

DOCUMENT 00 52 00
CONTRACT

THIS AGREEMENT, made and executed in **Three (3)** original counterparts this 14, day of MAY A.D. 2015 between the Tooele County Road Department, hereinafter called "Owner", first party, and **Wardell Brothers Construction, Inc.**, hereinafter called "Contractor", second party.

WITNESSETH, that for and in consideration of payments, hereinafter mentioned, to be made by the Owner, the Contractor agrees to furnish all labor and equipment; to furnish and deliver all materials not specifically mentioned as being furnished by the Owner and to do and perform all work in the construction of the **Cochrane Lane Roadway Improvement Project** in Tooele County, State of Utah, the same being that section of Cochrane Lane from Cimarron Way on the south and Erda Way on the north approximately 2,880 lineal feet in length for the approximate sum of **Four Hundred Eighty Three Thousand Two Hundred Eighty Five & No/100 Dollars, (\$483,285.00).**

The Contractor further covenants and agrees that all of said work and labor shall be done and performed in the best and most workmanlike manner and in strict conformity with the plans, and specifications. The said plans and specifications and the notice to contractors, instruction to bidders, the proposal, special provisions and contract bond are hereby made a part of this agreement as fully and to the same effect as if the same had been set forth at length herein.

In consideration of the foregoing premises, Tooele County agrees to pay to Contractor in the manner and in the amount provided in the said specification and proposal.

IN WITNESS WHEREOF, the parties hereto have subscribed their names through their proper officers thereunto duly authorized as of the day and year first above written.

TOOELE COUNTY ROAD DEPARTMENT



Marilyn Gillette
Secretary
Witness

Wade B. Bitner

First Party: Wade Bitner, Chairman
Tooele County Commission

WARDSELL BROTHERS CONSTRUCTION

Second Party

By J. W. M.

Title PROJECT MANAGER

55-2120355

Utah Contractor License Number

Approved as to form:

By Doug Hogan Scott Broadhead
Doug Hogan Scott Broadhead
Tooele County Attorney

DOCUMENT 00 61 13
PERFORMANCE BOND

#K08940770

KNOW MEN BY THESE PRESENTS:

That, **Wardell Brothers Construction, Inc.**, hereinafter referred to as "Principal", and Westchester Fire Insurance Company _____, a corporation organized and existing under the laws of the State of Pennsylvania, with its principal office in the City of Philadelphia hereinafter referred to as the "Surety", are held and firmly bound unto Tooele County, Utah by and through the Tooele County Road Department, hereinafter referred to as the "Obligee", in the amount of Four Hundred Eighty Three Thousand Two Hundred Eighty Five and 00/100 Dollars (\$ **\$483,285.00**) for the payment whereof, the said Principal and Surety bind themselves, their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the 5th day of May 2015, to construct the **Cochrane Lane Roadway Improvement Project** in the County of Tooele, State of Utah, for the approximate sum of Four Hundred Eighty Three Thousand Two Hundred Eighty Five and 00/100 Dollars (\$ **\$483,285.00**) which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, the condition of this obligation is such, that if the said Principal shall faithfully perform the contract in accordance with the plans, specifications, and conditions thereof, then, this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 63, Chapter 56, Utah Code Annotated, 1953, as amended, and all liabilities on this bond to all such claimants shall be determined in accordance with said provisions, to the same extent as if it were copied at length herein.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this 7th day of May 2015.

Wardell Brothers Construction, Inc. _____ (Seal)

PO Box 827, Morgan Utah 84050 _____ (Seal)

WITNESS OR ATTESTATION

J. W. M. _____ (Seal)
Principal

WITNESS

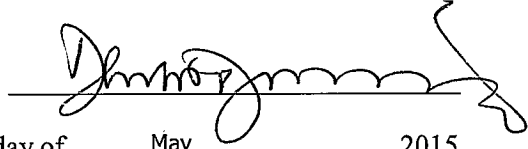
Westchester Fire Insurance Company
Surety

By David T. Smedley
Attorney-in-Fact David T. Smedley

Nicole Summers

STATE OF UTAH)
COUNTY OF TOOELE)SS.
Salt Lake

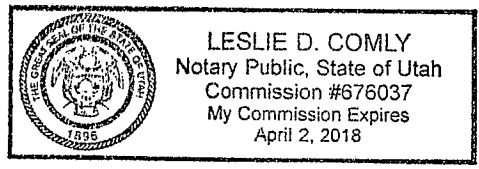
David T. Smedley being first duly sworn on oath disposes and says, that he is the Attorney-in-Fact of the Westchester Fire Insurance Company and that he is duly authorized to execute and deliver the foregoing obligation, that said Company is authorized to execute the same, and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings, and obligations.



