AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT BETWEEN COUNTY OF MONTEREY AND MNS ENGINEERS, INC.

THIS AMENDMENT NO. 2 to Professional Services Agreement No. A-14463 between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and MNS Engineers, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, County entered into Professional Services Agreement No. A-14463 with MNS Engineers, Inc. on July 29, 2019 (hereinafter, "Agreement") to provide on-call construction management services (hereinafter, "services") for various construction projects located in Monterey County per Request for Qualifications (RFQ) #10709 through July 15, 2022, with the option to extend the Agreement for two (2) additional one (1) year period(s) for an amount not to exceed \$750,000; and

WHEREAS, the Agreement was amended by the Parties on July 23, 2022 (hereinafter, "Amendment No. 1") to update the provisions, to extend the term for one (1) additional year through July 15, 2023, and to increase the amount by \$2,500,000 which resulted in a total not to exceed amount of \$3,250,000; and

WHEREAS, the County has a continued need for services; and

WHEREAS, additional time is necessary to allow CONTRACTOR to continue to provide the services required by the County; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term for one (1) additional year to July 15, 2024 with no associated dollar amount increase to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 2.

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

1. Amend the first sentence of Section 3, "Term of Agreement", to read as follows:

The term of this Agreement is from <u>July 16, 2019</u> to <u>July 15, 2024</u>, unless sooner terminated pursuant to the terms of this Agreement.

Page 1 of 3

2.	Amend the	Business	Automobile	Liability	Insurance	paragraph	under	Paragraph	9.03
	Insurance Co	overage Re	equirements,	of Section	9, "Insuran	ice", to read	l as foll	ows:	

Business automobile liability insurance, covering all motor vehicles, including leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Modification (Justification attached; subject to approval).

- 3. All other terms and conditions of the Agreement, including all Exhibits thereto, shall remain unchanged and in full force.
- 4. This Amendment No. 2 and the previous Amendment No. 1 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.
- 5. The recitals to this Amendment No. 2 are incorporated into the Agreement and this Amendment No. 2.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY	CONTRACTOR*
Debra R. Wilson, Contracts/Purchasing Officer	MNS Engineers, Inc.
By: Debra K. Wilson	By: Gra Chelini E28193138F8F4E5
ITS:	Its: Greg Chelini, Vice President
(Print Name and Title)	(Print Name and Title)
Date: 5/31/2023 8:17 AM PDT	Date: 5/17/2023 9:57 AM PDT
Approved as to Form	DocuSigned by:
Office of the County Counsel	By: Miranda Patton
Leslie J. Girard, County Counsel	7B2318690B59477
DocuSigned by:	Its: Miranda Patton, Secretary
By: Sean Collins	(Print Name and Title)
2EDC94A01B26445 Sean M. Collins Deputy County Counsel	Date: 5/18/2023 10:39 AM PDT
Date: 5/30/2023 2:48 PM PDT	
Approved as to Fiscal Provisions	
Rupa Shah, Auditor-Controller	
By: Patricia Ruig	
Its: Patricia Ruiz/ Auditor Controller And One of the control of	alyst I
(Print Name and Title)	
Date: 5/31/2023 7:10 AM PDT	
Approved as to Indemnity and Insurance Provision Office of the County Counsel-Risk Management Leslie J. Girard, County Counsel	s
By:	
Its:	
(Print Name and Title)	
Date:	

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/15/2022

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

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

this certificate does not come rights to the certificate holder in ned of such endorsement(s).					
PRODUCER Risk Strategies Compa	CONTACT NAME:	Risk Strategies Compa	ny		
2040 Main Street, Suit	PHONE (A/C, No, Ext):	949-242-9240	FAX (A/C, No):		
Irvine, CA 92614		E-MAIL ADDRESS:	AIL DRESS: syoung@risk-strategies.com		
			INSURER(S) AFFORDING COVE	RAGE	NAIC#
www.risk-strategies.com	CA DOI License No. 0F06675	INSURER A: Tra	avelers Indemnity Co of Con	necticut	25682
INSURED	INSURER B: Travelers Property Casualty Co of America 25674				
MNS Engineers, Inc. 201 N. Calle Cesar Chavez, S	INSURER C: Tra	avelers Casualty and Surety	Co of America	31194	
Santa Barbara CA 93103		INSURER D:			
	INSURER E :				
	INSURER F:				

