

CITY OF FAIRFIELD

P.O. NUMBER: SC 10405

SHIP TO: Corporation Yard Admin
420 Gregory Street
Fairfield CA 94533

VENDOR NO: B1847

SCHEDULED
DELIVERY DATE:

P.O. TYPE: OPEN

VENDOR: NEW IMAGE LANDSCAPE COMPANY
3250 DARBY COMMON
FREMONT CA 94539-5601

PURCHASING COPY PURCHASE ORDER

| LINE | QUANTITY | UNIT | UNIT PRICE | AMOUNT | DESCRIPTION OF ITEM AND/OR SERVICES ORDERED |
|--------|----------|------|------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 200,000 | EA | 1.00 | 200,000.00 | The purchase of goods and services is limited to the currently adjusted maximum unit cost. Please contact the Purchasing Agent for the currently adjusted maximum cost. |
| TOTAL: | | | | ----- \$200,000.00 | |
| | | | | | TERMS: NET 30 |

AUTHORIZED PURCHASING SIGNATURE:

Wade Brown

DATE

11/06/23

SPECIAL PURCHASE ORDER INSTRUCTIONS:

1. For any information concerning this order contact purchasing division at (707) 428-7596
2. List Purchase Order number on all shipments and invoices.
3. Delivery of merchandise is considered acceptance of unit price as stated.
4. Prices considered F.O.B. Fairfield, CA unless stated otherwise. Freight collect shipments are not accepted.

INVOICE IN TRIPLICATE TO:

CITY OF FAIRFIELD
ACCOUNTS PAYABLE
1000 WEBSTER STREET
FAIRFIELD, CA 94533-4883

The seller hereby affirms that it shall not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, physical handicap, or age. Violation of this clause may be cause for refusing to accept delivery of any such goods and/or services from the seller until the seller complies with said provision.


RECEIVED

JUN 22 2011



ENTERED
PURCHASING
CITY OF FAIRFIELD
PURCHASING


JUN 23 2011

BY 

Memorandum

Public Works Department

Date: June 14, 2011

To:  Wade Brown, Financial Services Manager

From:  John C. Pedersen, Operations Superintendent

Subject: "Service Agreement" (Open Purchase Order) with New Image Landscape Company

Handwritten: SC/0405
B 1847

Recommended Action

Please establish an open purchase order and sign the attached Service Agreement.

Background

We understand that the current line item limit for Service Agreements is \$22,600 and that Service Agreements can be approved without City Council action. We have certificates of insurance and endorsements on file for this specific vendor or contractor and will follow Finance Department policies and procedures related to Service Agreements.

Discussion

The City has entered into contracts with New Image Landscape Company to perform landscape maintenance work in various Maintenance Districts. By design, those Maintenance District contracts have tightly defined scopes of work. Anticipated seasonal work, routine irrigation repairs and other work is expected, but by choice these variable items fall outside of the primary Maintenance District contracts. The attached Service Agreement will cover those variable items of work not explicitly covered in the primary contracts.

Fiscal Impact

Costs for this Service Agreement will be covered by the appropriate Landscape Maintenance District or by the Landscape Division's operating budget.

Memo to Wade Brown
Re: Open P.O. Services Agreement
June 14, 2011

Documents Attached

Attachment 1: One page Open Purchase Order Service Agreement (3)
Attachment 2: Insurance documents with Checklist Approval form

Staff Contact

Rachel Bastida, Public Works Assistant
Public Works/Operations
P: (707) 428-7053
F: (707) 428-7638
rbastida@fairfield.ca.gov

CITY OF FAIRFIELD SERVICES AGREEMENT

THIS AGREEMENT is made at Fairfield, California, as of 1/12 2011 by and between the City of Fairfield ("the CITY") and New Image Landscape Co. ("SERVICE PROVIDER").

- 1. **SCOPE OF SERVICE.** SERVICE PROVIDER agrees to perform the following work: Extra Work outside of the Landscape Maintenance Agreement
- 2. **PAYMENTS.**

- a. The total contract price for services rendered by SERVICE PROVIDER under this Agreement shall be as specified below:
Not to exceed the currently adjusted maximum per unit cost for goods and services. The 10/11 fiscal year adjusted maximum per unit cost is \$22,600.00, this value is annually adjusted upward commiserate with the Consumer's Price Index (CPI). Please contact the Purchasing Officer at (707) 428-7596 for additional information.
- b. Payment shall be made to SERVICE PROVIDER on a time and materials basis, and SERVICE PROVIDER shall submit invoices when the installation process is finalized and approved by the site.
- c. Any additional meetings or work required beyond that set forth in shall be mutually agreed to by the CITY and SERVICE PROVIDER, and shall be billed on a time and materials basis to the City of Fairfield.

