

**AGREEMENT FOR CONSTRUCTION SERVICES  
(Yamhill County and Farnham Electric Construction)**

THIS AGREEMENT is made effective the last date set forth adjacent to the signatures of the parties below between **Yamhill County**, a political subdivision of the State of Oregon, (referred to as Owner in this Agreement) and **Farnham Electric Construction**, a private company, doing business as **Farnham Electric Construction** located at 1050 Lafayette Ave, McMinnville, Or 97128, Federal Tax Identification Number 93-0632105 (referred to as "Contractor" in this Agreement) for the project known as Annex/ Abacus Outside Lighting Upgrade (referred to in this Agreement as the "Project").

**STATEMENT OF PURPOSE AND IDENTIFICATION OF CONTRACT DOCUMENTS**

A. Owner has budgeted funds to perform the Project. Owner conducted a competitive quote process to select a vendor to complete the Project. Contractor's quote was deemed by Owner to best serve Owner's interests and is acceptable to Owner. This Agreement is made to specify the mutual obligations of Owner and Contractor for completion of the Project.

B. This Agreement includes by reference the following Contract Documents that are part of the Project:

- (A) Contractor's Proposal
- (B) Addenda (if any)
- (C) Performance and Payment Bond (if any)
- (D) Notice of Intent to Award
- (E) This Agreement
- (F) Agreement Amendments (if any)
- (G) Insurance Certificates
- (H) Notice to Proceed
- (I) Change Orders (if any)
- (J) Notice of Substantial Completion or Project Acceptance
- (K) Warranty Period

**AGREEMENT:** In consideration of the mutual covenants contained below, Owner and Contractor hereby agree as follows:

1. **Scope of work and services; filing of payment and performance bond.** The Contractor will commence and complete the construction of the Project in strict accordance with the Contract Documents identified above. The Contractor acknowledges receipt of all Contract Documents in existence at the date it executed this Agreement. Contractor represents to Owner that Contractor has made a reasonable inspection of the Project site(s) and is reasonably familiar with the Project site(s) conditions that might affect Contractor's performance if the Project pursuant to this Agreement. Services provided by Contractor under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar conditions. If required by Owner, the Contractor will file a suitable payment and performance bond before it commences Project work and services.

2. **Agreement performed at Contractor's expense as Independent Contractor.** The Contractor will furnish all of the materials, supplies, tools, equipment, labor, and other services

necessary for the construction and completion of the Project as described in the Contract Documents. The Contractor is an independent contractor under this Agreement.

3. **Commencement and completion date.** The Contractor will commence the work and services required by the Contract Documents upon Owner's issuance of a Notice to Proceed and will complete the same by no later than 60 days after Notice to Proceed is issued unless the Contract Period is extended or otherwise modified by written notice or executed Change Order.

4. **Termination.** Owner may terminate this Agreement if the Contractor fails to comply with a material term of this Agreement or for any other reason considered to be in the public interest. If this Agreement is terminated, the Owner will pay for all work and services accepted by the Supervisor, as defined in Section 16, prior to termination.

5. **Penalty for failure to meet deadline.** The parties agree that Owner has a substantial interest in the timely completion of the Project and all work and services to be performed under this Agreement in accordance with the agreed upon schedule. However, the parties agree that the damages to be anticipated from the failure of Contractor to complete this Agreement in the specified time are uncertain and difficult to establish. The parties therefore desire to liquidate Owner's damages for Contractor's failure to complete the Project and all work and services on time. The parties therefore agree that the Contractor is liable for and shall pay as liquidated damages to Owner the sum of \$139.73 (equal to Contract Price times .005) per day for each calendar day to commence on the first calendar day after the required completion date under this Agreement and to continue after each and every calendar day until all work is satisfactorily completed as specified in the Contract Documents.

6. **Compensation.** The Contractor agrees to perform all of the work and services described in the Contract Documents and comply with the terms therein at the rates set forth in Contractor's responsive bid schedule for the fixed sum of \$27,945.00 unless the Contract Price is modified by executed Change Order. Payment shall be made in accordance with Contractor's proposal, submitted as part of contract document A, incorporated herein by this reference. Upon satisfactory completion of Project tasks the Contractor shall notify the Supervisor in writing that Contractor has completed performance under this Agreement and shall request payment of applicable retained amounts, if any. Upon receipt of written notice, Supervisor will review the Project work and services completed to date and if acceptable, Supervisor shall authorize payment of applicable retained amounts, if any.

7. **RESERVED**

8. **Incorporation of statutory provisions required for public contracts.** The Contractor certifies it shall comply with all applicable Public Contract Laws to include ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.545 and 279C.580 (3) and (4). ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.545 and ORS 279C.580(3) and (4) are incorporated into this Agreement by reference.

9. **Workers' compensation.** The Contractor, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

10. **RESERVED**

11. **Certification of compliance with laws.** The Contractor certifies, under penalty of perjury, that Contractor is not in violation of any federal, state or local tax laws, rules or regulations or any federal, state or local laws, rules, codes or regulations applicable to the Project and that Contractor shall remain in compliance with all such laws, codes, rules and regulations during the entire term of this Agreement. In addition, Contractor agrees that it has complied with the tax laws of the state of Oregon or a political subdivision of the state of Oregon, including ORS 305.620 and ORS Chapters 316, 317 and 318.

12. **Certification of reading and understanding of documents; Precedence.** The Contractor certifies it has read and fully understands all Contract Documents including Solicitation Documents and terms and conditions. The Contractor understands and acknowledges that in signing this Agreement the Contractor waives all rights to plead any misunderstandings regarding the same. In the event of a discrepancy or inconsistency between any Contract Document, including this Agreement, this Agreement shall take precedence.

13. **Payment.** The Owner agrees to pay the Contractor in the manner and at such times as set forth in the General Conditions or Contractor's proposal such amounts as required by the Agreement, unless otherwise modified by written notice or executed Change Order.

14. **Warranty Period.** Where the warranty period is not otherwise stated in the General Conditions or Contractor's proposal, the warranty period is 365 days commencing upon the date Project Acceptance is issued by Owner.

15. **RESERVED**

16. **Status of the Project Supervisor.** Joe Moore, Facility Manager, is the Project Supervisor (the "Supervisor"). The Supervisor or his designee shall perform technical inspections of work and services and shall have authority to stop the work or services whenever such stoppage shall be necessary to insure proper execution of the Agreement. The Supervisor or his designee may reject all work and materials that do not conform to the Agreement and shall decide questions that arise in the execution of the Project work or services. The Supervisor has authority to reject or accept the Project work or services.

17. **Prohibition of Discrimination.** In hiring employees for performance of work under this Agreement neither Contractor, any subcontractor or any other person acting on their behalf shall by reason of race, religion, age, color, creed, physical handicap or sex discriminate against a person who is qualified and available to perform work or services to which employment relates.

18. **Risk of Loss.** The risk of loss or damage to the subject matter of this Agreement arising from any cause whatsoever, including acts of God, shall be upon the Contractor until such time as the Owner has accepted the work and services as provided in this Agreement.

19. **Indemnification.** Contractor shall indemnify, defend and save harmless Owner from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorney fees, in any way connected with any injury to any person or damage to any property occasioned in any way by Contractor's or Contractor's subcontractors' prosecution of work or services under this Agreement.

20. **Insurance.** Contractor, at its expense, shall obtain the following insurance coverage and keep them in effect during the entire term of this Agreement:

1. Workers Compensation Insurance in compliance with statutory requirements;
2. Comprehensive General Liability Insurance (including contractual liability and completed operations coverage) on an occurrence basis, with not less than \$2,000,000 per occurrence for bodily injury and property damage liability, with an annual aggregate limit of \$3,000,000;
3. Professional Liability Insurance, including Errors and Omissions coverage, with a per occurrence and aggregate limit of not less than \$1,000,000, to protect against all loss suffered by Owner or third parties, including financial and consequential loss, caused by error, omission, or negligent acts related to the Project work or services provided under the Agreement.
4. Commercial Automobile Liability Insurance, with a combined single limit, or the equivalent of not less than \$1,000,000 per occurrence, for bodily injury and property damage with respect to Contractor's vehicles, whether owned, hired, or non-owned, assigned to, or used by Contractor in connection with the services provided under the Agreement;

The required insurance coverages shall be (i) with insurance companies admitted to do business in the state of Oregon and rated A or better by Best's Insurance Rating, and (ii) acceptable to Owner. Evidence of such insurance will be furnished to Owner before commencing Project work or services. The certificates of insurance shall indicate (a) the types of insurance coverage, (b) the identity of all persons or entities covered, (c) the amounts of insurance coverage, and (d) the period of insurance coverage. Any required insurance coverage shall provide that it may not be canceled except after at least 30 days written notice to Owner. The Commercial General Liability and Commercial Automobile Liability shall (i) name Owner, its directors, officers, and employees, as additional insureds, (ii) provide that it is primary insurance with respect to the interests of Owner and that any insurance maintained by Owner is excess and not contributory, and (iii) include a cross-liability and severability of interest clause and a waiver of subrogation clause.

21. **Nonwaiver.** No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law. The failure of Owner to enforce at any time any of the terms of this Agreement, or to exercise any option which is provided, or to require at any time performance by Contractor of any of the provisions, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of any part of this Agreement, or the right of Owner to thereafter enforce each and every provision.

22. **Contractor's Representation.** Contractor, by entering into this Agreement, represents that its bid for this Project is made without connection with any person, firm or corporation making or refraining from making a bid for the same or similar project and was in all respects fair and without collusion or fraud.

23. **Severability.** Should any clause or section of this Agreement be declared by court to be void or voidable, the remainder of this Agreement shall remain in full force and effect.

