RIVERPORT INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PLATINUM PROTECTOR COVERAGE ENHANCEMENTS TO PROPERTY COVERAGE FORMS

Throughout this endorsement, the words "you" and "your" refer to the Named Insured shown in the "Declarations." The word "we", "us", and "our" refer to the Company providing this insurance.

This Endorsement modifies and is subject to the insurance provided under one or more of the following:

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

The coverages described in this endorsement are provided as extensions or additions to your Commercial Property Coverage Forms. Our payment for loss or damage under these extensions or additions is subject to the deductible amount listed in the "Declarations" to your Commercial Property Coverage Forms, unless otherwise specified in this endorsement. The amounts we pay under these extensions or additions will not reduce the applicable limits of insurance under your Commercial Property Coverage Forms unless otherwise specified in this endorsement.

The coverages afforded under this endorsement are subject to all of the terms and conditions of the Commercial Property Coverage Forms which this endorsement modifies unless this endorsement provides otherwise.

In the event of a conflict between any provision in this endorsement and a provision in your Commercial Property Coverage Forms the terms or conditions of this endorsement will control.

Various provisions in this endorsement and the Commercial Property Coverage Forms which this endorsement modifies, restrict coverage. Read your Commercial Property Coverage Forms and this endorsement carefully to determine your rights, duties, and what is and is not covered.

Some words and phrases have special meanings and are defined in this endorsement or your Commercial Property Coverage Forms. Some of the words and phrases that are capitalized are defined within the individual coverage extension. Words and phrases that are capitalized and found within quotation marks (for example, "Covered Cause of Loss") are defined in Part VII of this endorsement.

IMPORTANT NOTICE. If any specifically scheduled coverage contained in your Commercial Property Coverage Forms has a corresponding extension of coverage in this endorsement, the corresponding extension of coverage in this endorsement shall not apply. If an extension of coverage is provided both by this endorsement and by your Commercial Property Coverage Forms (but not through a specifically scheduled coverage contained in your Commercial Property Coverage Forms), only the extension of coverage afforded by this endorsement will apply. In no event will any loss or damage be covered both by an extension of coverage in this endorsement and by your Commercial Property Coverage Forms (including any other endorsements to your Commercial Property Coverage Forms or through a specifically scheduled coverage contained in your Commercial Property Coverage Forms). No stacking or duplication of coverage limits is intended or afforded by this endorsement and any coverage contained in your Commercial Property Coverage Forms.

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RIVERPORT INSURANCE COMPANY
SCHEDULE OF COVERAGE EXTENSIONS AND ADDITIONS

SUBJECTS OF INSURANCE	LIMITS FOR EACH PART
Part I **1.** Newly Acquired or Constructed Property **2.** Personal Property	$1,000,000 Flexible Blanket
Part II **1.** Business Income with Extra Expense **2.** Off Premises Utility Failure – $25,000 sub-limit **3.** Newly Acquired Locations – $100,000 sub-limit per location **4.** Civil Authority **5.** Alterations and New Buildings **6.** 90 Day Extended Business Income **7.** Interruption of Computer Operations – $2,500 sub-limit	The greater of the limits shown below: $500,000 or $ _____
Part III **1.** Accounts Receivable **2.** Arson Reward – $50,000 sub-limit **3.** Debris Removal **4.** Electronic Data Processing **5.** Emergency Vacation of a Covered Building – $20,000 sub-limit **6.** Fine Arts **7.** Fire Department Device Recharge – $20,000 sub-limit per recharge **8.** Key Employee Replacement Expenses **9.** Kidnap and Ransom Expense – $50,000 sub-limit **10.** Garages and Sheds – $25,000 sub-limit per occurrence **11.** Loss Data Preparation Costs **12.** Money and Securities **13.** Outdoor Property – $25,000 sub-limit per premises and per covered loss **14.** Personal Effects and Property of Residential Clients – $1,000 sub-limit per each client and $25,000 sub-limit per insured premises **15.** Pollutant Clean Up and Removal – $50,000 sub-limit **16.** Property in Transit **17**. Property Located at Conventions, Fairs, Exhibitions or Special Events **18.** Fire Department Service Charge – $10,000 sub-limit **19.** Retaining Walls **20.** Signs **21.** Spoilage – Subject to sub-limits for property of "Residential Clients" **22.** Valuable Papers and Records **23.** Water Back Up of Sewers or Drains – $25,000 sub-limit	$250,000 Flexible Blanket