3. **INSURANCE.**

- a. **WORKERS' COMPENSATION.** During the term of this Agreement, SERVICE PROVIDER shall fully comply with the terms of the law of California concerning workers' compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability SERVICE PROVIDER may have for workers' compensation. Said policy shall also include employer's liability coverage no less than \$1,000,000 per accident for bodily injury or disease.
 - b. **GENERAL LIABILITY INSURANCE.** SERVICE PROVIDER shall obtain at its sole cost and keep in full force and effect during the term of this agreement commercial general liability insurance in the amount of no less than \$1,000,000 per occurrence for bodily injury, personal injury, products and completed operations, and property damage. Said insurance shall provide (1) that the CITY, its officers, agents, employees and volunteers shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and (3) that no other insurance effected by the CITY or other named insureds will be called upon to cover a loss covered thereunder.
 - c. **AUTOMOBILE LIABILITY INSURANCE.** SERVICE PROVIDER shall obtain at its sole cost and keep in full force and effect during the term of this agreement automobile liability insurance in the amount of no less than \$1,000,000 per occurrence for bodily injury and property damage. Said insurance shall provide (1) that the CITY, its officers, agents, employees and volunteers shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and (3) that no other insurance effected by the CITY or other named insureds will be called upon to cover a loss covered thereunder.
 - d. **CERTIFICATES OF INSURANCE.** SERVICE PROVIDER shall file with CITY'S Department of Public Works or the Designee upon the execution of this agreement, certificates of insurance which shall provide that no cancellation, major change in coverage, expiration, or nonrenewal will be made during the term of this agreement, without thirty (30) days written notice to the City of Fairfield or the Designee prior to the effective date of such cancellation, or change in coverage.
 - e. SERVICE PROVIDER shall file with the City of Fairfield or the Designee concurrent with the execution of this agreement, the City's standard endorsement form (attached hereto) providing for each of the above requirements.
4. **INDEMNIFY AND HOLD HARMLESS.** SERVICE PROVIDER shall indemnify, defend, and hold harmless the CITY, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by the SERVICE PROVIDER or any person directly or indirectly employed by or acting as agent for SERVICE PROVIDER in the performance of this Agreement, including the concurrent or successive passive negligence of the CITY, its officers, agents, employees or volunteers

It is understood that the duty of SERVICE PROVIDER to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve SERVICE PROVIDER from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

5. **LABOR AND WAGE CODE GUIDELINES.**

- a. Attention is directed to Section 1777.5 of the Labor Code as it applies to apprenticeship standards
- b. SERVICE PROVIDER, as defined for this agreement, shall pay prevailing wages to the extent required by California Labor Code Section 1771. The general prevailing wage rates for each craft, classification, or type of workman shall be as determined by the Director of Industrial Relations (available online at http://www.dir.ca.gov/DLSR/statistics_research.htm) select the appropriate wage decision and then collect the wage decision for Statewide, Northern California and Solano County). A copy of these wage rate determinations are kept on file and are available for review at the Office of the City Engineer located at 1000 Webster Street.
- c. In accordance with the provision of Section 1860 of the California Labor Code, attention is directed to the requirement that in accordance with the provisions of Section 3700 of the California Labor Code, every contractor will be required to secure the payment of compensation of his or her employees.

- 6. **BUSINESS LICENSE.** The CONSULTANT shall obtain a business license for work within the City of Fairfield pursuant to Chapter 10B of the Fairfield City Code, with respect to the gross receipts received pursuant to this Agreement. No payments shall be made to any SERVICE PROVIDER until such business license has been obtained, and all fees paid therefore, by the CONSULTANT. Business license applications and information may be obtained from the Finance Department, Fairfield City Hall, 1000 Webster Street, Fairfield, CA 94533-4883, (707/428-7509).
- 7. **CANCELLATION.** This agreement may be canceled at any time by CITY for its convenience upon written notice to SERVICE PROVIDER: provided, however, that the SERVICE PROVIDER shall be entitled to receive full payment for all services performed and all costs incurred to the date of its receipt of written notice to cease work.
- 8. **COMPLETE AGREEMENT/AMENDMENT.** This Agreement constitutes the complete agreement between the parties as to the subject matter hereof and may not be amended or changed except by a written agreement signed by both parties.

SERVICE PROVIDER

By: [Signature]
New Image Landscape Co.

