

AMENDMENT NO. 1 TO PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
AESCO, INC.
FOR
ON CALL MATERIAL TESTING AND ENGINEERING SERVICES

THIS AMENDMENT is made and entered into by and between the CITY OF HUNTINGTON BEACH, a California municipal corporation, hereinafter referred to as “City,” and AESCO, INC., hereinafter referred to as “Consultant.”

WHEREAS, City and Consultant are parties to that certain agreement, dated December 21, 2021, entitled “Professional Services Contract Between the City of Huntington Beach and AESCO, Inc., for On Call Material Testing and Engineering Services” which agreement shall hereinafter be referred to as the “Original Agreement”; and

City and Consultant wish to amend the Original Agreement to increase the amount of compensation to be paid to Consultant and to extend the term.

NOW, THEREFORE, it is agreed by City and Consultant as follows:

1. ADDITIONAL COMPENSATION

In consideration of the services to be performed under the Original Agreement, City agrees to pay Consultant at the rates specified in Exhibit B which is attached hereto and incorporated by reference into this Agreement. City further agrees to pay Consultant an additional sum not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00). The additional sum shall be added to the original sum of Six Hundred Thousand Dollars (\$600,000.00), for a new contract amount not to exceed Eight Hundred Fifty Thousand Dollars (\$850,000.00).

2. TERM

The term of the Agreement is extended for one additional year until December 20, 2025.

3. REAFFIRMATION

Except as specifically modified herein, all other terms and conditions for the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on _____, 2024.

AESCO, INC.

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

By: _____

print name

ITS: (circle one) Chairman/President/Vice President

Mayor

AND

By: _____

print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

City Clerk

INITIATED AND APPROVED:



Director of Public Works

APPROVED AS TO FORM:



City Attorney



2. TERM


The term of the Agreement is extended for one additional year until December 20, 2025.

3. REAFFIRMATION

Except as specifically modified herein, all other terms and conditions for the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on _____, 2024.

AESCO, INC.

By: 

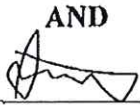
Kay Alabed, President
print name

ITS: (circle one) Chairman/President/Vice President

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

Mayor

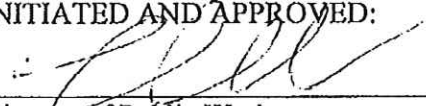
AND

By: 

Adam Chamaa, VP/Chief Financial
print name

ITS: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary - Treasurer

City Clerk

INITIATED AND APPROVED:


Director of Public Works

APPROVED AS TO FORM:

City Attorney 



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
12/17/2024

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 LAURIE BRENNAN HAUCK 516 River Hwy Ste D #261 Mooresville, NC 28117 0C98533	CONTACT NAME:		
	PHONE (A/C No. Ext):	(714) 965-4701	FAX (A/C No.): 7026296701
	E-MAIL ADDRESS:	brenco@aol.com	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Aesco, Inc. 17782 Georgetown Lane Huntington Beach, Ca 92647 (714) 375-3830	INSURER A:	Burlington Insurance Company	
	INSURER B:	State National Ins Co	
	INSURER C:	Houston Casualty Company	
	INSURER D:	Employers Preferred Ins.	
	INSURER E:	Burlington Insurance Company	
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: 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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			154BG03392-04	6/24/2024	6/24/2025	EACH OCCURRENCE \$ 2,000,000.	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000.	
	GEN'L AGGREGATE LIMIT APPLIES PER:							MED EXP (Anyone person) \$ 5000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PERSONAL & ADV INJURY \$ 2,000,000.	
	OTHER:						GENERAL AGGREGATE \$ 2,000,000.	
							PRODUCTS - COMP/OP AGG \$ 2,000,000.	
							\$	
B	AUTOMOBILE LIABILITY			SPP1813320-01	7/7/2024	7/7/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000.	
	<input checked="" type="checkbox"/> ANYAUTO ALL OWNED AUTOS						BODILY INJURY (Per person) \$	
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/>							PROPERTY DAMAGE (Per accident) \$
							\$	
E	UMBRELLA LIAB			EX202400003636	6/24/2024	6/24/2025	EACH OCCURRENCE \$ 2,000,000	
	<input checked="" type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR						AGGREGATE \$ 2,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$	<input type="checkbox"/> CLAIMS-MADE						\$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			EIG5225319-01	4/11/2024	4/11/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N/A						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
								E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liab.			HCC 24 25724	7/9/2024	7/9/2025	\$2,000,000. Claim/Aggre	

