.04	\$173.30	\$304.59
15. [REDACTED]	95123	NGF 7	34	EE Only	\$331.57	\$322.24	\$309.34	\$582.32

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

GREAT OAKS WATER CO.Renewal Date: **December 1, 2014**Customer ID: **671012****2014 Renewal Options – Silver Tier Plans** *(continued)*

Name	ZIP	Rate Area*	Age	Tier	Silver 1000/40 Deductible	**Silver 1500/45 Deductible	**Silver 1500/20% Deductible HSA	Silver 1500/45 PPO
16. [REDACTED]	95138	NGF 7	47	EE+S+C	\$2,316.10	\$2,251.54	\$2,162.38	\$4,027.30
>Employee			47	EE	\$426.89	\$414.87	\$398.27	\$749.72
>Spouse			47	S	\$426.89	\$414.87	\$398.27	\$749.72
>Child			24	C	\$273.12	\$265.43	\$254.81	\$479.67
>Child			23	C	\$273.12	\$265.43	\$254.81	\$479.67
>Child			22	C	\$273.12	\$265.43	\$254.81	\$479.67
>Child			22	C	\$273.12	\$265.43	\$254.81	\$479.67
>Child			4	C	\$184.92	\$180.04	\$173.30	\$304.59
>Child			2	C	\$184.92	\$180.04	\$173.30	\$304.59

For your group to be eligible for the PPO plan, you must have Kaiser Permanente as your sole carrier and the plan must be offered with at least one Kaiser Permanente HMO plan. At least 70 percent of all employees enrolled must be enrolled in an HMO plan, and enrollment in Kaiser Permanente Insurance Company (KPIC) PPO plans must not exceed 30 percent.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Gold Tier Plans

**Also available in Covered California

Benefits/Services	**Gold 0/30 Copayment HMO	Gold 500/30 Deductible HMO	Gold 2000/30 Deductible HMO with HRA	Gold 0/30 PPO	
				Participating providers (in-network)	Non- participating providers (out-of-network)
Annual plan deductible Individual/Family	\$0	\$500/ \$1,000	\$2,000/ \$4,000	\$0	\$1,000/ \$2,000
Pharmacy annual deductible Brand-name drugs	\$0	\$0	\$0	\$0	\$0
Annual out-of-pocket maximum Individual/Family	\$6,350/ \$12,700	\$6,350/ \$12,700	\$6,350/ \$12,700	\$6,350/ \$12,700	\$12,700/ \$25,400
Hospital care	\$600 per day up to 5 days per admission	\$600 per day up to 5 days per admission (after deductible)	20% (after deductible)	20%	40% (after deductible)
Primary care visits	\$30	\$30	\$30	\$30	40% (after deductible)
Prescriptions	(up to a 30-day supply)	(up to a 30-day supply)	(up to a 30-day supply)	(up to a 30-day supply)	(up to a 30-day supply)
Generic drugs	\$19	\$20	\$15	\$19	\$19
Brand-name drugs	\$50	\$50	\$30	\$50	\$50

Benefits listed are for employer groups with at least one but no more than 50 full time employees (working at least 20 hours per week). Refer to the enclosed *Plan Highlights* brochure or online at kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all of our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	**Gold 0/30 Copay	Gold 500/30 Deductible	Gold 2000/30 Deductible HRA	Gold 0/30 PPO
Employee rate	\$8,421.11	\$8,253.41	\$7,727.75	\$13,646.32
Dependent rate	\$11,417.77	\$11,194.41	\$10,494.39	\$18,173.67
Total rate	\$19,838.88	\$19,447.82	\$18,222.14	\$31,819.99

Rate differential % for renewal options as compared with existing medical plan rate of \$10,858.

82.7%	79.1%	67.8%	193.1%
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GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Gold Tier Plans

Name	ZIP	Rate Area*	Age	Tier	** Gold 0/30 Copay	Gold 500/30 Deductible	Gold 2000/30 Deductible HRA	Gold 0/30 PPO
1. [REDACTED]	95123	NGF 7	27	EE Only	\$332.34	\$325.72	\$304.98	\$538.56
2. [REDACTED]	94025	NGF 8	42	EE+S+C	\$1,460.35	\$1,432.15	\$1,343.70	\$2,296.05
>Employee			42	EE	\$420.18	\$411.82	\$385.59	\$680.90
>Spouse			37	S	\$392.59	\$384.78	\$360.27	\$636.19
>Child			13	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			9	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			5	C	\$215.86	\$211.85	\$199.28	\$326.32
3. [REDACTED]	95123	NGF 7	43	EE+S+C	\$1,282.23	\$1,257.28	\$1,179.05	\$2,030.89
>Employee			43	EE	\$430.33	\$421.76	\$394.90	\$697.35
>Spouse			42	S	\$420.18	\$411.82	\$385.59	\$680.90
>Child			18	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			16	C	\$215.86	\$211.85	\$199.28	\$326.32
4. [REDACTED]	95020	NGF 7	41	EE Only	\$412.89	\$404.67	\$378.89	\$669.08
5. [REDACTED]	95139	NGF 7	44	EE+S+C	\$1,332.66	\$1,306.69	\$1,225.32	\$2,112.59
>Employee			44	EE	\$443.02	\$434.19	\$406.54	\$717.90
>Spouse			45	S	\$457.92	\$448.80	\$420.22	\$742.05
>Child			12	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			9	C	\$215.86	\$211.85	\$199.28	\$326.32
6. [REDACTED]	95123	NGF 7	66	EE+S	\$1,902.72	\$1,864.80	\$1,746.06	\$3,083.34
>Employee			66	EE	\$951.36	\$932.40	\$873.03	\$1,541.67
>Spouse			65	S	\$951.36	\$932.40	\$873.03	\$1,541.67
7. [REDACTED]	95123	NGF 7	47	EE+S+C	\$1,370.40	\$1,343.68	\$1,259.95	\$2,173.75
>Employee			47	EE	\$495.66	\$485.79	\$454.85	\$803.21
>Spouse			44	S	\$443.02	\$434.19	\$406.54	\$717.90
>Child			15	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			11	C	\$215.86	\$211.85	\$199.28	\$326.32

*GF=Grandfathered, NGF=Nongrandfathered

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Gold Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	** Gold 0/30 Copay	Gold 500/30 Deductible	Gold 2000/30 Deductible HRA	Gold 0/30 PPO
8. [REDACTED]	95119	NGF 7	51	EE+S	\$1,157.80	\$1,134.75	\$1,062.47	\$1,876.20
>Employee			51	EE	\$591.43	\$579.65	\$542.73	\$958.40
>Spouse			50	S	\$566.37	\$555.10	\$519.74	\$917.80
9. [REDACTED]	95123	NGF 7	57	EE+S+C	\$2,116.77	\$2,074.61	\$1,942.48	\$3,430.21
>Employee			57	EE	\$772.82	\$757.43	\$709.19	\$1,252.35
>Spouse			59	S	\$825.46	\$809.02	\$757.49	\$1,337.65
>Child			21	C	\$317.12	\$310.80	\$291.01	\$513.89
>Child			19	C	\$201.37	\$197.36	\$184.79	\$326.32
10. [REDACTED]	95118	NGF 7	56	EE+S	\$1,600.50	\$1,568.63	\$1,468.72	\$2,593.59
>Employee			56	EE	\$739.84	\$725.11	\$678.92	\$1,198.90
>Spouse			60	S	\$860.66	\$843.52	\$789.80	\$1,394.69
11. [REDACTED]	95116	NGF 7	33	EE Only	\$379.91	\$372.34	\$348.63	\$615.64
12. [REDACTED]	95119	NGF 7	48	EE+S+C	\$1,612.77	\$1,580.95	\$1,481.17	\$2,590.00
>Employee			48	EE	\$518.49	\$508.17	\$475.80	\$840.21
>Spouse			54	S	\$677.05	\$663.57	\$621.30	\$1,097.15
>Child			20	C	\$201.37	\$197.36	\$184.79	\$326.32
>Child			16	C	\$215.86	\$211.85	\$199.28	\$326.32
13. [REDACTED]	95138	NGF 7	53	EE+C	\$964.04	\$944.84	\$884.67	\$1,562.22
>Employee			53	EE	\$646.92	\$634.04	\$593.66	\$1,048.33
>Child			23	C	\$317.12	\$310.80	\$291.01	\$513.89
14. [REDACTED]	95023	Out of Area	40	EE+C	\$837.00	\$820.91	\$770.47	\$1,309.39
>Employee			40	EE	\$405.28	\$397.21	\$371.91	\$656.75
>Child			11	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			6	C	\$215.86	\$211.85	\$199.28	\$326.32

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Gold Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	** Gold 0/30 Copay	Gold 500/30 Deductible	Gold 2000/30 Deductible HRA	Gold 0/30 PPO
15. [REDACTED]	95123	NGF 7	34	EE Only	\$384.98	\$377.32	\$353.28	\$623.86
16. [REDACTED]	95138	NGF 7	47	EE+S+C	\$2,691.52	\$2,638.48	\$2,472.30	\$4,314.62
>Employee			47	EE	\$495.66	\$485.79	\$454.85	\$803.21
>Spouse			47	S	\$495.66	\$485.79	\$454.85	\$803.21
>Child			24	C	\$317.12	\$310.80	\$291.01	\$513.89
>Child			23	C	\$317.12	\$310.80	\$291.01	\$513.89
>Child			22	C	\$317.12	\$310.80	\$291.01	\$513.89
>Child			22	C	\$317.12	\$310.80	\$291.01	\$513.89
>Child			4	C	\$215.86	\$211.85	\$199.28	\$326.32
>Child			2	C	\$215.86	\$211.85	\$199.28	\$326.32

For your group to be eligible for the PPO plan, you must have Kaiser Permanente as your sole carrier and the plan must be offered with at least one Kaiser Permanente HMO plan. At least 70 percent of all employees enrolled must be enrolled in an HMO plan, and enrollment in Kaiser Permanente Insurance Company (KPIC) PPO plans must not exceed 30 percent.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Platinum Tier Plans

**Also available in Covered California

Benefits/Services	**Platinum 0/20 Copayment HMO	Platinum 0/20 PPO	
		Participating providers (In-network)	Non- participating providers (out-of-network)
Annual plan deductible Individual/Family	\$0	\$0	\$500/\$1,000
Pharmacy annual deductible Brand-name drugs	\$0	\$0	\$0
Annual out-of-pocket maximum Individual/Family	\$4,000/ \$8,000	\$4,000/ \$8,000	\$8,000/ \$16,000
Hospital care	\$250 per day up to 5 days per admission	10%	30% (after deductible)
Primary care visits	\$20	\$20	30% (after deductible)
Prescriptions	(up to a 30-day supply)	(up to a 30-day supply)	
Generic drugs	\$5	\$5	\$5
Brand-name drugs	\$15	\$15	\$15

Benefits listed are for employer groups with at least one but no more than 50 full time employees (working at least 20 hours per week). Refer to the enclosed *Plan Highlights* brochure or online at kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all of our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	**Platinum 0/20 Copay	Platinum 0/20 PPO
Employee rate	\$9,239.85	\$15,045.89
Dependent rate	\$12,508.17	\$20,037.60
Total rate	\$21,748.02	\$35,083.49

Rate differential % for renewal options as compared with existing medical plan rate of \$10,858.