City of Fairfield, a municipal corporation

By: [Signature]
[Signature]

New: Renewal:

INSURANCE CHECKLIST

CONTRACTOR: New Image Landscape DATE OF CONTRACT: P.O. # 19699
 DEPARTMENT: Public Works Engineering and Admin STAFF PERSON & TELEPHONE NO: Kimber Thompson ext. 7485
 DESCRIBE PROJECT / WORK: Landscape Maintenance

| Required? Yes No | Type of Insurance | Insurance Company Name and AM Best Rating | Policy Number | Expiration Date | Per Occurrence Insurance Limit | Endorsement Form | | |
|-------------------------------------|------------------------|-----------------------------------------------|-----------------|-----------------|--------------------------------|------------------|-------------------------------------|--------|
| | | | | | | City | Other | Waived |
| <input checked="" type="checkbox"/> | General Liability | Scottsdale Insurance Co. A+ :XV | BCS0022510 | 7/1/11 | 1,000,000 | | <input checked="" type="checkbox"/> | |
| <input checked="" type="checkbox"/> | Auto Liability | Peerless Ins. Co A:XV | BA8698124 | 7/1/11 | 1,000,000 | | <input checked="" type="checkbox"/> | |
| <input checked="" type="checkbox"/> | Excess Liability | Fireman's Fund Insurance Company A:XV | SSE00014503478 | 7/1/11 | 2,000,000 | | | |
| <input checked="" type="checkbox"/> | Workers' Compensation | Wausau Underwriters Insurance Company A:XV | WCJZ91442535010 | 7/1/11 | 1,000,000 | | | |
| | Professional Liability | | | | | | | |

RECEIVED
CITY OF FAIRFIELD

JUL 19 2010

HUMAN RESOURCES

APPROVED: *Stephany J. Green* DATE: 7/21/10
 Authorized Risk Management Signature

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/1/2010

PRODUCER (530) 668-2777
Armstrong & Associates Insurance Services
 License # 0B50501
 P.O. Box 1270
 Woodland, CA 95776-1270

INSURED **New Image Landscape Company**
 3250 Darby Common
 Fremont, CA 94539

Didia (?)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

| INSURERS AFFORDING COVERAGE | NAIC # |
|-----------------------------------------------------------|--------|
| INSURER A: Scottsdale Insurance Company | A+XV |
| INSURER B: Peerless Insurance Company - A Stock Co | A+XV |
| INSURER C: Fireman's Fund Insurance Company | A+XV |
| INSURER D: Wausau Underwriters Insurance Company | A+XV |
| INSURER E: | |

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR ADD'L LTR | INSRD | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|----------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | X | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC | BCS0022510 | 7/1/2010 | 7/1/2011 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| B | X | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | BA8698124 | 7/1/2010 | 7/1/2011 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC AGG \$ |
| C | | EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$ | SSE00014503478 | 7/1/2010 | 7/1/2011 | EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$ |
| D | | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER | WCJZ91442535010 | 7/1/2010 | 7/1/2011 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 10 Day Notice of Cancellation for non-payment of premium.
 City of Fairfield, its officers, employees, and agents are added as additional insureds with respects to the General Liability as required by written contract per attached CG2037 07/04 & CG2033 07/04. Primary Wording hereby applies per attached Form GLS-294s (3-10) Auto Additional Insured hereby applies per attached Form GECA701.

CERTIFICATE HOLDER

City of Fairfield
 Department of Public Works-City Hall
 1000 Webster Street, 3rd Floor
 Fairfield, CA 94533

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 City of Fairfield
 JUL 6 2010
 Public Works

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Martin Armstrong

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

| Name Of Additional Insured Person(s) Or Organization(s): | Location And Description Of Completed Operations |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Any person or organization for whom the named insured has agreed by written contract. | Any or all as provided by contract. |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | |

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf,

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - 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.
2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



| ATTACHED TO AND FORMING A PART OF POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------|-------------------------------------------------------|-----------------------------|-----------|
| BCS0022510 | 07/01/2010 | New Image Landscape Company | |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED-OWNERS, LESSEES OR CONTRACTORS SPECIAL CONDITION

For coverage provided in the following endorsements as indicated by an "x" in the box below:

- Additional Insured—Owners, Lessees Or Contractors—Scheduled Person Or Organization (CG 20 10).
- Additional Insured—Owners, Lessees Or Contractors—Automatic Status When Required In Construction Agreement With You (CG 20 33).
- Additional Insured—Owners, Lessees Or Contractors—Completed Operations (CG 20 37).

The insurance provided is amended to be (indicated by an "x" in one box below):

- Primary and noncontributory.
- Primary.
- Noncontributory.