24. **Dispute resolution through mediation and arbitration.** Any dispute between the parties to this Agreement shall be resolved according to the following process:

(a) The parties first shall submit to mediation of the dispute to be conducted by a mutually acceptable mediator. If the parties cannot agree on a mediator, they shall request a mediator to be appointed by the U.S. Mediation and Arbitration service in Portland, Oregon. The mediator's charges and expenses shall be borne equally by the parties. All other expenses, including attorney fees and costs, shall be borne exclusively by the party requiring the service or for which payment is to be made.

(b) If the dispute is not resolved in mediation, the parties shall then submit the dispute to binding arbitration. Arbitration shall be conducted in accordance with the rules set forth in the Oregon International Commercial Arbitration and Conciliation Act, ORS 36.450 to 36.558, 2007 replacement part. The decision of the arbitrator shall be final and binding on the parties. The party that does not prevail, as determined by the arbitrator, shall pay the arbitrator's fees and expenses in arbitration. All other expenses, including attorney fees and costs, shall be borne exclusively by the party requiring the service or for which payment is to be made.

25. **Attorney fees and costs.** Except as provided in Section 24(b), in the event that either party to this Agreement shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this Agreement, each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

26. **Applicable laws.** This Agreement is executed in the State of Oregon and is subject to Oregon law and jurisdiction in Yamhill County.

27. **Subcontractors bound.** Contractor covenants and agrees to bind any and all Subcontractor(s) for performance of work under this Agreement. Any reference to Contractor shall include any and all Subcontractor(s) ad infinitum.

28. **Written changes required.** The rights and duties under this Agreement shall not be modified, delegated, transferred, or assigned, except upon written signed consent of both parties.

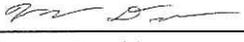
29. **Successors bound.** This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

THIS AGREEMENT AND THE CONTRACT DOCUMENTS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE IN TERMS OF THIS AGREEMENT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY FOR THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS OR REPRESENTATIONS, ORAL OR WRITTEN NOTICE SPECIFIED HEREIN REGARDING THIS AGREEMENT. THE CONTRACTOR, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed on the date indicated by their duly authorized officials, this Agreement in duplicate, each of which shall be deemed an original on the date executed by all parties.

**YAMHILL COUNTY, OREGON**

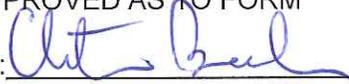
By:   
Mike Davis, President  
Date: 04/09/2020

By:   
Kenneth Huffer, County Administrator  
Date: \_\_\_\_\_

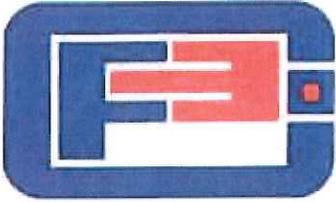
Fed. Tax I.D. No: 93-0632105

Contractor  
Registration No: Oregon CCB# 80893

APPROVED AS TO FORM

By:   
CHRISTIAN BOENISCH.  
County Counsel

Accepted by Yamhill County  
Board of Commissioners on  
4/23/20 by Board Order  
# 20-134



# FARNHAM ELECTRIC CONSTRUCTION

*Serving the Community Since 1920.*

SOLAR • AGRICULTURAL • INDUSTRIAL • COMMERCIAL • WINERIES • RESIDENTIAL

Proposal TH 2465

March 26, 2020

Yamhill County  
Attn: Joe Moore  
[moorej@co.yamhill.or.us](mailto:moorej@co.yamhill.or.us)  
971-267-0580

Re: Outside Security Lighting:

Thank you for the opportunity to provide you quotation for this project. The following scope of work is what we have predicated our cost on.

Scope of Work:

- 1) Install Qty. 4) 25ft. light pole locations with Qty. 2) LED light fixtures on each pole (see attached cut sheets/photometric layout.
  - a. Bring dedicated lighting circuit/conduit raceway from electrical room via roof top raceway to exterior of building out to light pole locations.
  - b. Provide photocell control.
- 2) Install additional PVC conduit from exterior of building to each light pole for future camera raceway. Install pull string.
- 3) Price includes labor, material, bucket truck and electrical permit.
- 4) Price includes asphalt cutting, excavation and asphalt patching.

We are pleased to offer you a quote of \$27,945.00. If you have any questions, please feel free to contact me.

Sincerely  
Travis Hunt

Sign and return one copy of this proposal before work can begin. Thank You.

Submitted By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Accepted By: \_\_\_\_\_ Date: \_\_\_\_\_

B.O. 20-134  
Exhibit "A"

# ALED-CMB2/150W-25P

**RAB**



78W and 150W specification-grade area lights with IES Type III distribution, offered in combination with poles. For use in roadway, general parking and other area lighting applications where a larger pool of lighting is required.

Color: Bronze

Weight: 0.0 lbs

**Project:**

**Type:**

**Prepared By:**

**Date:**

## Driver Info

|             |                  |
|-------------|------------------|
| Type        | Constant Current |
| 120V        | 1.31A            |
| 208V        | 0.80A            |
| 240V        | 0.89A            |
| 277V        | 0.60A            |
| Input Watts | 155.20W          |

## LED Info

|                |              |
|----------------|--------------|
| Watts          | 150W         |
| Color Temp     | 5000K (Cool) |
| Color Accuracy | 71 CRI       |
| L70 Lifespan   | 100,000      |
| Lumens         | 16,839       |
| Efficacy       | 108.5 LPW    |

## Technical Specifications

### Fixture

#### Quantity:

2 qty of ALED3T150

#### Listings

#### UL Listed:

Suitable for wet locations as a downlight

#### IESNA LM-79 & IESNA LM-80 Testing:

RAB LED luminaires and LED components have been tested by an independent laboratory in accordance with IESNA LM-79 and LM-80.

#### CSA Listed:

Suitable for wet locations

#### DLC Listed:

This product is on the Design Lights Consortium (DLC) Qualified Products List and is eligible for rebates from DLC Member Utilities. DLC Product Code: PHQG1YES

#### LED Characteristics

##### Lifespan:

100,000-hour LED lifespan based on IES LM-80 results and TM-21 calculations

##### LEDs:

Multi-chip, high-output, long-life LEDs

### Color Consistency:

7-step MacAdam Ellipse binning to achieve consistent fixture-to-fixture color

### Color Stability:

LED color temperature is warranted to shift no more than 200K in color temperature over a 5-year period

### Color Uniformity:

RAB's range of Correlated Color Temperature follows the guidelines of the American National Standard for Specifications for the Chromaticity of Solid State Lighting (SSL) Products, ANSI C78.377-2017.

### Construction

#### IES Classification:

The Type III distribution is ideal for roadway, general parking and other area lighting applications where a larger pool of lighting is required. It is intended to be located near the side of the area, allowing the light to project outward and fill the area.

#### Effective Projected Area:

EPA = 0.75

#### Maximum Ambient Temperature:

Suitable for use in 40°C (104°F)

#### Cold Weather Starting:

Minimum starting temperature is -40°C (-40°F)

### Thermal Management:

Superior thermal management with external "Air-Flow" fins

### Lens:

Tempered glass lens included

### IP Rating:

Ingress Protection rating of IP66 for dust and water

### Mounting:

Universal mounting arm compatible for hole spacing patterns from 1" to 5 1/2" center to center. Round Pole Adaptor plate included as a standard. Easy slide and lock to mount fixture with ease.

### Reflector:

Specular vacuum-metallized polycarbonate

### Gaskets:

High-temperature silicone gaskets

## Technical Specifications (continued)

### Construction

**Finish:**

Formulated for high durability and long-lasting color

**Weight:**

32.5 lbs

**Green Technology:**

Mercury and UV free. RoHS-compliant components.

**Shaft:**

46,000 p.s.i. minimum yield.

**Hand Holes:**

Reinforced with grounding lug and removable cover

**Base Plates:**

Slotted base plates 36,000 p.s.i.

**Max Wind (MPH):**

100 MPH

**Color:**

Bronze powder coating

**Height:**

25 FT

**Gauge:**

7

**Wall Thickness:**

1/8"

**Shaft Size:**

4"

**Hand Hole Dimensions:**

3" x 5"

**Bolt Circle:**

6 1/2"

**Base Dimension:**

8"

**Anchor Bolt:**

Galvanized anchor bolts and galvanized hardware and anchor bolt template. All bolts have a 3" hook.

**Anchor Bolt Templates:**

WARNING Template must be printed on 11" x 17" sheet for actual size. CHECK SCALE BEFORE USING. Templates shipped with anchor bolts and available [online](#).

**Optical**

**BUG Rating:**

B1 U0 G2

**Other**

**Warranty:**

RAB warrants that our LED products will be free from defects in materials and workmanship for a period of five (5) years from the date of delivery to the end user, including coverage of light output, color stability, driver performance and fixture finish. RAB's warranty is subject to all terms and conditions found at [rablighting.com/warranty](http://rablighting.com/warranty).

**Replacement:**

Replaces 400W Metal Halide (per fixture)

**Shipping Protection:**

All poles are shipped in individual corrugated cartons to prevent finish damage

**Terms of Sale:**

Pole Terms of Sale is available [online](#).

**Shipping:**

All components ship separately

**Buy American Act Compliance:**

RAB values USA manufacturing! Upon request, RAB may be able to manufacture this product to be compliant with the Buy American Act (BAA). Please contact customer service to request a quote for the product to be made BAA compliant.