100.3%	223.1%
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GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Platinum Tier Plans

Name	ZIP	Rate Area*	Age	Tier	**Platinum 0/20 Copay	Platinum 0/20 PPO
1. [REDACTED]	95123	NGF 7	27	EE Only	\$364.65	\$593.79
2. [REDACTED]	94025	NGF 8	42	EE+S+C	\$1,598.12	\$2,531.55
>Employee			42	EE	\$461.04	\$750.74
>Spouse			37	S	\$430.76	\$701.44
>Child			13	C	\$235.44	\$359.79
>Child			9	C	\$235.44	\$359.79
>Child			5	C	\$235.44	\$359.79
3. [REDACTED]	95123	NGF 7	43	EE+S+C	\$1,404.09	\$2,239.19
>Employee			43	EE	\$472.17	\$768.87
>Spouse			42	S	\$461.04	\$750.74
>Child			18	C	\$235.44	\$359.79
>Child			16	C	\$235.44	\$359.79
4. [REDACTED]	95020	NGF 7	41	EE Only	\$453.03	\$737.70
5. [REDACTED]	95139	NGF 7	44	EE+S+C	\$1,459.41	\$2,329.27
>Employee			44	EE	\$486.09	\$791.53
>Spouse			45	S	\$502.44	\$818.16
>Child			12	C	\$235.44	\$359.79
>Child			9	C	\$235.44	\$359.79
6. [REDACTED]	95123	NGF 7	66	EE+S	\$2,087.70	\$3,399.54
>Employee			66	EE	\$1,043.85	\$1,699.77
>Spouse			65	S	\$1,043.85	\$1,699.77
7. [REDACTED]	95123	NGF 7	47	EE+S+C	\$1,500.82	\$2,396.70
>Employee			47	EE	\$543.85	\$885.59
>Spouse			44	S	\$486.09	\$791.53
>Child			15	C	\$235.44	\$359.79
>Child			11	C	\$235.44	\$359.79
8. [REDACTED]	95119	NGF 7	51	EE+S	\$1,270.37	\$2,068.64

*GF=Grandfathered, NGF=Nongrandfathered

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Platinum Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	**Platinum 0/20 Copay	Platinum 0/20 PPO
>Employee			51	EE	\$648.93	\$1,056.70
>Spouse			50	S	\$621.44	\$1,011.94
9. [REDACTED]	95123	NGF 7	57	EE+S+C	\$2,322.58	\$3,782.01
>Employee			57	EE	\$847.96	\$1,380.79
>Spouse			59	S	\$905.72	\$1,474.84
>Child			21	C	\$347.95	\$566.59
>Child			19	C	\$220.95	\$359.79
10. [REDACTED]	95118	NGF 7	56	EE+S	\$1,756.11	\$2,859.59
>Employee			56	EE	\$811.77	\$1,321.86
>Spouse			60	S	\$944.34	\$1,537.73
11. [REDACTED]	95116	NGF 7	33	EE Only	\$416.85	\$678.78
12. [REDACTED]	95119	NGF 7	48	EE+S+C	\$1,768.17	\$2,855.64
>Employee			48	EE	\$568.90	\$926.38
>Spouse			54	S	\$742.88	\$1,209.68
>Child			20	C	\$220.95	\$359.79
>Child			16	C	\$235.44	\$359.79
13. [REDACTED]	95138	NGF 7	53	EE+C	\$1,057.77	\$1,722.44
>Employee			53	EE	\$709.82	\$1,155.85
>Child			23	C	\$347.95	\$566.59
14. [REDACTED]	95023	Out of Area	40	EE+C	\$915.56	\$1,443.69
>Employee			40	EE	\$444.68	\$724.11
>Child			11	C	\$235.44	\$359.79
>Child			6	C	\$235.44	\$359.79
15. [REDACTED]	95123	NGF 7	34	EE Only	\$422.41	\$687.84
16. [REDACTED]	95138	NGF 7	47	EE+S+C	\$2,950.38	\$4,757.12
>Employee			47	EE	\$543.85	\$885.59

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employee ZIP

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options – Platinum Tier Plans *(continued)*

Name	ZIP	Rate Area*	Age	Tier	**Platinum 0/20 Copay	Platinum 0/20 PPO
>Spouse			47	S	\$543.85	\$885.59
>Child			24	C	\$347.95	\$566.59
>Child			23	C	\$347.95	\$566.59
>Child			22	C	\$347.95	\$566.59
>Child			22	C	\$347.95	\$566.59
>Child			4	C	\$235.44	\$359.79
>Child			2	C	\$235.44	\$359.79

For your group to be eligible for the PPO plan, you must have Kaiser Permanente as your sole carrier and the plan must be offered with at least one Kaiser Permanente HMO plan. At least 70 percent of all employees enrolled must be enrolled in an HMO plan, and enrollment in Kaiser Permanente Insurance Company (KPIC) PPO plans must not exceed 30 percent.

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options — KPIC PPO and DeltaCare HMO dental plans

Benefits	PPO D 1500 PPO/ Out-of-network	PPO E 1000 PPO/ Out-of-network	PPO E 1500 PPO/ Out-of-network	DeltaCare 10A ¹	DeltaCare 13B ¹
Calendar-year deductible	\$25/\$50	\$25/\$50	\$25/\$50	n/a	n/a
Annual benefit maximum plan pays	\$1,500/ \$1,500	\$1,000/ \$1,000	\$1,500/ \$1,500	n/a	n/a
No deductible applies to these procedures.					
Exams	100%/50%	100%/50%	100%/50%	No cost	No cost
Bitewing X-rays	100%/50%	100%/50%	100%/50%	No cost	No cost
Other X-rays	80%/50%	80%/50%	80%/50%	No cost	No cost
Deductibles apply to these procedures.					
Fillings	80%/50%	80%/50%	80%/50%	No cost	No cost
Stainless steel crowns	80%/50%	80%/50%	80%/50%	\$195 ²	\$355 ²
Prostodontics	Not covered/ Not covered	50%/50%	50%/50%	\$100	\$285
Orthodontics	Not covered/ Not covered	Not covered/ Not covered	Not covered/ Not covered	\$1,700 ³	\$1,900 ³

This is an illustration only. All fee-for-service and PPO plans are underwritten by Kaiser Permanente Insurance Company (KPIC). Dental rates are based on the ZIP code of your business location.

¹ Benefits listed above are only a sample of provided services and associated costs. Costs will vary. Please see your *Evidence of Coverage (EOC)* for a comprehensive list of all services and costs. In California, DeltaCare USA is underwritten and administered by Delta Dental of California.

² Porcelain fused to high noble metal.

³ Child or adolescent to age 19.

	PPO D 1500	PPO E 1000	PPO E 1500	DeltaCare 10A	DeltaCare 13B
Employee Rate	\$604.96	\$737.76	\$813.44	\$323.84	\$237.12
Dependent Rate	\$816.32	\$995.56	\$1,097.65	\$500.81	\$366.73
Total Rate	\$1,421.28	\$1,733.32	\$1,911.09	\$824.65	\$603.85

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options — KPIC PPO and DeltaCare HMO dental plans

	Name	Age	Tier	PPO D 1500	PPO E 1000	PPO E 1500	DeltaCare 10A	DeltaCare 13B
1.	[REDACTED]	27	EE Only	\$37.81	\$46.11	\$50.84	\$20.24	\$14.82
2.	[REDACTED]	42	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40
3.	[REDACTED]	43	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40
4.	[REDACTED]	41	EE Only	\$37.81	\$46.11	\$50.84	\$20.24	\$14.82
5.	[REDACTED]	44	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40
6.	[REDACTED]	66	EE+S	\$77.51	\$94.53	\$104.22	\$38.66	\$28.31
7.	[REDACTED]	47	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40
8.	[REDACTED]	51	EE+S	\$77.51	\$94.53	\$104.22	\$38.66	\$28.31
9.	[REDACTED]	57	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40
10.	[REDACTED]	56	EE+S	\$77.51	\$94.53	\$104.22	\$38.66	\$28.31
11.	[REDACTED]	33	EE Only	\$37.81	\$46.11	\$50.84	\$20.24	\$14.82
12.	[REDACTED]	48	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40
13.	[REDACTED]	53	EE+C	\$79.40	\$96.83	\$106.77	\$53.84	\$39.42
14.	[REDACTED]	40	EE+C	\$79.40	\$96.83	\$106.77	\$53.84	\$39.42
15.	[REDACTED]	34	EE Only	\$37.81	\$46.11	\$50.84	\$20.24	\$14.82
16.	[REDACTED]	47	EE+S+C	\$125.53	\$153.09	\$168.79	\$74.29	\$54.40

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options — KPIC Fee-for-Service (Premier) dental plans^{1,2}

Benefits	Plan C	Plan D	Plan E	Plan E with Ortho
Year deductible per member	No deductible	\$25	\$25	\$25
Benefit maximum plan pays per member	\$500	\$1,000	\$1,000	\$1,000
No deductible applies to these procedures.				
Exams	100%	100%	100%	100%
Bitewing X-rays	100%	100%	100%	100%
Other X-rays	80%	80%	80%	80%
Deductibles apply to procedures under plans D, E, and E with Orthodontics				
Fillings	80%	80%	80%	80%
Stainless steel crowns	80%	80%	80%	80%
Prosthodontics	Not covered	Not covered	50%	50%
Orthodontics	Not covered	Not covered	Not covered	50% ³
This is an illustration only. All Delta Dental Premier and PPO plans are underwritten by Kaiser Permanente Insurance Company (KPIC). Dental rates are based on the ZIP code of your business location.				

¹ One plan can be selected and must cover all employees.

² Benefits payable will be based on the lesser of the usual, customary, and reasonable fees or the fees actually charged.

³ For eligible dependent children to age 19, \$1,500 lifetime maximum per insured.

	Plan C	Plan D	Plan E	Plan E with Ortho
Employee rate	\$532.80	\$828.48	\$1,076.00	\$1,098.56
Dependent rate	\$719.06	\$1,117.94	\$1,451.84	\$1,482.36
Total rate	\$1,251.86	\$1,946.42	\$2,527.84	\$2,580.92

GREAT OAKS WATER CO.

Renewal Date: December 1, 2014

Customer ID: 671012

2014 Renewal Options — KPIC Fee-for-Service (Premier) dental plans

	Name	Age	Tier	Plan C	Plan D	Plan E	Plan E with Ortho
1.	[REDACTED]	27	EE Only	\$33.30	\$51.78	\$67.25	\$68.66
2.	[REDACTED]	42	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95
3.	[REDACTED]	43	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95
4.	[REDACTED]	41	EE Only	\$33.30	\$51.78	\$67.25	\$68.66
5.	[REDACTED]	44	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95
6.	[REDACTED]	66	EE+S	\$68.27	\$106.15	\$137.86	\$140.75
7.	[REDACTED]	47	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95
8.	[REDACTED]	51	EE+S	\$68.27	\$106.15	\$137.86	\$140.75
9.	[REDACTED]	57	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95
10.	[REDACTED]	56	EE+S	\$68.27	\$106.15	\$137.86	\$140.75
11.	[REDACTED]	33	EE Only	\$33.30	\$51.78	\$67.25	\$68.66
12.	[REDACTED]	48	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95
13.	[REDACTED]	53	EE+C	\$69.93	\$108.74	\$141.22	\$144.19
14.	[REDACTED]	40	EE+C	\$69.93	\$108.74	\$141.22	\$144.19
15.	[REDACTED]	34	EE Only	\$33.30	\$51.78	\$67.25	\$68.66
16.	[REDACTED]	47	EE+S+C	\$110.57	\$171.91	\$223.26	\$227.95



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RON CEOLLA
20 GREAT OAKS BLVD STE 120
SAN JOSE CA 95119-1368

A BETTER WAY

to take care of business





Your December 1, 2015 renewal information

August 10, 2015

Monthly premium: \$14,736.76

Rate differential: 22.6%

RON CEOLLA
 GREAT OAKS WATER CO.
 20 GREAT OAKS BLVD STE 120
 SAN JOSE, CA 95119-1368

Important: Your nongrandfathered group coverage will not be available next year.

Dear Ron:

We will no longer offer your group's current nonmetal, nongrandfathered plan(s) upon your renewal. The current coverage will end on November 30, 2015. We have selected a new Affordable Care Act (ACA)-compliant plan for your group members that's similar to their current plan. **We'll automatically enroll your group members in this plan unless you choose another option.** You can review all the benefits and coverage for your ACA plan at kp.org/smallbusinessplans/ca.

- **Premium** — Your new premium starts in December. Your monthly premium will be \$14,736.76. This is an estimate based on current enrollment. This amount may change depending on the individuals who actually enroll in the plan.
- For the key differences between the new coverage and your current nonmetal plan, please refer to the Plan Comparison tab. This section will provide information on benefit and cost-sharing changes.

You can also choose any of our other small group plans available to you.

What if I want to change plans?