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

Certificate holder is named as an additional insured.

APPROVED AS TO FORM

By:
MICHAEL E. GATES
CITY ATTORNEY
CITY OF HUNTINGTON BEACH

CERTIFICATE HOLDER City of Huntington Beach Department of Public Works 2000 Main Street Huntington Beach, Ca 92648	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
The City of Huntington Beach, its Officers, Elected or Appointed Officials, Employees, Agents & Volunteers 2000 Main Street Huntington Beach , CA 92648	

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

A. 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", "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(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured 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 exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. 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
2. 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.

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

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
The City of Huntington Beach, its Officers, Elected or Appointed Officials, Employees, Agents & Volunteers 2000 Main Street Huntington Beach , CA 92648	Any and all of your completed operations.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. 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".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured 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 is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT – OTHER INSURANCE
(PRIMARY AND NON-CONTRIBUTORY COVERAGE)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Schedule of Additional Insured(s):

Any person or organization named in an Additional Insured endorsement attached to this policy with whom you have agreed, in a written contract, that such person or organization should be provided primary and non-contributory coverage, but only when such written contract is fully executed prior to an "occurrence" in which coverage is sought under this policy.

- A. Paragraph C. of this endorsement replaces paragraph 4. **Other Insurance of Section IV-Commercial General Liability Conditions**, but only with respect to the insurance afforded to the additional insured(s) scheduled above.
- B. Paragraph C. of this endorsement replaces paragraph 4. **Other Insurance of Section IV-Products-Completed Operations Liability Conditions**, but only with respect to the insurance afforded to the additional insured(s) scheduled above.
- C. **Other Insurance**

Notwithstanding other valid and collectible insurance available to the insured for a loss we cover under the applicable Coverage Part to which this endorsement is modifying, this insurance is primary and non-contributory.

However, this endorsement:

1. Applies only when you are required by contract, agreement or permit to provide primary and non-contributory coverage for the additional insured, provided such written contract, agreement or permit is fully executed prior to an "occurrence" in which coverage is sought under this policy, and
2. Does not apply to any claim, loss or liability due to the sole negligence of the additional insured.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT – OTHER INSURANCE
(PRIMARY AND NON-CONTRIBUTORY COVERAGE)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Schedule of Additional Insured(s):

Any person or organization named in an Additional Insured endorsement attached to this policy with whom you have agreed, in a written contract, that such person or organization should be provided primary and non-contributory coverage, but only when such written contract is fully executed prior to an "occurrence" in which coverage is sought under this policy.

- A. Paragraph C. of this endorsement replaces paragraph 4. **Other Insurance of Section IV-Commercial General Liability Conditions**, but only with respect to the insurance afforded to the additional insured(s) scheduled above.
- B. Paragraph C. of this endorsement replaces paragraph 4. **Other Insurance of Section IV-Products-Completed Operations Liability Conditions**, but only with respect to the insurance afforded to the additional insured(s) scheduled above.
- C. **Other Insurance**

Notwithstanding other valid and collectible insurance available to the insured for a loss we cover under the applicable Coverage Part to which this endorsement is modifying, this insurance is primary and non-contributory.

However, this endorsement:

1. Applies only when you are required by contract, agreement or permit to provide primary and non-contributory coverage for the additional insured, provided such written contract, agreement or permit is fully executed prior to an "occurrence" in which coverage is sought under this policy, and
2. Does not apply to any claim, loss or liability due to the sole negligence of the additional insured.