COVERAGES CERTIFICATE NUMBER: 68753872 REVISION NUMBER:

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

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POLICY PRO- JECT LOC						PERSONAL & ADV INJURY	\$\$1,000,000
						GENERAL AGGREGATE	\$\$2,000,000
OTHER:						PRODUCTS - COMP/OP AGG	\$\$2,000,000
OTHER.							\$
AUTOMOBILE LIABILITY	1		BA8R521641	6/14/2022	6/14/2023	COMBINED SINGLE LIMIT (Ea accident)	\$\$1,000,000
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OWNED SCHEDULED AUTOS						BODILY INJURY (Per accident)	\$
✓ HIRED NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	\$
							\$
✓ UMBRELLA LIAB ✓ OCCUR			CUP8E545094	6/14/2022	6/14/2023	EACH OCCURRENCE	\$\$10,000,000
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DED ✓ RETENTION \$0							\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			UB6K139301	6/14/2022	6/14/2023	✓ PER OTH- STATUTE ER	
ANYPROPRIETOR/PARTNER/EXECUTIVE						E.L. EACH ACCIDENT	\$\$1,000,000
(Mandatory in NH)						E.L. DISEASE - EA EMPLOYEE	\$\$1,000,000
If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	\$\$1,000,000
Professional Liability			107272696	6/14/2022	6/14/2023	Per Claim: \$5,000,000 Aggregate: \$5,000,000	
	ANY AUTO OWNED AUTOS ONLY AUTOS ONLY AUTOS ONLY AUTOS ONLY AUTOS ONLY OCCUR EXCESS LIAB CLAIMS-MADE DED ORKERS COMPENSATION ND EMPLOYERS' LIABILITY NYPROPRIETOR/PARTNER/EXECUTIVE FIFICER/MEMBER EXCLUDED? Wandatory in NH) Yes, describe under DESCRIPTION OF OPERATIONS below	ANY AUTO OWNED AUTOS ONLY AUTOS ONLY AUTOS ONLY AUTOS ONLY AUTOS ONLY OCCUR EXCESS LIAB CLAIMS-MADE DED ORKERS COMPENSATION ND EMPLOYERS' LIABILITY NYPROPRIETOR/PARTNER/EXECUTIVE WIGHTER OF THE PROPERTY	ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY WIMBRELLA LIAB DED RETENTION \$0 VORKERS COMPENSATION ND EMPLOYERS' LIABILITY NYPROPRIETOR/PARTNER/EXECUTIVE HIFFICER/MEMBER EXCLUDED? Wandatory in NH) Yes, describe under JESCRIPTION OF OPERATIONS below	ANY AUTO OWNED AUTOS ONLY AUTOS AUTOS ONLY AUTOS ONLY AUTOS ONLY V UMBRELLA LIAB V OCCUR EXCESS LIAB CLAIMS-MADE DED V RETENTION \$0 VORKERS COMPENSATION IND EMPLOYERS' LIABILITY INFEROMEMBER EXCLUDED? Wandatory in NH) Ves, describe under JESCRIPTION OF OPERATIONS below VALUE V ANY AUTO AUTOS A	ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY V UMBRELLA LIAB DED V RETENTION \$0 VORKERS COMPENSATION IND EMPLOYERS' LIABILITY INTERCENT LIABILITY	ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY V UMBRELLA LIAB EXCESS LIAB CLAIMS-MADE DED V RETENTION \$0 VORKERS COMPENSATION IND EMPLOYERS' LIABILITY INTERCEMEMBER EXCLUDED? Wandatory in NH) Ves, describe under JESCRIPTION OF OPERATIONS below V ANY AUTOS CUP8E545094 6/14/2022 6/14/2023 BAN A UB6K139301 FIGER/MEMBER EXCLUDED? Wandatory in NH) Ves, describe under JESCRIPTION OF OPERATIONS below	ANY AUTO OWNED AUTOS ONLY AUTOS ONLY HIRED AUTOS ONLY OCCUR EXCESS LIAB CLAIMS-MADE DED ORKERS COMPENSATION IND EMPLOYERS: LIABILITY INFIGER MEMBER EXCLUDED? Wandatory in NH) yes, describe under ESCRIPTION OF OPERATIONS below OTHERS ONLY N/A WAN AUTO O(14/2022 O(14/2023 EACH OCCURRENCE AGGREGATE OTH- ER OTH- EL. DISEASE - EA EMPLOYEE EL. DISEASE - POLICY LIMIT OTOFOESSIONAL Liability 107272696 O(14/2023 O(14/2