Subscribed and sworn to before me this 7th day of May 2015.

My commission expires: April 2, 2018 Leslie D Comly
Notary Public

APPROVED AS TO FORM: Scott Bronington
Doug Hogan ~~SCOTT BRONINGTON~~
Tooele County Attorney



DOCUMENT 00 61 14
PAYMENT BOND

#KO8940770

KNOW MEN BY THESE PRESENTS:

That, **Wardell Brothers Construction, Inc.**, hereinafter referred to as "Principal", and Westchester Fire Insurance Company _____, a corporation organized and existing under the laws of the State of Pennsylvania, with its principal office in the City of Philadelphia hereinafter referred to as the "Surety", are held and firmly bound unto Tooele County, Utah by and through the Tooele County Road Department, hereinafter referred to as the "Obligee", in the amount of Four Hundred Eighty Three Thousand Two Hundred Eighty Five and 00/100 Dollars (\$ 483,285.00) for the payment whereof, the said Principal and Surety bind themselves, their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the 5th day of May 2015, to construct the **Cochrane Lane Roadway Improvement Project** in the County of Tooele, State of Utah, for the approximate sum of Four Hundred Eighty Three Thousand Two Hundred Eighty Five and 00/100 Dollars (\$ 483,285.00) which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, the condition of this obligation is such, that if the said Principal shall pay all claimants supplying labor or materials to him or his subcontractors in the prosecution of the work provided for in said contract then, this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 63, Chapter 56, Utah Code Annotated, 1953, as amended, and all liabilities on this bond to all such claimants shall be determined in accordance with said provisions, to the same extent as if it were copied at length herein.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this 7th day of May 2015.

Wardell Brothers Construction, Inc. (Seal)

PO Box 827, Morgan Utah 84050 (Seal)

WITNESS OR ATTESTATION

J. W. M. (Seal)
Principal

WITNESS

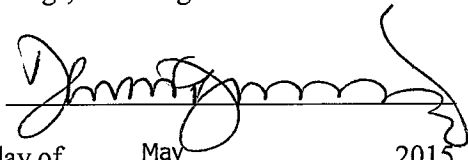
Westchester Fire Insurance Company
Surety

By David T. Smedley
Attorney-in-Fact David T. Smedley

Nicole Sommers

STATE OF UTAH)
COUNTY OF TOOELE)SS.
Salt Lake

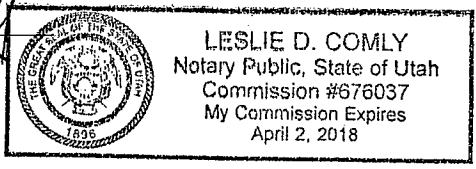
David T. Smedley being first duly sworn on oath disposes and says, that he is the Attorney-in-Fact of the Westchester Fire Insurance Company and that he is duly authorized to execute and deliver the foregoing obligation, that said Company is authorized to execute the same, and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings, and obligations.



Subscribed and sworn to before me this 7th day of May 2015

My commission expires: April 2, 2018 Leslie D. Comly
Notary Public

APPROVED AS TO FORM: Leslie D. Comly
~~Doug Hogan~~ ~~Scott~~ ~~Bizant~~
Tooele County Attorney



Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Alan C Anderson, David T Smedley, Edward Golub, all of the City of MIDVALE, Utah, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding One million Two hundred Fifty thousand dollars & zero cents (\$1,250,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 17 day of February 2015.

WESTCHESTER FIRE INSURANCE COMPANY



Stephen M. Haney
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss:

On this 17 day of February, AD. 2015 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company, that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
KAREN E. BRANDT, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Sept. 26, 2018

Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 7th day of May, 2015



William L. Kelly
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER February 17, 2017.