All other terms and conditions of this Policy remain unchanged.

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
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any owner, lessee or contractor with whom you have agreed, in a written contract, that such person or organization should be added as an additional insured on your policy, provided such written contract is fully executed prior to an "occurrence" in which coverage is sought under this policy.	Any and all of your completed operations.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. 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".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured 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 is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- ELECTRONIC DATA LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
- POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- RAILROAD PROTECTIVE LIABILITY COVERAGE PART
- UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

SCHEDULE

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

Any person or organization with whom you have agreed, in a written contract to waive the transfer of rights of recovery against others to us, provided such written waiver is fully executed prior to an "occurrence" in which coverage is sought under this policy.

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

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery against the person(s) or organization(s) shown in the Schedule above because of payments we make under this Coverage Part. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person(s) or organization(s) prior to loss. This endorsement applies only to the person(s) or organization(s) shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – AUTOMATIC STATUS WHEN
REQUIRED IN A WRITTEN 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.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such 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.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, 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.

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.

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 you have entered into with the additional insured; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

This Endorsement Changes The Policy. Please Read It Carefully

BUSINESS AUTO COVERAGE EXPANSION ENDORSEMENT

This endorsement modifies insurance provided by 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.

A. Newly Acquired or Formed Organizations, Employee Hired Car Liability and Blanket Additional Insured Status for Certain Entities.

Item 1. Who is an Insured of Paragraph A. Coverage under SECTION II – COVERED AUTOS LIABILITY COVERAGE is amended to add:

- d. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership of a majority interest (greater than 50%), will qualify as a Named Insured; however,
 - (1) coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - (2) coverage does not apply to "bodily injury", "property damage" or "covered pollution cost or expense" that results from an "accident" which occurred before you acquired or formed the organization; and
 - (3) coverage does not apply if there is other similar insurance available to that organization, or if similar insurance would have been available but for its termination or the exhaustion of its limits of insurance.

This insurance does not apply if coverage for the newly acquired or formed organization is excluded either by the provisions of this coverage form or by endorsement.

- e. An "employee" of yours is an "insured" while operating an "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.
- f. Any person or organization you are required by written contract or agreement to name as an additional "insured", but only with respect to liability created in whole or in part by such agreement.

B. Increase Of Loss Earnings Payment

Subpart (4) of a. Supplementary Payments of Item 2. Coverage Extensions of Paragraph A. Coverage under SECTION II – COVERED AUTOS LIABILITY COVERAGE is amended to read:

- (4) We will pay reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$1,000 per day because of time off from work.

C. Fellow Employee Injured By Covered Auto You Own Or Hire

Item 5. Fellow Employee of Paragraph B. Exclusions under SECTION II – COVERED AUTOS LIABILITY COVERAGE is amended to add:

This exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire. Such coverage as is afforded by this provision is excess over any other collectible insurance.

D. Limited Automatic Towing Coverage

Item 2. Towing, of Paragraph A. Coverage, under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to read:

2. Towing

We will pay for towing and labor costs each time that a covered "auto" is disabled. All labor must be performed at the place of disablement of the covered "auto".

- a. The limit for towing and labor for each disablement is \$500;
- b. No deductible applies to this coverage.

E. Item 3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects or Missiles of Paragraph A. Coverage under SECTION III – PHYSICAL DAMAGE COVERAGE, is amended to add:

Glass Repair Coverage

We will waive the Comprehensive deductible for Glass, if one is indicated on your covered "auto", for glass repairs. We will repair at no cost to you, any glass that can be repaired without replacement, provided the "loss" arises from a covered Comprehensive "loss" to your "auto".

