

**PROFESSIONAL SERVICES AGREEMENT
Nags Head Pedestrian Plan**

PREAMBLE

This "Contract", made and entered into this 22 day of January, 2014, by and between **Alta Planning + Design** hereinafter called "CONSULTANT" and the **Town of Nags Head** hereinafter called "CLIENT"; and

Whereas, the CLIENT has need for the services of an individual with the particular training, ability, knowledge, and experience possessed by the CONSULTANT;

WITNESSETH:

The parties hereto mutually covenant and agree to and with each other as follows:

1. SCOPE OF WORK AND CONTRACT DOCUMENTS

The CONSULTANT shall perform services as outlined in the Exhibit A-SERVICES, Exhibit B-ESTIMATED SCHEDULE, and Exhibit C-SCHEDULE OF FEES AND CHARGES, which exhibits are attached to Work Order No. 1 to this Contract. In performing the services pursuant to this Contract, the CONSULTANT shall comply with the provisions applicable to a contractor in that certain agreement entitled "Locally Administered Project – Federal" entered into by and between the North Carolina Department of Transportation and the Town and dated 6/17/2013 (the "NCDOT Agreement"), which NCDOT Agreement is incorporated herein by reference. The contract documents shall consist of this Contract, the NCDOT Agreement, the attached Exhibits, and Work Order(s) as may be executed by written agreement of the parties. Any conflict between the contract documents shall be resolved in the following priority:

1. Work Order,
2. This Contract, as considered without the work orders.

This Contract shall supersede any prior representation or contract, written or oral.

All final plans, including reports of phases of the project and of the entire project, shall be provided in both written and electronic format. Electronic format shall be in a format coordinated with the CLIENT and shall be compatible with such software programs specified by the CLIENT.

2. DURATION OF CONTRACT

This Contract shall become effective on the date this Contract has been signed by every party hereto. CONSULTANT acknowledges that no work has been or will be performed for the project under this Contract until this Contract is fully executed and effective. CONSULTANT shall complete performance of this Contract on or before March 1, 2015, plus any extensions thereof.

CONSULTANT's completion shall not extinguish or prejudice CLIENT's right to enforce this Contract with respect to any default or defect in CONSULTANT's performance.

3. PAYMENT

Amount of Payment: CONSULTANT shall be compensated for all goods, materials, expenses, and services as set forth in Work Order No. 1, Exhibit C-SCHEDULE OF FEES AND CHARGES.

Invoicing and Manner of Payment: The invoices shall describe all work performed, as described in the

Work Order. CONSULTANT shall send Invoices to CLIENT's Authorized Representative. An invoice shall be submitted by CONSULTANT within the first 30 days of the start of Work and continuing each month thereafter until completion or termination. Payment upon the invoice shall be within 15 days following receipt from CONSULTANT of an invoice or statement for all of CONSULTANT's time and charges for the involved period.

4. TIME IS OF THE ESSENCE.

CLIENT and CONSULTANT recognize that time is of the essence of this Contract and the CLIENT will suffer financial loss and the public will suffer loss or be inconvenienced if the work is not completed within the times specified in "Duration of Contract" paragraph above, plus any extensions thereof.

5. TERMINATION

- A. Parties' Right to Terminate For Convenience. This Contract may be terminated at any time by mutual written consent of the parties.
- B. CLIENT's Right To Terminate For Convenience: CLIENT may, at its sole discretion, terminate this Contract, in whole or in part, upon 10 days notice to CONSULTANT.
- C. CLIENT's Right to Terminate For Cause: CLIENT may terminate this Contract, in whole or in part, immediately upon notice to CONSULTANT, or at such later date as CLIENT may establish in such notice, upon the occurrence of any of the following events:
- (i) CLIENT fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for CONSULTANT's Work;
 - (ii) Federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the Work under this Contract is prohibited or CLIENT is prohibited from paying for such Work from the planned funding source;
 - (iii) CONSULTANT no longer holds any license or certificate that is required to perform the Work; or
 - (iv) CONSULTANT commits any material breach or default of any covenant, obligation or agreement under this Contract, fails to perform the Work under this Contract within the time specified herein or any extension thereof, or so fails to pursue the Work as to endanger CONSULTANT's performance under this Contract in accordance with its terms, and such breach, default or failure is not cured within 5 business days after delivery of CLIENT's notice, or such longer period as CLIENT may specify in such notice.
- D. CONSULTANT's Right to Terminate for Cause: CONSULTANT may terminate this Contract upon 30 days' notice to CLIENT if CLIENT fails to pay CONSULTANT pursuant to the terms of this Contract and CLIENT fails to cure within 30 business days after receipt of CONSULTANT's notice, or such longer period of cure as CONSULTANT may specify in such notice.