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

Projects as on file with the insured. The County of Monterey, its officers agents & employees are named as additional insureds & primary/non-contributory clause applies to the general & auto liability policies-see attached endorsements.

CERTIFICATE HOLDER	CANCELLATION
County of Monterey Attn: Contracts/Purchasing Division 168 W. Alisal St., 3rd Fl. Salinas CA 93901	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
Jaimas CA 93901	RSC Insurance Brokerage

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED ADDITIONAL INSURED (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

NAME OF PERSONS OR ORGANIZATIONS:

The County of Monterey, its officers agents & employees

PROJECT/LOCATION OF COVERED OPERATIONS:

Projects as on file with the insured.

PROVISIONS

1. The following is added to SECTION II – WHO IS AN INSURED:

The person or organization shown in the Schedule above is an additional insured on this Coverage Part, but:

- a. Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
- b. If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies, or in connection with premises owned by or rented to you.

The person or organization does not qualify as an additional insured:

- With respect to the independent acts or omissions of such person or organization; or
- d. For "bodily injury", "property damage" or "personal injury" for which such person or organization has assumed liability in a contract or agreement.

The insurance provided to such additional insured is limited as follows:

- e. This insurance does not apply to the rendering of or failure to render any "professional services".
- f. In the event that the Limits of Insurance of the Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement does not increase the limits of insurance described in Section III Limits Of Insurance.
- g. This insurance does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "productscompleted operations hazard" unless the requiring "written contract insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to that additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

 The following is added to Paragraph 4.a. of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:

The insurance provided to the additional insured shown in the Schedule above is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover. However, if you specifically agree in the "written contract requiring insurance" that this insurance provided to the additional insured under this Coverage Part must apply on a primary basis or a primary and non-contributory basis, this insurance is primary to other insurance available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with the other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal injury" for which coverage is sought arises out of an offense committed;

after you have signed that "written contract requiring insurance". But this insurance provided to the additional insured still is excess over valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any other insurance.

The following is added to Paragraph 8., Transfer
Of Rights Of Recovery Against Others To Us,
of SECTION IV – COMMERCIAL GENERAL
LIABILITY CONDITIONS:

We waive any right of recovery we may have against the additional insured shown in the Schedule above because of payments we make for "bodily injury", "property damage" or "personal injury" arising out of "your work" on or for the project, or at the location, shown in the Schedule above, performed by you or on your behalf, done under a "written contract requiring insurance" with that person or organization. We waive this right only where you have agreed to do so as part of the "written contract requiring insurance" with such person or organization signed by you before, and in effect when, the "bodily injury" or "property damage" occurs, or the "personal injury" offense is committed.