F. Increase Of Transportation Expense Coverage

Subpart a. Transportation Expenses of Item 4. Coverage Extensions of Paragraph A. Coverage under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to read:

a. Transportation Expenses

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

G. "Personal Effects" Coverage

Item 4. Coverage Extensions of Paragraph A. Coverage, under SECTION III – PHYSICAL DAMAGE COVERAGE, is amended to add:

"Personal Effects" Coverage

We will pay actual cash value for "loss" to "personal effects" of the "insured" while in a covered "auto" subject to a maximum limit of \$2,500 per "loss", for that covered "auto" caused by the same "accident". No deductible will apply to this coverage.

H. "Downtime Loss" Coverage

Item 4. Coverage Extensions, of Paragraph A. Coverage, under SECTION III. PHYSICAL DAMAGE COVERAGE, is amended to add:

"Downtime Loss" Coverage

We will pay any resulting "downtime loss" expenses you sustain as a result of a covered physical damage "loss" to a covered "auto" up to a maximum of \$100 per day, for a maximum of 30 days for the same physical damage "loss", subject to the following conditions:

- a. We will provide "downtime loss" beginning on the 5th day after we have given you our agreement to pay for repairs to a covered "auto" and you have given the repair facility your authorization to make repairs;
- b. Coverage for "downtime loss" expenses will end when any of the following occur:
 - (1) You have a spare or reserve "auto" available to you to continue your operations.
 - (2) You purchase a replacement "auto".
 - (3) Repairs to your covered "auto" have been completed by the repair facility and they determine the covered "auto" is road-worthy.
 - (4) You reach the 30 day maximum coverage.

I. Item 4. Coverage Extensions, of Paragraph A. Coverage, under SECTION III. PHYSICAL DAMAGE COVERAGE, is amended to add:

We will pay any resulting rental reimbursement expenses incurred by you for a rental of an "auto" because of "loss" to a covered "auto" up to a maximum of \$100 per day, for a maximum of 30 days for the same physical damage "loss", subject to the following conditions:

- a. We will provide rental reimbursement incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy expiration, with the number of days reasonably required to repair or replace the covered "auto". If the "loss" is caused by theft, this number of days is the number of days it takes to locate the covered "auto" and return it to you or the number of days it takes for the claim to be settled, whichever comes first.
- b. Our payment is limited to necessary and actual expenses incurred.
- c. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
- d. If a "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 Coverage Extension.

J. "Personal Effects" Exclusion

Paragraph B. Exclusions under SECTION III – PHYSICAL DAMAGE COVERAGE, is amended to add:

"Personal Effects" Exclusion

We will not pay for "loss" to "personal effects" of any of the following:

- a. Accounts, bills, currency, deeds, evidence of debt, money, notes, securities or commercial paper or other documents of value.
- b. Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry; watches; precious or semi-precious stones.
- c. Paintings, statuary and other works of art.

- d. Contraband or property in the course of illegal transportation or trade.
- e. "Loss" caused by theft, unless there is evidence of forced entry into the covered "auto" and a police report is filed.

K. Accidental Airbag Discharge Coverage

Item 3.a. of Paragraph B. Exclusions under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to read:

- a. Wear and tear, freezing, mechanical or electrical breakdown. The exclusion relating to mechanical break-down does not apply to the accidental discharge of an air bag.

L. Loan or Lease Gap Coverage

Paragraph C. Limit Of Insurance under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add:

If a covered "auto" is owned or leased and if we provide Physical Damage Coverage on it, we will pay, in the event of a covered total "loss", any unpaid amount due on the lease or loan for a covered "auto", less:

- a. The amount paid under the Physical Damage Coverage Section of the policy; and
- b. Any:
 - (1) Overdue lease or loan payments including penalties, interest or other charges resulting from overdue payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease;
 - (4) Security deposits not refunded by the lessor; and
 - (5) Carry-over balances from previous loans or leases

M. Aggregate Deductible

Paragraph D. Deductible under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add:

Regardless of the number of covered "autos" involved in the same "loss", only one deductible will apply to that "loss". If the deductible amounts vary by "autos", then only the highest applicable deductible will apply to that "loss".