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RIVERPORT INSURANCE COMPANY

SCHEDULE OF COVERAGE EXTENSIONS AND ADDITIONS continued

SUBJECTS OF INSURANCE	LIMITS FOR EACH PART
Part IV Business Personal Property within 1,250 feet	Limits as stated in the Commercial Property "Declarations"
Part V Ordinance or Law	
Coverage A – Undamaged Portion of the Building	Limits as stated in the Commercial Property "Declarations"
Coverage B – Demolition Cost and Coverage C – Increased Cost of Construction	Combined $1,000,000
Part VI Equipment Breakdown Subject to $25,000 sub-limits for certain losses	Limits as stated in the Commercial Property "Declarations"
Part VII Definitions and Policy Changes	
Part VIII Additional General Exclusions, Conditions and Definitions	

The descriptions contained in the above Schedule simply identify the extensions or additions to coverage provided by this endorsement. Read the following pages of this endorsement to understand the terms and conditions of these extensions or additions.

Our payment for loss or damage under these extensions and additions is subject to the per occurrence Deductible set out in the "Declarations" to the Commercial Property Coverage Forms unless otherwise provided in this endorsement.

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PART I

$1,000,000 FLEXIBLE BLANKET

The extensions provided under **Part I** are subject to a $1,000,000 flexible blanket limit as shown on the Schedule of Coverage Extensions and Additions. This limit will apply in addition to the limits that apply to your Building and Personal Property coverages. You can elect to allocate the applicable flexible blanket limit to any one or any combination of the following coverage extensions: **(1)** Newly Constructed or Acquired Property or **(2)** Personal Property While Located Off Premises.

The $1,000,000 flexible blanket limit is the most we will pay for loss or damage covered under **Part I** and sustained during the policy period.

The Coinsurance Conditions found in Section 1 of Part F of your Building and Personal Property Coverage Form do NOT apply to the coverage extensions in this **Part I**.

1. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

a. Coverage is extended to apply to direct physical loss of or damage to:

(1) A building under construction at a location listed or described in the "Declarations," or

(2) A building you acquire during the policy period at a location that is not listed or described in the "Declarations," but only if:

(a) the newly acquired building is put to a similar use as a building listed or described in the "Declarations," or

(b) the newly acquired building is used as a warehouse; or

(3) Business personal property located at a building described in paragraphs **(1)** and **(2)** immediately above; or

(4) Business personal property you acquired during the policy period located at a building listed or described in the "Declarations";

but only when such direct physical loss or damage is caused by or results from a "Covered Cause of Loss."

b. The coverage afforded under this coverage extension for newly constructed or acquired property will end when any of the following first occurs:

(1) This policy expires;

(2) Ninety days after construction begins:

(3) Ninety days after you acquire the property; or

(4) The date you report the values for the newly constructed or acquired property to us.

c. We will charge an additional premium for coverage beyond the above periods based on the values reported from the date construction began or the date the property was acquired.

2. PERSONAL PROPERTY WHILE LOCATED OFF PREMISES

a. Coverage is extended to apply to direct physical loss of or damage to your covered personal property caused by or resulting from a "Covered Cause of Loss" while it is away from a building or premises identified or described in the "Declarations," if it is:

(1) temporarily located at a premises you do not own or lease or from which you do not operate; or

(2) in storage at a location you lease, provided the lease was executed after the beginning of the current policy term.

b. This extension of coverage does not apply to property :

(1) in or on a vehicle:

(2) in the care, custody or control of your employees or volunteers; or

(3) at any fair, exhibition or special event.

PART II

BUSINESS INCOME WITH EXTRA EXPENSE

1. Coverage

Coverage is extended to apply to the actual loss you sustain as result of Business Income that is lost and Extra Expense that is

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incurred as a result of the direct physical loss of or damage caused by a "Covered Cause of Loss" to (1) property at a building or premises listed or described in the "Declarations" and/or (2) your personal property in the open or in a vehicle within 1,250 feet of such building or premises.