**Electrical**

**Drivers:**

Two Drivers, Constant Current, Class 2, 2000mA, 100-277V, 50-60Hz, Power Factor 99% (per fixture)

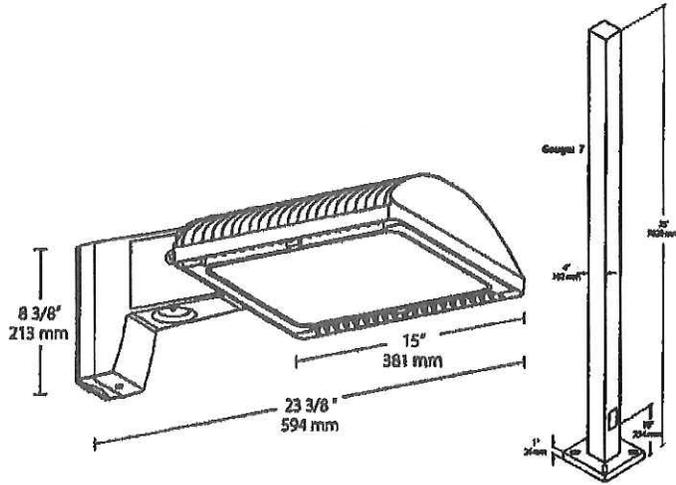
**THD:**

6% at 120V, 11.3% at 277V (per fixture)

# ALED-CMB2/150W-25P



## Dimensions



## Features

- EZ-SITE™ Area Light & Pole Combos
- Buy area lights and poles together and save!
- Square Drilled Poles - 15 ft, 20 ft or 25 ft
- Anchor Bolt Kit Included



Date : 26 Mar 2020

Title : Enter the title here...

esc : Enter the description here...

### Luminaire

IES Filename : aled3t150-2.ies

Description : ALED3T150 - RWLED3T150 - RWLED3T150SF -  
WPLED3T150 (TYPE III)  
CAST FINNED METAL HOUSING, 6 CIRCUIT  
BOARDS EACH WITH 1

For : Client's name or company...

By : Your name or company...

Light Loss Factor : 1.00

Number of Lamps : 6

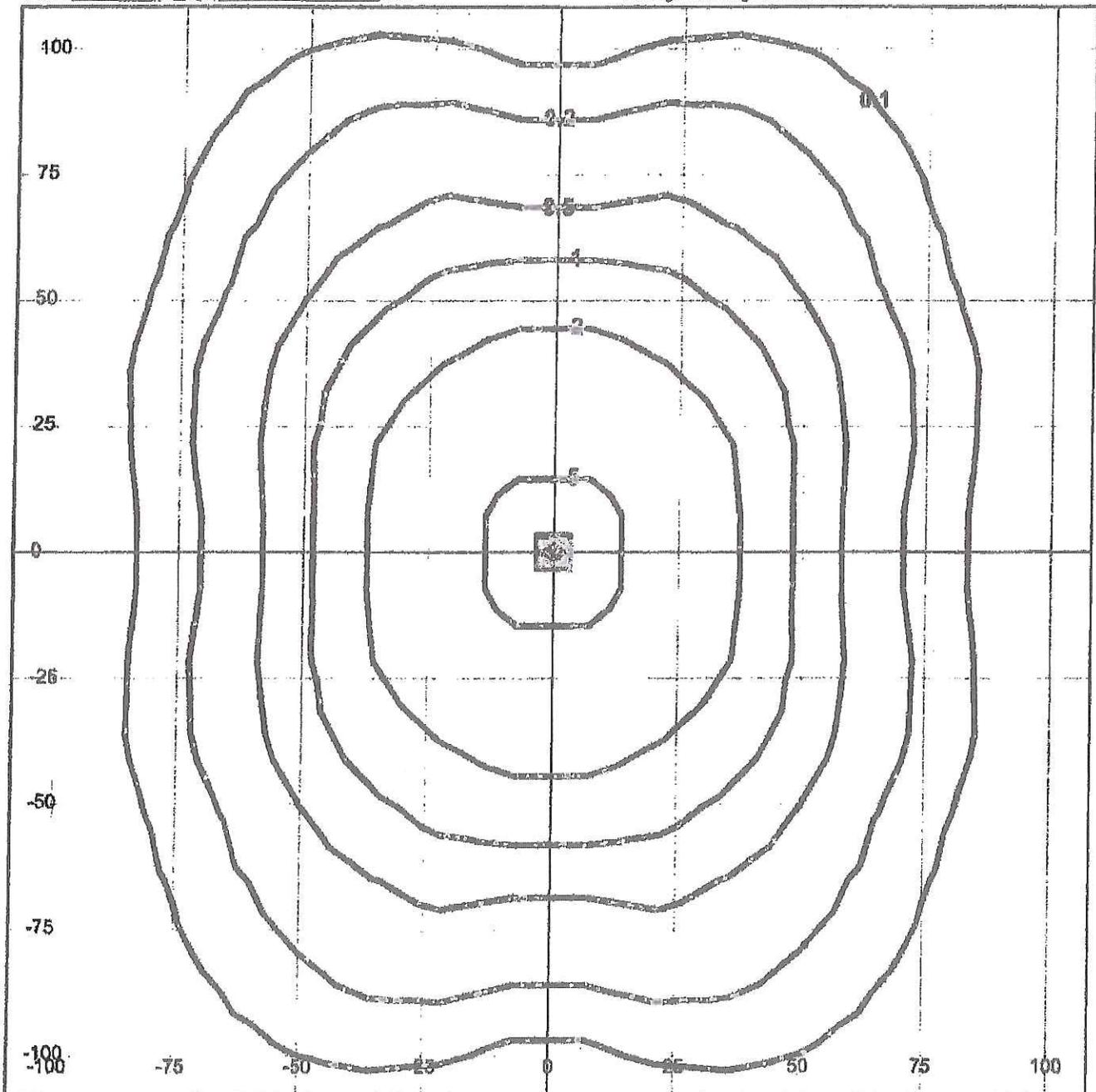
Lamp Lumens : -1 lms

Luminaire Watts : 150 W



Scale: 0 31 62 feet

Arrangement Magnification: 100 %





# ARTISANS ADVANTAGE ENHANCED COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM  
COMMERCIAL PROPERTY CONDITIONS  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

When this endorsement is attached to the policy, insurance under the Building and Personal Property Coverage Form, the Causes of Loss – Special Form, the Commercial Property Conditions and the Commercial General Liability Coverage Form is enhanced to provide the coverages described in this endorsement. All other conditions of the policy continue to apply.

This coverage is subject to the provisions applicable to the Building and Personal Property Coverage Form, Causes of Loss – Special Form, the Commercial Property Conditions and the General Liability Coverage Form.

## SCHEDULE

| <u>Coverage Enhancements</u>   | <u>Limits of Insurance Each Location</u>       |
|--|--|
| <b><u>Property Coverage</u></b>  |  |
| Premises Boundary  | 1,000 feet                                     |
| <b><u>Property Coverage Extensions</u></b>                               |  |
| Newly Acquired or Constructed Property                                   |  |
| Buildings  | \$500,000. at Each Building                    |
| Business Personal Property   | \$250,000. at Each Building                    |
| Personal Effects and Property of Others                                  | \$ 25,000. at Replacement Cost                 |
| Valuable Papers and Records (Other than Electronic Data)                 | \$ 25,000.                                     |
| Property Off-Premises (Including Laptops and Other Electronic Equipment) | \$ 15,000.                                     |
| Outdoor Property (Named Perils)  | \$ 1,000. per tree/shrub, max. limit \$25,000. |
| Non-Owned Detached Trailers  | \$ 10,000.                                     |
| Accounts Receivable  | \$ 50,000.                                     |
| Property in Transit (Including Laptops and Other Electronic Equipment)   | \$ 15,000.                                     |
| Fine Arts  | \$ 25,000.                                     |
| <b><u>Property Additional Coverages</u></b>                              |  |
| Debris Removal   | \$ 25,000.                                     |
| Fire Department Service Charge   | \$ 5,000.                                      |
| Pollutant Clean-up and Removal   | \$ 15,000.                                     |
| Electronic Data  | \$ 25,000.                                     |
| Interruption of Computer Operations                                      | \$ 15,000.                                     |
| Arson Reward   | \$ 5,000.                                      |
| Water Back-Up and Sump Overflow  | \$ 25,000.                                     |
| Brands and Labels  | \$ 25,000.                                     |
| Employee Theft   | \$ 10,000.                                     |
| Business Income Including Extra Expense                                  | \$ 25,000.                                     |
| Business Income from Dependent Properties                                | \$ 10,000.                                     |
| Claims Expenses  | \$ 10,000.                                     |
| Inventory or Appraisal Cost  | \$ 5,000.                                      |
| Money and Securities   |  |
| Inside   | \$ 10,000.                                     |
| Outside  | \$ 5,000.                                      |
| Off Premises Power Failure – Direct Damage                               | \$ 10,000.                                     |
| Ordinance or Law Coverage  |  |
| Coverage A   | Included within Building Limit.                |
| Coverages B and C Combined   | 25% of Bldg. Limit, \$150,000. maximum         |
| Outdoor Signs  | \$ 10,000.                                     |
| Recharging of Fire Extinguishers   | \$ 5,000.                                      |
| Unauthorized Business Card Use   | \$ 5,000.                                      |
| Forgery or Alteration  | \$ 10,000.                                     |
| Salespersons Samples   | \$ 2,500.                                      |

**Inland Marine Coverages**

|                                  |  |
|----------------------------------|--|
| Installation Coverage            | \$ 10,000.                                 |
| Contractors Equipment Coverages: |  |
| Small Tools                      | \$ 5,000. (Maximum limit per item \$1,000) |
| Employee Small Tools             | \$ 1,000. (Maximum limit per item \$250)   |
| Leased and Rented Equipment      | \$ 5,000.                                  |
| Rental Reimbursement             | \$ 1,000.                                  |

**General Liability Additional Coverages**

|  |                                   |
|--|-----------------------------------|
| Blanket Additional Insured (Including Primary Non-Contributing Coverage) | Included in Each Occurrence Limit |
| Mobile Equipment Broadened Coverage                                      | Included in Each Occurrence Limit |
| Aggregate Limit Per Project  | Included in Each Occurrence Limit |
| Blanket Waiver   | Included in Each Occurrence Limit |
| Voluntary Property Damage Coverage                                       | \$ 2,500.                         |

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The following applies to coverages under this endorsement only.