- You may be able to choose a new health plan — or offer your employees a choice of plans through different insurance companies — thru Covered California for Small Business. If you have fewer than 25 full-time-equivalent employees, you might qualify for a small business health care tax credit if you buy coverage through Covered California.
- You can choose to buy a new health plan outside Covered California for Small Business - directly from an insurance company or with the help of an agent or broker. But remember: If you're eligible for a small business health care tax credit, you usually can get that credit **only** if you buy a plan through Covered California.

What else should I look at before deciding?

Call or visit the plan's website to check which doctors, other health care providers, and prescription medications are covered by the plan. This is an important step when choosing a plan that meets the needs of your group members.

When do I need to make a decision?

You generally can buy coverage any time. If group members enroll by the 15th of the month, coverage can begin on the 1st of the following month.

What should I tell my employees about their coverage?

Employees with nonmetal, nongrandfathered coverage should be notified that their plan is no longer being offered. Please make them aware of the benefits and cost-shares of their new ACA compliant plan and other coverage options that may be available to them.

Questions?

- Contact your broker or call **800-790-4661, option 3**, to speak with our Customer Connection Team.
- Visit **CoveredCA.com** or call **800-300-1506 (TTY: 888-889-4500)** to learn more about Covered California.

Getting help in other languages

Spanish (español): Para obtener asistencia en español, llame al 1-800-788-0616
Chinese (中文) : 如需中文帮助, 拨打 1-800-757-7585.

Sincerely,



Joseph E. Smith
Vice President
Small Business

cc: MARK CARPENTER
MARK JAMES CARPENTER

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Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**
Customer ID: **671012**

In your renewal booklet

Inside you'll find resources and facts to help you make an informed decision about your group's 2015 health options.

- **Purchasing and plan options** – what's available through Covered California, CaliforniaChoice and directly through Kaiser Permanente as well as plan options
- **Helpful plan information** – how your rates are calculated, benefit changes, policy updates and useful tools to help you administer your health plan
- **Plan highlights** – more detailed information on plan options, including dental plans and chiropractic/acupuncture plans
- **Plan comparison guide** – compare our current nonmetal plans with the Affordable Care Act (ACA)-compliant plans
- **Delivering better value** – how Kaiser Permanente is the better way to take care of your business and your employees

Your 2015 plan checklist

This simple checklist makes it easy to complete your 2015 renewal. **If you're happy with your current coverage and don't wish to make any plan or employee changes, you can skip directly to step #4.**

1. Review your 2015 plan(s).

Your renewal packet has all the details about your group's 2015 plan(s) and costs. If you're considering changes, review the Plan Highlights section for more information about all the plans we offer so you can find just the right fit for you and your employees.

2. Make plan changes.

If you'd like to make plan changes, complete the Renewal Changes form in your booklet and fax it to **800-369-8010**. Plan changes received by the 15th of the effective month will be applied retroactively to the first of the month. Plan changes received after the 15th of the effective month will be applied to the following month. You will receive a plan change acknowledgment letter when the request is approved. And please note that if you have a grandfathered plan, you won't be able to go back to your current plan once you leave it.

To determine which purchasing plan and option is right for your business, please see the "Purchasing and Plan Options" section of your booklet.

If you choose to offer a health savings account (HSA)-qualified plan or a plan with a health reimbursement arrangement (HRA) and would like Kaiser Permanente to administer it, please call our Customer Connection Team at **800-790-4661, option 3**. For more information on the benefits of choosing Kaiser Permanente as your HSA or HRA plan administrator, see the "HSA/HRA plan administration through Kaiser Permanente" page of this booklet.

(continues on next page)

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
Customer ID: 671012

2015 plan checklist *(continued)*

3. Make employee changes.

If you'd like to add employees or their dependents, complete an Employee Enrollment form. To update member or dependent information, have your employees complete an Employee Change form. If you are terminating coverage for an employee, an Employee termination form will be required. Fax the completed forms to **858-614-3344** (Northern California accounts) or **858-614-3345** (Southern California accounts). These forms are available at kp.org/smallbusinessforms/ca.

Also, make sure any new employees who enroll in Kaiser Permanente plans sign their binding arbitration agreements as required under California law.

4. Review your ERISA status.

Please review the ERISA Status form in your booklet. If your Employee Retirement Income Security Act (ERISA) status is incorrect, provide the requested information and fax the form to **800-369-8010**.

5. If you have grandfathered plans, make sure they meet grandfathered requirements.

Review the "Understanding Your Grandfathered Health Plans" information in this booklet to make sure that your plans meet the grandfathering requirements. If your plans don't meet the requirements or you believe a grandfathered plan is missing, complete and fax the *Grandfathered Coverage Notice Form* and instructions to **800-369-8010**.

6. Submit your changes by your renewal date.

The effective date for your renewal is December 1, 2015. You will need to submit any changes before this date. All changes received after the 15th of the month will be processed as effective the 1st of the following month.

7. Provide your employees and their dependents with SBCs.

Under the Affordable Care Act (ACA), you're required to provide Summaries of Benefits and Coverage (SBCs) documents to participants and beneficiaries for plans that you offer. For more information about SBCs, please visit kp.org/smallbusiness-sbc/ca.

Important information about your waiting period
It is the employer's responsibility to ensure that the group does not apply a waiting period in excess of 90 days in accordance with the Affordable Care Act and federal regulations. The effective date of coverage for new employees and their eligible family members is always on the 1st of the month and it must not exceed the waiting period established by the group.

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Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**

Customer ID: **671012**

2015 Employer Renewal Notification – Medical Plans

The charts below show how your current plan rates compare with next year's, as well as how any rate changes will affect your employees and their dependents.

If you enrolled your employees in a Kaiser Permanente nonmetal, nongrandfathered plan, your coverage will be continued onto an ACA-compliant metal plan. Your new plan will have different benefits, out-of-pocket expenses, and premiums than your current plan, but it will include coverage for the essential health benefits as required by the ACA. You can review the "How your plans changed" section in this packet for more information.

2014 Medical Plan(s) Offered	GF Status ¹	2014 RAF		2015 Medical Plan(s) Offered	GF Status ¹	2015 RAF
\$0/\$2,000 HSA - EOC #1	NGF	1.10	→	Silver 70 HSA 1500/20% - EOC #1	NGF	n/a
\$0/\$2,700 HSA - EOC #4	NGF	1.10	→	Silver 70 HSA 1500/20% - EOC #1	NGF	n/a
\$30 Copay - EOC #3	NGF	1.10	→	Gold 80 HMO 0/30 - EOC #3	NGF	n/a
\$30/\$3,000 HSA - EOC #5	NGF	1.10	→	Bronze 60 HSA 3500/30 - EOC #5	NGF	n/a
\$50 Copay - EOC #2	NGF	1.10	→	Gold 80 HMO 0/30 - EOC #3	NGF	n/a

	2014 Rate	2015 Rate	% Change
Employee rate	\$6,015.00	\$6,583.34	9.4%
Dependent rate	\$6,009.00	\$8,153.42	35.7%
Total rate	\$12,024.00	\$14,736.76	22.6%

Renewal Rate Notification – Medical Plans

Name	ZIP	Rate Area ²	Age	Tier	2015 Plan	2014 Rate	2015 Rate	% Change
1. [REDACTED]	95123	NGF 7	28	EE Only	Bronze 60 HSA 3500/30	\$188.00	\$239.13	27.2%
2. [REDACTED]	94025	NGF 7	43	EE+S+C	Bronze 60 HSA 3500/30	\$780.00	\$1,036.71	32.9%
>Employee			43	EE			\$298.53	
>Spouse			38	S			\$274.11	

¹GF=Grandfathered, NGF=Nongrandfathered.

²Based on employer ZIP. See the "How your plan rates are calculated" page of this booklet for additional information.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**
 Customer ID: **671012**

Renewal Rate Notification – Medical Plans

(continued)

Name	ZIP	Rate Area ²	Age	Tier	2015 Plan	2014 Rate	2015 Rate	% Change
>Child			14	C			\$154.69	
>Child			10	C			\$154.69	
>Child			6	C			\$154.69	
3. [REDACTED]	95123	NGF 7	44	EE+S+C	Bronze 60 HSA 3500/30	\$780.00	\$900.25	15.4%
>Employee			44	EE			\$307.33	
>Spouse			43	S			\$298.53	
>Child			19	C			\$139.70	
>Child			17	C			\$154.69	
4. [REDACTED]	95020	NGF 7	42	EE Only	Silver 70 HSA 1500/20%	\$340.00	\$351.21	3.3%
5. [REDACTED]	95139	NGF 7	45	EE+S+C	Silver 70 HSA 1500/20%	\$882.00	\$1,146.94	30.0%
>Employee			45	EE			\$382.75	
>Spouse			46	S			\$397.59	
>Child			13	C			\$183.30	
>Child			10	C			\$183.30	
6. [REDACTED]	95123	NGF 7	67	EE+S	Bronze 60 HSA 3500/30	\$1,770.00	\$1,319.94	-25.4%
>Employee			67	EE			\$659.97	
>Spouse			66	S			\$659.97	
7. [REDACTED]	95123	NGF 7	48	EE+S+C	Bronze 60 HSA 3500/30	\$780.00	\$986.74	26.5%
>Employee			48	EE			\$359.69	
>Spouse			45	S			\$317.67	
>Child			16	C			\$154.69	
>Child			12	C			\$154.69	
8. [REDACTED]	95119	NGF 7	52	EE+S	Bronze 60 HSA 3500/30	\$835.00	\$839.72	0.6%

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP

GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

Renewal Rate Notification – Medical Plans*(continued)*

Name	ZIP	Rate Area ²	Age	Tier	2015 Plan	2014 Rate	2015 Rate	% Change
>Employee			52	EE			\$429.43	
>Spouse			51	S			\$410.29	
9. [REDACTED]	95123	NGF 7	58	EE+S+C	Bronze 60 HSA 3500/30	\$1,138.00	\$1,297.30	14.0%
>Employee			58	EE			\$560.54	
>Spouse			60	S			\$597.06	
>Child			20	C			\$139.70	
10. [REDACTED]	95118	NGF 7	57	EE+S	Silver 70 HSA 1500/20%	\$1,173.00	\$1,390.78	18.6%
>Employee			57	EE			\$645.96	
>Spouse			61	S			\$744.82	
11. [REDACTED]	95136	NGF 7	34	EE+C	Bronze 60 HSA 3500/30	\$450.00	\$421.76	-6.3%
>Employee			34	EE			\$267.07	
>Child			0	C			\$154.69	
12. [REDACTED]	95116	NGF 7	34	EE Only	Silver 70 HSA 1500/20%	\$252.00	\$321.79	27.7%
13. [REDACTED]	95119	NGF 7	49	EE+S+C	Bronze 60 HSA 3500/30	\$780.00	\$1,240.57	59.0%
>Employee			49	EE			\$375.31	
>Spouse			55	S			\$490.58	
>Child			21	C			\$219.99	
>Child			17	C			\$154.69	
14. [REDACTED]	95138	NGF 7	54	EE Only	Bronze 60 HSA 3500/30	\$402.00	\$469.68	16.8%
15. [REDACTED]	95023	NGF 7	41	EE+C	Bronze 60 HSA 3500/30	\$471.00	\$595.81	26.5%
>Employee			41	EE			\$286.43	

NGF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**
 Customer ID: **671012**

Renewal Rate Notification – Medical Plans

(continued)

Name	ZIP	Rate Area ²	Age	Tier	2015 Plan	2014 Rate	2015 Rate	% Change
>Child			12	C			\$154.69	
>Child			7	C			\$154.69	
16. [REDACTED]	95123	NGF 7	35	EE Only	Bronze 60 HSA 3500/30	\$223.00	\$268.83	20.6%
17. [REDACTED]	95138	NGF 7	48	EE+S+C	Bronze 60 HSA 3500/30	\$780.00	\$1,909.60	144.8%
>Employee			48	EE			\$359.69	
>Spouse			48	S			\$359.69	
>Child			25	C			\$220.87	
>Child			24	C			\$219.99	
>Child			23	C			\$219.99	
>Child			23	C			\$219.99	
>Child			5	C			\$154.69	
>Child			3	C			\$154.69	

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

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Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Changes

1 YOUR CURRENT PLANS

Summary of Benefits and Coverage (SBC) documents for all of our plans are available at kp.org/smallbusiness-sbc/ca.1

If you do not want to offer any of these plan(s) at your renewal, check the cancel box to the left of the plan name.