The most we will pay for this coverage extension is $500,000 or, if greater, the other amount shown on the Schedule of Coverage Extensions and Additions. If the other amount is less than $500,000 or if no amount is shown, the most we will pay for covered losses sustained during the policy period under **Part II** is $500,000.

The Coinsurance Conditions found in your Building and Personal Property Coverage Form do NOT apply to the coverage extensions found in **Part II** of this endorsement.

a. Business Income means the:

(1) Net Income (net profit or loss before income taxes) that would have been earned but for the loss; and

(2) Continuing normal operating expenses incurred, including payroll.

b. Extra Expense means reasonable and 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 covered property caused by or resulting from a "Covered Cause of Loss."

c. Business Income Loss Determination. 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 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" on customers or on other businesses;

(3) Ordinary and necessary operating expenses, including payroll expenses, required to resume "Operations" with the same quality of service that existed just before the direct physical loss or damage; and other relevant sources of information including your financial records, accounting procedures, bills, invoices, vouchers and deeds, liens or contracts.

d. Extra Expense Loss Determination. 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) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

e. 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 in stock) at the covered premises or elsewhere.

(2) Extra Expense loss to the extent you can return "Operations" to normal and discontinue such Extra Expense.

f. Resumption of "Operations." 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.

g. Policy Expiration. The expiration date of this policy will not cut short the "Period of Restoration."

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2. Coverage Extensions

a. Off Premises Utility Failure

(1) Coverage under **Part II** of this Endorsement is extended to include actual loss of Business Income you sustain and necessary Extra Expense that you incur due to the interruption of Water Supply Services, Communications Supply Services or Power Supply Services to the building(s) described or identified in the "Declarations."

(2) The interruption must result from direct physical loss or damage by a "Covered Cause of Loss" to the following described facilities, and not from loss or damage to the building(s) listed or described in the "Declarations":

(a) Water Supply Services means the following types of equipment supplying water to the building(s):

(i) Pumping Stations; and

(ii) Water mains.

(b) Communications Supply Services means equipment supplying communication services, including telephone, radio, microwave or television services, to the building(s), such as:

(i) Communications transmission lines;

(ii) Coaxial cables: and

(iii) Microwave radio relays.

Communications Supply Services do not include satellite transmission and receiving devices and overhead communication lines.

(c) Power Supply Services means the following types of equipment supplying electricity, steam or gas to the building(s):

(i) Utility generating plants;

(ii) Switching stations;

(iii) Substations;

(iv) Transformers; and

(v) Transmission lines.

Power Supply Services do not include overhead transmission lines.

(3) We will only pay for loss you sustain after the first twenty-four (24) hours following the direct physical loss or damage to the off-premises facility to which this coverage extension applies.

(4) The most we will pay under this Extension is $25,000.

b. Newly Acquired Locations

(1) Coverage under **Part II** of this Endorsement is extended to apply to property at any location you acquire other than fairs or exhibitions.

(2) The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is $100,000 at each location.

(3) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire or begin to construct the property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

3. Additional Coverages

a. Civil Authority

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 due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any "Covered Cause of Loss".

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

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(1) 3 consecutive weeks after the time of that action; or

(2) When your Business Income coverage ends;

whichever is later.

b. 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 100 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.

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 policy, 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) 90 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 policy, 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) 90 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

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

d. Interruption Of Computer Operations

(1) Except as provided for Under this Additional Coverage, Coverage for Business Income and Extra Expense does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data.

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.

(2) Subject to all provisions of this Additional Coverage, the insurance that applies to Business Income and Extra Expense applies to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a "Covered Cause of Loss".

(3) With respect to the coverage provided under this Additional Coverage, the "Covered Causes of Loss" includes 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 an interruption related to 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, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is $2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

PART III

$250,000 FLEXIBLE BLANKET

The coverage extensions and additions described below in this **Part III** are subject to a $250,000 flexible blanket limit. This limit is in addition to the limits that apply to your BUILDING AND PERSONAL PROPERTY COVERAGE FORMS. Subject to any applicable sub-limit set out in the individual coverage extensions in this **Part III**, at the time of loss, you can elect to allocate the $250,000 flexible blanket limit to any one or any