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

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

PRODUCER Central Bonds & Insurance Agency a division of LG Spanish Fork P O Box 338 Midvale, UT 84047	CONTACT NAME: Dave Smedley
	PHONE (A/C, No, Ext): 801.566.7272 FAX (A/C, No): 801.566.7274 E-MAIL ADDRESS: dave@centralbonds.com
INSURED Wardell Brothers Construction, Inc. P.O. Box 827 Morgan, UT 84050	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A: Employers Mutual Casualty Co 21415
	INSURER B: Workers Comp Fund of Utah 10033
	INSURER C:
	INSURER D:
	INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: 14-15 G,A,U; 15-16 WC REVISION NUMBER:

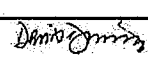
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			5X22215	12/01/2014	12/01/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Blnkt Addt'l Insr'd	X	X				PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> Blanket Waiver						GENERAL AGGREGATE \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMPI/OP AGG \$ 2,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						\$
A	AUTOMOBILE LIABILITY			5X22215	12/01/2014	12/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS		<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS		<input checked="" type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
							\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			5X22215	12/01/2014	12/01/2015	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			2595412	03/16/2015	03/16/2016	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		<input checked="" type="checkbox"/> Y/N				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Inland Marine		X	5X22215	12/01/2014	12/01/2015	Leased/Rented Equip: \$250,000 Deductible: \$5,000

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

Job Name: Cochrane Lane Roadway Improvement Project

Please see the attached form(s) for additional insured and/or waiver of subrogation compliance.

CERTIFICATE HOLDER FAX: 435.843.3400 Tooele County Road Department 47 South Main Street Tooele, UT 84074	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  Dave Smedley/CIMIDG
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS –
AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION CONTRACT OR
AGREEMENT INCLUDING COMPLETED OPERATIONS – PRIMARY AND
NONCONTRIBUTORY**

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. Section II – Who Is An Insured is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of:

- a. your ongoing operations for the additional insured; or
- b. "Your work" for the additional insured and included in the "products – completed operations hazard".

However, the insurance afforded to such additional insured described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury," "property damage" and "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services including:

- a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports,

surveys, field orders, change orders or drawings and specifications; or

- b. Supervisory, inspection, architectural or engineering activities.

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 the insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph A.1.; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

D. The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary and Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

E. All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET WAIVER OF SUBROGATION WHEN REQUIRED IN A WRITTEN
CONTRACT OR AGREEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is deleted and replaced by the following:

We waive any right of recovery we may have against any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

Policy # 5X22215

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT — AGGREGATE LIMITS OF INSURANCE (PER PROJECT)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The General Aggregate Limit under LIMITS OF INSURANCE (Section III) applies separately to each of your projects away from premises owned by or rented to you.

Includes copyrighted material of Insurance Services Office, Inc. with its permission.

Form CG7429 (Ed. 11-98)

Copyright, Insurance Services Office, Inc., 1984

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO ELITE AMENDMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The BUSINESS AUTO COVERAGE FORM is amended to include the following clarifications and extensions of coverage. With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. TEMPORARY SUBSTITUTE AUTO PHYSICAL DAMAGE

SECTION I – COVERED AUTOS paragraph **C. Certain Trailers, Mobile Equipment, and Temporary Substitute Autos** is amended by adding the following:

If **PHYSICAL DAMAGE COVERAGE** is provided by this coverage form for an "auto" you own, the Physical Damage Coverages provided for that owned "auto" are extended to any "auto" you do not own while used with the permission of its owner as a temporary substitute for the covered "auto" you own that is out of service because of breakdown, repair, servicing, "loss" or destruction.

The coverage provided is the same as the coverage provided for the vehicle being replaced.

B. BLANKET ADDITIONAL INSURED

SECTION II – LIABILITY COVERAGE, A.1. Who Is An Insured is amended by adding the following:

Any person or organization who is a party to a written agreement or contract with you in which you agree to provide the type of insurance afforded under this Business Auto Coverage Form.

This provision applies to claims for "bodily injury" or "property damage" which occur after the execution of any written agreement or contract.

C. EMPLOYEES AS INSUREDS

The following is added to the **Section II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured** Provision:

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. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

SECTION II – LIABILITY COVERAGE, A.1. Who Is An Insured is amended by adding the following:

Any organization which you acquire or form after the effective date of this policy in which you maintain ownership or majority interest. However:

- (1) Coverage under this provision is afforded only up to 180 days after you acquire or form the organization, or to the end of the policy period, whichever is earlier.
- (2) Any organization you acquire or form will not be considered an "insured" if:
 - (a) The organization is a partnership or a joint venture; or
 - (b) That organization is covered under other similar insurance.
- (3) Coverage under this provision does not apply to any claim for "bodily injury" or "property damage" resulting from an "accident" that occurred before you formed or acquired the organization.