Cancel Medical Plans(s)

- Silver 70 HSA 1500/20% - EOC #1
- Bronze 60 HSA 3500/30 - EOC #5

Cancel Medical Plan(s)

- Gold 80 HMO 0/30 - EOC #3
- Gold 80 HMO 0/30 - EOC #3

2 MEDICAL PLANS

To add plans, please mark the box to the left of the plan name.^{2,3}

- | | | |
|-----------------|--|---|
| Bronze | <input type="checkbox"/> Bronze 60 HMO 5000/60 | <input type="checkbox"/> Bronze 60 HSA 3500/30 |
| | <input type="checkbox"/> Bronze 60 HSA 4500/40% ⁴ | <input type="checkbox"/> Bronze 60 PPO 5000/60 ³ |
| Silver | <input type="checkbox"/> Silver 70 HMO 1000/40 | <input type="checkbox"/> Silver 70 HMO 1500/45 |
| | <input type="checkbox"/> Silver 70 HSA 1500/20% ⁴ | <input type="checkbox"/> Silver 70 PPO 1500/45 ³ |
| Gold | <input type="checkbox"/> Gold 80 HMO 0/30 | <input type="checkbox"/> Gold 80 HMO 500/30 |
| | <input type="checkbox"/> Gold 80 HRA 2000/30 ⁴ | <input type="checkbox"/> Gold 80 PPO 0/30 ³ |
| Platinum | <input type="checkbox"/> Platinum 90 HMO 0/20 | <input type="checkbox"/> Platinum 90 PPO 0/20 ³ |

If you have selected to offer either an HSA or HRA plan above, please indicate if you would like Kaiser Permanente to administer your plan.⁴

HSA administered through Kaiser Permanente? Yes No HRA administered through Kaiser Permanente? Yes No

If you selected yes, please contact our Customer Connection Team at 800-790-4661, option 3, for more information on your next step. Groups selecting Gold 80 HRA 2000/30 above must fund the HRA for each employee. The allowable funding range is \$300 to \$700 per employee. The allowable funding range per family is \$600 to \$1,400.

3 FAMILY DENTAL PLANS⁵

- Select one: KPIC Dental Premier: Plan C Plan D Plan E Plan E w/ Orthodontics⁶
- KPIC Dental PPO: PPO D 1500 PPO E 1000 PPO E 1500
- DeltaCare HMO: 10A HMO 13B HMO

CONFIRM CHANGES BY SIGNING HERE
 Sign each page returned. Please correct or supply signer, phone and email as appropriate.

RON CEOLLA

Authorized Company Signer	Title (please print)
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Signature	Date
	rceolla@greatoakswater.com
Phone number	Email address

Please sign and fax all updated pages to 800 888 8888

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**Customer ID: **671012****2015 Renewal Changes** (continued)**4 CHIROPRACTIC/ACUPUNCTURE PLANS** ^{5,7}

- Select one: Chiropractic/Acupuncture plan for copayment, deductible HMO, deductible HMO with HRA plans
 Chiropractic/Acupuncture plan for PPO plan only

5 COMPANY PREMIUM CONTRIBUTION

The contribution can be a percentage or a fixed dollar amount. Minimum contribution is at least 50 percent of the employee's premium for the lowest priced Kaiser Permanente medical plan offered by the employer.

Will you be offering dependent coverage? Yes No

Company contribution for employees:
 \$ _____ or _____ % of premium

Company contribution for dependents:
 \$ _____ or _____ % of premium

Percentage of the premium is based on the following (check one):

- Lowest Kaiser Permanente plan offered by the employer
 All Kaiser Permanente plans offered by the employer

6 UNDERWRITING STATEMENT

The copayment plans, HSA-qualified deductible HMO plans, deductible HMO plans, and the deductible HMO plans with HRA are underwritten by Kaiser Foundation Health Plan, Inc. (KFHP). Kaiser Permanente Insurance Company (KPIC), a subsidiary of KFHP, underwrites the Preferred Provider Organization (PPO) plans as well as the Premier and PPO dental plans and the PPO chiropractic/acupuncture plan. The chiropractic/acupuncture plan is administered by American Specialty Health Plans of California, Inc.

7 FOOTNOTES

- ¹ You have access to SBC documents to help you make an informed choice about your health plan(s). These documents summarize information about your health coverage options so you can easily compare Kaiser Permanente benefits and coverage with those of other carriers. Please provide your eligible employees with SBCs for your renewal plan(s) or for any plan(s) you change to in the future.
- ² A group with one to five subscribers can offer up to three plans. A group with six or more subscribers can offer one or more plans.
- ³ For your group to be eligible for the PPO plan, you must have Kaiser Permanente as your sole carrier. Groups may only have one PPO plan. If you add a PPO plan, you must complete and submit a New Group Application with this renewal form.
- ⁴ If you are selecting a deductible HMO plan with HRA or HSA administered through Kaiser Permanente, please contact your broker or our Customer Connection Team at 800-790-4661, option 3, to set up your account.
- ⁵ Dental and chiropractic/acupuncture plans are only available when purchased with a medical plan at group enrollment or group renewal. If you choose a dental and/or chiropractic/acupuncture plan, all eligible subscribers and dependents must participate. A medical PPO plan member living outside California is not eligible for the DeltaCare HMO plan.
- ⁶ 10 or more subscribers are needed to enroll the group in Dental Plan E with Ortho.
- ⁷ A chiropractic/acupuncture plan cannot be offered with any HSA-qualified deductible HMO plan or the PPO with HSA plan.

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Sign each page returned. Please correct or supply signer, phone and email as appropriate.

RON CEOLLA

Authorized Company Signer

Title (please print)

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 rceolla@greatoakswater.com

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**
 Customer ID: **671012**

2015 Renewal Changes *(continued)*

8 RENEWAL HEALTH PLAN SELECTION FOR EACH EMPLOYEE

Please complete the "Renewal Plan" column for each employee listed below. Indicate the new plan selection or N/C (no change) for each employee. Add new employees to the list, indicating their plan selection. **An Employee Enrollment form must be completed and faxed with this sheet for all new employees that you add to your group coverage at this time. If you are terminating coverage for an employee, an Employee Termination form must be completed and faxed with this sheet.**

These forms are available at kp.org/smallbusinessforms/ca. Please include all COBRA and COBRA subsidy members; they have not been printed on this page. This census was taken approximately 150 days prior to your group renewal date.

RENEWAL HEALTH PLAN SELECTION FOR EACH EMPLOYEE						
	Name	Age	ZIP	Tier	Current Plan	Renewal Plan
1.	[REDACTED]	28	95123	EE Only	\$30/\$3,000 HSA	
2.	[REDACTED]	43	94025	EE+S+C	\$30/\$3,000 HSA	
3.	[REDACTED]	44	95123	EE+S+C	\$30/\$3,000 HSA	
4.	[REDACTED]	42	95020	EE Only	\$0/\$2,700 HSA	
5.	[REDACTED]	45	95139	EE+S+C	\$0/\$2,700 HSA	
6.	[REDACTED]	67	95123	EE+S	\$30/\$3,000 HSA	
7.	[REDACTED]	48	95123	EE+S+C	\$30/\$3,000 HSA	
8.	[REDACTED]	52	95119	EE+S	\$30/\$3,000 HSA	
9.	[REDACTED]	58	95123	EE+S+C	\$30/\$3,000 HSA	
10.	[REDACTED]	57	95118	EE+S	\$0/\$2,700 HSA	
11.	[REDACTED]	34	95136	EE+C	\$30/\$3,000 HSA	
12.	[REDACTED]	34	95116	EE Only	\$0/\$2,700 HSA	
13.	[REDACTED]	49	95119	EE+S+C	\$30/\$3,000 HSA	
14.	[REDACTED]	54	95138	EE Only	\$30/\$3,000 HSA	
15.	[REDACTED]	41	95023	EE+C	\$30/\$3,000 HSA	
16.	[REDACTED]	35	95123	EE Only	\$30/\$3,000 HSA	

CONFIRM CHANGES BY SIGNING HERE

Sign each page returned. Please correct or supply signer, phone and email as appropriate.

RON CEOLLA

Authorized Company Signer

Title (please print)

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Signature

Date
rceolla@greatoakswater.com

Phone number

Email address

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Changes (continued)

Please complete the "Renewal Plan" column for each employee listed below. Indicate the new plan selection or N/C (no change) for each employee. Add new employees to the list, indicating their plan selection. **An Employee Enrollment form must be completed and faxed with this sheet for all new employees that you add to your group coverage at this time. If you are terminating coverage for an employee, an Employee Termination form must be completed and faxed with this sheet.** These forms are available at kp.org/smallbusinessforms/ca. Please include all COBRA and COBRA subsidy members; they have not been printed on this page. This census was taken approximately 150 days prior to your group renewal date.

RENEWAL HEALTH PLAN SELECTION FOR EACH EMPLOYEE (continued)						
	Name	Age	ZIP	Tier	Current Plan	Renewal Plan
17.	██████████	48	95138	EE+S+C	\$30/\$3,000 HSA	
18.						
19.						
20.						
21.						

CONFIRM CHANGES BY SIGNING HERE

Sign each page returned. Please correct or supply signer, phone and email as appropriate.

RON CEOLLA

Authorized Company Signer

Title (please print)

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Signature

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rceolla@greatoakswater.com

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**Customer ID: **671012****ERISA status**

The federal Employee Retirement Income Security Act (ERISA) sets minimum standards for employee retirement and benefit plans established by private employers and employee organizations. While ERISA doesn't require that employers or unions offer any retirement or benefit plan, it does require that those who do establish plans meet certain standards.

ERISA covers retirement as well as health and other welfare benefit plans such as those providing life insurance, disability coverage, and flexible spending accounts for health care expenses. Among other things, ERISA requires that individuals who manage retirement and benefit plans meet certain standards of conduct as fiduciaries. ERISA also imposes detailed requirements for reporting to the federal government and disclosure to participants, as well as assuring that plan funds are protected and qualified plan participants receive their benefits.

The Employee Benefits Security Administration website — www.dol.gov/ebsa/ — has information that will help employers and employee benefit plan representatives understand and comply with ERISA requirements for administration of their health and welfare plans. Although paying for employee health care coverage means an employer has established a group health plan, the following types of group health plans are generally not subject to ERISA:

- Government plans
- Church plans
- Plans maintained solely for complying with applicable workers' compensation laws or unemployment compensation or disability insurance laws.
- Plans maintained outside the U.S. primarily for the benefit of nonresident aliens
- Unfunded excess benefit plans

On July 23, 2010, the Departments of Labor, Treasury, and Health and Human Services issued interim final regulations regarding claims and appeals procedures for group health plans to implement certain requirements of the federal health care reform legislation. To answer federal and state regulatory inquiries regarding members' claims and appeals related to the new requirements, we must verify your group's status under the Employee Retirement Income Security Act (ERISA) at each renewal.

Our records indicate that your group:

Is subject to ERISA

If your status has not changed from last year, then there is nothing you need to do.

If your status has changed from last year:

1. Check the box below. 2. Sign to confirm changes. 3. Fax this page to 800-369-8010.

If you are unsure of your group health plan's ERISA status, we recommend that you consult with your financial or legal adviser before responding.

ERISA Status — check the box and return this page after signing below only if your group's status has changed

Is not subject to ERISA

If you return this page without checking a box, we will assume you are not changing your ERISA status, and we will retain your group health plan's status as it is currently listed in our records.

CONFIRM CHANGES BY SIGNING HERE

Sign each page returned. Please correct or supply signer, phone and email as appropriate.

RON CEOLLA

Authorized Company Signer

Title (please print)

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Purchasing and Plan Options

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What's your best purchasing option?

Kaiser Permanente plans are now available through your broker, directly from us, through *CaliforniaChoice*, or through Covered California for Small Business. No matter which option you choose, our standard medical plans and rates are the same. So if you're looking for administrative simplicity or you want to offer more than one insurance plan, the choice is yours.