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combination of the following coverage extensions: **(1)** Accounts Receivable; **(2)** Arson Reward; **(3)** Debris Removal; **(4)** Electronic Data Processing Equipment; **(5)** Emergency Vacation of a Covered Building, **(6)** Fine Arts; **(7)** Fire Department Device Recharge; **(8)** Key Employee Replacement Expense; **(9)** Kidnap and Ransom Expense: **(10)** Garages and Sheds; (**11)** Loss Data Preparation Costs; **(12)** Money and Securities; **(13)** Outdoor Property; **(14)** Personal Effects and Property of "Residential Clients"; (**15)** Pollutant Clean Up and Removal; **(16)** Property in Transit; **(17)** Property Located at Conventions, Fairs, Exhibitions or Special Events; **(18)** Fire Department Service Charge; **(19)** Retaining Walls; **(20)** Signs; **(21)** Spoilage; (**22)** Valuable Papers or **(23)** Water Back Up of Sewers or Drains. These coverage extensions are subject to the terms and conditions of this endorsement and any applicable limit or sub-limit to some of the coverage extensions.

The most we will pay under all of the **Part III** coverage extensions is $250,000.00 for all covered losses sustained during the policy period.

The Coinsurance Conditions found in Section 1 of Part F of your BUILDING AND PERSONAL PROPERTY COVERAGE FORM do not apply to the $250,000 coverage extensions in this **Part III**.

1. ACCOUNTS RECEIVABLE

a. Coverage is extended to apply to direct physical loss of or damage to your records of accounts receivable when caused by or resulting from a "Covered Cause of Loss":

(1) At a building listed or described in the "Declarations" or in or on a vehicle in transit between premises described in the "Declarations"; or

(2) If the records must be removed from a building listed or described in the "Declarations" to protect them from the threat of a "Covered Cause of Loss," but only while the records are

(a) At a safe place away from the described building; or

(b) Being taken to or returned from the described building.

b. The amount of your accounts receivable loss is limited to:

(1) All amounts due from your customers, clients, or a funding source 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 necessarily incurred because of the loss; or

(4) Other reasonable and necessary expenses that you incur to establish your records of accounts receivable;

that result from direct physical loss of or damage to your records of accounts receivable, including credit or charge card slips, resulting from any "Covered Cause of Loss."

c. The amount of your accounts receivable loss payment will be determined as follows:

(1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:

(a) The total of the average monthly amount of accounts receivable for the 12 months preceding the month in which the loss occurs will be determined; and

(b) This total will be adjusted for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

(2) The following will be deducted from the total amount of accounts receivable, however that amount is established.

(a) The amount of the accounts for which there is no loss; and

(b) The amount of the accounts that you are able to reestablish or collect; and

(c) An amount to allow for probable bad debts that you are normally unable to collect.

(3) You will pay to us the amount of all recoveries you receive for a loss

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paid by us. But any recoveries in excess of the amount we have paid to you belong to you.

d. Exclusions

(1) We will not pay under this coverage extension for any loss caused by or resulting from any of the following:

(a) Alteration, falsification, concealment, or destruction of records of account 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) Bookkeeping, accounting or billing errors or omissions.

(2) We will not pay under this coverage extension for a loss that requires any audit of records or any inventory computation to prove that the loss occurred.

e. The per occurrence Deductible set out in the "Declarations" applies to this coverage extension.

2. ARSON REWARD

a. Coverage is extended to apply to amounts you pay as a reward for information that leads to the arrest and conviction of a person or persons responsible for a fire that results in damage to your property listed or described in the "Declarations." This coverage extension only applies when a fire department determines that the fire was of suspicious origin or the result of arson. You must obtain our prior, written consent before offering the reward.

b. The most we will pay for any one reward is $50,000 regardless of the number of individuals that may be responsible for the fire and regardless of the number of persons that provide information that leads to the arrest and conviction. We will not pay any reward to your executive officers, directors or trustees even if they or any of them provide such information.

c. This coverage extension is not subject to the per occurrence Deductible set out in the "Declarations."

3. DEBRIS REMOVAL

a. Coverage is extended to pay your reasonable expenses to remove debris of covered property caused by or resulting from a "Covered Cause of Loss" that occurs during the policy period. We will pay those expenses only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.

b. Debris Removal does not apply to costs to:

(1) Extract or remove "pollutants" from land or water; or

(2) Remove, restore or replace polluted land or water.

c. The per occurrence Deductible set out in the "Declarations" applies to this coverage extension.