Remedies

- (i) In the event of termination pursuant to subsections B, C(i), C(ii) or D, CONSULTANT's sole remedy shall be a claim for the sum designated for accomplishing the Work multiplied by the percentage of Work completed and accepted by CLIENT, less previous amounts paid and any claim(s) which CLIENT has against CONSULTANT.
- (ii) In the event of termination pursuant to subsection C(iii) or C(iv), CLIENT shall have any

remedy available to it in law or equity. If it is determined for any reason that CONSULTANT was not in default under subsection C(iii) or C(iv), the rights and obligations of the parties shall be the same as if the Contract was terminated pursuant to subsection B.

CONSULTANT's Tender Upon Termination: Upon receiving a notice of termination of this Contract, CONSULTANT shall immediately cease all activities under this Contract, unless /CLIENT expressly directs otherwise in such notice of termination.

Upon termination of this Contract, CONSULTANT shall deliver to /CLIENT all documents, information, works-in-progress and other property that are or would be deliverables had the Contract been completed. Upon /CLIENT's request, CONSULTANT shall surrender to anyone /CLIENT designates, all documents, research or objects or other tangible things needed to complete the Work.

6. INSURANCE

The CONSULTANT shall obtain prior to the commencement of the Contract, and shall maintain in full force and effect for the term of this Contract, at the CONSULTANT's expense, a comprehensive general or commercial general liability policy and automobile liability insurance policy for the protection of the CONSULTANT and the CLIENT, its officers, agents, and employees. If the insurance policy is issued on a "claims made" basis, then the CONSULTANT shall continue to obtain and maintain coverage for not less than three years following the completion of the Contract. The policy shall be issued by a company authorized to do business in the project area, protecting the CONSULTANT or SUB CONSULTANT(s) or anyone directly or indirectly employed by either of them against liability for the loss or damage of personal and bodily injury, contractual liability, death and property damage, and any other losses or damages above mentioned with limits not less than

- (a) \$1,000,000 per occurrence and \$2,000,000 in the aggregate for comprehensive general or commercial general liability insurance policies, and
- (b) \$1,000,000 per occurrence-combined single limit or \$1,000,000 bodily injury and \$1,000,000 property damage for automobile liability insurance policies.

The insurance company shall provide the CLIENT with a certificate of insurance and an endorsement thereto naming the CLIENT as an additional primary insured and will provide the CLIENT written notice of cancellation or material modification of the insurance contract for not less than the following notice for the purposes stated: 30 days prior notice for reasons other than non-payment; 10 days prior notice for non-payment. The obligation to provide notice to the CLIENT shall be in substantially the following language: "Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days written notice to the certificate holder named"; it is not sufficient for the insurance carrier to merely "endeavor" to give notice or for the certificate to absolve the insurance carrier from obligation or liability in the event of the insurance carrier's failure to mail such notice. The CONSULTANT shall not undertake any acts that shall affect the coverage afforded by the above policy.

The CONSULTANT will not perform any work under this Contract until the CLIENT has received copies of applicable insurance policies or acceptable evidence that appropriate insurance heretofore mentioned is in force.

7. PROFESSIONAL LIABILITY INSURANCE

The CONSULTANT shall provide the CLIENT evidence of professional liability insurance in an amount not less than \$1,000,000 combined single limit. The CONSULTANT shall keep in force the professional liability

policy for at least one year after the expiration of the Contract with the CLIENT, or notify the CLIENT in the event of a cancellation or reduction in limits of a "claims made" policy:

8. INDEMNIFICATION

To the extent permitted by law, CLIENT and CONSULTANT each agree to indemnify and hold the other harmless, and their respective officers, employees, agents, and representatives, from and against liability for all claims, losses, damages, and expenses, including reasonable attorneys' fees, to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of CLIENT and CONSULTANT, they shall be borne by each party in proportion to its negligence.

