

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY ENHANCEMENT ENDORSEMENT

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE FOLLOWING SPECIAL TERMS AND CONDITIONS APPLY TO THIS POLICY:

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

| <u>Sub-Limit of Liability</u> | <u>Additional Coverages and Coverage Extensions</u> |
|--------------------------------------|--|
| \$10,000 | Fire Department Service Charges |
| \$25,000 | Pollutant Clean Up and Removal |
| \$25,000 or 5% of RP | Increased Cost of Construction due to Building Laws or Ordinances |
| \$10,000 | Electronic Data |
| \$500,000 | Newly Acquired or Constructed Buildings - Automatic Coverage |
| \$10,000 | Personal Effects of Employees, Officers and Partners |
| \$10,000 | Personal Property of Others in your Care, Custody or Control |
| \$5,000 | Valuable Papers and Records |
| \$10,000 | Property Off-Premises |
| \$25,000 | Business Personal Property Temporarily in Portable Storage Units |
| \$25,000 | Outdoor Property |
| \$5,000 | Exterior Trees, Shrubs, Plants and Lawns – subject to \$500 any one Tree, Shrub or Plant |
| \$5,000 | Detached Signs |
| \$10,000 | Property in Transit |
| \$25,000 | Accounts Receivable |
| \$5,000 | Fine Arts |
| \$25,000 | Backup of Sewers and Drains |
| \$2,500 | Underground Irrigation Systems |
| \$10,000 | Fire Suppression System Recharge |
| \$25,000 | Employee Dishonesty |
| \$10,000 | Money and Securities |
| \$10,000 | Reward Payment |
| \$10,000 | Lock and Key Replacement |

I. Limit of Liability

The most we will pay for loss of or damage to these Additional Coverages and Coverage Extensions in any one occurrence, regardless of the number of locations involved in the occurrence, is the applicable Sub-Limit of Liability shown above. These Sub-Limits do not increase the Limit of Insurance or any other Sub-Limit and are part of and not in addition to the Limit of Insurance shown in the Property Location Schedule.

II. Coverage Extensions

The following Coverage Extensions are added to paragraph 5. **Coverage Extensions** of section **A. Coverage**:

H. Accounts Receivable

1. You may extend the insurance that applies to your Business Personal Property to apply to your accounts receivable losses and expenses that you incur as a result of loss or damage to your records of accounts receivable.
2. We will pay the following that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable located at the described premises shown in the Declarations:
 - 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 or damage; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable.
3. We will not pay for loss or damage caused by or resulting from:
 - a. 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.
 - b. Bookkeeping, accounting or billing errors or omissions.
 - c. That requires any audit of records or any inventory computation to prove its factual existence.

I. Fine Arts

1. You may extend the insurance that applies to your Business Personal Property to apply to Fine Arts. The Fine Arts must be located at the described premises at the time of loss or damage.
2. We will pay for direct physical loss or damage to Fine Arts, whether owned by you, or others, and in your care, custody or control.
3. We will not pay for loss or damage caused by or resulting from:
 - a. any repairing, restoration or retouching process;
 - b. breakage of art glass windows, rare or art glass, statuary, sculptures, bric-a-brac, porcelains and similar fragile articles. However, we cover loss by breakage if caused by:
 1. Fire or lightning;
 2. Explosion, aircraft or collision;
 3. Windstorm, earthquake or flood;
 4. Malicious damage or theft.
4. Fine Arts includes paintings, etchings, drawings, pictures, tapestries, sculptures, art glass windows and other bona fide works of art and property of rarity, historical value or artistic merit.
5. The value of Fine Arts will be determined by us as of the time of loss and will be the least of the following amounts:
 - a. The price which the property might be expected to realize, prior to a loss or damage, if offered for sale in a fair market on the date the loss or damage occurred;
 - b. The cost of reasonably restoring the property to its condition

- immediately before loss; or
- c. The replacement of the property with substantially identical property.
- 6. Fine Arts do not include stamps, coins, jewelry, precious and semi-precious stones and precious metals, antique autos or airplanes.
- 7. Our payment for loss of or damage to Fine Arts of others will only be for the account of the owner of the Fine Arts.
- 8. As a condition of coverage, you agree that if Fine Arts are to be moved, whether on or off described premises, and such move requires packing or unpacking, the packing or unpacking will be done by competent persons trained in packing and unpacking Fine Arts.

J. Backup of Sewers and Drains

- 1. We will pay for the direct physical loss or damage to Covered Property caused by or resulting from water that backs up or overflows from a sewer or drain at the described premises.
- 2. This coverage does not apply to direct physical loss or damage resulting from your failure to perform routine maintenance or repair of sump pumps and their appurtenant equipment or to keep sewers and drains free from obstructions and in proper working condition.
- 3. Drains does not include roof drainage systems, gutters or downspouts.
- 4. We will not pay the cost of repairing or replacing a sewer, drain, sump, sump pump or any related parts or equipment.

K. Underground Irrigation Systems

- 1. We will pay for the direct physical loss or damage to underground irrigation systems at the described premises caused by or resulting from any one of the following causes of loss:
 - a. Fire
 - b. Lightning
 - c. Explosion
 - d. Vandalism and Malicious Mischief
 - e. Vehicles (except maintenance equipment owned or operated by you or your employees)
 - f. Aircraft
 - g. Theft
 - h. Windstorm or Hail
 - i. Riot or Civil Commotion
- 2. The underground irrigation system includes pipes, conduits, electrical wiring, electric or computerized control panels, satellite dishes and sprinkler heads utilized in systems operation.
- 3. Damage to grass, shrubs, trees and any consequential loss of income as a result of any loss or damage to the underground irrigation system, whether or not covered by a Covered Cause of Loss, is excluded.