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**Property Coverage**

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The phrase 'within 100 feet of the described premises' used in Paragraphs **a.(5)(b)**, **b.** and **c.(2)** under **A.1. Covered Property** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** and Paragraph **2.c.(1)** under **C. Limitations** of the **CAUSES OF LOSS – SPECIAL FORM** is replaced by the phrase 'within 1,000 feet of the described premises'.

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**Property Coverage Extensions**

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Paragraph **A.5. Coverage Extensions** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted in its entirety and replaced by the following:

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a)** Your new buildings while being built on the described premises; and
- (b)** Buildings you acquire at locations, other than the described premises, intended for:
  - (i)** Similar use as the building described in the Declarations; or
  - (ii)** Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

**(2) Your Business Personal Property**

**(a)** If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i)** Business personal property, including such property that you newly acquire, at any location you acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii)** Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii)** Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

**(b)** This Extension does not apply to:

- (i)** Personal property of others that is temporarily in your possession in the course of installing or performing

work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:

- (a) Personal effects owned by you, your officers, your partners or members, your managers or your employees.
- (b) Personal property of others in your care, custody or control.

This Extension does not apply to employee tools.

- (2) The most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**(3) Extension Of Replacement Cost To Personal Property Of Others**

- (a) Replacement Cost coverage is extended to apply to personal property of others.
- (b) Paragraphs 3.b.(1) and 4. under **G. Optional Coverages** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** are deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- (c) With respect to replacement cost on the personal property of others the following limitation applies:

If an item of personal property of others is subject to a written contract which governs your liability for loss or damage to that item, then valuation of that item will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to valuable papers and records that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Extension includes the cost to research lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

- (2) Coverage under this Extension is limited to the "specified causes of loss" as defined in the **CAUSES OF LOSS – SPECIAL FORM**, and Collapse as set forth in that form.

- (3) This Extension does not apply to:

- (a) Property held as samples or for delivery after sale;
- (b) Property in storage away from the premises shown in the Declarations.

- (4) Section **B. Exclusions** in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Extension, except for:

- (a) Paragraph **B.1.c.** Governmental Action;
- (b) Paragraph **B.1.d.** Nuclear Hazard;
- (c) Paragraph **B.1.f.** War And Military Action;
- (d) Paragraph **B.2.f.**;
- (e) Paragraph **B.2.g.**; and
- (f) Paragraph **B.3.**

- (5) The most we will pay under this Extension for loss or damage to valuable papers and records in any one occurrence at each described premises is \$25,000.

For valuable papers and records not at a described premises, the most we will pay is \$5,000 in any one occurrence.

Such amounts are additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-Premises (Including Laptops And Other Electronic Equipment)**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$15,000.

**e. Outdoor Property (Named Perils)**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, retaining walls (other than retaining walls that are a part of a building), radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Vandalism;
- (5) Vehicle Damage;
- (6) Riot or Civil Commotion; or
- (7) Aircraft.

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-Owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$10,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Accounts Receivable**

- (1) You may extend the insurance that applies to Your Business Personal Property to accounts receivable. We will pay:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these

amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by "loss"; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(2) The most we will pay under this Extension for loss or damage in any one occurrence at each described "premises" is \$50,000.

(3) Section **B.Exclusions** in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Extension, except for:

- (a) Paragraph **B.1.c.** Governmental Action;
- (b) Paragraph **B.1.d.** Nuclear Hazard;
- (c) Paragraph **B.1.f.** War And Military Action;
- (d) Paragraph **B.2.f.**;
- (e) Paragraph **B.2.g.**; and
- (f) Paragraph **B.3.**

(4) The following additional exclusion applies to the Extension:

We will not pay for:

- (a) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money," "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (b) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (c) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

#### **h. Property In Transit (Including Laptops And Other Electronic Equipment)**

**F.1.** under **Additional Coverage Extensions** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted and replaced with the following:

##### **1. Property In Transit (Including Laptops And Other Electronic Equipment)**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$15,000.

##### **i. Fine Arts**

- (1) You may extend the insurance that applies to Your Business Personal Property to cover "fine arts" owned by you and located on the premises described in the Declarations
- (2) In addition to the exclusions in **CAUSES OF LOSS – SPECIAL FORM** we will not pay for loss or damage caused by or resulting from repairing, restoration, or retouching processes.
- (3) In the event of loss or damage, we will pay the actual cash value of the item. The actual cash value will be the price you paid for the item, or the value as determined by an appraisal of the item not more than 360 days prior to the date of loss or damage. In no event will the actual cash value exceed the amount necessary to repair or replace the item with substantially like property.
- (4) The most we will pay for "fine arts" at any premises described in the Declarations is \$25,000.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

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## Property Additional Coverages

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The following are Additional Coverages. The Additional Condition, Coinsurance, does not apply to these coverages.

### A. Debris Removal

A.4.a. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced as follows:

#### a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

#### (5) Examples

##### Example #1

|                                |                               |
|--------------------------------|-------------------------------|
| Limit of Insurance             | \$ 90,000                     |
| Amount of Deductible           | \$ 500                        |
| Amount of Loss                 | \$ 50,000                     |
| Amount of Loss Payable         | \$ 49,500                     |
|                                | (\$50,000 – \$500)            |
| Debris Removal Expense         | \$ 10,000                     |
| Debris Removal Expense Payable | \$ 10,000                     |
|                                | (\$10,000 is 20% of \$50,000) |

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

##### Example #2

|                                |                    |
|--------------------------------|--------------------|
| Limit of Insurance             | \$ 90,000          |
| Amount of Deductible           | \$ 500             |
| Amount of Loss                 | \$ 80,000          |
| Amount of Loss Payable         | \$ 79,500          |
|                                | (\$80,000 – \$500) |
| Debris Removal Expense         | \$ 35,500          |
| Debris Removal Expense Payable |                    |
| Basic Amount                   | \$ 10,500          |
| Additional Amount              | \$ 25,000          |

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500). The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$35,500) exceeds 25% of the loss payable plus the deductible (\$35,500 is 44.375% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$35,500 = \$115,000) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$35,500.

## **B. Fire Department Service Charge**

A.4.c. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced as follows:

### **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

## **C. Pollutant Clean-up And Removal**

A.4.d. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced as follows:

### **d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$15,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

## **D. Electronic Data**

A.4.f. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced as follows:

### **f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data, which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) In addition to the "specified causes of loss" as defined in the **CAUSES OF LOSS – SPECIAL FORM**, and Collapse as set forth in that form, the following are covered causes of loss:
  - (a) A virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
  - (b) Changes in your electrical power supply, including interruption, power surge, blackout or brownout, if the cause of such event originates 100 feet or less from any premises described in the Declarations;
  - (c) Dishonest acts committed by your employees acting alone or in collusion with other persons, except you or your partners, directors or trustees, but theft by employees is not covered;
  - (d) Dampness or dryness of atmosphere or changes in or extremes of temperature;
  - (e) Floods, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; and
  - (f) Earth movement, such as an earthquake, landslide or earth sinking, rising or shifting.
- (4) The most we will pay under this **Additional Coverage – Electronic Data** is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved.

#### **E. Interruption Of Computer Operations**

We will pay your necessary "Extra Expense" to continue normal operations caused by an interruption in computer operations due to destruction or corruption of your electronic data due to a Covered Cause of Loss.

We will also pay for your actual "Business Income" if you must close all or part of your business due to destruction or corruption of your electronic data due to a Covered Cause of Loss.

The most we will pay under this coverage is \$15,000 for any one occurrence.

Under this **Additional Coverage – Interruption Of Computer Operations**, electronic data has the meaning set forth in Paragraph 5. **Limitation – Interruption of Computer Operations** included in **Additional Coverage – Business Income Including Extra Expense** of this form.

#### **F. Arson Reward**

We will reimburse you for an arson reward that you give to someone who discloses information that leads to the conviction of a person or persons for arson at the premises described in the Declarations.

The most we will pay under this coverage is \$5,000 each occurrence.

#### **G. Water Back-Up And Sump Overflow**

1. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

- a. Water which backs up through or overflows from a sewer or drain; or
- b. Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph b. above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

2. The coverage described in Paragraph 1. above does not apply to loss or damage resulting from an insured's failure to:

- a. Keep a sump pump or its related equipment in proper working condition; or
- b. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

3. The most we will pay under this coverage is \$25,000 each occurrence.

4. With respect to the coverage provided in this **Additional Coverage – Water Back-Up and Sump Overflow**, Paragraph 3. of the **Water Exclusion** included in this Policy does not apply.

#### **H. Brands And Labels**

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

1. Stamp the word 'Salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
2. Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs 1. and 2. above. The most we will pay for these costs and the value of the damaged property under this Additional Coverage is \$25,000.

Payments under this Additional Coverage are subject to and not in addition to the Limits of Insurance.

#### **I. Employee Theft**

1. We will pay for direct loss of or damage to Your Business Personal Property and your "money" and "securities" resulting from "theft" committed by any of your "employees" acting alone or in collusion with other persons (except you or your partners, members or managers) with the manifest intent to:

- a. Cause you to sustain loss or damage; and also
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (1) Any "employee"; or
- (2) Any other person or organization.

2. We will not pay for loss or damage:

- a. Resulting from any dishonest or criminal act that you or any of your partners, members, officers, "managers," directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose commit, whether acting alone or in collusion with other persons; or
- b. The only proof of which as to its existence or amount is one or both of the following:

- (1) An inventory computation; or
- (2) A profit and loss computation.

3. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000.
4. All loss or damage:
  - a. Caused by one or more "employees"; and
  - b. Involving a single act or series of related acts;
 

is considered one occurrence.
5. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
6. This Additional Coverage does not apply to loss caused by an "employee" after discovery by:
  - a. You; or
  - b. Any of your partners, officers or directors, or members or "managers" not in collusion with the "employee"; of any "theft" or any other dishonest act committed by that "employee" before or after being hired by you.
7. **Extended Period To Discover Loss**
  - a. We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy, which is discovered by you no later than 1 year from the date of that termination or cancellation.
  - b. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
8. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
  - a. This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - b. The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
9. The insurance under Paragraph 8. above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
  - a. This Additional Coverage as of its effective date; or
  - b. The prior insurance, had it remained in effect.
10. None of the exclusions in Section **B. Exclusions** of the **CAUSES OF LOSS – SPECIAL FORM** apply to Employee Theft Coverage provided under this endorsement except:
  - a. **B.1.c. Governmental Action;**
  - b. **B.1.d. Nuclear Hazard;** and
  - c. **B.1.f. War And Military Action.**
11. We will not pay for loss as specified below:
  - a. **Acts Committed by You or Your Partners**  
Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
  - b. **Indirect Loss**  
Loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:
    - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to "money" and "securities".
    - (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this Additional Coverage.
    - (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.
  - c. **Legal Expenses**  
Expenses related to any legal action.
12. **Ownership Of Property; Interests Covered**  
The property covered under this Additional Coverage is limited to property:
  - a. That you own or lease;
  - b. That you hold for others; or

c. For which you are legally liable, except for property inside the premises of a "client" of yours.

However, this coverage is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this coverage must be presented by you.

### 13. Valuation – Settlement

Subject to the Limit of Insurance, we will pay for:

- a. Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
  - (1) At face value in the "money" issued by that country; or
  - (2) In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was discovered.
- b. Loss of "securities" but only up to and including their value at the close of business on the day that loss was discovered. We may, at our option:
  - (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
  - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
    - (a) Value of the "securities" at the close of business on the day the loss was discovered; or
    - (b) Limit of Insurance.

### J. Business Income Including Extra Expense

#### 1. Coverage

##### a. Business Income

Business Income means the:

- (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.

For manufacturing risks, Net Income includes the net sales value of production.

Business Income includes "Rental Value."

We will pay the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from any Covered Cause of Loss.

##### b. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expenses to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the premises described in the Declarations or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
- (2) Minimize the "suspension" of business if you cannot continue "operations."

We will pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

#### 2. Additional Coverages

##### a. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations," the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**b. Civil Authority**

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When Civil Authority for Business Income ends;
- whichever is later.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this additional coverage, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations," with reasonable speed, to the level which would generate the "business income" amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this additional coverage, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

### 3. Limits of Insurance

The most we will pay for loss under this **Additional Coverage - Business Income Including Extra Expense** in any one occurrence is \$25,000.

Payments under the following additional coverages will not increase the applicable Limit of Insurance:

- a. Alterations and New Buildings;
- b. Civil Authority; or
- c. Extended Business Income.

### 4. Valuation

The following is added to **E.7. Valuation** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

g. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no loss or damage occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (b) Deeds, liens or contracts.

h. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and
  - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

#### i. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Additional Coverage and:

- (1) We have reached an agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

#### j. Resumption of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 5. Limitation – Interruption of Computer Operations

- a. Coverage for Business Income does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the **Additional Coverage – Interruption Of Computer Operations**.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the **Additional Coverage – Interruption Of Computer Operations**.

- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### K. Business Income From Dependent Properties

- 1. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the coverage period. The "suspension" must be caused by direct physical loss of or damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to electronic data, including destruction or corruption of electronic data. If the dependent property sustains loss or damage to electronic data and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced. Electronic data has the meaning set forth in Paragraph 5. **Limitation – Interruption of Computer Operations** included in **Additional Coverage – Business Income Including Extra Expense** of this form.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

- 2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any other available:

- a. Source of materials; or
- b. Outlet for your products.

- 3. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

- 4. Business Income, as it pertains to this **Additional Coverage – Business Income From Dependent Properties**, means:

- a. Net income (net profit or loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss; and
- b. Continuing normal operating expenses incurred, including ordinary payroll.

- 5. Dependent property means property operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
- b. Accept your products or services;
- c. Manufacture your products for delivery to your customers under contract for sale; or
- d. Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- 6. The coverage period for Business Income under this Additional Coverage:

- a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- b. Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- 7. The Business Income coverage period, as stated in Paragraph 6., does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down, of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not reduce the Business Income coverage period.

#### L. Claims Expenses

In the event of covered loss or physical damage we will pay up to \$10,000 in any one occurrence as an additional Limit of Insurance to cover reasonable expenses incurred by you at our specific request to assist us in:

- 1. The investigation of a claim or suit; or
- 2. The determination of the amount of loss, such as taking inventory, or auditing business records.

#### M. Inventory Or Appraisal Cost

We will pay up to \$5,000 each occurrence for the cost of any inventory or appraisal required as a result of direct physical loss or damage to covered property caused by or resulting from a Covered Cause of Loss.

## N. Money And Securities

1. We will pay for loss of "money" and "securities" used in your business caused by "theft," disappearance or destruction. The most we will pay for loss in any one "occurrence" under this coverage is:
  - a. \$10,000 for "money" and "securities" while inside the "premises" or a "banking premises."
  - b. \$5,000 for "money" and "securities" while in the care and custody of a "messenger."

### 2. Additional Exclusions Applicable to Money And Securities

We will not pay for loss as specified below:

- a. Loss resulting from accounting or arithmetical errors or omissions;
- b. Loss resulting from the giving or surrendering of property in any exchange or purchase.
- a. Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- d. Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:
  - (1) Acting alone or in collusion with other persons; or
  - (2) While performing services for you or otherwise.
- e. Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises."
  - (1) On the basis of unauthorized instructions; or
  - (2) As a result of a threat to do:
    - (a) Bodily harm to any person; or
    - (b) Damage to any property.
  - (3) But, this exclusion does not apply to loss of "money" and "securities" while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:
    - (a) Had no knowledge of any threat at the time the conveyance began; or
    - (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- f. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

### 3. Additional Conditions

- a. The reference to "money" and "securities" in Subparagraph **A.2.a. Property Not Covered** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** does not apply to the coverage provided by this form.
- b. You must keep records of all "money" and "securities" so we can verify the amount of loss or damage.

## O. Off Premises Power Failure – Direct Damage

1. With respect to coverage provided in this **Additional Coverage – Off Premises Power Failure – Direct Damage**, Exclusion **B.1.e.** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted in its entirety and replaced as follows:

### e. Utility Services

The failure of utility service (other than Power Supply Service) supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a.(1)** applies to these coverages.

2. The following Additional Coverage is added:

### Off Premises Power Failure – Direct Damage

- a. We will pay for loss of or damage to Covered Property caused by an interruption in Power Supply Service to the described premises. The interruption in Power Supply Service must result from direct physical loss or damage by a Covered Cause of Loss to property that is located off the described premises.
- b. Coverage under this Additional Coverage does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in Paragraph **5. Limitation – Interruption of Computer Operations** included in **Additional Coverage – Business Income Including Extra Expense** of this form.

- c. Power Supply Service means the following types of property supplying electricity, steam or gas to the described premises:
  - (1) Utility generating plants;
  - (2) Switching stations;
  - (3) Substations;
  - (4) Transformers; and
  - (5) Transmission lines, including overhead transmission lines.
- d. The most we will pay for any one occurrence is \$10,000.

**P. Ordinance Or Law Coverage**

Exclusion **B.1.a. Ordinance Or Law** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted and the following coverage applies:

1. Ordinance or Law Coverage applies only if the following is satisfied.
  - a. The ordinance or law:
    - (1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
    - (2) Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.
  - b.
    - (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
    - (2) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
    - (3) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this additional coverage even if the building has also sustained covered direct physical damage.
  - c. In the situation described in **1.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of **Coverage A** and/or **Coverage B and C Combined** of this additional coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage. However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of **Coverages A** and/or **B and C Combined** of this endorsement.
2. Under this coverage, we will not pay for loss due to any ordinance or law that:
  - a. You were required to comply with before the loss, even if the building was undamaged; and
  - b. You failed to comply with.
3. Under this coverage, we will not pay for:
  - a. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria; or
  - b. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," "fungus," wet or dry rot or bacteria.
4. **Coverage A: Coverage for Loss to the Undamaged Portion of the Building**
  - a. If a Covered Cause of Loss occurs to covered building property at the premises described in the Declarations, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
  - b. **Coverage A** is included within the Limit of Insurance applicable to the covered building property at the premises described in the Declarations. **Coverage A** does not increase the Limit of Insurance.
  - c. Loss will be determined as follows:
    - (1) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
      - (a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the

amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(b) The Limit of Insurance shown in the Declarations as applicable to the covered building property.

(2) If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

(a) The actual cash value of the building at the time of loss; or

(b) The Limit of Insurance shown in the Declarations as applicable to the covered building property.

#### 5. Coverages B: Demolition Cost and C: Increased Cost of Construction (Combined)

If a Covered Cause of Loss occurs to covered building property, we will pay up to 25 percent (25%) of the Limit of Insurance applicable to building property at the premises described in the Declarations, subject to a maximum limit of \$150,000, for the total of all covered losses (combined) for Demolition Cost and Increased Cost of Construction. Subject to these limits of coverage, the following conditions will apply:

##### a. Demolition Cost

(1) With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(2) The Coinsurance Additional Condition does not apply to Demolition Cost.

(3) We will not pay more than the amount you actually spend to demolish and clear the site of the premises described in the Declarations.