9. HEALTH AND SAFETY

The CONSULTANT shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to all employees from the work and other persons who may be affected thereby.

10. NON-DISCRIMINATION IN EMPLOYMENT

The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, sex, race, creed, or national origin. The CONTRACTOR shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, sex, race, creed, or national origin. In the event the CONTRACTOR is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Contract may be cancelled, terminated or suspended in whole or in part by the TOWN, and the CONTRACTOR may be declared ineligible for further contracts.

11. E-VERIFICATION OF EMPLOYEES

The CONSULTANT represents and warrants that it has ensured and will ensure for itself and each subcontractor that it uses to perform obligations under this CONTRACT, that either:

- (1) The CONSULTANT or subcontractor employs less than 25 employees; or
- (2) The CONSULTANT or subcontractor: (a) employs 25 or more employees who are employed for 9 months or more during a 12-consecutive-month period; and (b) has used the E-Verify program, which program is operated by the United States Department of Homeland Security and is defined in N.C. Gen. Stat. § 64-25 (5), to verify the work authorization of each employee.

12. PUBLICATION RIGHTS/RIGHTS IN DATA

The final reports or products and all material contained in the reports (graphics, photos, etc.) shall become the property of the CLIENT; the CLIENT may reproduce and distribute the reports, or any part thereof, in such form as the CLIENT desires. The CONSULTANT accepts no responsibility for the use of

the product beyond the intended purpose of this Contract. CONSULTANT shall retain the rights to use the products of the Contract for whatever purpose.

All original written material and other documentation, including background data, documentation, and staff work that is preliminary to final reports, originated and prepared for the project pursuant to this Contract, shall become exclusively the property of the CONSULTANT.

The ideas, concepts, know-how or techniques relating to data processing developed during the course of this Contract by the CONSULTANT or CLIENT personnel, or jointly by the CONSULTANT and CLIENT personnel, can be used by either party in any way it may deem appropriate.

Material already in the CONSULTANT's possession, independently developed by the CONSULTANT outside the scope of this Contract or rightfully obtained by the CONSULTANT from third parties, shall belong to the CONSULTANT.

This Contract shall not preclude the CONSULTANT from developing materials that are competitive, irrespective of their similarity to materials which might be delivered to the CLIENT pursuant to this Contract.

13. GOVERNING LAW

This contract shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this contract shall be brought in the General Court of Justice of the State of North Carolina or in the Federal District Court for the Eastern District of North Carolina, and the parties hereby submit to venue in and the personal jurisdiction of the said Courts.

14. OTHER PROVISIONS

This Contract is subject to such additional provisions as are set forth in any addendum executed separately by each party and attached hereto.

15. CONTRACT DOCUMENTS/AMENDMENTS INTEGRATION

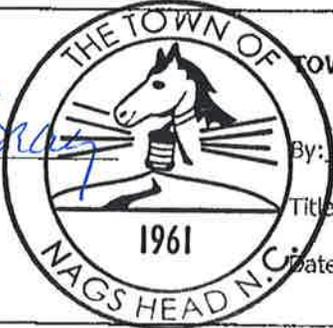
This document together with the purchase order, the NCDOT Agreement, any work order executed by the two parties, and any attached exhibits constitutes the entire Contract between the said two parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Contract may only be modified by a written mutual agreement signed by the parties and attached hereto. In the event of any conflict between this contract and any attached documents, the contract language will prevail.

16. SIGNATURES

Both the TOWN and the CONTRACTOR agree to the above contract.

Mickie H. Harty
Witnessed or Attested By:

Chris O'Connell
By: Chris O'Connell
Title: Town Manager
Date: 2-27-14



Mary Duffy
Witnessed or Attested By: Mary Duffy
Corporate Seal:



CONTRACTOR
By: John Cock
Printed Name: John Cock
Title: Principal
Date: 2/23/2014

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act."