The following definition is added to the DEFINITIONS Section:

"Written contract requiring insurance" means that part of any written contract with the person or organizations shown in the Schedule above, under which you are required to include that person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After you have signed that written contract;
- While that part of the written contract is in effect; and
- c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO COVERAGE PLUS ENDORSEMENT

Additional Insured:

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. BLANKET ADDITIONAL INSURED
- **B. EMPLOYEE HIRED AUTO**
- C. EMPLOYEES AS INSURED
- D. SUPPLEMENTARY PAYMENTS INCREASED LIMITS
- E. TRAILERS INCREASED LOAD CAPACITY
- F. HIRED AUTO PHYSICAL DAMAGE
- G. PHYSICAL DAMAGE TRANSPORTATION EXPENSES INCREASED LIMIT
- A. BLANKET ADDITIONAL INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

B. EMPLOYEE HIRED AUTO

 The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – COV-ERED AUTOS LIABILITY COVERAGE:

An "employee" of yours is an "insured" while operating a covered "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while

- H. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT INCREASED LIMIT
- I. WAIVER OF DEDUCTIBLE GLASS
- J. PERSONAL PROPERTY
- K. AIRBAGS
- L. AUTO LOAN LEASE GAP
- M. BLANKET WAIVER OF SUBROGATION

performing duties related to the conduct of your business.

- The following replaces Paragraph b. in B.5., Other Insurance, of SECTION IV – BUSI-NESS AUTO CONDITIONS:
 - **b.** For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:
 - (1) Any covered "auto" you lease, hire, rent or borrow; and
 - (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

C. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

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

D. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

- The following replaces Paragraph A.2.a.(2) of SECTION II – COVERED AUTOS LIABILITY COVERAGE:
 - (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- The following replaces Paragraph A.2.a.(4) of SECTION II – COVERED AUTOS LIABILITY COVERAGE:
 - (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

E. TRAILERS - INCREASED LOAD CAPACITY

The following replaces Paragraph C.1. of SECTION I – COVERED AUTOS:

1. "Trailers" with a load capacity of 3,000 pounds or less designed primarily for travel on public roads.

F. HIRED AUTO PHYSICAL DAMAGE

The following is added to Paragraph A.4., Coverage Extensions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Hired Auto Physical Damage Coverage

If hired "autos" are covered "autos" for Covered Autos Liability Coverage but not covered "autos" for Physical Damage Coverage, and this policy also provides Physical Damage Coverage for an owned "auto", then the Physical Damage Coverage is extended to "autos" that you hire, rent or borrow subject to the following:

- (1) The most we will pay for "loss" to any one "auto" that you hire, rent or borrow is the lesser of:
 - (a) \$50,000;
 - (b) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - **(c)** The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- (2) An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- (3) If a repair or replacement results in better than like kind or quality, we will not pay for the amount of betterment.
- (4) A deductible equal to the highest Physical Damage deductible applicable to any owned covered "auto".
- (5) This Coverage Extension does not apply to:
 - (a) Any "auto" that is hired, rented or borrowed with a driver; or
 - **(b)** Any "auto" that is hired, rented or borrowed from your "employee".

G. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., Transportation Expenses, of SECTION III – PHYSICAL DAMAGE COVERAGE:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

H. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT – INCREASED LIMIT

Paragraph C.1.b. of SECTION III – PHYSICAL DAMAGE COVERAGE is deleted.

I. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph **D.**, **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

J. PERSONAL PROPERTY

The following is added to Paragraph A.4., Coverage Extensions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Personal Property Coverage

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

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

This coverage only applies in the event of a total theft of your covered "auto".

No deductibles apply to Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph B.3., Exclusions, of SECTION III — PHYSICAL DAMAGE COVERAGE:

Exclusion **3.a.** does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs **A.1.b.** and **A.1.c.**, but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- **c.** The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. AUTO LOAN LEASE GAP

The following is added to Paragraph A.4., Coverage Extensions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Auto Loan Lease Gap Coverage for Private Passenger Type Vehicles

In the event of a total "loss" to a covered "auto" of the private passenger type shown in the Schedule or Declarations for which Physical Damage Coverage is provided, we will pay any unpaid amount due on the lease or loan for such covered "auto" less the following:

(1) The amount paid under the Physical Damage Coverage Section of the policy for that "auto"; and

(2) Any:

- (a) Overdue lease or loan payments at the time of the "loss":
- (b) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
- (c) Security deposits not returned by the lessor:
- (d) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
- **(e)** Carry-over balances from previous loans or leases.

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV – BUSINESS AUTO CONDITIONS:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.