Unlike other carriers that are narrowing their networks, we continue to offer our full integrated network so your employees have dependable access to the care they need to stay healthy and productive.

Here's information that can help you determine the right solutions for your business.

Purchase from:		
Kaiser Permanente	CaliforniaChoice	Covered California for Small Business
Choice of Carrier: Kaiser Permanente only	Choice of Carriers: <ul style="list-style-type: none"> • Kaiser Permanente • Health Net • Sharp • Western Health Advantage • Aetna • Anthem Blue Cross • United Healthcare 	Choice of Carriers: <ul style="list-style-type: none"> • Kaiser Permanente • Health Net • Sharp • Western Health Advantage • Chinese Community Health Plan • Blue Shield of California
Key differences:		
<ul style="list-style-type: none"> • Offer plans from all tiers (if underwriting requirements are met) • Broader selection of Kaiser Permanente plans to choose from (HMO, PPO, HSA, and HRA) • Includes child dental coverage • Optional chiropractic and acupuncture plan • Choice of optional family dental plans • Full integrated network with all plans • Participation requirements 	<ul style="list-style-type: none"> • Offer plans from neighboring tiers* • Fewer Kaiser Permanente plans to choose from-- HMO, PPO, and HSA (no HRA) • Includes child dental coverage • Optional benefits and value-added services available, such as vision and chiropractic • Payroll services • One contract for statewide coverage • Narrow networks with some non-Kaiser Permanente plans • No participation requirements or loads 	<ul style="list-style-type: none"> • Offer plans from neighboring tiers* • Fewer Kaiser Permanente plans to choose from-- HMO, PPO, and HSA (no HRA) • Child dental coverage optional • Tax subsidy available • One contract for statewide coverage • Narrow networks with some non-Kaiser Permanente plans • No participation requirements or loads

*You can give employees the option to select a plan from a single metal level, or you can offer them a choice of plans in two neighboring metal levels (for example, bronze and silver or silver and gold).

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Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

Explore your 2015 plan options

If you have a grandfathered plan, you can continue offering this plan to your employees in 2015. You also have the option of moving to one of our ACA-compliant metal plans.

If your plan was renewed into an ACA-compliant metal plan, you can choose to move to another metal plan. Our ACA-compliant metal plans cover 10 categories of essential health benefits, such as prescription drugs, pediatric services and mental health. And they fit into four main categories of coverage — Bronze, Silver, Gold and Platinum. Each category has a different actuarial value - the percent that the health plan will pay for covered essential health benefits. These four categories offer different levels of copayments, coinsurance and deductibles for essential health benefits. In the following pages, you will find information on key benefits and rates for your renewal options.

You can purchase ACA-compliant metal plans from Kaiser Permanente, California *Choice*, or Covered California. Regardless of which option you choose, the standard metal medical plans and rates are the same. However, plan names are different in California *Choice* and Covered California. The grid below shows you which plans match up with each other.

Be aware that if you have a grandfathered plan and move to one of our metal plans, you won't be able to go back to your grandfathered coverage. Also, all deductible and out-of-pocket maximum accumulations will reset to \$0 when moving Kaiser Permanente coverage to or from Covered California or a private exchange.

Covered California for Small Business 2015 Kaiser Permanente Plans	Kaiser Permanente 2015 plans	CaliforniaChoice 2015 Kaiser Permanente plans
Bronze 60 HMO w/o Child Dental	Bronze 60 HMO 5000/60 w/ Child Dental	Bronze HMO B
Not available	Bronze 60 HSA 3500/30 w/ Child Dental	Bronze HMO A
Bronze 60 HSA HMO w/o Child Dental	Bronze 60 HSA 4500/40% w/ Child Dental	Bronze HMO C
Silver 70 HMO w/o Child Dental	Silver 70 HMO 1000/40 w/ Child Dental	Silver HMO B
Silver 70 HMO w/o Child Dental	Silver 70 HMO 1500/45 w/ Child Dental	Silver HMO C
Silver 70 HSA HMO w/o Child Dental	Silver 70 HSA 1500/20% w/ Child Dental	Silver HMO A
Gold 80 HMO w/o Child Dental	Gold 80 HMO 0/30 w/ Child Dental	Gold HMO B
Gold 80 HMO w/o Child Dental	Gold 80 HMO 500/30 w/ Child Dental	Gold HMO A
Not available	Gold 80 HRA 2000/30 w/ Child Dental	Not available
Platinum 90 HMO w/o Child Dental	Platinum 90 0/20 w/ Child Dental	Platinum HMO A

GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
Customer ID: 671012

For additional Kaiser Permanente plans not available through Covered California or California *Choice*, see the Plan Highlights section of this booklet.

To switch to an ACA-compliant plan through the Covered California, California *Choice*, or Kaiser Permanente directly:

- **Covered California for Small Business** – Visit coveredca.com/small-business or call 877-453-9198.
- **California *Choice*** – Visit californiachoice.com or call 800-542-4218.
- **Direct from Kaiser Permanente** – Complete the 2015 Renewal Changes form in your booklet and fax it to 800-369-8010.

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2015 Renewal Options – Bronze Tier Plans

*Also available in Covered California (without child dental)

†Also available in CaliforniaChoice

Benefits/Services	Bronze ⁶⁰ HMO 5000/60*† w/ Child Dental	Bronze ⁶⁰ HSA 3500/30† w/ Child Dental	Bronze ⁶⁰ HSA 4500/40*† w/ Child Dental	Bronze ⁶⁰ PPO 5000/60 w/ Child Dental	
				Participating providers (in-network)	Non-participating providers (out-of-network)
Plan deductible Individual/Family	\$5,000/\$10,000 (embedded)	\$3,500/\$7,000 (embedded)	\$4,500/\$9,000 (aggregate)	\$5,000/\$10,000 (embedded)	\$10,000/\$20,000 (embedded)
Out-of-pocket maximum Individual/Family	\$6,250/\$12,500 (embedded)	\$6,250/\$12,500 (embedded)	\$6,250/\$12,500 (aggregate)	\$6,250/\$12,500 (embedded)	\$12,500/\$25,000 (embedded)
Hospital care	30% (after deductible)	30% (after deductible)	40% (after deductible)	30% (after deductible)	50% (after deductible)
Primary care visits	\$60 (after deductible)	\$30 (after deductible)	40% (after deductible)	\$60 (after deductible)	50% (after deductible)
Prescription copayment					
Generic drugs <i>Up to a 30-day supply unless otherwise noted</i>	\$15 (after plan deductible)	\$15 (after plan deductible)	40% (after plan deductible) <i>Up to a 100-day supply</i>	\$15 (after plan deductible)	
Brand-name drugs <i>Up to a 30-day supply unless otherwise noted</i>	\$50 (after plan deductible)	\$40 (after plan deductible)	40% (after plan deductible) <i>Up to a 100-day supply</i>	\$50 (after plan deductible)	
Specialty drugs <i>Up to a 100-day supply unless otherwise noted</i>	30% (after plan deductible)	30% (after plan deductible)	40% (after plan deductible)	30% (after plan deductible) <i>Up to a 30-day supply</i>	

For employer groups with at least one but no more than 50 full-time employees (working at least 20 hours per week). Refer to the "Plan Highlights" section of this booklet or kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	Bronze ⁶⁰ HMO 5000/60 w/ Child Dental	Bronze ⁶⁰ HSA 3500/30 w/ Child Dental	Bronze ⁶⁰ HSA 4500/40% w/ Child Dental	Bronze ⁶⁰ PPO 5000/60 w/ Child Dental
Employee rate	\$5,934.78	\$6,293.98	\$5,840.11	\$9,608.54
Dependent rate	\$7,462.87	\$7,901.96	\$7,347.18	\$11,742.83
Total rate	\$13,397.65	\$14,195.94	\$13,187.29	\$21,351.37

Rate differential % for renewal options as compared with existing medical plan rate of \$12,024.

11.4%	18.1%	9.7%	77.6%
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See next page for a list of your employees and their estimated rates if you select any of these plans.

GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options – Bronze Tier Plans

Name	ZIP	Rate Area*	Age	Tier	Bronze ⁶⁰ HMO 5000/60 w/ Child Dental	Bronze ⁶⁰ HSA 3500/30 w/ Child Dental	Bronze ⁶⁰ HSA 4500/40% w/ Child Dental	Bronze ⁶⁰ PPO 5000/60 w/ Child Dental
1. [REDACTED]	95123	NGF 7	28	EE Only	\$225.48	\$239.13	\$221.89	\$365.06
2. [REDACTED]	94025	NGF 7	43	EE+S+C	\$980.09	\$1,036.71	\$965.17	\$1,513.98
>Employee			43	EE	\$281.49	\$298.53	\$277.00	\$455.74
>Spouse			38	S	\$258.47	\$274.11	\$254.34	\$418.46
>Child			14	C	\$146.71	\$154.69	\$144.61	\$213.26
>Child			10	C	\$146.71	\$154.69	\$144.61	\$213.26
>Child			6	C	\$146.71	\$154.69	\$144.61	\$213.26
3. [REDACTED]	95123	NGF 7	44	EE+S+C	\$849.71	\$900.25	\$836.40	\$1,351.44
>Employee			44	EE	\$289.79	\$307.33	\$285.17	\$469.18
>Spouse			43	S	\$281.49	\$298.53	\$277.00	\$455.74
>Child			19	C	\$131.72	\$139.70	\$129.62	\$213.26
>Child			17	C	\$146.71	\$154.69	\$144.61	\$213.26
4. [REDACTED]	95020	NGF 7	42	EE Only	\$274.85	\$291.49	\$270.47	\$444.99
5. [REDACTED]	95139	NGF 7	45	EE+S+C	\$904.11	\$957.04	\$890.17	\$1,415.25
>Employee			45	EE	\$299.54	\$317.67	\$294.76	\$484.96
>Spouse			46	S	\$311.15	\$329.99	\$306.19	\$503.77
>Child			13	C	\$146.71	\$154.69	\$144.61	\$213.26
>Child			10	C	\$146.71	\$154.69	\$144.61	\$213.26
6. [REDACTED]	95123	NGF 7	67	EE+S	\$1,244.64	\$1,319.94	\$1,224.78	\$2,015.10
>Employee			67	EE	\$622.32	\$659.97	\$612.39	\$1,007.55
>Spouse			66	S	\$622.32	\$659.97	\$612.39	\$1,007.55
7. [REDACTED]	95123	NGF 7	48	EE+S+C	\$932.12	\$986.74	\$917.73	\$1,460.59
>Employee			48	EE	\$339.16	\$359.69	\$333.75	\$549.11
>Spouse			45	S	\$299.54	\$317.67	\$294.76	\$484.96

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
Customer ID: 671012

2015 Renewal Options – Bronze Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	Bronze ⁶⁰ HMO 5000/60 w/ Child Dental	Bronze ⁶⁰ HSA 3500/30 w/ Child Dental	Bronze ⁶⁰ HSA 4500/40% w/ Child Dental	Bronze ⁶⁰ PPO 5000/60 w/ Child Dental
>Child			16	C	\$146.71	\$154.69	\$144.61	\$213.26
>Child			12	C	\$146.71	\$154.69	\$144.61	\$213.26
8. [REDACTED]	95119	NGF 7	52	EE+S	\$791.79	\$839.72	\$779.16	\$1,281.92
>Employee			52	EE	\$404.92	\$429.43	\$398.46	\$655.57
>Spouse			51	S	\$386.87	\$410.29	\$380.70	\$626.35
9. [REDACTED]	95123	NGF 7	58	EE+S+C	\$1,223.25	\$1,297.30	\$1,203.74	\$1,980.47
>Employee			58	EE	\$528.55	\$560.54	\$520.12	\$855.73
>Spouse			60	S	\$562.98	\$597.06	\$554.00	\$911.48
>Child			20	C	\$131.72	\$139.70	\$129.62	\$213.26
10. [REDACTED]	95118	NGF 7	57	EE+S	\$1,088.42	\$1,154.30	\$1,071.06	\$1,762.18
>Employee			57	EE	\$505.52	\$536.12	\$497.46	\$818.45
>Spouse			61	S	\$582.90	\$618.18	\$573.60	\$943.73
11. [REDACTED]	95136	NGF 7	34	EE+C	\$398.54	\$421.76	\$392.42	\$620.98
>Employee			34	EE	\$251.83	\$267.07	\$247.81	\$407.72
>Child			0	C	\$146.71	\$154.69	\$144.61	\$213.26
12. [REDACTED]	95116	NGF 7	34	EE Only	\$251.83	\$267.07	\$247.81	\$407.72
13. [REDACTED]	95119	NGF 7	49	EE+S+C	\$1,170.62	\$1,240.57	\$1,152.19	\$1,870.99
>Employee			49	EE	\$353.89	\$375.31	\$348.24	\$572.95
>Spouse			55	S	\$462.58	\$490.58	\$455.21	\$748.93
>Child			21	C	\$207.44	\$219.99	\$204.13	\$335.85
>Child			17	C	\$146.71	\$154.69	\$144.61	\$213.26
14. [REDACTED]	95138	NGF 7	54	EE Only	\$442.88	\$469.68	\$435.81	\$717.03
15. [REDACTED]	95023	NGF 7	41	EE+C	\$563.50	\$595.81	\$555.00	\$863.79

