

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY BROADENING FORM – COVERAGE FORM A

This form modifies coverage provided under:

Building and Personal Property Form CP 0010 1012
Condominium Association Coverage Form CP 0017 1012
Causes of Loss Form CP1030 1012

Various provisions in this form restrict coverage. Read the entire form carefully to determine rights, duties and what is and is not covered. Throughout this form, the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V-DEFINITIONS.

I. COVERAGE

We will pay for direct physical loss of or damage to Covered Property described in this Form caused by or resulting from any Covered Cause of Loss.

SCHEDULE	LIMIT OF INSURANCE
A. Accounts Receivable	\$10,000
B. Valuable Papers and Records	\$10,000
C. Property of Others	\$5,000
D. Fine Arts	\$5,000
E. Money and Securities	\$10,000 (on premises) \$10,000 (off premises)
F. Employee Dishonesty	\$25,000
G. Electronic Data	\$5,000
H. Fire Department Service Charge	\$2,500
I. Backup of Sewers and Drains/Water Damage	\$10,000
J. Underground Irrigation System	\$10,000
K. Newly Acquired or Constructed Property- Building	\$500,000
L. Fire Extinguisher/ Fire Suppression System Recharge	\$2,500
M. Peak Season Increase	\$5,000

II. DEDUCTIBLE

Each loss shall be adjusted separately, and from the amount of such adjusted loss, the appropriate deductible applying to the overall policy to which this endorsement is attached, based on the peril causing the loss, shall be deducted for all coverage listed under **Section I COVERAGE**.

III. CONDITIONS

- A. The provisions of the Building and Personal Property Coverage Form CP 0010 1012 and/or Condominium Association Coverage Form CP 0017 1012 and Causes of Loss - Special Form CP 1030 1012 apply. Commercial Property Conditions CP 0090 0788 and all other conditions, exclusions and limitations contained in the policy to which this Form is attached also apply except as otherwise provided in this endorsement
- B. If any of the property covered by this Form is also covered under any other provisions of the policy of which this Form is made a part or elsewhere in this Form, you, in the event of loss or damage, may elect to make claim under such other provisions, in which case none of the provisions of this Form are applicable, or under provisions of this Form, in which case coverage as provided by this Form becomes sole coverage on such property. If more than one coverage under this form applies to property that has been damaged from one occurrence, you may choose only one of these coverages to apply to that loss. The most we will pay is the limit applicable to the coverage chosen.
- C. Valuation. Unless otherwise indicated on this Form, we shall not pay more than the actual cash value of the property, with proper deduction for the depreciation, at the time of loss or damage or the limit shown in Section I. Payment shall never exceed the cost to repair or replace with similar property of like kind and quality.
- D. The total amount payable in any one occurrence shall not exceed the Limit of Insurance specified on the Schedule of this Form, regardless of the number of locations insured.

IV. COVERED PROPERTY

A. Accounts Receivable

a. We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) 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.

b. In Addition to the paragraph B. Exclusion, we will not pay for:

- (1) 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.
- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to

prove its factual existence.

- c. The most we will pay under this coverage for loss or damage in any one occurrence is the amount shown in Section I.

B. Valuable Papers and Records (other than Electronic Data)

- a. Covers 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 or valuable papers and records for which duplicates do not exist.
- b. This Extension does not apply to:
 - (1) Property held as samples or for delivery after sale;
 - (2) Property in storage away from the premises shown in the Declarations.
- c. The most we will pay under this coverage is the amount shown in Section I.

C. Property of Others

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. This Extension does not apply to loss or damage by theft.
- b. Personal property of others in your care, custody or control.

The most we will pay under this Extension for loss or damage in any one occurrence is the amounts shown in Section I.

Our payment for loss of or damage to personal property of others will only be for the account of the owner's property. We will only pay the amount of covered loss or damage in excess of other collectible insurance.

D. Fine Arts

- a. We will pay for the direct loss of or damage to fine arts while on the premises described in the Declarations, whether owned by:
 - (1) You; or
 - (2) Others, and in your care, custody or control.
- b. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.
- c. The most we will pay for loss in any one occurrence is the amount shown in Section I. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- d. The value of fine arts will be the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3) The cost of replacing that property with substantially identical property.
- e. In the event of loss, the value of property will be determined as of the time of loss.
- f. In case of loss to any part of a pair or set, we may:
 - (1) Repair or replace any part to restore the pair or set to its value before the loss; or

- (2) Pay the difference between the value of the pair of set before and after the loss
- g. We will not pay for loss or damage caused by or resulting from or at any:
 - (1) Repairing, restoration or retouching process.
 - (2) Any art exhibition or auction.

E. Money and Securities

- a. We will pay for loss of “money” and “securities” used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any “employee” having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. We will not pay for loss;
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any money-operated device unless the amount of “money” deposited in it is recorded by a continuous reading instrument in the device.
- c. The most we will pay for all loss in any one “occurrence” is the amount shown in Section I.
- d. All loss:
 - (1) Caused by one or more persons; and
 - (2) Involving a single act or series of related acts;
Is considered one occurrence.
- e. You must keep records of all “money” and “securities” so we can verify the amount of any loss or damage.

F. Employee Dishonesty

- a. We will pay for direct loss of 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:
 - (1) Cause you to sustain loss or damage; and also
 - (2) 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:
 - (i.) Any “employee”, or
 - (ii.) Any other person or organization.
- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners, members, officers, managers, directors, trustees, authorized representatives or in anyone to whom you entrust the property for any purpose commit, whether acting alone or in collusion with other persons.
 - (2) The only proof of which as to its existence or amount is one or both of the following:
 - (i.) An inventory computation; or
 - (ii.) A profit and loss computation.