4. ELECTRONIC DATA PROCESSING EQUIPMENT INCLUDING ADDITIONAL EXPENSE, SOFTWARE AND TRANSIT

a. Coverage is extended to apply to direct physical loss of or damage to your electronic data processing equipment, including Additional Expense, Software, and transit caused by or resulting from a "Covered Cause of Loss." This extension is limited to:

(1) Your electronic data processing, word processing, and telecommunications equipment, including their component parts;

(2) Your Software under this extension consists of Data, Programs, and Media. Data is information, which has been converted to a form usable in data or word processing equipment. Programs are systems that allow your computer(s) to utilize Data. Media is the material on which Data is recorded;

(3) Additional Expense under this coverage extension constitutes the 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:

(a) To avoid or minimize the suspension of business and to continue "Operations":

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(i) At the described premises; or

(ii) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations.

(b) To minimize suspension of business if you cannot continue "Operations," or

(c) To repair or replace the lost information contained in damaged Data, to the extent it reduces the amount of loss that otherwise would have been payable under this overage extension.

b. Subject to the **Part III** flexible blanket limit, this coverage extension applies to actual and necessary Additional Expense you incur due to direct physical loss of or damage to:

(1) Electronic data processing equipment, word processing equipment, telecommunications equipment, and Data, Programs and Media which you own, lease or are under your control and is at your premises listed or described in the ""Declarations"" or is in transit from or to those premises;

(2) The building in which the property described in **(1)** above is located, provided the building is damaged to an extent which prevents access to the property;

(3) The air-conditioning system that specifically services your electronic data processing equipment; and

(4) The electrical or telecommunication system that specifically services your Data or word processing operation, provided the damage to the system occurs inside, or within 100 feet of the building housing your Data or word processing operation.

c. Exclusions

(1) We will not pay under this coverage extension for any loss involving any of the following:

(a) Property on loan, rent or lease while it is away from your described premises;

(b) Data, Programs or Media that cannot be replaced with other Data, Programs or Media of the same kind or quality;

(c) Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to Data and then only in that form.

(2) We will not pay under this coverage extension for any loss caused by or arising out of any of the following:

(a) Dishonest or intentionally wrongful acts committed by you, anyone else with an interest in the property, or your or their employees or authorized representatives, or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment. But this exclusion does not apply to a carrier for hire.

(b) Voluntarily parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.

(c) Errors or omissions in processing or copying.

(d) Unauthorized instructions to transfer property to any person or to any place.

(e) Dampness or dryness of atmosphere.

(f) Unexplained loss, mysterious disappearance, or shortage disclosed upon taking inventory.

(g) Earthquake, landslide or other earth movement.

(h) Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.

(i) Faulty, inadequate or defective:

(j) Planning, zoning, development, surveying, or siting;

(k) Design, specifications, workmanship, repair, construction,

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renovation, remodeling, grading, compaction;

(l) Materials used in repair, construction or renovation;

(m) Maintenance of part or all of any property wherever located.

(n) Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

But if loss by a "Covered Cause of Loss" results, we will pay for that resulting loss.

d. Valuation of the property covered under this coverage extension will be determined as follows:

(1) Equipment. We will adjust a loss to your electronic data processing equipment on the basis of replacement cost. Subject to the **Part III** flexible blanket limit, the most we will pay is:

(a) The amount necessary to repair the equipment;

(b) The amount necessary to replace the equipment with material of the same kind or quality.

(2) Software.

(a) Data, Programs and Media will be valued at the actual cost of replacing or reproducing the same with material of the same kind and quality.

(b) If any Data, Programs or Media can not be replaced or reproduced, we will pay for your actual cost of acquiring the Data, Programs or Media.

e. After we receive your signed, sworn statement of loss, we may take possession of all or part of your damaged property. If we choose, we may repair the damaged property and return it to you in working order or we may replace your property with similar property that has the same functional capabilities as your damaged property.

5. EMERGENCY VACATION OF A COVERED BUILDING

a. Coverage is extended to apply to the necessary and resonable expenses that you incur as a result of vacating a building described or identified in the "Declarations" because of an Emergency caused by or resulting from or a "Covered Cause of Loss."

b. Emergency means a situation of imminent danger that would cause physical harm or loss of life to the occupants of the building and that was caused by or results from a "Covered Cause of Loss."

c. This coverage extension does not extend to a false alarm, a bomb threat or any other event that is not a "Covered Cause of Loss."

d. The most we will pay under this Coverage Extension is $ 20,000.

e. The per occurrence Deductible set out in the "Declarations" applies to this coverage extension.