D. Harty 2.14.14
Finance Officer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY.

[Signature]
TOWN ATTORNEY

WORK ORDER NO. 1

In accordance with the Professional Services Agreement between Alta Planning + Design ("CONSULTANT" or "Alta"), and the Town of Nags Head ("CLIENT" or "Town"), dated January 22, 2014. This Work Order describes the Services, Schedule, and Payment Conditions for CONSULTANT Services on the Project known as:

Nags Head Pedestrian Plan

CONSULTANT Authorized Representative: John Cock
Address: Alta Planning + Design
108 S. Main Street, Suite B (physical)
PO Box 2453 (mailing), Davidson NC 28036
Telephone No.: 704 255 5200
Email: johncock@altaplanning.com
CLIENT Authorized Representative: Elizabeth Teague, AICP, CTP
Address: Town of Nags Head
5401 S. Croatan Highway
Nags Head, NC 27959
Telephone No.: 252 441 5508
Email: elizabeth.teague@nagsheadinc.gov

SERVICES. The Services shall be described in Exhibit A to this Work Order.

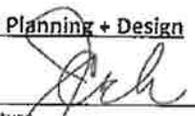
SCHEDULE. The Estimated Schedule shall be set forth in Exhibit B to this Work Order. Because of the uncertainties inherent in the Services, Schedules are estimated and are subject to revision by mutual written agreement of the parties, unless otherwise specifically described herein.

PAYMENT & INVOICES. Subject to the provisions of that certain Professional Services Agreement entered into by and between the parties to this work order and to which this work order relates (the "PSA"), Consultant charges shall be a fee of \$30,000.00. In accordance with the Schedule of Fees and Charges attached to this Work Order as Exhibit C. Invoices will be submitted monthly showing current percent complete for each task. The invoicing provisions of PSA paragraph 3 shall apply.

TERMS AND CONDITIONS. The terms and conditions of the PSA referenced above shall apply to this Work Order, except as expressly modified herein.

ACCEPTANCE of the terms of this Work Order is acknowledged by the following signatures of the Authorized Representatives.

Alta Planning + Design



Signature
John Cock, Principal

2/23/2014

Date

Typed Name/Title

CLIENT



Signature
Cliff Ogburn, Nags Head Town Manager

2/28/14

Date

Typed Name/Title

Exhibit A Services

Task 1: Project Kick-off Meeting (Steering Committee Meetings)

Before beginning work, Alta will meet with Client staff and a Project Steering Committee ("SC") for the first of four SC meetings. Together, Alta and Client will:

- Provide an overview of the planning process/schedule
- Determine public involvement strategies
- Gain an understanding of visions/goals/objectives
- Discuss target areas
- Discuss plan review procedures so that information and communications can be handled quickly and efficiently

Alta will author and print meeting materials, facilitate meetings, and provide meeting summaries. Alta also offers a webinar format as an optional alternative to In-person Steering Committee meetings. Alta will provide regular updates and briefings to the Town of Nags Head Planning Director on activities, progress, or obstacles.

Task 2: Data Collection/Assessment

Alta will conduct a comprehensive inventory and analysis of existing conditions, deficiencies, needs, opportunities, planning efforts, programs, policies, and procedures related to the plan preparation. Alta will conduct a comprehensive fieldwork analysis of the Town's roadways, land uses, and intersections by foot, bike, and car, including a photo inventory, map updates, and an analysis of bicyclist/pedestrian/motorist interactions, and past crash locations. We will complete a GIS inventory map of pedestrian facilities, utilizing existing Town data and data collected through fieldwork.