##### b. Increased Cost of Construction

(1) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

(a) Repair or reconstruct damaged portions of that building property; and/or

(b) Reconstruct or remodel undamaged portions of that building property, whether or not demolition is required; when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law. However:

(a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(b) We will not pay for increased cost of construction if the building is not repaired, reconstructed or remodeled. The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

(2) When covered building property is damaged or destroyed by a Covered Cause of Loss and Increased Cost of Construction applies to that property in accordance with **b.(1)** above, coverage for the Increased Cost of Construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **b.(1)**:

(a) The cost of excavations, grading, backfilling and filling;

(b) Foundation of the building;

(c) Pilings; and

(d) Underground pipes, flues and drains.

The items listed in **(2)(a)** through **(2)(d)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision **5.b**.

(3) Loss Payment will be determined as follows:

(a) We will not pay:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises.

#### Q. Outdoor Signs

1. We will pay for direct physical loss of or damage to all Outdoor Signs at the premises described in the Declarations:

a. owned by you; or

b. owned by others but in your care, custody or control.

2. None of the exclusions in Section **B. Exclusions** of the **CAUSES OF LOSS – SPECIAL FORM** apply to Outdoor Signs provided under this coverage except:

- a. **B.1.c. Governmental Action;**
  - b. **B.1.d. Nuclear Hazard;** and
  - c. **B.1.f. War and Military Action.**
3. We will not pay for loss or damage caused by or resulting from:
- a. wear and tear;
  - b. hidden or latent defect;
  - c. rust;
  - d. corrosion; or
  - e. mechanical breakdown.

The most we will pay for loss of or damage in any one occurrence is \$10,000.

**R. Recharging Of Fire Extinguishers**

We will pay for expenses you incur for the recharging of Fire Extinguishers made necessary by the fighting of a fire at the premises described in the Declarations or adjacent to such property.

The most we will pay for any one occurrence is \$5,000.

**S. Unauthorized Business Card Use**

We will pay for the loss of "money" resulting from theft, forgery or unauthorized use of credit, debit or charge cards issued in the business name to you, your partners or officers, including:

- 1. Fund transfer cards;
- 2. Charge plates; and
- 3. Telephone cards.

The most we will pay under this Additional Coverage during each 12 month period of this policy (including any extension of less than one year), is \$5,000.

We will not pay for loss resulting from the use of any credit, debit or charge card if not customarily used in your business.

**T. Forgery Or Alteration**

- 1. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (a) Made or drawn by or drawn upon you; or
  - (b) Made or drawn by one acting as your agent;
- or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- 2. If you are sued for refusing to pay any instrument covered in Paragraph 1. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- 3. The most we will pay for any loss in any one "occurrence" including legal expenses is \$10,000.

**U. Salespersons Samples**

- 1. We will pay for loss of or damage to Covered Property from a Covered Cause of Loss to samples (including their containers) of your stock in trade that are:

- (a) Owned by you; or
  - (b) The property of others for which you are legally liable.
- But this coverage applies only while such property is:
- (a) In the custody of your salespersons or authorized sales representatives;
  - (b) In your custody, if you are an individual, while you are acting as a salesperson; or
  - (c) In due course of transit to or from your premises and your salespersons or authorized sales representatives.

**3. Additional Exclusion Applicable to Salespersons Samples**

We will not pay for loss as specified below:

Theft from an unattended vehicle unless at the time of theft, its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

- 4. The most we will pay under this coverage is \$2,500 in any one occurrence.

## Inland Marine Coverages

The following coverages are added under **4. Additional Coverages** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**. The Additional Condition, Coinsurance, does not apply to these coverages.

### A. Installation Coverage

#### 1. Coverage

a. We will pay for loss of or damage to the following property:

- (1) Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction; and
- (2) Temporary structures built or assembled by you on site, including cribbing, scaffolding and construction forms.

This property is covered while:

- (1) At any job site you do not own, lease or operate;
- (2) Awaiting and during installation, or awaiting acceptance by the purchaser;
- (3) At a "temporary storage location."

But property in transit is not covered except as provided under Property Extension – Property In Transit.

b. This Additional Coverage does not apply to:

- (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
- (2) Property stored at a permanent warehouse or storage yard that you own;
- (3) A plan, blueprint, design or specification; and
- (4) Machinery, tools, equipment, supplies or similar property that will not become a permanent part of the project. This includes contractors equipment and other tools belonging to a contractor or sub-contractor.

c. We will not pay for loss or damage caused by or resulting from any of the following:

- (1) The cost to make good or replace faulty or defective materials or workmanship;
- (2) Penalties for noncompletion or non-compliance with any contract terms or conditions;
- (3) Testing including stand-up performance, stress, pressure, overload testing of the covered property;
- (4) A fault, defect, deficiency, error or omission in a plan, blueprint, design or specification; or
- (5) The weight of a load when it exceeds the designed capacity of any property covered under this Additional Coverage to lift, move or support the load from any position.

#### 2. The following is added to **E.7. Valuation** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

f. As respects your materials, supplies, machinery, fixtures and equipment and similar property of others in your care, custody or control which will become a permanent part of your installation, fabrication or erection project, the value of covered property may be valued as follows:

(1) **Actual Cost to Repair, Replace or Rebuild.** The value of covered property will be based on the lesser of the following accounts:

- (a) The actual cost to repair, replace or rebuild the covered property with materials of like kind and quality. The actual cost may include material, labor and reasonable overhead expenses; or
- (b) The amount you actually spend to repair, replace or rebuild the covered property.

This valuation provision does not apply to Paragraphs (2) or (3) below.

- (2) **Pair or Set.** The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
- (3) **Loss to Parts.** The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

#### 3. Limit of Insurance

The most we will pay for loss or damage to property covered under this Additional Coverage is \$10,000 per occurrence.

This is the most we will pay regardless of:

- a. The number of job sites you do not own, lease or operate; or
- b. "Temporary storage locations."

#### 4. With respect to this coverage, **Installation Coverage**, Section **D. Deductible** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced by the following:

#### D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500 up to the applicable limit of insurance.

5. Paragraph e. of **C.1. Limitations** of the **CAUSES OF LOSS – SPECIAL FORM** is replaced by the following:
  - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.  
But, this limitation does not apply to covered property in the custody of a carrier for hire.
6. The following are added to **F. Additional Conditions** of the **BUILDING AND PERSONAL COVERAGE FORM**:
  3. **Carriers for Hire**  
You may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.
  4. Coverage provided under the Installation Coverage will end when one of the following first occurs:
    - (1) This policy expires or is cancelled;
    - (2) The property covered under this Additional Coverage is accepted by the purchaser;
    - (3) Your interest in the property covered under this Additional Coverage ceases;
    - (4) You abandon the project to be performed by you for the purchaser, with no intention to complete it;
    - (5) 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing.

#### B. Contractors Equipment Coverage

##### 1. Your "Small Tools" and "Small Tools" Owned by Your Employees

We will pay for your "small tools" and "small tools" owned by your employees. The most we will pay is as follows:

|  |   |
|--|---|
| Limit for Your "Small Tools":                    | \$5,000. (maximum limit per item \$1,000) |
| Limit for "Small Tools" Owned by Your Employees: | \$1,000. (maximum limit per item \$250)   |

##### Leased and Rented Equipment

We will pay for contractors' equipment that is leased or rented from others to you. Contractors' equipment means machinery, equipment, and tools of a mobile nature that you use in your contracting, installation, erection, or moving operations or projects. The most we will pay for property leased or rented from others is \$5,000.

- a. Coverage applies only to covered property while:
  - (1) At the described premises;
  - (2) On a "client's" premises; or
  - (3) In transit directly between the described premises and a "client's" premises and while in a motor vehicle owned, leased or operated by the named insured.
- b. The coverage provided by this Additional Coverage applies only to loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:
  - (1) Fire;
  - (2) Lightning;
  - (3) Explosion;
  - (4) Aircraft;
  - (5) Vandalism and malicious mischief; or
  - (6) Theft.
- c. The following is added to **A.2. Property Not Covered** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:
  - r. Property while stored or operated underground in connection with any mining operations.
- d. The following is added to Paragraph 2. of **B. Exclusions** of the **CAUSES OF LOSS - SPECIAL FORM**:
  - n. We will not pay for loss or damage caused by puncture, blowout and road damage to tires and tubes mounted on vehicles. However, we do pay for puncture, blowout or road damage caused by a specified peril.
  - o. We will not pay for loss caused by humidity, dampness, dryness or changes in or extremes of temperature.
  - p. We will not pay for loss caused by the weight of a load which, under the operating conditions at the time of a loss, exceeds the registered lifting capacity of any equipment or machine.
  - q. We will not pay for loss due to theft or mysterious disappearance from any vehicle or attached container. We will pay for loss due to burglary when there are signs of forcible entry to a locked vehicle or container.

- e. **E.7. Valuation** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced by the following:

**7. Valuation**

We will determine the value of covered property in the event of loss or damage as follows:

- a. At actual cash value at the time of the loss (with a deduction for depreciation) except as provided in Paragraphs **b.** and **c.** following.
- b. **Pair or Set.** The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
- c. **Loss to Parts.** The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

**2. Rental Reimbursement**

In the event of loss by a covered peril to covered contractors' equipment that you own, we will reimburse you for your expense to rent similar equipment while your equipment is inoperable. The most we will reimburse you for rental reimbursement expenses is \$1,000. We will continue to reimburse you for the rental of equipment after the expiration date of this coverage provided the loss occurred before the expiration date.

We will not reimburse you:

- a. If you can continue or resume your operations with similar equipment that is available to you at no additional expense to you; or
  - b. For the rental expense of any equipment unless you make every reasonable effort to repair, replace or rebuild the inoperable equipment after the covered loss occurs.
3. With respect to this Additional Coverage, **Contractors Equipment Coverage**, Section **D. Deductible** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced by the following:

**D. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500 up to the applicable limit of insurance.

We will not reimburse you for the rental of equipment until after 72 hours have passed since the covered property was rendered inoperable. After 72 hours have passed, we will only reimburse you for the rental expense that you actually incur.

