

**AMENDMENT NO. 3
TO STANDARD AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
GRANITE ROCK COMPANY**

THIS AMENDMENT NO. 3 to the Standard Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Granite Rock Company (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, CONTRACTOR entered into a Standard Agreement with County on January 13, 2014 (hereinafter, "Agreement") to provide fully operated, fueled, and maintained construction equipment to work sites on an on-call basis (hereinafter, "services") through December 31, 2014 for an amount not to exceed \$50,000; and

WHEREAS, Agreement was amended by the Parties on December 17, 2014 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Revised Rate Schedule) to extend the term for one (1) additional year through December 31, 2015, to increase the Agreement amount by \$50,000 which resulted in a total not to exceed amount of \$100,000, and to update the Rate Schedule; and

WHEREAS, Agreement was further amended by the Parties on January 20, 2016 (hereinafter, "Amendment No. 2", including Exhibit A-2 – Revised Rate Schedule) to extend the term for one (1) additional year through December 31, 2016, to increase the Agreement amount by \$50,000 which resulted in a total not to exceed amount of \$150,000, and to update the Rate Schedule; and

WHEREAS, County has a continued need for services; and

WHEREAS, additional time and funding are necessary; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term for two (2) additional years to December 31, 2018, to increase the amount by \$100,000 for a total amount not to exceed \$250,000, and to update the Rate Schedule to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 3.

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

1. Amend Section 2.01 of Paragraph 2.0, "Payment Provisions", to read as follows:

County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibits A and A-3**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of \$250,000.

Amendment No. 3 to Standard Agreement
Granite Rock Company
On-Call Fully Operated, Fueled and Maintained Construction Equipment
RMA – Public Works
Term: January 13, 2014 – December 31, 2018
Not to Exceed: \$250,000

2. Amend the first sentence of Section 3.01 of Paragraph 3.0, "Term of Agreement", to read as follows:

The term of this Agreement is from January 13, 2014 to December 31, 2018, unless sooner terminated pursuant to the terms of this Agreement.
3. Amend Section 4.01 of Paragraph 4.0, "Scope of Services and Additional Provisions", effective January 1, 2017, to delete "Exhibit A-2, Revised Rate Schedule" and to add "Exhibit A-3, Revised Rate Schedule."
4. In all places within the Agreement, any reference to "Exhibit A-2, Revised Rate Schedule" is hereby replaced with "Exhibit A-3, Revised Rate Schedule" effective January 1, 2017
5. All other terms and conditions of the Agreement remain unchanged and in full force.
6. This Amendment No. 3 and all previous amendments shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.
7. The recitals to this Amendment No. 3 are incorporated into the Agreement and this Amendment No. 3.

Amendment No. 3 to Standard Agreement
Granite Rock Company
On-Call Fully Operated, Fueled and Maintained Construction Equipment
RMA – Public Works
Term: January 13, 2014 – December 31, 2018
Not to Exceed: \$250,000

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

CONTRACTOR*

By: _____
Contracts/Purchasing Officer

Date: _____

**Approved as to Form and Legality
Office of the County Counsel**

By: _____
Mary Grace Perry
Deputy County Counsel

Date: _____

Approved as to Fiscal Provisions

By: _____
Auditor/Controller

Date: _____

Approved as to Indemnity and Insurance Provisions

By: _____
Risk Management

Date: _____

*INSTRUCTIONS: IF CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. IF CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

Granite Rock Company
Contractor's Business Name

By: _____
(Signature of Chair, President or Vice President)

Its: President & CEO
(Print Name and Title)

Date: October 18, 2016

By: _____
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

Its: Vice President & CFO
(Print Name and Title)

Date: October 18, 2016

Amendment No. 3 to Standard Agreement
Granite Rock Company
On-Call Fully Operated, Fueled and Maintained Construction Equipment
RMA – Public Works
Term: January 13, 2014 – December 31, 2018
Not to Exceed: \$250,000

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

By: [Signature]
Contracts/Purchasing Officer

Date: 12-12-16

**Approved as to Form and Legality
Office of the County Counsel**

By: [Signature]
Mary Grace Perry
Deputy County Counsel

Date: 10-24-2016

Approved as to Fiscal Provisions

By: [Signature]
Auditor/Controller

Date: 10-27-16

Approved as to Indemnity and Insurance Provisions

By: _____
Risk Management

Date: _____

*INSTRUCTIONS: IF CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. IF CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