Task 3: Public Involvement

The Alta team will utilize multiple public involvement strategies to reach residents, business owners, and stakeholders. Alta suggests the following public communication strategies in addition to further ideas developed by the Steering Committee:

- Input from Steering Committee members
- A web-based public survey, intended to evaluate resident and visitor perceptions on destinations, challenges, and opportunities for pedestrian facilities (provided in hard copy format as well)
- A project web site that provides up-to-date information about the plan, and serves as a method for receiving input from the public
- Public meeting #1: Open-house format meeting for the general public to share information, gather community input for draft plan development, and generate further support
- Public meeting #2: Public hearing/board presentation of the draft plan, to receive public feedback before the final plan.
- Final Presentation: A public hearing before the Town Board for approval of the completed plan

Task 4: Draft Comprehensive Pedestrian Plan

Based on the findings of previous tasks, the Alta team will develop proposed improvements for the Town's pedestrian environment. Alta will prepare a Draft Comprehensive Pedestrian Plan in accordance with the NCDOT template. The plan will assess the unique needs of the community, and recommendations will address:

- Pedestrian and greenway corridors, including multiple pedestrian facility types to fit specific corridor challenges and opportunities
- Policies (such as sidewalk ordinances)
- Programs (focused on encouraging pedestrian activity and safety/awareness education)
- Facility standards/guidelines (based on local preferences, NCDOT standards, and national best practices)
- Priority projects (identified through locally determined prioritization criteria)
- Plan implementation

- Potential funding sources
- System maps

Task 5: Client Review

The Alta team will provide Town staff with the draft plan to ensure that the project is consistent with the scope of services. After Town and NCDOT review, we will meet with the staff and SC prior to holding the public hearing/board presentation of the draft plan.

Task 6: Final Pedestrian Comprehensive Plan and Presentations

The Town will gather all comments from the staff, NCDOT, and general public and submit one consolidated revision to our team. Alta will revise and produce a final version of the plan and deliverables. Hard copy and digital deliverables will meet the requirements for format, accessibility, and ownership as outlined below. Following plan completion, Alta will make one final public hearing presentation before the Nags Head Board of Commissioners for approval of the Comprehensive Pedestrian Plan. Alta's final products will be delivered to the Town and NCDOT no later than two weeks before the Board meeting in which the Plan will be presented.

Deliverables will include:

- Map layers in ArcGIS file format aligned with the Town of Nags Head parcel layer (including supporting data and meta data).
- Original hardcopy materials, formatted for portrait letter or horizontal tabloid printing, JPEG Images, Adobe Acrobat 6.0 or newer, and Adobe InDesign files.
- Twelve final hard copy Plan documents, one print ready original, and one digital copy of all documents for the Town.
- Five hard copy final Plan documents and one digital copy of all materials for NCDOT.

**Exhibit B
Estimated Schedule**

The schedule will be flexible to meet the Town's needs and we will work with the Town to determine the best potential dates and locations for community involvement.

Notice to Proceed	January 2014
Task 1: Kickoff Meeting/Committee Mtg. #1	January 2014
Task 2: Data Collection/Assessment	February/March 2014
Project Website Launch	February 2014
Task 3: Public Involvement	Ongoing
Public Meeting #1	March 2014
Committee Mtg. #2	March 2014
Task 4: Draft Comprehensive Plan	April/May/June/July 2014
Committee Mtg. #3	May 2014
Task 5: Client Review	August/September 2014
Committee Mtg. #4	September 2014
Public Meeting #2	September 2014
Task 6: Final Plan & Presentations	October/November/December 2014
Final Presentation	January 2015

Exhibit C
Schedule of Fees and Charges

This project will be billed on a lump sum/percent complete basis, not to exceed \$30,000.

Task 1 Steering Committee Meetings	\$4,000
Task 2 Data Collection/Assessment	\$4,000
Task 3 Public Involvement	\$4,000
Task 4 Draft Comprehensive Plan	\$10,500
Task 5 Client Review	\$0
Task 6: Final Plan & Presentations	\$4,500
<u>Expenses</u>	<u>\$3,000</u>
Total	\$30,000

DESCRIPTIONS (Continued from Page 1)

that is available to the Additional Insured. Should described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days advance written notice to the certificate holder named, except for nonpayment and Workers Compensation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to WHO IS AN INSURED (Section II):

Any person or organization that you agree in a "contract or agreement requiring insurance" to include as an additional insured on this Coverage Part, but only with respect to liability for "bodily injury", "property damage" or "personal injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations;
- b. In connection with premises owned by or rented to you; or
- c. In connection with "your work" and included within the "products-completed operations hazard".

Such person or organization does not qualify as an additional insured for "bodily injury", "property damage" or "personal injury" for which that person or organization has assumed liability in a contract or agreement.