L. Fire Suppression System Recharge

- 1. We will pay the cost of recharging, refilling or replacing, whichever is less, your fire protective devices, fire extinguishers and fire extinguishing systems that are installed in buildings at the described premises.

2. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the described premises, which results in a covered loss.

M. Employee Dishonesty

1. You may extend the insurance that applies to your Business Personal Property to apply to Employee Dishonesty. We will pay for direct physical loss or damage to your Business Personal Property and your “money” and “securities” resulting from dishonest acts 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 cause you to sustain loss or damage and 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 any “employee” or any other person or organization.
2. We will not pay for loss or damage resulting from any dishonest or criminal act committed by you or any of your partners, members, officers, managers, directors, trustees, authorized representatives or anyone to whom you entrust your Business Personal Property, “money” and “securities”, for any purpose, whether acting alone or in collusion with other persons.
3. We will not pay for loss or damage if the only proof as to its existence or amount is an inventory computation or a profit and loss computation.
4. We will not pay for loss or damage caused by any “employee” of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated.
5. All loss or damage caused by one or more “employees” and involving a single act or series of related acts is considered one occurrence.
6. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. No Sub-Limit of Liability cumulates from year to year or period to period regardless of the number of years this policy remains in force or the number of premiums paid.
7. This Coverage Extension does not apply to loss caused by any “employee” after discovery by you or any of your partners, officers, directors, members or managers not in collusion with the “employee” of any dishonest act committed by that “employee” before or after being hired by you.
8. We will pay only for loss or damage discovered no later than one year from the end of the policy period.
9. 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 Coverage Extension, provided:
 - a. This Coverage Extension 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 Coverage Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
10. The insurance under paragraph (9) above is provided within, and not in addition to, the Sub-Limit of Liability shown above applying to this Coverage Extension and is limited to the lesser of the amount recoverable under:
 - a. This Coverage Extension as of its effective date; or

- b. The prior insurance, had it remained in effect.

N. Money and Securities

1. We will pay for loss of “money” and “securities” used in your business while at the bank or savings institution, at a covered location or in transit between any of these places, resulting directly from “theft”, meaning any act of stealing, disappearance or destruction while in the custody of a messenger or an armored motor vehicle company.
For the purposes of this Coverage Extension, messenger means you, or a relative of yours, or any of your partners, officers, managers, “employees” or hired messengers.
2. We will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Due to the giving or surrendering of property in any exchange or purchase;
 - c. Of “money” contained in any money-operated device unless the amount of “money” deposited in it is recorded by a continuous reading instrument in the device; or
 - d. Due to acts of your “employees”.
3. All loss caused by one or more persons and involving a single act or series of related acts is considered one occurrence.
4. You must keep records of all “money” and “securities” so we can verify the amount of any loss.
5. Valuation Settlement:
 - a. we will pay for loss of “money” for not more than its face value;
 - b. we will pay for loss of “securities” for not more than their value at the close of business on the day the loss was discovered.
6. No deductible applies to this Coverage Extension.

O. Reward Payment

1. We will reimburse you for rewards you paid to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in bodily injury or property damage on the insured’s premises or which resulted in direct physical loss or damage to Covered Property from a Covered Cause of Loss.
2. An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or the return of the stolen Covered Property, and who is not you, your “employee”, any person employed by a law enforcement agency or a business engaged in property protection, or any person involved in the crime.
3. No reward will be reimbursed unless and until the person or persons committing the crime is (are) convicted or the Covered Property is returned to you.
4. You must have issued public notice of reward prior to the person volunteering the information or returning the stolen Covered Property.

Q. Lock and Key Replacement

1. The following is added to Additional Coverages Paragraph 4. of Section A.
Coverage of Building and Personal Property Coverage Form CP 00 10 10 12:
 - a. We will pay for the cost to repair, reprogram or replace locks at the

- i. premises described in the Declarations, due to theft, burglary, robbery or mysterious disappearance of master keys or key cards, from:
 - ii. the premises described in the Declarations;
 - iii. your residence or the residence of any director, officer, partner, member, manager or employee authorized by you to hold such master keys or key cards;
 - iii. the premises of any fire department or fire brigade where such master keys or key cards are required to be located.
- 2. The most we will pay under this additional coverage is \$10,000 in any one occurrence.

III. Definitions

The following additional definitions apply to this endorsement:

- 1. "Employee" means:
 - a. Any natural person while in your service or for 30 days after termination of service, who you compensate directly by salary, wages or commissions and who you have the right to direct and control while performing services for you; or
 - b. Any natural person who is furnished temporarily to you to substitute for a permanent "employee" as defined in paragraph a. above, who is on leave or to meet seasonal or short-term work-load conditions while that person is subject to your direction and control and performing services for you.
 - c. "Employee" does not mean:
 - i. Any agent, broker, person leased to you by a labor leasing firm, commission merchant, consignee, independent contractor or representative of the same general character; or
 - ii. Any director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
- 2. "Money" means:
 - a. Currency, coins, and bank notes in current use and having a face value;
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 3. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - i. Redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you but does not include "money" or lottery tickets held for sale.
- 4. "Theft" means the unlawful taking of "money", "securities" or other property to the deprivation of the insured.

IV. Other Insurance

- 1. When coverage is provided by this form and another coverage form or endorsement is attached to this policy, the greater limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within

this policy.

2. If there is other insurance under a separate policy covering the same loss or damage as provided for in this endorsement, we will pay only the amount of covered loss or damage in excess of the amount due from that other insurance, regardless of whether you are able to collect. However, we will not pay more than the applicable Sub-Limit of Liability.

Nothing contained herein shall vary, alter or extend any provision or condition of the Policy other than as stated above. All other terms and conditions of this Policy remain unchanged.