E. SUBSIDIARIES AS INSUREDS

SECTION II – LIABILITY COVERAGE, A.1. Who Is An Insured is amended by adding the following:

Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of this policy. However, "insured" does not include any subsidiary that is an "insured" under any other automobile liability policy or was an "insured" under such a policy but for termination of that policy or the exhaustion of the policy's limits of liability.

F. COVERAGE EXTENSIONS – SUPPLEMENTARY PAYMENTS

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

- (2) 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.
- (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.

G. FELLOW EMPLOYEE COVERAGE

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

Subparagraph 5. of paragraph B. **Exclusions** in **SECTION II LIABILITY COVERAGE** does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

H. PHYSICAL DAMAGE – TOWING

SECTION III – PHYSICAL DAMAGE COVERAGE, A.2. Towing is replaced with the following:

We will pay for towing and labor costs incurred, subject to the following:

- a. Up to \$100 each time a covered "auto" of the private passenger type is disabled; or
- b. Up to \$500 each time a covered "auto" other than the private passenger type is disabled.

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

I. LOCKSMITH SERVICES

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

We will pay up to \$250 per occurrence for necessary locksmith services for keys locked inside a covered private passenger "auto". The deductible is waived for these services.

J. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES

SECTION III – PHYSICAL DAMAGE COVERAGE, A.4. Coverage Extensions subparagraph a. **Transportation Expenses** is replaced by the following:

- (1) We will pay up to \$75 per day to a maximum of \$2,500 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 Cause 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 expirations, when the covered "auto" is returned to use or we pay for its "loss".
- (2) If the temporary transportation expenses you incur arise from your rental of an "auto" of the private passenger type, the most we will pay is the amount it costs to rent an "auto" of the private passenger type which is of the same like kind and quality as the stolen covered "auto."

K. AUDIO, VISUAL, AND DATA ELECTRONIC EQUIPMENT COVERAGE

In addition to the Each Accident Limit of Insurance and subject to the provisions of Paragraph C.2. of **Section III Physical Damage** of the coverage form, we will pay up to \$5,000 for "loss" in any one "accident" to all electronic equipment that reproduces, receives, or transmits audio, visual or data signals.

L. HIRED AUTO PHYSICAL DAMAGE

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

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss, or Collision coverage is provided for any "auto" you own, then the Physical Damage coverages provided are extended to "autos" you hire, subject to the following limit and deductible:

- (1) The most we will pay for loss to any hired "auto" is the lesser of Actual Cash Value or Cost of Repair, minus the deductible.
- (2) The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning.
- (3) Subject to the above limit and deductible provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will pay up to \$1,000, in addition to the limit above, for loss of use of a hired auto to a leasing or rental concern for a monetary loss sustained, provided it results from an "accident" for which you are legally liable.

M. AUTO LOAN OR LEASE COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE paragraph A.4. **Coverage Extensions** is amended by the addition of the following:

In the event of a total "loss" to a covered "auto" which is covered under this policy for Comprehensive, Specified Cause of Loss, or Collision coverage, we will pay any unpaid amount due, including up to a maximum of \$500 for early termination fees or penalties, on the lease or loan for a covered "auto", less:

1. The amount paid under the **PHYSICAL DAMAGE COVERAGE SECTION** of the policy; and
2. Any:
 - a. Overdue lease/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.

Coverage does not apply to any unpaid amount due on a loan for which the covered "auto" is not the sole collateral.

N. PERSONAL PROPERTY OF OTHERS

SECTION III – PHYSICAL DAMAGE COVERAGE,

A.4. Coverage Extensions is amended by adding the following:

We will pay up to \$500 for loss to personal property of others in or on your covered "auto."

This coverage applies only in the event of "loss" to your covered "auto" caused by fire, lightning, explosion, theft, mischief or vandalism, the covered "auto's" collision with another object, or the covered "auto's" overturn.

No deductibles apply to this coverage.

O. PERSONAL EFFECTS COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE,

A.4. Coverage Extensions is amended by adding the following:

We will pay up to \$500 for "loss" to your personal effects not otherwise covered in the policy or, if you are an individual, the personal effects of a family member, that is in the covered auto at the time of the "loss".