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2011

Customer ID: 671012

2015 Renewal Options - Bronze Tier Plans (continued)

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Name	ZIP	Rate Area*	Age	Tier	Bronze ⁶⁰ HMO 5000/60 w/ Child Dental	Bronze ⁶⁰ HSA 3500/30 w/ Child Dental	Bronze ⁶⁰ HSA 4500/40% w/ Child Dental	Bronze ⁶⁰ PPO 5000/60 w/ Child Dental
>Employee			41	EE	\$270.08	\$286.43	\$265.78	\$437.27
>Child			12	C	\$146.71	\$154.69	\$144.61	\$213.26
>Child			7	C	\$146.71	\$154.69	\$144.61	\$213.26
16. [REDACTED]	95123	NGF 7	35	EE Only	\$253.49	\$268.83	\$249.44	\$410.40
17. [REDACTED]	95138	NGF 7	48	EE+S+C	\$1,802.33	\$1,909.60	\$1,774.05	\$2,869.48
>Employee			48	EE	\$339.16	\$359.69	\$333.75	\$549.11
>Spouse			48	S	\$339.16	\$359.69	\$333.75	\$549.11
>Child			25	C	\$208.27	\$220.87	\$204.94	\$337.19
>Child			24	C	\$207.44	\$219.99	\$204.13	\$335.85
>Child			23	C	\$207.44	\$219.99	\$204.13	\$335.85
>Child			23	C	\$207.44	\$219.99	\$204.13	\$335.85
>Child			5	C	\$146.71	\$154.69	\$144.61	\$213.26
>Child			3	C	\$146.71	\$154.69	\$144.61	\$213.26

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*GF=Grandfathered. NGF=Nongrandfathered. Rate area is based on employer ZIP.

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Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

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Customer ID: 671012

2015 Renewal Options – Silver Tier Plans

*Also available in Covered California (without child dental)

†Also available in California Choice

Benefits/Services	Silver ⁷⁰ HMO 1000/40*† w/ Child Dental	Silver ⁷⁰ HMO 1500/45*† w/ Child Dental	Silver ⁷⁰ HSA 1500/20% *† w/ Child Dental	Silver ⁷⁰ PPO 1500/45 w/ Child Dental	
				Participating providers (in-network)	Non-participating providers (out-of-network)
Plan deductible Individual/Family	\$1,000/\$2,000 (embedded)	\$1,500/\$3,000 (embedded)	\$1,500/\$3,000 (aggregate)	\$1,500/\$3,000 (embedded)	\$3,000/\$6,000 (embedded)
Out-of-pocket maximum Individual/Family	\$6,250/\$12,500 (embedded)	\$6,250/\$12,500 (embedded)	\$6,250/\$12,500 (aggregate)	\$6,250/\$12,500 (embedded)	\$12,500/\$25,000 (embedded)
Hospital care	30% (after deductible)	20% (after deductible)	20% (after deductible)	20% (after deductible)	40% (after deductible)
Primary care visits	\$40	\$45	20% (after deductible)	\$45	40% (after deductible)
Prescription copayment					
Generic drugs <i>Up to a 30-day supply unless otherwise noted</i>	\$25	\$15	20% (after plan deductible) <i>Up to a 100-day supply</i>	\$15	
Brand-name drugs <i>Up to a 30-day supply unless otherwise noted</i>	\$50	\$50 (after \$500 brand deductible)	20% (after plan deductible) <i>Up to a 100-day supply</i>	\$50 (after \$500 brand deductible)	
Specialty drugs <i>Up to a 100-day supply unless otherwise noted</i>	20%	20% (after \$500 brand deductible)	20% (after plan deductible)	20% (after \$500 brand deductible) <i>Up to a 30-day supply</i>	

For employer groups with at least one but no more than 50 full-time employees (working at least 20 hours per week). Refer to the "Plan Highlights" section of this booklet or kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	Silver ⁷⁰ HMO 1000/40 w/ Child Dental	Silver ⁷⁰ HMO 1500/45 w/ Child Dental	Silver ⁷⁰ HSA 1500/20% w/ Child Dental	Silver ⁷⁰ PPO 1500/45 w/ Child Dental
Employee rate	\$8,074.33	\$7,894.85	\$7,583.45	\$13,994.89
Dependent rate	\$10,077.70	\$9,858.42	\$9,477.67	\$17,103.54
Total rate	\$18,152.03	\$17,753.27	\$17,061.12	\$31,098.43

Rate differential % for
renewal options as compared
with existing medical plan
rate of \$12,024.

51.0%	47.6%	41.9%	158.6%
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See next page for a list of your employees and their estimated rates if you select any of these plans.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options – Silver Tier Plans

20

Name	ZIP	Rate Area*	Age	Tier	Silver ⁷⁰ HMO 1000/50 w/ Child Dental	Silver ⁷⁰ HMO 1500/45 w/ Child Dental	Silver ⁷⁰ HSA 1500/20% w/ Child Dental	Silver ⁷⁰ PPO 2000/45 w/ Child Dental
1. [REDACTED]	95123	NGF 7	28	EE Only	\$306.77	\$299.95	\$288.12	\$531.72
2. [REDACTED]	94025	NGF 7	43	EE+S+C	\$1,317.22	\$1,288.95	\$1,239.86	\$2,205.14
>Employee			43	EE	\$382.97	\$374.46	\$359.69	\$663.79
>Spouse			38	S	\$351.65	\$343.83	\$330.27	\$609.49
>Child			14	C	\$194.20	\$190.22	\$183.30	\$310.62
>Child			10	C	\$194.20	\$190.22	\$183.30	\$310.62
>Child			6	C	\$194.20	\$190.22	\$183.30	\$310.62
3. [REDACTED]	95123	NGF 7	44	EE+S+C	\$1,150.64	\$1,125.41	\$1,081.59	\$1,968.39
>Employee			44	EE	\$394.26	\$385.50	\$370.29	\$683.36
>Spouse			43	S	\$382.97	\$374.46	\$359.69	\$663.79
>Child			19	C	\$179.21	\$175.23	\$168.31	\$310.62
>Child			17	C	\$194.20	\$190.22	\$183.30	\$310.62
4. [REDACTED]	95020	NGF 7	42	EE Only	\$373.94	\$365.63	\$351.21	\$648.14
5. [REDACTED]	95139	NGF 7	45	EE+S+C	\$1,219.26	\$1,192.83	\$1,146.94	\$2,061.33
>Employee			45	EE	\$407.53	\$398.47	\$382.75	\$706.35
>Spouse			46	S	\$423.33	\$413.92	\$397.59	\$733.74
>Child			13	C	\$194.20	\$190.22	\$183.30	\$310.62
>Child			10	C	\$194.20	\$190.22	\$183.30	\$310.62
6. [REDACTED]	95123	NGF 7	67	EE+S	\$1,693.32	\$1,655.70	\$1,590.36	\$2,934.96
>Employee			67	EE	\$846.66	\$827.85	\$795.18	\$1,467.48
>Spouse			66	S	\$846.66	\$827.85	\$795.18	\$1,467.48

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
Customer ID: 671012

2015 Renewal Options - Silver Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	Silver ⁷⁰ HMO 1000/50 w/ Child Dental	Silver ⁷⁰ HMO 1500/45 w/ Child Dental	Silver ⁷⁰ HSA 1500/20% w/ Child Dental	Silver ⁷⁰ PPO 2000/45 w/ Child Dental
7. [REDACTED]	95123	NGF 7	48	EE+S+C	\$1,257.36	\$1,230.08	\$1,182.73	\$2,127.37
>Employee			48	EE	\$461.43	\$451.17	\$433.38	\$799.78
>Spouse			45	S	\$407.53	\$398.47	\$382.75	\$706.35
>Child			16	C	\$194.20	\$190.22	\$183.30	\$310.62
>Child			12	C	\$194.20	\$190.22	\$183.30	\$310.62
8. [REDACTED]	95119	NGF 7	52	EE+S	\$1,077.24	\$1,053.29	\$1,011.74	\$1,867.12
>Employee			52	EE	\$550.90	\$538.65	\$517.40	\$954.84
>Spouse			51	S	\$526.34	\$514.64	\$494.34	\$912.28
9. [REDACTED]	95123	NGF 7	58	EE+S+C	\$1,664.26	\$1,627.26	\$1,563.07	\$2,884.58
>Employee			58	EE	\$719.10	\$703.11	\$675.38	\$1,246.38
>Spouse			60	S	\$765.95	\$748.92	\$719.38	\$1,327.58
>Child			20	C	\$179.21	\$175.23	\$168.31	\$310.62
10. [REDACTED]	95118	NGF 7	57	EE+S	\$1,480.81	\$1,447.89	\$1,390.78	\$2,566.62
>Employee			57	EE	\$687.77	\$672.48	\$645.96	\$1,192.08
>Spouse			61	S	\$793.04	\$775.41	\$744.82	\$1,374.54
11. [REDACTED]	95136	NGF 7	34	EE+C	\$536.82	\$525.22	\$505.09	\$904.46
>Employee			34	EE	\$342.62	\$335.00	\$321.79	\$593.84
>Child			0	C	\$194.20	\$190.22	\$183.30	\$310.62
12. [REDACTED]	95116	NGF 7	34	EE Only	\$342.62	\$335.00	\$321.79	\$593.84
13. [REDACTED]	95119	NGF 7	49	EE+S+C	\$1,587.24	\$1,552.30	\$1,491.65	\$2,725.12
>Employee			49	EE	\$481.47	\$470.77	\$452.20	\$834.51
>Spouse			55	S	\$629.35	\$615.36	\$591.09	\$1,090.83
>Child			21	C	\$282.22	\$275.95	\$265.06	\$489.16

30 NGF=Grandfathered-NGF=Nongrandfathered. Rate area is based on post-1996 birth date.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
 Customer ID: 671012

2015 Renewal Options – Silver Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	Silver70 HMO 1000/50 w/ Child Dental	Silver70 HMO 1500/45 w/ Child Dental	Silver70 HSA 1500/20% w/ Child Dental	Silver70 PPO 2000/45 w/ Child Dental
>Child			17	C	\$194.20	\$190.22	\$183.30	\$310.62
14. [REDACTED]	95138	NGF 7	54	EE Only	\$602.54	\$589.15	\$565.91	\$1,044.36
15. [REDACTED]	95023	NGF 7	41	EE+C	\$755.85	\$739.72	\$711.71	\$1,258.13
>Employee			41	EE	\$367.45	\$359.28	\$345.11	\$636.89
>Child			12	C	\$194.20	\$190.22	\$183.30	\$310.62
>Child			7	C	\$194.20	\$190.22	\$183.30	\$310.62
16. [REDACTED]	95123	NGF 7	35	EE Only	\$344.87	\$337.21	\$323.91	\$597.75
17. [REDACTED]	95138	NGF 7	48	EE+S+C	\$2,441.27	\$2,387.68	\$2,294.66	\$4,179.40
>Employee			48	EE	\$461.43	\$451.17	\$433.38	\$799.78
>Spouse			48	S	\$461.43	\$451.17	\$433.38	\$799.78
>Child			25	C	\$283.35	\$277.05	\$266.12	\$491.12
>Child			24	C	\$282.22	\$275.95	\$265.06	\$489.16
>Child			23	C	\$282.22	\$275.95	\$265.06	\$489.16
>Child			23	C	\$282.22	\$275.95	\$265.06	\$489.16
>Child			5	C	\$194.20	\$190.22	\$183.30	\$310.62
>Child			3	C	\$194.20	\$190.22	\$183.30	\$310.62