The deductible of \$500 does not apply to rental reimbursement expenses.

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**General Liability Additional Coverages**

The following Additional Coverages are added to the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**.

**A. Blanket Additional Insured Coverage**

1. **SECTION II – WHO IS AN INSURED** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended to include as an insured any person or organization (referred to as Additional Insured) whom you are required to add as an Additional Insured on this policy under:
  - a. A written contract or agreement; and
  - b. Where a certificate of insurance showing that person or organization as an additional insured has been issued; and
  - c. When the written contract or agreement and certificate of insurance are currently in effect or becoming in effect during the term of the policy and executed prior to the "bodily injury," "property damage," or "personal and advertising injury."
2. The insurance provided to the Additional Insured is limited as follows:
  - a. The Additional Insured is only an additional insured for:
    - (1) "Bodily injury," "property damage," or "personal and advertising injury" caused in whole or in part by negligent acts or omissions of the Named Insured or anyone directly or indirectly employed by the Named Insured or for whose acts a Named Insured may be liable.
    - (2) Liability arising out of your ongoing operations for the Additional Insured by or for you. A person's or organization's status as an insured under this coverage ends when your operations for that insured are completed.
  - b. The Limits of Insurance applicable to the Additional Insured are those specified in the written contract or agreement but not more than the Limits of Insurance specified in the Declarations for this policy. The Limits of Insurance

applicable to the Additional Insured are inclusive of and not in addition to the Limits of Insurance shown in the Declarations for the Named Insured.

3. In addition to the other exclusions applicable to **Section I, Coverages A., B. and C.** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**, the insurance provided to the Additional Insured does not apply to:
  - a. "Property damage" to:
    - (1) Property owned, used, occupied by, loaned or rented to the Additional Insured;
    - (2) Property in the care, custody or control of the Additional Insured or over which the Additional Insured are for any purpose exercising physical control; or
    - (3) "Your work" performed for the Additional Insured.
  - b. "Bodily injury," "property damage," or "personal and advertising injury" arising out of an architect's, engineer's or surveyor's rendering or failure to render any professional services for you, for the Additional Insured or for others, including, but not limited to:
    - (1) The preparing, approving or failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
    - (2) Supervisory, inspection or engineering services.
  - c. "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 at the site 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.

4. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 4. Other Insurance**, is amended to add the following subparagraph:

**d. Additional Insured's Other Insurance As Excess Insurance**

To the extent required by an "insured contract," this insurance is primary on behalf of the Additional Insured; and any other insurance maintained by the Additional Insured is excess and not contributory with this insurance. If the "insured contract" does not require this provision, then Paragraph a. above will apply.

**B. Mobile Equipment Broadened Coverage**

**V.12.f.(1)** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- (1) Equipment designed primarily for:
  - (a) Snow Removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning.

Except the above provisions do not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight which are not intended for use on a highway.

**C. Aggregate Limit Per Project**

The General Aggregate Limit under **SECTION III – LIMITS OF INSURANCE** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** applies separately to each of your projects away from premises owned by or rented to you.

**D. Blanket Waiver Of Transfer Of Rights Of Recovery Against Others To Us**

The **Transfer Of Rights Of Recovery Against Others To Us** Condition (**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**) is amended by the addition of the following:

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

This provision does not apply unless the written contract or written agreement has been executed prior to the "occurrence" or offense giving rise to the "bodily injury" or "property damage."

**E. Voluntary Property Damage Coverage**

1. We will, at your request, pay but not defend any claim for "property damage" to the property of others otherwise excluded under **A.2.j.(4), (5) and (6)** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** provided that:

- a. Such "property damage" takes place while such property is in your care, custody or control, or is property of others over which you, for any purpose, are exercising or have exercised physical control; and
  - b. Such "property damage" takes place away from any premises you own, rent or lease; and
  - c. Such "property damage" takes place within the "coverage territory" and during the policy term; and
  - d. Such "property damage" takes place only during your operations that are known to us, are scheduled on the policy and for which a premium has been charged.
2. The insurance under this additional coverage does not apply to "property damage" to property:
    - a. Held by you for servicing, repair, storage or sale at premises owned by, rented or leased to you;
    - b. While being transported by or caused by the ownership, maintenance, operation, use, "loading or unloading" of any "auto," watercraft or aircraft; or
    - c. Owned or occupied by or rented to you.

### 3. Deductible

This additional coverage will apply only to that amount of any loss in each "occurrence" that exceeds \$500.

The terms of the policy with respect to your duties in the event of "occurrence," claim or "suit" and the Company's right to investigate, negotiate and settle any claim or "suit" apply irrespective of the application of the deductible amount of \$500.

We may pay any part or all of the deductible amount of \$500 to effect settlement of any claim or "suit." Upon notification of the action taken, you must promptly reimburse us for such part of the deductible amount as has been paid by us.

### 4. Limits of Liability

The Limit of Liability for this additional coverage shall not exceed \$2,500 for each "occurrence" and is the limit of the Company's liability for all damages on account of each claim or "suit" covered herein. The annual aggregate Limit of Liability is \$2,500 and is, subject to the above provisions respecting each claim, the total limit of the Company's liability for all damages.

### 5. Settlement

In the event of loss covered by this additional coverage, you shall, if requested by us, replace the property or furnish the labor and materials necessary for repairs thereto at actual cost to you, excluding prospective profit or overhead charges of any nature. Any property so paid for or replaced shall, at our option, become the property of the Company. Payment hereunder shall not constitute an admission of liability of you or, except as stated herein, of the Company.

## Additional Conditions

### A. Insurance Under Two Or More Coverages

The following is added to Paragraph **C. Insurance under Two or More Coverages** of the **COMMERCIAL PROPERTY CONDITIONS**:

If a Coverage Form is attached to this policy that provides a limit for any coverage provided by this endorsement; the limit shown in the **SCHEDULE** and the coverage provided by this endorsement are deleted and replaced by the limit and coverage provided by the Coverage Form.

### B. Limits Of Insurance

Regardless of the number of buildings at a location covered by this endorsement, the most we will pay under this Coverage Enhancement endorsement in any one occurrence is the applicable Limits of Insurance shown in the **SCHEDULE** on page 1 of this endorsement.

### C. Deductibles

The Deductible described in section **D.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** applies to each of the Coverage Enhancements except as shown below:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500 up to the applicable Limit of Insurance for the following enhancements:

1. Personal Effects and Property of Others
2. Valuable Papers and Records (Other than Electronic Data)
3. Property Off-Premises (Including Laptops and Other Electronic Equipment)
4. Outdoor Property (Named Perils)
5. Accounts Receivable
6. Property in Transit (Including Laptops and Other Electronic Equipment)
7. Fine Arts

8. Electronic Data
9. Water Back-Up and Sump Overflow
10. Employee Theft
11. Money and Securities
12. Forgery or Alteration

No deductible provisions apply to the following enhancements:

1. Fire Department Service Charge
2. Arson Reward
3. Claims Expenses
4. Inventory or Appraisal Cost
5. Recharging of Fire Extinguishers
6. Rental Reimbursement

#### D. Additional Definitions

The following **Additional Definitions** apply to this endorsement only:

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **"Business Income"** means the:
  - a. Net income (Net Profit or Loss before income taxes) that would have been earned had no loss occurred; and
  - b. Continuing normal operating expenses incurred, including payroll.  
For manufacturing risks, Net Income includes the net sales value of production.
3. **"Client"** as used in **Employee Theft** Coverage means any entity for whom you perform services under a written agreement.
4. **"Client"** as used in **Contractors Equipment** Coverage means an individual, company or organization with whom you have a written contract or work order for your services for a described premises and have billed for your services.
5. **"Employee"** as used in **Employee Theft** and **Money And Securities** Coverages means:
  - a. **"Employee"** means:
    - (1) Any natural person:
      - (a) While in your service or for 30 days after termination of service;
      - (b) Who you compensate directly by salary, wages or commissions; and
      - (c) Who you have the right to direct and control while performing services for you;
    - (2) Any natural person who is furnished temporarily to you:
      - (a) To substitute for a permanent **"employee"** as defined in Paragraph (1) above, who is on leave; or
      - (b) To meet seasonal or short-term work load conditions;  
while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the **"premises"**;
    - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
    - (4) Any natural person who is your director or trustee while that person is handling **"money"** or **"securities."**
    - (5) Any natural person who is a former **"employee,"** director, partner, member (an owner of a limited liability company represented by its membership interest, who also may serve as a manager), manager (a person serving in a directorial capacity for a limited liability company), representative or trustee retained as a consultant while performing services for you; or
    - (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of **"money"** or **"securities"** outside the **"premises."**
  - b. **"Employee"** does not mean:
    - (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
    - (2) Any manager (a person serving in a directorial capacity for a limited liability company), director or trustee except while performing acts coming within the scope of the usual duties of an **"employee."**
6. **"Extra Expense"** means necessary expenses you incur during the **"period of restoration"** that you would not have

incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to

- a. Avoid or minimize the **"suspension"** of business and to continue **"operations"** at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
  - b. Minimize the **"suspension"** of business if you cannot continue **"operations."**
7. **"Fine Arts"** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.
  8. **"Finished Stock"** means stock you have manufactured. Finished stock also includes whiskey and alcoholic products being aged.
  9. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
  10. **"Loss"** as used in the **Accounts Receivable** Extension means accidental loss or damage.
  11. **"Manager"** as used in **Employee Theft** Coverage means a person serving in a directorial capacity for a limited liability company.
  12. **"Messenger"** means you, any of your partners or any employee while having care and custody of the property outside the **"premises."**
  13. **"Money"** means:
    - a. Currency, coins and bank notes whether or not in current use; and
    - b. Travelers checks, register checks and money orders held for sale to the public.
  14. **"Occurrence"** as used in the **Money And Securities** Coverage means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person.
  15. **"Occurrence"** as used in the **Forgery Or Alteration** Coverage means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
  16. **"Operations"** as used in the **Business Income Including Extra Expense** and **Business Income From Dependent Properties** Coverages **"Extra Expense"** Definition means your business activities occurring at the address shown in the Declaration that you occupy for your business.
  17. **"Period of Restoration"** means the period of time that:
    - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
    - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