CONTRACTOR*

Granite Rock Company
Contractor's Business Name

By: [Signature]
(Signature of Chair, President or Vice President)

Its: President & CEO
(Print Name and Title)

Date: October 18, 2016

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

Its: Vice President & CFO
(Print Name and Title)

Date: October 18, 2016

Amendment No. 3 to Standard Agreement
Granite Rock Company
On-Call Fully Operated, Fueled and Maintained Construction Equipment
RMA - Public Works
Term: January 13, 2014 - December 31, 2018
Not to Exceed: \$250,000

EXHIBIT A-3 – REVISED RATE SCHEDULE

Effective January 1, 2017



Date of Proposal: January 1, 2017
Proposal Valid Until: December 31, 2017

Attention: Monterey County c/o Hop Essick
Resource Management Agency-Public Works
168 W. Alisal St. 2nd floor
Salinas Ca. 93901

Re: Equipment Rental for Monterey County

Equipment Type	Labor Total	Equipment Charges	Labor per/hr	Equip per/hr	Total L/EQ per/hr
D-8 Dozer	784.00	1960.00	98.00	245.00	343.00
Kick Broom	784.00	600.00	98.00	75.00	173.00
D6R Dozer	784.00	1020.37	98.00	127.55	225.55
D-7 Dozer	784.00	1284.41	98.00	160.55	258.55
140 Blade	784.00	1147.98	98.00	143.50	241.50
14H Blade Grader	784.00	1264.36	98.00	158.05	256.05
Excavator 325	784.00	1110.16	98.00	138.77	236.77
Cat 436	784.00	510.05	98.00	63.76	161.76
Cat 426	784.00	471.22	98.00	58.90	156.90
710 D with cab	784.00	795.52	98.00	99.44	197.44
Cat 966D Loader	784.00	1206.03	98.00	150.75	248.75
Cat 980F Loader	784.00	1741.01	98.00	217.63	315.63
Skip Loader JD 210LE	784.00	464.78	98.00	58.10	156.10
8' Paver (1 Op/2 Screed)	2352.00	672.34	294.00	84.04	378.04
10' Paver(1 Op /2 Screed)	2352.00	2122.26	294.00	265.28	559.28
Hyster 5-10 Ton Roller	784.00	348.31	98.00	43.54	141.54
Roller 47" Double Steel	784.00	328.53	98.00	41.07	139.07
Water Truck 4000 Gal.	784.00	516.76	98.00	64.60	162.60
Dike Machine/Pickup	592.00	784.00	74.00	98.00	172.00
Foreman/Pickup	864.00	144.00	108.00	18.00	126.00
Laborer/Pickup	616.00	144.00	77.00	18.00	95.00

NOTE:

- ALL TRUCKING \$ 118.00 per hour
- All Laborer and equipment is figured a 8 hr. Minimum
- Pricing does not include Mobilization in or out
- Add \$ 564.00 for Mob in and out to each piece of equipment selected.
- Any time beyond a 8 hour shift is figured to be overtime. Overtime is laborer hours multiplied by 1.5. Equipment is figured straight time.
- Saturdays Shifts are overtime (hours x 1.5)
- Sundays is Double time (hours x 2)
- Equipment is straight time always.
- Pavers are figured to come with operator and two screed man
- Dike Machine comes with pickup truck and one laborer

Please call if you have any questions.

Sincerely,
Reiner Maschmeyer
Estimator
(831) 901-0037



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/19/2016

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

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

PRODUCER Construction & Real Estate Practice Wells Fargo Insurance Services USA, Inc - CA Lic#: 0D08408 959 Skyway Rd., 2nd Fl San Carlos, CA 94070	CONTACT NAME:	FAX (A/C, No): 866-358-1487
	PHONE (A/C, No, Ext):	
INSURED Granite Rock Company DBA Pavex PO Box 50001 Watsonville, CA 95077	E-MAIL ADDRESS: CertRequests@wellsfargo.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: American Contractors Ins Co RRG	NAIC # 12300
	INSURER B: Zurich American Insurance Co	16535
	INSURER C: ACIG Insurance Company	19984
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 10991677 **REVISION NUMBER:** See below