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*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
 Customer ID: 671012

2015 Renewal Options - Gold Tier Plans

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Name	ZIP	Rate Area*	Age	Tier	Gold ⁸⁰ HMO 0/30 w/ Child Dental	Gold ⁸⁰ HMO 500/30 w/ Child Dental	Gold ⁸⁰ HRA 2000/30 w/ Child Dental	Gold ⁸⁰ PPO 0/30 w/ Child Dental
1. [REDACTED]	95123	NGF 7	28	EE Only	\$357.66	\$350.25	\$331.01	\$571.41
2. [REDACTED]	94025	NGF 7	43	EE+S+C	\$1,528.26	\$1,497.53	\$1,417.74	\$2,369.78
>Employee			43	EE	\$446.50	\$437.25	\$413.23	\$713.35
>Spouse			38	S	\$409.97	\$401.48	\$379.43	\$655.00
>Child			14	C	\$223.93	\$219.60	\$208.36	\$333.81
>Child			10	C	\$223.93	\$219.60	\$208.36	\$333.81
>Child			6	C	\$223.93	\$219.60	\$208.36	\$333.81
3. [REDACTED]	95123	NGF 7	44	EE+S+C	\$1,339.03	\$1,311.60	\$1,240.37	\$2,115.34
>Employee			44	EE	\$459.66	\$450.14	\$425.41	\$734.37
>Spouse			43	S	\$446.50	\$437.25	\$413.23	\$713.35
>Child			19	C	\$208.94	\$204.61	\$193.37	\$333.81
>Child			17	C	\$223.93	\$219.60	\$208.36	\$333.81
4. [REDACTED]	95020	NGF 7	42	EE Only	\$435.97	\$426.94	\$403.48	\$696.52
5. [REDACTED]	95139	NGF 7	45	EE+S+C	\$1,416.53	\$1,387.81	\$1,313.22	\$2,215.22
>Employee			45	EE	\$475.12	\$465.28	\$439.72	\$759.08
>Spouse			46	S	\$493.55	\$483.33	\$456.78	\$788.52
>Child			13	C	\$223.93	\$219.60	\$208.36	\$333.81
>Child			10	C	\$223.93	\$219.60	\$208.36	\$333.81
6. [REDACTED]	95123	NGF 7	67	EE+S	\$1,974.18	\$1,933.32	\$1,827.12	\$3,154.08
>Employee			67	EE	\$987.09	\$966.66	\$913.56	\$1,577.04
>Spouse			66	S	\$987.09	\$966.66	\$913.56	\$1,577.04
7. [REDACTED]	95123	NGF 7	48	EE+S+C	\$1,460.95	\$1,431.31	\$1,354.32	\$2,286.18
>Employee			48	EE	\$537.97	\$526.83	\$497.88	\$859.48
>Spouse			45	S	\$475.12	\$465.28	\$439.72	\$759.08

*GF=Grandfathered, NGF=Nongrandfathered. Rate area is based on employer ZIP.

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options – Gold Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	Gold ⁸⁰ HMO 0/30 w/ Child Dental	Gold ⁸⁰ HMO 500/30 w/ Child Dental	Gold ⁸⁰ HRA 2000/30 w/ Child Dental	Gold ⁸⁰ PPO 0/30 w/ Child Dental
>Child			16	C	\$223.93	\$219.60	\$208.36	\$333.81
>Child			12	C	\$223.93	\$219.60	\$208.36	\$333.81
8. [REDACTED]	95119	NGF 7	52	EE+S	\$1,255.92	\$1,229.91	\$1,162.34	\$2,006.51
>Employee			52	EE	\$642.27	\$628.97	\$594.42	\$1,026.12
>Spouse			51	S	\$613.65	\$600.94	\$567.92	\$980.39
9. [REDACTED]	95123	NGF 7	58	EE+S+C	\$1,940.31	\$1,900.12	\$1,795.74	\$3,099.93
>Employee			58	EE	\$838.38	\$821.01	\$775.91	\$1,339.43
>Spouse			60	S	\$892.99	\$874.50	\$826.46	\$1,426.69
>Child			20	C	\$208.94	\$204.61	\$193.37	\$333.81
10. [REDACTED]	95118	NGF 7	57	EE+S	\$1,726.43	\$1,690.68	\$1,597.80	\$2,758.24
>Employee			57	EE	\$801.85	\$785.25	\$742.11	\$1,281.08
>Spouse			61	S	\$924.58	\$905.43	\$855.69	\$1,477.16
11. [REDACTED]	95136	NGF 7	34	EE+C	\$623.38	\$610.77	\$578.04	\$971.98
>Employee			34	EE	\$399.45	\$391.17	\$369.68	\$638.17
>Child			0	C	\$223.93	\$219.60	\$208.36	\$333.81
12. [REDACTED]	95116	NGF 7	34	EE Only	\$399.45	\$391.17	\$369.68	\$638.17
13. [REDACTED]	95119	NGF 7	49	EE+S+C	\$1,848.03	\$1,810.07	\$1,711.46	\$2,928.56
>Employee			49	EE	\$561.33	\$549.70	\$519.51	\$896.81
>Spouse			55	S	\$733.74	\$718.55	\$679.07	\$1,172.26
>Child			21	C	\$329.03	\$322.22	\$304.52	\$525.68
>Child			17	C	\$223.93	\$219.60	\$208.36	\$333.81
14. [REDACTED]	95138	NGF 7	54	EE Only	\$702.48	\$687.94	\$650.14	\$1,122.32
15. [REDACTED]	96023	NGF 7	41	EE+C	\$876.26	\$858.73	\$813.20	\$1,352.05

GREAT OAKS WATER CO

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

20

2015 Renewal Options - Gold Tier Plans (continued)

Name	ZIP	Rate Area*	Age	Tier	Gold ⁸⁰ HMO 0/30 w/ Child Dental	Gold ⁸⁰ HMO 500/30 w/ Child Dental	Gold ⁸⁰ HRA 2000/30 w/ Child Dental	Gold ⁸⁰ PPO 0/30 w/ Child Dental
>Employee			41	EE	\$428.40	\$419.53	\$396.48	\$684.43
>Child			12	C	\$223.93	\$219.60	\$208.36	\$333.81
>Child			7	C	\$223.93	\$219.60	\$208.36	\$333.81
16. [REDACTED]	95123	NGF 7	35	EE Only	\$402.08	\$393.75	\$372.12	\$642.38
17. [REDACTED]	95138	NGF 7	48	EE+S+C	\$2,841.24	\$2,783.03	\$2,631.77	\$4,491.40
>Employee			48	EE	\$537.97	\$526.83	\$497.88	\$859.48
>Spouse			48	S	\$537.97	\$526.83	\$497.88	\$859.48
>Child			25	C	\$330.35	\$323.51	\$305.73	\$527.78
>Child			24	C	\$329.03	\$322.22	\$304.52	\$525.68
>Child			23	C	\$329.03	\$322.22	\$304.52	\$525.68
>Child			23	C	\$329.03	\$322.22	\$304.52	\$525.68
>Child			5	C	\$223.93	\$219.60	\$208.36	\$333.81
>Child			3	C	\$223.93	\$219.60	\$208.36	\$333.81

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*GF=Grandfathered, NGF=Non grandfathered. Rate area is based on employer ZIP

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**
Customer ID: **671012**

2015 Renewal Options-Platinum Tier Plans

*Also available in Covered California (without child dental)
†Also available in CaliforniaChoice

old⁹⁰
O 0/30
Child
dental

\$684.43
\$333.81
\$333.81

\$642.38

\$4,491.40
\$859.48
\$859.48
\$527.78
\$525.68
\$525.68
\$525.68
\$333.81
\$333.81

Benefits/Services	Platinum ⁹⁰ HMO 0/20*† w/ Child Dental	Platinum ⁹⁰ PPO 0/20 w/ Child Dental	
		Participating providers (In-network)	Non-participating providers (out-of-network)
Plan deductible Individual/Family	\$0	\$0	\$500/\$1,000 (embedded)
Out-of-pocket maximum Individual/Family	\$4,000/\$8,000 (embedded)	\$4,000/\$8,000 (embedded)	\$8,000/\$16,000 (embedded)
Hospital care	\$250 per day up to 5 days per admission	10%	30% (after deductible)
Primary care visits	\$20	\$20	30% (after deductible)
Prescription copayment			
Generic drugs <i>Up to a 30-day supply unless otherwise noted</i>	\$5		\$5
Brand-name drugs <i>Up to a 30-day supply unless otherwise noted</i>	\$15		\$15
Specialty drugs <i>Up to a 100-day supply unless otherwise noted</i>	10%		10% <i>Up to a 30-day supply</i>

For employer groups with at least one but no more than 50 full-time employees (working at least 20 hours per week). Refer to the "Plan Highlights" section of this booklet or kp.org/smallbusinessplans/ca for more information about selected plan benefits and restrictions. *Summary of Benefits and Coverage (SBC)* documents for all our plans are available at kp.org/smallbusiness-sbc/ca. PPO plans are pending regulatory approval.

	Platinum ⁹⁰ HMO 0/20 w/ Child Dental	Platinum ⁹⁰ PPO 0/20 w/ Child Dental
Employee rate	\$10,271.57	\$16,494.11
Dependent rate	\$12,763.05	\$20,157.93
Total rate	\$23,034.62	\$36,652.04

Rate differential % for renewal options as compared with existing medical plan rate of \$12,024.

91.6%	204.8%
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See next page for a list of your employees and their estimated rates if you select any of these plans.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options - Platinum Tier Plans

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Name	ZIP	Rate Area*	Age	Tier	Platinum ⁹⁰ HMO 0/20 w/ Child Dental	Platinum ⁹⁰ PPO 0/20 w/ Child Dental
1. [REDACTED]	95123	NGF 7	28	EE Only	\$390.26	\$626.67
2. [REDACTED]	94025	NGF 7	43	EE+S+C	\$1,663.44	\$2,598.94
>Employee			43	EE	\$487.19	\$782.33
>Spouse			38	S	\$447.34	\$718.34
>Child			14	C	\$242.97	\$366.09
>Child			10	C	\$242.97	\$366.09
>Child			6	C	\$242.97	\$366.09
3. [REDACTED]	95123	NGF 7	44	EE+S+C	\$1,459.69	\$2,319.90
>Employee			44	EE	\$501.55	\$805.39
>Spouse			43	S	\$487.19	\$782.33
>Child			19	C	\$227.98	\$366.09
>Child			17	C	\$242.97	\$366.09
4. [REDACTED]	95020	NGF 7	42	EE Only	\$475.70	\$763.88
5. [REDACTED]	95139	NGF 7	45	EE+S+C	\$1,542.90	\$2,429.44
>Employee			45	EE	\$518.43	\$832.49
>Spouse			46	S	\$538.53	\$864.77
>Child			13	C	\$242.97	\$366.09
>Child			10	C	\$242.97	\$366.09
6. [REDACTED]	95123	NGF 7	67	EE+S	\$2,154.12	\$3,459.12
>Employee			67	EE	\$1,077.06	\$1,729.56
>Spouse			66	S	\$1,077.06	\$1,729.56
7. [REDACTED]	95123	NGF 7	48	EE+S+C	\$1,591.37	\$2,507.27
>Employee			48	EE	\$587.00	\$942.60
>Spouse			45	S	\$518.43	\$832.49
>Child			16	C	\$242.97	\$366.09

*GF=Grandfathered. NGF=Nongrandfathered Rate area is based on employer ZIP

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671012

GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options - Platinum Tier Plans *(continued)*

Name	ZIP	Rate Area*	Age	Tier	Platinum ⁹⁰ HMO 0/20 w/ Child Dental	Platinum ⁹⁰ PPO 0/20 w/ Child Dental
>Child			12	C	\$242.97	\$366.09
8. [REDACTED]	95119	NGF 7	52	EE+S	\$1,370.38	\$2,200.56
>Employee			52	EE	\$700.81	\$1,125.36
>Spouse			61	S	\$669.57	\$1,075.20
9. [REDACTED]	95123	NGF 7	58	EE+S+C	\$2,117.14	\$3,399.71
>Employee			58	EE	\$914.78	\$1,468.96
>Spouse			60	S	\$974.38	\$1,564.66
>Child			20	C	\$227.98	\$366.09
10. [REDACTED]	95118	NGF 7	57	EE+S	\$1,883.78	\$3,024.98
>Employee			57	EE	\$874.93	\$1,404.97
>Spouse			61	S	\$1,008.85	\$1,620.01
11. [REDACTED]	95136	NGF 7	34	EE+C	\$678.82	\$1,065.98
>Employee			34	EE	\$435.85	\$699.89
>Child			0	C	\$242.97	\$366.09
12. [REDACTED]	95116	NGF 7	34	EE Only	\$435.85	\$699.89
13. [REDACTED]	95119	NGF 7	49	EE+S+C	\$2,015.10	\$3,211.78
>Employee			49	EE	\$612.49	\$983.54
>Spouse			55	S	\$800.62	\$1,285.63
>Child			21	C	\$359.02	\$576.52
>Child			17	C	\$242.97	\$366.09
14. [REDACTED]	95138	NGF 7	54	EE Only	\$766.51	\$1,230.86
15. [REDACTED]	95023	NGF 7	41	EE+C	\$953.38	\$1,482.80
>Employee			41	EE	\$467.44	\$750.62
>Child			12	C	\$242.97	\$366.09
>Child			7	C	\$242.97	\$366.09

GREAT OAKS WATER CO.