**"Period of Restoration"** does not include any increased period required due to the enforcement of any ordinance of law that:

    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **"pollutants."**
  18. **"Pollutants"** as used in the **Business Income From Dependent Properties** Coverage and the **"Period of Restoration"** Definition means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  19. **"Premises"** as used in the **Money And Securities** Coverage and **"Employee"** and **"Messenger"** Definitions means the interior of that portion of any building you occupy in conducting your business.
  20. **"Premises"** as used in the **Accounts Receivable** Extension means that interior of the building at the address shown in the Declarations that you occupy for your business.
  21. **"Rental Value"** means the:
    - a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
    - b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
    - c. Fair rental value of any portion of the described premises which is occupied by you.
  22. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or other property and include:

- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue but does not include **"money."**
23. **"Small Tools"** means any tool which can be moved easily by one person without mechanical assistance and/or can be hand held for the purpose of doing labor.
24. **"Suspension"** means the slowdown or cessation of your business activities.
25. **"Temporary Storage Location"** means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to the job site:
- a. That you do not own, lease or operate; and
  - b. Where work is in progress, or will begin in 30 days.
26. **"Theft"** as used in the **Employee Theft** and **Money And Securities** Coverages means the unlawful taking of **"money"** or **"securities"** to the deprivation of the insured.

All Other Conditions of this Policy apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL AUTO COVERAGE FORM ENHANCEMENT 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.

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

**1. Broadened Named Insured**

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, and there is no other similar insurance available to that organization.

However, insurance provided by this provision:

- a. Is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization;
- c. Does not apply to an insured under any other automobile liability policy, or would be an insured under such a policy but for the exhaustion of such policy's limits of insurance or the termination of such policy; and
- d. No newly acquired or formed organization is an insured with respect to any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**2. Blanket Additional Insured**

Any person or organization with respect to the operation, maintenance, or use, of a covered "auto" that you are required to include as additional insured on the Coverage Form in a written agreement or written "insured contract" that is signed and executed by you before the "bodily injury" or "property damage" occurs.

However, such person or organization is an insured:

- a. Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written agreement or written "insured contract";
- b. Is in effect during the policy period; and
- c. 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 Autos**

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

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.

**2. Under SECTION IV – BUSINESS AUTO CONDITIONS, B.5., Other Insurance**, Paragraph **b.** is deleted and replaced with the following:

- 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".

If Employee Hired Autos Coverage Form **CA 20 54** is attached to this policy, then the Employee Hired Autos coverage described above does not apply.

### C. Supplementary Payments

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

- (2) Up to \$2,500 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 earnings up to \$500 a day because of time off from work.

### D. Transportation Expenses

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, A.4., Coverage Extensions, a. Transportation Expenses** is deleted in its entirety and replaced with the following:

#### a. Transportation Expenses

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. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage, including 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".

### E. Loss Of Use Expenses

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions**, the last paragraph under **b. Loss Of Use Expenses** is replaced as follows:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$1,000.

### F. Theft Expense

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, A.4., Coverage Extensions**, the following is added:

If Comprehensive Coverage is purchased on a covered "auto", and that covered "auto" is stolen, we will pay the expense of returning that stolen auto to you. The limit for this coverage extension is \$1,000.

### G. Rental Agency Expense

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, A.4., Coverage Extensions**, the following is added:

We will pay the following expenses that you or any of your "employees" are legally obligated to pay because of a written contract or written agreement entered into for use of a rental vehicle in the conduct of your business:

Maximum amount we will pay for any one written contract or written agreement:

1. \$2,500 for loss of income incurred by the rental agency during the period of time that vehicle is out of use due as a result of actual damage to, or "loss" of, that vehicle, including income lost due to absence of that vehicle for use as a replacement;
2. \$2,500 for decrease in trade-in value of the rental vehicle because of actual damage to that vehicle arising out of a covered "loss"; and
3. \$2,500 for administrative expenses incurred by the rental agency, as stated in the written contract or written agreement.
4. Maximum total amount payable under Paragraphs **1.**, **2.** and **3.** combined is \$7,500.

### H. Hired Auto Physical Damage

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, A.4., Coverage Extensions**, the following is added:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes Of Loss, or Collision Coverage as provided under this Coverage Part, then coverage is extended to "autos" you hire without a driver, subject to the following:

1. The most we will pay for "loss" to any hired "auto" is \$35,000 or the actual cash value or cost to repair or replace, whichever is less, minus a deductible.
2. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.

Coverage provided by this extension applies only to "autos" you hire of the private passenger type or light truck (gross vehicles weight 10,000 pounds or less) type vehicles.

If a limit for Hired Auto – Physical Damage is shown in the Declarations, then that limit replaces, and is not added to, the \$35,000 limit indicated above.

#### **I. Airbag Coverage**

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions**, Paragraph **3.a.** is replaced as follows:

- a. Wear and tear, freezing, mechanical or electrical breakdown. However, mechanical or electrical breakdown does not apply to the unintended discharge of an airbag. Any loss covered under this provision is excess over any other collectible insurance or warranty.

#### **J. Glass Breakage**

Under **SECTION III – PHYSICAL DAMAGE COVERAGE, D., Deductible**, the following is added:

However, if Comprehensive or Specified Causes Of Loss Coverage is purchased on a covered "auto", any deductible shown in the Declarations as applying to the covered "auto" will not apply to glass breakage if the damaged glass is repaired in a manner acceptable to us rather than replaced.

#### **K. Rental Reimbursement**

**SECTION III – PHYSICAL DAMAGE COVERAGE** is amended by the addition of the following:

If Physical Damage Coverage for which a premium is shown, is designated in the Declarations for a covered "auto" we will provide Rental Reimbursement Coverage.

1. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductible applies to this coverage.
2. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
  - a. 30 days; or
  - b. The number of days reasonably required to repair or replace the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you.
3. Our payment is limited to the lesser of the following amounts:
  - a. \$40 any one day; or
  - b. Necessary and actual expenses incurred.
4. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
5. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under Paragraph **A.4. Coverage Extensions, a. Transportation Expenses**.

If Rental Reimbursement Coverage Form **CA 99 23** is attached to this policy, then the Rental Reimbursement Coverage described above does not apply.

#### **L. Blanket Waiver of Subrogation**

Under **SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions**, Paragraph **5., Transfer Of Rights Of Recovery Against Others To Us**, is amended by the addition of the following:

We will, however, waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract".

This provision does not apply unless the permit has been issued or the written contract or written agreement has been executed, prior to the "bodily injury" or "property damage".

**M. Unintentional Failure To Disclose Hazards**

Under **SECTION IV – BUSINESS AUTO CONDITIONS, B. General Conditions, Paragraph 2. Concealment, Misrepresentation Or Fraud**, is amended by the addition of the following:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

**N. Duties In The Event Of Accident, Claim, Suit Or Loss**

Under **SECTION IV – BUSINESS AUTO CONDITIONS, A.2. Duties In The Event Of Accident, Claim, Suit Or Loss, Paragraph 2.a.**, is deleted and replaced with the following:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss" after it becomes known to:

- (1) You, if you are an individual;
- (2) A partner or member, if you are a partnership or joint venture;
- (3) A member or manager, if you are a limited liability company; or
- (4) An executive officer or insurance manager if you are an organization other than a partnership, joint venture or limited liability company.

Notice should include the following:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

Your "employees" may know of an "accident", claim, "suit" or "loss". This will not mean that you have such knowledge of an "accident", claim, "suit" or "loss".



# Oregon Workers' Compensation Certificate of Insurance

**Certificate holder:**

YAMHILL COUNTY  
535 NE 5TH ST  
MCMINNVILLE, OR 97128

The policy of insurance listed below has been issued to the insured named below for the policy period indicated. The insurance afforded by this policy is subject to all the terms, exclusions and conditions of such policy; this policy is subject to change or cancellation at any time.

|  |  |
|--|--|
| <b>Insured</b><br>J G C M Inc<br>Farnham Electric Construction<br>PO Box 12323<br>Salem, Or 97309-0323 | <b>Producer/contact</b><br>SAIF Corporation<br>Martha M Lesmeister<br>503.373.8359 marles@saif.com   |
| <b>Issued</b> 04/09/2020<br><b>Policy</b> 522322<br><b>Period</b> 07/01/2019 to 07/01/2020             | <b>Limits of liability</b><br>Bodily Injury by Accident \$1,000,000 each accident<br>Bodily Injury by Disease \$1,000,000 each employee<br>Body Injury by Disease \$1,000,000 policy limit |

**Description of operations/locations/special items**  
All Operations

**Important**

This certificate is issued as a matter of information only and confers no rights to the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies above. This certificate does not constitute a contract between the issuing insurer, authorized representative or producer and the certificate holder.

**CANCELLATION:**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED TO THE POLICYHOLDER AND CERTIFICATE HOLDER IN ACCORDANCE WITH THE POLICY PROVISIONS AND OREGON LAW. SAIF WILL ENDEAVOR TO PROVIDE WRITTEN NOTICE WITHIN 30 DAYS WHENEVER POSSIBLE.

Authorized representative

Kerry Barnett  
President and CEO

B.C. 20-134  
Exhibit "A"

400 High Street SE  
Salem, OR 97312  
P: 800.285.8525  
F: 503.584.9812