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	X		GL16A00056	09/30/2016	06/01/2017	EACH OCCURRENCE \$ 5,000,000
A	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		(Primary)			DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
				GL16B00056	09/30/2016	06/01/2017	MED EXP (Any one person) \$ 5,000
				(Excess Follow Form 1)			PERSONAL & ADV INJURY \$ 5,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:			GL16C00056	9/30/2016	06/01/2017	GENERAL AGGREGATE \$ 5,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC			(Excess Follow Form 2)			PRODUCTS - COMP/OP AGG \$ 5,000,000
	OTHER:						\$
B	AUTOMOBILE LIABILITY	X		BAP347266915	09/30/2016	06/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> AUTOS ONLY	X					\$
	<input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY						\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR						AGGREGATE \$
	EXCESS LIAB						\$
	<input type="checkbox"/> CLAIMS-MADE						\$
	DED						\$
	RETENTION \$						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WCA000019016	09/30/2016	06/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CA20481013, ACIG Additional Insured - Automatic Status, U-CA-424-F CW (04-14) Re: Pavex job #5913; County of Monterey Emergency Equipment 2016-2018.

The County of Monterey, its officers, agents and employees are named as additional insured as it relates to general & auto liability in accordance with the terms and conditions of the policy. The above coverage is primary and noncontributory where required by written contract.

CERTIFICATE HOLDERCounty of Monterey
Contracts/Purchasing Department
168 W. Alisal St 3rd Floor
Salinas, CA 93901**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

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ACORD 25 (2016/03)

(This certificate replaces certificate# 10982322 issued on 10/18/2016)

ADDITIONAL INSURED – AUTOMATIC STATUS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Any person or organization that you are required by contract to include as an additional insured on this policy if the contract is executed prior to the loss.

- A. Who is an Insured (Section II) is amended to include as an insured any person or organization shown in the above SCHEDULE (called additional insured), but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of your premises or your operations for the additional insured.
- B. The insurance provided to the additional insured is subject to the following limitations:
1. Unless required by written contract, this insurance does not apply to "bodily injury" or "property damage" occurring after "your work" for the additional insured has been completed or after that portion of "your work" out of which the "bodily injury" or "property damage" arises has been put to its intended use by any person or organization.
 2. Unless required by written contract, this insurance does not apply to "bodily injury" or "property damage" arising out of the sole negligence, act or omission of the additional insured.
 3. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" for which the additional insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement except to the extent that the additional insured would have been obligated to pay such damages in the absence of the contract or agreement.
 4. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional services by any insured, including:
 - a) The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or,
 - b) Supervisory, inspection or engineering services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.
 5. This endorsement shall not apply to a person or organization if any other additional insured endorsement attached to this policy specifically applies to that person or organization.
 6. The insurance afforded herein only applies to the extent permitted by applicable state law, including statutes governing additional insured coverage in the construction industry.
- C. This insurance shall not exceed the scope of coverage, including limits, of this policy and in no event shall the insurance provided to the additional insured exceed the scope of coverage, including limits, required by the contract. If a written contract or agreement requires that additional insured status be provided by the use of specified edition dates of the ISO CG2010 and/or CG2037, then the terms of that endorsement are incorporated into this endorsement as respects such additional insured and shall supersede the coverage grant and limitations in Sections A. and B. of this endorsement. In the event that CG2010 and/or CG2037 are required but no edition dates are specified, the 04/13 editions shall apply.
- D. This insurance is excess to any other insurance, whether primary, excess, contingent or on any other basis, available to the additional insured unless a written contract requires that this insurance be primary or primary and non-contributing. However, this insurance is always excess to other insurance, whether primary, excess, contingent or on any other basis, when the additional insured has been added to the other insurance as an additional insured.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the mentioned Policy, other than as above stated.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 9/30/16

Policy No.: GL16A00056

Endorsement No.:

Policy Effective: 9/30/16

Premium \$

Insured: Granite Rock Company

Insurance Company: American Contractors Insurance Company Risk Retention Group

Countersigned By _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

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

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

Named Insured: Granite Rock Company DBA Pavex

Endorsement Effective Date: 09/30/2016

SCHEDULE

Name Of Person(s) Or Organization(s):

Re: Pavex job #5913; County of Monterey Emergency Equipment 2016-2018.

The County of Monterey, its officers, agents and employees are named as additional insured as it relates to general & auto liability in accordance with the terms and conditions of the policy. The above coverage is primary and noncontributory where required by written contract.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II — Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I — Covered Autos Coverages of the Auto Dealers Coverage Form.