- c. The most we will pay under this Coverage for loss or damage in any one occurrence is the limit shown in section I.
- d. All loss or damage:
 - (1) Caused by one or more “employees” and
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. 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.
- f. This Additional Coverage does not apply to loss caused by any “employee” after discovery by:
 - (1) You; or
 - (2) Any of your partners officers or 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.
- g. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- h. 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:
 - (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance and
 - (2) 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.
- i. The insurance under Paragraph (h.) 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:
 - (1) This Additional Coverage as of its effective date; or
 - (2) The prior insurance, had it remained in effect.

G. Electronic Data

- a. The Building and Personal Property Coverage form and/or the Condominium Association Coverage form is changed as follows:

The Electronic Data limit of \$2,500 is increased to the amount shown in Section I.

H. Fire Department Service Charge

- a. The Building and Personal Property Coverage form and/or the Condominium Association

Coverage form is changed as follows:

The Fire Department Service Charge limit of \$1,000 is increased to the amount shown in Section I.

I. Back-up of Sewers and Drains Water Damage

- a. We will pay for direct physical loss or damage to covered property caused by or resulting from water that backs up or overflows from a sewer or drain.
- b. The most we will pay under the coverage is the amount shown in Section I.

J. Underground Irrigation System

- a. We will pay for underground irrigation sprinkler systems which are used to irrigate grass, shrubs or trees caused by or resulting from any one of the following causes of loss:

- (1) Fire
- (2) Lighting
- (3) Explosion
- (4) Vandalism and Malicious Mischief
- (5) Vehicles (except golf cars or maintenance equipment owned or operated by you or your employees)
- (6) Aircraft
- (7) Theft
- (8) Windstorm or Hail
- (9) Riot or Civil Commotion

The Irrigation System includes pipes, conduits, electrical wiring, electric or computerized control panels, satellite dishes and sprinkler heads utilized in systems operation.

- b. Damage to grass, shrubs, trees or any other items and any consequential loss of income as a result of any loss or damage to the irrigation system, whether or not covered by a Covered Cause of Loss, is excluded.

K. Newly Acquired or Constructed Property

- a. The Building and Personal Property Coverage form and/or the Condominium Association Coverage form is changed as follows:

The limit of \$250,000 for Newly Acquired or Constructed Property Buildings paragraph 5.a. (1). of Section A. Coverage is increased to the amount shown in Section I.

L. Fire Extinguisher Systems Expense

- a. We will pay:
 - (1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (2) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or fire extinguishing system.
- b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.

- c. The most we will pay under this Coverage for any one occurrence is the amount shown in Section I.
- d. No deductible applies to this Additional Coverage.

M. Peak Season

- a. The Limit of Insurance for Business Personal Property will automatically increase by the Limit of Insurance, if shown in Section I.
- b. Coverage to provide for season variations. This increase will apply only if the limit of Insurance shown for Your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The twelve months immediately preceding the date the loss or damage occurs, or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

V. DEFINITIONS

A. "Employee" :

- 1. As respects the coverage provided under Section I of this endorsement for Money And Securities and Employee Dishonesty only, "employee" means:

- a. Any natural person:

- 1. While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
- 2. Who you compensate directly by salary, wages or commissions; and
- 3. Who you have the right to direct and control while performing services for you:

- b. Any natural person who is furnished temporarily to you:

- 1. To substitute for a permanent "employee" , as defined in Paragraph **1.a.(1)** above, who is on leave; or
- 2. To meet seasonal or short-term workload 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";

- c. 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 defined in Paragraph **1.b.**;
- d. Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;
- e. 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 property outside the "premises";
- f. Any "employee" of an entity merged or consolidated with you prior to the effective date of this insurance; or
- g. Any of your "managers", directors or trustees while:
 - 1. Performing acts within the scope of the usual duties of an "employee"; or
 - 2. Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

- h. As respects the coverage provided under Section I of this endorsement for Money and Securities and Employee Dishonesty only, “employee” does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or not specified in Paragraph **D.1**.
- B. “Manager”, as respects the coverage provided under Section I of this endorsement for Employee Dishonesty only, means a person serving in a directorial capacity for a limited liability company.
- C. “Member”, as respects the coverage provided under Section I of this endorsement form Employee Dishonesty only, means an owner of a limited liability company represented by its membership interest, who also may serve as a “manager”.
- D. “Money” means:
 - 1. Currency, coins and bank notes in current use and having a face value; and
 - 2. Travelers’ checks, register checks and money orders held for sale to the public.
- E. “Occurrence”:
 - 1. As respects the coverage provided under Section I of this endorsement for Money And Securities only, “occurrence” means:
 - a. An individual act;
 - b. The combined total of all separate acts whether or not related; or
 - c. A series of acts whether or not related;
Committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations, before such policy period or both.
 - 2. As respects the coverage provided under Section I of this endorsement for Employee Dishonesty only, “occurrence” means:
 - a. An individual act;
 - b. The combined total of all separate acts whether or not related; or
 - c. A series of acts whether or not related;
Committed by an “employee” acting alone or in collusion with other persons, during the policy period shown in the Declarations, before such policy period or both.
- F. “Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:
 - 1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - 2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
but does not include “money”.