If this box is checked, this endorsement applies only to the following additional insured(s):

AUTHORIZED REPRESENTATIVE

DATE

COMMERCIAL AUTO GOLD ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SECTION II - LIABILITY COVERAGE

A. COVERAGE

1. WHO IS AN INSURED

The following is added:

- d. Any organization, other than a partnership or joint venture, over which you maintain ownership or a majority interest on the effective date of this Coverage Form, if there is no similar insurance available to that organization.
- e. Any organization you newly acquire or form other than a partnership or joint venture, and over which you maintain ownership of a majority interest. However, coverage under this provision does not apply:
 - (1) If there is similar insurance or a self-insured retention plan available to that organization; or
 - (2) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.
- f. Any volunteer or employee of yours while using a covered "auto" you do not own, hire or borrow your business or your personal affairs. Insurance provided by this endorsement is excess over any other insurance available to any volunteer or employee.
- g. Any person, organization, trustee, estate or governmental entity with respect to the operation, maintenance or use of a covered "auto" by an insured, if:
 - (1) You are obligated to add that person, organization, trustee, estate or governmental entity as an additional insured to this policy by:
 - (a) an expressed provision of an "insured contract", or written agreement; or
 - (b) an expressed condition of a written permit issued to you by a governmental or public authority.
 - (2) The "bodily injury" or "property damage" is caused by an "accident" which takes place after:
 - (a) You executed the "insured contract" or written agreement; or
 - (b) the permit has been issued to you.

2. COVERAGE EXTENSIONS

a. Supplementary Payments.

Subparagraphs (2) and (4) are amended as follows:

(2) Up to \$2500 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.

(4) All reasonable expenses incurred by the "Insured" at our request, including actual loss of earning up to \$500 a day because of time off from work.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

The following is added:

5. Hired Auto Physical Damage

or a. Any "auto" you lease, hire, rent or borrow from someone other than your employees or partners members of their household is a covered "auto" for each of your physical damage coverages.

b. The most we will pay for "loss" in any one "accident" is the smallest of:

(1) \$50,000

(2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or

(3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

If you are liable for the "accident", we will also pay up to \$500 per "accident" for the actual loss of use to the owner of the covered "auto".

c. Our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by an amount that is equal to the amount of the largest deductible shown for any owned "auto" for that coverage. However, any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

d. For this coverage, the insurance provided is primary for any covered "auto" you hire without a driver and excess over any other collectible insurance for any covered "auto" that you hire with a driver.

6. Rental Reimbursement Coverage

based per with for We will pay up to \$75 per day for up to 30 days, for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Rental Reimbursement will be on the rental of a comparable vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for a period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your materials and equipment from the covered "auto".

If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under paragraph 4. **Coverage Extension.**

7. Lease Gap Coverage

If a long-term leased "auto" is a covered "auto" and the lessor is named as an Additional Insured - Lessor, in the event of a total loss, we will pay your additional legal obligation to the lessor for any difference between the actual cash value of the "auto" at the time of the loss and the "outstanding balance" of the lease.

"Outstanding balance" means the amount you owe on the lease at the time of loss less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; and lease termination fees.

B. EXCLUSIONS

The following is added to Paragraph 3

The exclusion for "loss" caused by or resulting from mechanical or electrical breakdown does not apply to the accidental discharge of an airbag.

Paragraph 4 is replaced with the following:

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, disks or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Equipment designed or used for the detection or location of radar.
- c. Any electronic equipment that receives or transmits audio, visual or data signals.

Exclusion 4.c does not apply to:

- (1) Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is permanently installed in the covered "auto" at the time of the "loss" and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- (2) Any other electronic equipment that is:
 - (a) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (b) An integral part of the same unit housing any sound reproducing equipment described in (1) above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

D. DEDUCTIBLE

The following is added: No deductible applies to glass damage if the glass is repaired rather than replaced.

SECTION IV: BUSINESS AUTO CONDITIONS

A. LOSS CONDITIONS

Item 2.a. and b. are replaced with:

2. Duties In The Event of Accident, Claim, Suit, or Loss

- a. You must promptly notify us. Your duty to promptly notify us is effective when any of your executive officers, partners, members, or legal representatives is aware of the accident, claim, "suit", or loss. Knowledge of an accident, claim, "suit", or loss, by other employee(s) does not imply you also have such knowledge.
- b. To the extent possible, notice to us should include:
 - (1) How, when and where the accident or loss took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the accident or loss.

The following is added to 5.

We waive any right of recovery we may have against any additional insured under Coverage A. 1. Who Is An Insured g., but only as respects loss arising out of the operation, maintenance or use of a covered "auto" pursuant to the provisions of the "insured contract", written agreement, or permit.

B. GENERAL CONDITIONS

9. is added

9. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

Your unintentional failure to disclose any hazards existing at the effective date of your policy will not prejudice the coverage afforded. However, we have the right to collect additional premium for any such hazard.

COMMON POLICY CONDITIONS

2.b. is replaced by the following:

- b. 60 days before the effective date of cancellation if we cancel for any other reason.