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

- d. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this Coverage Part.
- e. This insurance does not apply to the rendering of or failure to render any "professional services".
- f. The limits of insurance afforded to the additional insured shall be the limits which you agreed in that "contract or agreement requiring insurance" to provide for that additional insured, or the limits shown in the Declarations for this Coverage Part, whichever are less. This endorsement does not increase the limits of insurance stated in the **LIMITS OF**

INSURANCE (Section III) for this Coverage Part.

B. The following is added to Paragraph a. of 4. Other Insurance in COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

However, if you specifically agree in a "contract or agreement requiring insurance" that the insurance provided to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with the other insurance, provided that:

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

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

C. The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us in COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal injury" arising out of "your work" performed by you, or on your behalf, under a "contract or agreement requiring insurance" with that person or organization. We waive these rights only where you have agreed to do so as part of the "contract or agreement requiring insurance" with such person or organization entered into by you before, and in effect when, the "bodily

COMMERCIAL GENERAL LIABILITY

injury" or "property damage" occurs, or the "personal injury" offense is committed.

D. The following definition is added to **DEFINITIONS (Section V)**:

"Contract or agreement requiring insurance" means that part of any contract or agreement under which you are required to include a person or organization as an additional insured on this Cov-

erage Part, provided that the "bodily injury" and "property damage" occurs, and the "personal injury" is caused by an offense committed:

- a. After you have entered into that contract or agreement;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO COVERAGE PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

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

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

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| <p>A. BLANKET ADDITIONAL INSURED</p> <p>B. EMPLOYEE HIRED AUTO</p> <p>C. EMPLOYEES AS INSURED</p> <p>D. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS</p> <p>E. TRAILERS – INCREASED LOAD CAPACITY</p> <p>F. HIRED AUTO PHYSICAL DAMAGE</p> <p>G. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT</p> | <p>H. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT – INCREASED LIMIT</p> <p>I. WAIVER OF DEDUCTIBLE – GLASS</p> <p>J. PERSONAL EFFECTS</p> <p>K. AIRBAGS</p> <p>L. AUTO LOAN LEASE GAP</p> <p>M. BLANKET WAIVER OF SUBROGATION</p> |
|--|---|

A. BLANKET ADDITIONAL INSURED

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

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

B. EMPLOYEE HIRED AUTO

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

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

performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., Other Insurance, of SECTION IV – BUSINESS AUTO CONDITIONS:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

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

C. EMPLOYEES AS INSURED

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

COMMERCIAL AUTO

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

D. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2) of SECTION II - LIABILITY COVERAGE:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4) of SECTION II - LIABILITY COVERAGE:

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

E. TRAILERS - INCREASED LOAD CAPACITY

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

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

F. HIRED AUTO PHYSICAL DAMAGE

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

Hired Auto Physical Damage Coverage

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

(1) The most we will pay for "loss" in any one "accident" to a hired, rented or borrowed "auto" is the lesser of:

- (a) \$50,000;
- (b) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (c) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

(2) An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

(3) If a repair or replacement results in better than like kind or quality, we will not pay for the amount of betterment.

(4) A deductible equal to the highest Physical Damage deductible applicable to any owned covered "auto".

(5) This Coverage Extension does not apply to:

- (a) Any "auto" that is hired, rented or borrowed with a driver; or
- (b) Any "auto" that is hired, rented or borrowed from your "employee".

G. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

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

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

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

Paragraph C.2., Limit Of Insurance, of SECTION III - PHYSICAL DAMAGE COVERAGE is deleted.

I. WAIVER OF DEDUCTIBLE - GLASS

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

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

J. PERSONAL EFFECTS

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

Personal Effects Coverage

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

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

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

No deductibles apply to Personal Effects coverage.

K. AIRBAGS

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

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

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

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

L. AUTO LOAN LEASE GAP

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

Auto Loan Lease Gap Coverage for Private Passenger Type Vehicles

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

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

(2) Any:

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

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.6., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV – BUSINESS AUTO CONDITIONS:

5. Transfer Of Rights Of Recovery Against Others To Us

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