Coverage Extension Endorsement



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem.	Return Prem.
BAP347266915	9/30/16	6/01/17	9/30/16			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Business-Auto Coverage Form
Motor Carrier Coverage Form

A. Amended Who Is An Insured

1. The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage**:

The following are also "insureds":

- Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.
- Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.
- Anyone else who furnishes an "auto" referenced in Paragraphs A.1.a. and A.1.b. in this endorsement.
- Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

2. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form:

Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

B. Amendment – Supplementary Payments

Paragraphs a.(2) and a.(4) of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

- Up to \$5,000 for the 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.
- 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.

C. Fellow Employee Coverage

The **Fellow Employee Exclusion** contained in **Section II – Covered Autos Liability Coverage** does not apply.

D. Driver Safety Program Liability and Physical Damage Coverage

1. The following is added to the Racing Exclusion in Section II – Covered Autos Liability Coverage:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

2. The following is added to Paragraph 2. in the Exclusions of Section III – Physical Damage Coverage of the Business Auto Coverage Form and Paragraph 2.b. in the Exclusions of Section IV – Physical Damage Coverage of the Motor Carrier Coverage Form:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

E. Lease or Loan Gap Coverage

The following is added to the **Coverage Provision of the Physical Damage Coverage Section:**

Lease Or Loan Gap Coverage

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. Any amount paid under the **Physical Damage Coverage Section** of the Coverage Form; and
- b. Any:
 - (1) Overdue lease or loan payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Security deposits not returned by the lessor;
 - (4) Costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and
 - (5) Carry-over balances from previous leases or loans.

F. Towing and Labor

Paragraph **A.2.** of the **Physical Damage Coverage Section** is replaced by the following:

We will pay up to \$75 for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

G. Extended Glass Coverage

The following is added to Paragraph **A.3.a.** of the **Physical Damage Coverage Section:**

If glass must be replaced, the deductible shown in the Declarations will apply. However, if glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

H. Hired Auto Physical Damage – Increased Loss of Use Expenses

The **Coverage Extension for Loss Of Use Expenses** in the **Physical Damage Coverage Section** is replaced by the following:

Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or written rental agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
 - (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
 - (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".
- However, the most we will pay for any expenses for loss of use is \$100 per day, to a maximum of \$3000.

I. Personal Effects Coverage

The following is added to the **Coverage Provision of the Physical Damage Coverage Section:**

Personal Effects Coverage

- a. We will pay up to \$750 for "loss" to personal effects which are:
 - (1) Personal property owned by an "insured"; and
 - (2) In or on a covered "auto".
- b. Subject to Paragraph a. above, the amount to be paid for "loss" to personal effects will be based on the lesser of:
 - (1) The reasonable cost to replace; or
 - (2) The actual cash value.
- c. The coverage provided in Paragraphs a. and b. above, only applies in the event of a total theft of a covered "auto". No deductible applies to this coverage. However, we will not pay for "loss" to personal effects of any of the following:
 - (1) Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or commercial paper or other documents of value.
 - (2) Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry, watches, precious or semi-precious stones.
 - (3) Paintings, statuary and other works of art.
 - (4) Contraband or property in the course of illegal transportation or trade.
 - (5) Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment.

Any coverage provided by this Provision is excess over any other insurance coverage available for the same "loss".

J. Tapes, Records and Discs Coverage

1. The Exclusion in Paragraph B.4.a. of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph B.2.c. of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply.
2. The following is added to Paragraph 1.a. **Comprehensive Coverage** under the **Coverage Provision of the Physical Damage Coverage Section:**

We will pay for "loss" to tapes, records, discs or other similar devices used with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices:

 - (a) Are the property of an "insured"; and
 - (b) Are in a covered "auto" at the time of "loss".

The most we will pay for such "loss" to tapes, records, discs or other similar devices is \$500. The **Physical Damage Coverage Deductible** Provision does not apply to such "loss".

K. Airbag Coverage

The Exclusion in Paragraph B.3.a. of Section III – Physical Damage Coverage in the Business Auto Coverage Form and the Exclusion in Paragraph B.4.a. of Section IV – Physical Damage Coverage in the Motor Carrier Coverage Form does not apply to the accidental discharge of an airbag.