For the purposes of this extension personal effects means tangible property that is worn or carried by an insured including portable audio, visual, or electronic devices. Personal effects does not include tools, jewelry, guns, money and securities, or musical instruments

P. EXTRA EXPENSE FOR STOLEN AUTO

SECTION III – PHYSICAL DAMAGE COVERAGE,

A.4. Coverage Extensions is amended by adding the following:

We will pay up to \$1,000 for the expense incurred returning a stolen covered "auto" to you because of the total theft of such covered "auto". Coverage applies only to those covered "autos" for which you carry Comprehensive or Specified Causes Of Loss Coverage.

Q. RENTAL REIMBURSEMENT

SECTION III – PHYSICAL DAMAGE COVERAGE,

A.4. Coverage Extensions is amended by adding the following:

1. This coverage applies only to a covered "auto" for which **PHYSICAL DAMAGE COVERAGE** is provided on this policy.
2. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductibles apply to this coverage.

3. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days.

a. The number of days reasonably required to repair or replace the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you; or

b. 30 days.

4. Our payment is limited to the lesser of the following amounts:

a. Necessary and actual expenses incurred; or

b. \$75 per day, subject to a \$2,250 limit.

5. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.

6. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the Physical Damage – Transportation Expense Coverage Extension included in this endorsement.

7. Coverage provided by this extension is excess over any other collectible insurance and/or endorsement to this policy.

R. AIRBAG COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE,

B.3.a. Exclusions is amended by adding the following:

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

S. NEW VEHICLE REPLACEMENT COST

The following is added to **Paragraph C. Limit of Insurance of SECTION III – PHYSICAL DAMAGE COVERAGE**

In the event of a total "loss" to your new covered auto of the private passenger type or vehicle having a gross vehicle weight of 20,000 pounds or less, to which this coverage applies, we will pay at your option:

a. The verifiable new vehicle purchase price you paid for your damaged vehicle, not including any insurance or warranties.

b. The purchase price, as negotiated by us, of a new vehicle of the same make, model, and equipment, or most similar model available, not including any furnishings, parts, or equipment not installed by the manufacturer or their dealership.

- c. The market value of your damaged vehicle, not including any furnishings, parts, or equipment not installed by the manufacturer or their dealership.

We will not pay for initiation or set up costs associated with a loans or leases.

For the purposes of this coverage extension a new covered auto is defined as an "auto" of which you are the original owner that has not been previously titled which you purchased less than 180 days prior to the date of loss.

T. LOSS TO TWO OR MORE COVERED AUTOS FROM ONE ACCIDENT

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

If a Comprehensive, Specified Causes of Loss or Collision Coverage "loss" from one "accident" involves two or more covered "autos", only the highest deductible applicable to those coverages will be applied to the "accident".

This provision only applies if you carry Comprehensive, Collision or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any covered "autos" for which you do not carry such coverage.

U. WAIVER OF DEDUCTIBLE – GLASS REPAIR OR REPLACEMENT

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

If a Comprehensive Coverage deductible is shown in the Declarations it does not apply to the cost of repairing or replacing damaged glass.

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

SECTION IV – BUSINESS AUTO CONDITIONS, A.2. Duties in the Event of Accident, Claim, Suit or Loss is amended by adding the following:

- d. Your obligation to notify us promptly of an "accident", claim, "suit" or "loss" is satisfied if you send us the required notice as soon as practicable after your Insurance Administrator or anyone else designated by you to be responsible for insurance matters is notified, or in any manner made aware, of an "accident", claim, "suit" or "loss".

W. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY

Subparagraph 5. of paragraph A. **Loss Conditions of SECTION IV BUSINESS AUTO CONDITIONS** is deleted in its entirety and replaced with the following.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

However, we waive any right of recovery we may have against any person, or organization with whom you have a written contract, agreement or permit executed prior to the "loss" that requires a waiver of recovery for payments made for damages arising out of your operations done under contract with such person or organization.

X. UNINTENTIONAL FAILURE TO DISCLOSE EXPOSURES

SECTION IV – BUSINESS AUTO CONDITIONS, B.2. Concealment, Misrepresentation, or Fraud is amended by adding the following:

If you unintentionally fail to disclose any exposures existing at the inception date of this policy, we will not deny coverage under this Coverage Part solely because of such failure to disclose. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

Y. MENTAL ANGUISH

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

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from bodily injury, sickness or disease.

Z. LIBERALIZATION

If we revise this endorsement to provide greater coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.