Rate Area for Metal Plans: **NGF 7** Renewal Date: **December 1, 2015**
 Customer ID: **671012**

2015 Renewal Options – Platinum Tier Plans *(continued)*

Name	ZIP	Rate Area*	Age	Tier	Platinum ⁹⁰ HMO 0/20 w/ Child Dental	Platinum ⁹⁰ PPO 0/20 w/ Child Dental
16. [REDACTED]	95123	NGF 7	35	EE Only	\$438.72	\$704.50
17. [REDACTED]	95138	NGF 7	48	EE+S+C	\$3,097.46	\$4,925.76
>Employee			48	EE	\$587.00	\$942.60
>Spouse			48	S	\$587.00	\$942.60
>Child			25	C	\$360.46	\$578.82
>Child			24	C	\$359.02	\$576.52
>Child			23	C	\$359.02	\$576.52
>Child			23	C	\$359.02	\$576.52
>Child			5	C	\$242.97	\$366.09
>Child			3	C	\$242.97	\$366.09

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GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options — KPIC PPO and DeltaCare HMO family dental plans

Benefits	PPO D 1500	PPO E 1000	PPO E 1500	DeltaCare 10A	DeltaCare 13B
	----- Plan pays -----			----- Member pays -----	
Year deductible per member	\$25/\$50	\$25/\$50	\$25/\$50	n/a	n/a
Benefit maximum plan pays per member	\$1,500	\$1,000	\$1,500	n/a	n/a
Procedures not subject to deductible					
Exams	100%/50%	100%/50%	100%/50%	No cost	No cost
Bitewing X-rays	100%/50%	100%/50%	100%/50%	No cost	No cost
Other X-rays	80%/50%	80%/50%	80%/50%	No cost	No cost
Procedures subject to deductible					
Fillings	80%/50%	80%/50%	80%/50%	No cost	No cost
Crowns	80%/50% (stainless steel)	80%/50% (stainless steel)	80%/50% (stainless steel)	\$195 (porcelain)	\$355 (porcelain)
Prostodontics	Not covered	50%/50%	50%/50%	\$100	\$285
Orthodontics	Not covered	Not covered	Not covered	\$1,700 ¹	\$1,900 ¹
Please see your <i>Evidence of Coverage (EOC)</i> for a comprehensive list of all services and costs. Dental rates are based on the ZIP code of your business location.					

¹ Child or adolescent to age 19.

	PPO D 1500	PPO E 1000	PPO E 1500	DeltaCare 10A	DeltaCare 13B
Employee Rate	\$655.69	\$799.68	\$881.62	\$351.05	\$257.04
Dependent Rate	\$832.72	\$1,015.56	\$1,119.60	\$510.82	\$374.07
Total Rate	\$1,488.41	\$1,815.24	\$2,001.22	\$861.87	\$631.11

See next page for a list of your employees and their estimated rates if you select any of these plans.

GREAT OAKS WATER CO.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015

Customer ID: 671012

2015 Renewal Options — KPIC PPO and DeltaCare HMO family dental plans

Name	Age	Tier	PPO D 1500	PPO E 1000	PPO E 1500	DeltaCare 10A	DeltaCare 13B
1. [REDACTED]	28	EE Only	\$38.57	\$47.04	\$51.86	\$20.65	\$15.12
2. [REDACTED]	43	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49
3. [REDACTED]	44	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49
4. [REDACTED]	42	EE Only	\$38.57	\$47.04	\$51.86	\$20.65	\$15.12
5. [REDACTED]	45	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49
6. [REDACTED]	67	EE+S	\$79.07	\$96.43	\$106.31	\$39.44	\$28.88
7. [REDACTED]	48	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49
8. [REDACTED]	52	EE+S	\$79.07	\$96.43	\$106.31	\$39.44	\$28.88
9. [REDACTED]	58	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49
10. [REDACTED]	57	EE+S	\$79.07	\$96.43	\$106.31	\$39.44	\$28.88
11. [REDACTED]	34	EE+C	\$81.00	\$98.78	\$108.90	\$54.92	\$40.22
12. [REDACTED]	34	EE Only	\$38.57	\$47.04	\$51.86	\$20.65	\$15.12
13. [REDACTED]	49	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49
14. [REDACTED]	54	EE Only	\$38.57	\$47.04	\$51.86	\$20.65	\$15.12
15. [REDACTED]	41	EE+C	\$81.00	\$98.78	\$108.90	\$54.92	\$40.22
16. [REDACTED]	35	EE Only	\$38.57	\$47.04	\$51.86	\$20.65	\$15.12
17. [REDACTED]	48	EE+S+C	\$128.05	\$156.17	\$172.17	\$75.78	\$55.49

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GREAT OAKS WATER CO.

Rate Area for Metal Plans:

NGF 7

Renewal Date:

December 1, 2015

Customer ID:

671012

2015 Renewal Options — KPIC Fee-for-Service (Premier) family dental plans ¹

Benefits	Plan C	Plan D	Plan E	Plan E with Ortho
	Plan pays			
Year deductible per member	No deductible	\$25	\$25	\$25
Benefit maximum plan pays per member	\$500	\$1,000	\$1,000	\$1,000
No deductible applies to these procedures.				
Exams	100%	100%	100%	100%
Bitewing X-rays	100%	100%	100%	100%
Other X-rays	80%	80%	80%	80%
Deductibles apply to procedures under plans D, E, and E with Orthodontics				
Fillings	80%	80%	80%	80%
Stainless steel crowns	80%	80%	80%	80%
Prosthodontics	Not covered	Not covered	50%	50%
Orthodontics	Not covered	Not covered	Not covered	50% ²
Please see your Evidence of Coverage (EOC) for a comprehensive list of all services and costs. Dental rates are based on the ZIP code of your business location.				

¹ Benefits payable will be based on the lesser of the usual, customary, and reasonable fees or the fees actually charged.

² For eligible dependent children to age 19; \$1,500 lifetime maximum per insured.

	Plan C	Plan D	Plan E	Plan E with Ortho
Employee rate	\$577.49	\$897.77	\$1,166.03	\$1,190.51
Dependent rate	\$733.42	\$1,140.29	\$1,480.87	\$1,511.96
Total rate	\$1,310.91	\$2,038.06	\$2,646.90	\$2,702.47

See next page for a list of your employees and their estimated rates if you select any of these plans.

Rate Area for Metal Plans: NGF 7 Renewal Date: December 1, 2015
Customer ID: 671012

2015 Renewal Options — KPIC Fee-for-Service (Premier) family dental plans

Name	Age	Tier	Plan C	Plan D	Plan E	Plan E with Ortho
1. [REDACTED]	28	EE Only	\$33.97	\$52.81	\$68.59	\$70.03
2. [REDACTED]	43	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50
3. [REDACTED]	44	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50
4. [REDACTED]	42	EE Only	\$33.97	\$52.81	\$68.59	\$70.03
5. [REDACTED]	45	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50
6. [REDACTED]	67	EE+S	\$69.64	\$108.27	\$140.61	\$143.56
7. [REDACTED]	48	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50
8. [REDACTED]	52	EE+S	\$69.64	\$108.27	\$140.61	\$143.56
9. [REDACTED]	58	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50
10. [REDACTED]	57	EE+S	\$69.64	\$108.27	\$140.61	\$143.56
11. [REDACTED]	34	EE+C	\$71.34	\$110.91	\$144.04	\$147.07
12. [REDACTED]	34	EE Only	\$33.97	\$52.81	\$68.59	\$70.03
13. [REDACTED]	49	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50
14. [REDACTED]	54	EE Only	\$33.97	\$52.81	\$68.59	\$70.03
15. [REDACTED]	41	EE+C	\$71.34	\$110.91	\$144.04	\$147.07
16. [REDACTED]	35	EE Only	\$33.97	\$52.81	\$68.59	\$70.03
17. [REDACTED]	48	EE+S+C	\$112.78	\$175.34	\$227.72	\$232.50



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

September 29, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Supplemental Responses to ORA Data Request WW2-012

Great Oaks Water Company (Great Oaks) hereby provides its supplemental responses to ORA Data Request WW2-012.

Pursuant to the instructions provided in Lisa Bilir's September 16, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

In its September 23, 2015 original Responses to ORA Data Request WW2-012, Great Oaks noted in response to question number 6 that its Chief Financial Officer was away from the office and that the requested information would be provided after his return. Consistent with that response, attached are the documents requested in ORA Data Request WW2-012(6).

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-012(6) and know the contents thereof. I certify that the Responses to Data Request WW2-012(6) are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on September 29, 2015.

/S/

Ron Ceolla

Great Oaks Water Company

GOWC Response to ORA Data Request WW2-012(6)

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CONFIDENTIAL

CONFIDENTIAL

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CONFIDENTIAL

CONFIDENTIAL



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

October 2, 2015

Via email to:

Michael Conklin, ORA Project Coordinator
michael.conklin@cpuc.ca.gov

Wenli Wei, Financial Examiner
wenli.wei@cpuc.ca.gov

Lisa Bilar, Program and Project Supervisor
lisa.bilar@cpuc.ca.gov

Shanna Foley, Attorney for ORA
shanna.foley@cpuc.ca.gov

RE: Great Oaks Water Company Responses to ORA Data Request WW2-013

Great Oaks Water Company (Great Oaks) hereby provides its responses to ORA Data Request WW2-013.

Pursuant to the instructions provided in Michael Conklin's August 20, 2015 email transmitting the Data Request, these responses are being provided by email to those on ORA's originating DR email. Items for which confidential treatment is requested are specifically marked and an explanation is provided for the request.

Responses to Data Requests

1. Refer to Exhibit E, WP7- Employee Benefits, line 38: GOWC recorded \$1,000 for SFAS 87 Report in 2013/14 and 2014/15 and projects \$1,000 for each of the next four years.

i. In PDF format, provide copies of all of GOWC's SFAS 87 Reports beginning in 2012.

Response: See documents attached and labeled GOWC Response to ORA Data Request WW2-013(1).

VERIFICATION

I, Ron Ceolla, am Chief Financial Officer of Great Oaks Water Company, the Applicant in this proceeding. I have read Great Oaks Water Company's Responses to ORA Data Request WW2-013 and know the contents thereof. I certify that the Responses to Data Request WW2-013 are true of my own knowledge, except as to matters as are therein stated to be true upon information and belief, and as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing statements are true and correct.

Executed at San Jose, California on October 2, 2015.

/s/
Ron Ceolla