N. Diminishing Deductible

Paragraph D. Deductible under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add:

Any deductible will be reduced by the percentage indicated below on the first "loss" reported during the corresponding policy period:

Loss Free Policy Periods With the Expansion Endorsement	Deductible Reduction on the first "loss"
1	0%
2	25%
3	50%
4	75%
5	100%

If we pay a Physical Damage "loss" during the policy period under any BUSINESS AUTO COVERAGE FORM you have with us, your deductible stated in the Declarations page of each such COVERAGE FORM will not be reduced on any subsequent claims during the remainder of your policy period and your deductible reduction will revert back to 0% for each such COVERAGE FORM if coverage is renewed.

O. Knowledge of Loss and Notice To Us

Subsection a. of Item 2. Duties In the Event of Accident, Claim, Suit or Loss of Paragraph A. Loss Conditions under SECTION IV -- BUSINESS AUTO CONDITIONS is amended to add:

However, prompt notice of the "accident", claim, "suit" or "loss" to us or our authorized representative only applies after the "accident", claim, "suit" or "loss" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;

- (3) An "executive officer" or director, if you are a corporation;
- (4) A manager or member, if you are a limited liability company;
- (5) Your insurance manager; or
- (6) Your legal representative.

P. Waiver Of Subrogation For Auto Liability Losses Assumed Under Insured Contract

Item 5. Transfer Of Rights Of Recovery Against Others To Us of Paragraph A. Loss Conditions under SECTION IV – BUSINESS AUTO CONDITIONS is amended to read:

5. Transfer of Rights of Recovery Against Others To Us

If any person or organization to or for whom we make payments 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 an "accident" or "loss" to impair them. However, if the insured has waived those rights to recover through a written contract, we will waive any right to recovery we may have under this Coverage Form.

Q. Insurance is Primary and Noncontributory

Subpart a. of Item 5. Other Insurance of Paragraph B. General Conditions under SECTION IV – BUSINESS AUTO CONDITIONS is amended to read:

- a. This insurance is primary and noncontributory, as respects any other insurance, if required in a written contract with you.

R. Other Insurance – Hired Auto Physical Damage

Subpart b. of Item 5..Other Insurance of Paragraph B. General Conditions under SECTION IV – BUSINESS AUTO CONDITIONS is amended to read:

- 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".

S. Unintentional Failure To Disclose Hazards

Paragraph **B. General Conditions** under **SECTION IV – BUSINESS AUTO CONDITIONS** is amended to add:

9. Your failure to disclose all hazards existing as of the inception date of this policy shall not prejudice the coverage afforded by this policy, provided that such failure to disclose all hazards is not intentional. However, you must report such previously undisclosed hazards to us as soon as practicable after its discovery.

T. Additional Definition

SECTION V – DEFINITIONS is amended to add:

"Personal effects" means personal property owned by the "insured".

"Downtime loss" means actual loss of "business income" for the period of time that a covered "auto":

1. Is out of service for repair or replacement as a result of a covered physical damage "loss" and
2. Is in the custody of a repair facility if not a total "loss".

"Business Income" means:

1. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
2. Continuing normal operating expenses incurred, including payroll.

In this endorsement, Headings and Titles are inserted solely for the convenience and ease of reference. They do not affect the coverage provided by this endorsement, nor do they constitute any part of the terms and conditions of this endorsement. All other policy wording not specifically changed, modified, or replaced by this endorsement wording remains in effect.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

With respect to all employees subject to the workers' compensation laws of the state of California, any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

This policy is subject to a minimum charge of \$250 for the issuance of waivers of subrogation

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

This endorsement, effective 04/11/2024 at 12:01 AM standard time, forms a part of

Policy No. EIG 5225319 01 Of the EMPLOYERS PREFERRED INS. CO.


Carrier Code 00920

Issued to AESCO INC

Endorsement No.

Premium \$12,459

Countersigned at _____ on _____

By:  _____

Authorized Representative