L. Two or More Deductibles

The following is added to the Deductible Provision of the Physical Damage Coverage Section:

If an accident is covered both by this policy or Coverage Form and by another policy or Coverage Form issued to you by us, the following applies for each covered "auto" on a per vehicle basis:

1. If the deductible on this policy or Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible on this policy or Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

M. Physical Damage – Comprehensive Coverage – Deductible

The following is added to the Deductible Provision of the Physical Damage Coverage Section:

Regardless of the number of covered "autos" damaged or stolen, the maximum deductible that will be applied to Comprehensive Coverage for all "loss" from any one cause is \$5,000 or the deductible shown in the Declarations, whichever is greater.

N. Temporary Substitute Autos – Physical Damage

1. The following is added to Section I – Covered Autos:

Temporary Substitute Autos – Physical Damage

If Physical Damage Coverage is provided by this Coverage Form on your owned covered "autos", the following types of vehicles are also covered "autos" for Physical Damage Coverage:

Any "auto" you do not own when used with the permission of its owner as a temporary substitute for a covered "auto" you do own but is out of service because of its:

1. Breakdown;
2. Repair;
3. Servicing;
4. "Loss"; or
5. Destruction.

2. The following is added to the Paragraph A. Coverage Provision of the Physical Damage Coverage Section:

Temporary Substitute Autos – Physical Damage

We will pay the owner for "loss" to the temporary substitute "auto" unless the "loss" results from fraudulent acts or omissions on your part. If we make any payment to the owner, we will obtain the owner's rights against any other party.

The deductible for the temporary substitute "auto" will be the same as the deductible for the covered "auto" it replaces.

O. Amended Duties In The Event Of Accident, Claim, Suit Or Loss

Paragraph a. of the Duties In The Event Of Accident, Claim, Suit Or Loss Condition is replaced by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any

agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

- (1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

P. Waiver of Transfer Of Rights Of Recovery Against Others To Us

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply 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 operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

Q. Employee Hired Autos – Physical Damage

Paragraph **b.** of the **Other Insurance** Condition in the Business Auto Coverage Form and Paragraph **f.** of the **Other Insurance – Primary and Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

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 under a written contract or written agreement entered into by an "employee" or elected or appointed official with your permission while being operated within the course and scope of that "employee's" employment by you or that elected or appointed official's duties as respect their obligations to you.

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

R. Unintentional Failure to Disclose Hazards

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

- (1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or
- (2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

S. Hired Auto – World Wide Coverage

Paragraph **7a.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

- (5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

T. Bodily Injury Redefined

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

U. Expected Or Intended Injury

The **Expected Or Intended Injury** Exclusion in Paragraph B. **Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

V. Physical Damage – Additional Temporary Transportation Expense Coverage

Paragraph A.4.a. of **Section III – Physical Damage Coverage** is replaced by the following:

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$50 per day to a maximum of \$1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

W. Replacement of a Private Passenger Auto with a Hybrid or Alternative Fuel Source Auto

The following is added to Paragraph A. **Coverage of the Physical Damage Coverage** Section:

In the event of a total "loss" to a covered "auto" of the private passenger type that is replaced with a hybrid "auto" or "auto" powered by an alternative fuel source of the private passenger type, we will pay an additional 10% of the cost of the replacement "auto", excluding tax, title, license, other fees and any aftermarket vehicle upgrades, up to a maximum of \$2500. The covered "auto" must be replaced by a hybrid "auto" or an "auto" powered by an alternative fuel source within 60 calendar days of the payment of the "loss" and evidenced by a bill of sale or new vehicle lease agreement.

To qualify as a hybrid "auto", the "auto" must be powered by a conventional gasoline engine and another source of propulsion power. The other source of propulsion power must be electric, hydrogen, propane, solar or natural gas, either compressed or liquefied. To qualify as an "auto" powered by an alternative fuel source, the "auto" must be powered by a source of propulsion power other than a conventional gasoline engine. An "auto" solely propelled by biofuel, gasoline or diesel fuel or any blend thereof is not an "auto" powered by an alternative fuel source.

X. Return of Stolen Automobile

The following is added to the **Coverage Extension** Provision of the **Physical Damage Coverage** Section:

If a covered "auto" is stolen and recovered, we will pay the cost of transport to return the "auto" to you. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

All other terms, conditions, provisions and exclusions of this policy remain the same.