6. FINE ARTS

a. Coverage is extended to apply to direct physical loss of or damage to your Fine Arts caused by or resulting from a "Covered Cause of Loss."

b. Exclusions

(1) We will not pay under this coverage extension for any loss arising out of any of the following:

(a) Any repair, restoration, or retouching of the Fine Arts;

(b) Any dishonest, criminal or intentionally wrongful act by you, your employees, volunteers, agents, authorized representatives, directors, officers or trustees, or by anyone else to whom you entrust your Fine Arts for any purpose (except a carrier or other bailee for hire), or by anyone else who has an interest in the Fine Arts;

(c) Delay, loss of use, loss of market, or any other consequential loss;

(d) Wear and tear;

(e) Rust, corrosion, fungus, decay, deterioration, hidden or latent defects, or any quality in the Fine Art that causes it to damage or destroy itself,

(f) Damage from insects, vermin, or rodents;

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(g) Dampness or dryness of atmosphere, or changes or extremes of temperature;

(h) Voluntarily parting with any Fine Art and entrusting it to another, if a person is induced to do so by any fraudulent scheme, trick, device or false pretense.

(i) Packing or unpacking by a person who has not been trained in the proper methods for packing or transporting Fine Arts.

(j) Loss of or damage to:

(i) Fine Arts on exhibition at any building or premises that is not listed or described in the "Declarations" except to the extent coverage is provided under coverage extension **17**; and

(ii) Contraband or property in the course of illegal transportation or trade.

c. Valuation

(1) The amount of your loss resulting from the loss of or physical damage to Fine Art will be determined as of the date of the loss as the lesser of:

(a) The market value of the Fine Art;

(b) The amount for which you are liable, if the Fine Art is the property of another;

(c) The cost of reasonable restoration of the Fine Art to its condition immediately before loss; or

(d) The cost of replacing the Fine Art with substantially identical Fine Art.

(2) In the case of loss to any part of sets or pairs, we may, at our option:

(a) Repair or replace any part to restore the pair or set to its value before the loss; or

(b) Pay the difference between the value of the pair or set before and after the loss.

d. Carrier means an entity that provides vehicle transportation services for compensation.

e. The per occurrence Deductible set out in the "Declarations" applies to this Item **6** extended coverage.

7. FIRE DEPARTMENT DEVICE RECHARGE

a. Coverage is extended to apply to amounts you are assessed for the recharge of your fire protective devices that are permanently installed in buildings listed or described in the "Declarations."

b. This coverage extension only applies when such devices have been discharged while being used to combat a fire at a building listed or described in the "Declarations."

c. The most we will pay for any one recharge of your fire protective devices is $20,000.

d. The per occurrence Deductible set out in the "Declarations" does not apply to this coverage extension.

8. KEY EMPLOYEE REPLACEMENT EXPENSES

a. Coverage is extended to apply to reasonable and necessary expenses you incur to replace your chief executive officer, chief financial officer, or executive director who dies during the policy period.

b. The coverage afforded under this coverage extension applies only to the following expenses:

(1) Amounts incurred in placing advertisements directed at identifying a replacement;

(2) Amounts incurred in conjunction with the process of interviewing applicants for the position, including reasonable and necessary lodging, travel, meal and entertainment expense; and

(3) Reasonable and necessary additional expense associated with the process of identifying, interviewing and selecting a candidate for the position. Additional expenses include reference verification, background investigations, and legal fees incurred in the course of negotiating an employment contract with the replacement.

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c. The per occurrence Deductible set out in the "Declarations" does not apply to this Item **8** coverage extension.

9. KIDNAP AND RANSOM EXPENSE

a. Coverage is extended to apply to the reasonable and necessary expenses you incur as a result of the kidnapping of your executive officers, directors or trustees, or the parent, spouse or child of any of your executive officers, directors or trustees.

b. The coverage afforded under this coverage extension applies only to the following expenses:

(1) reasonable fees and expenses attributed to the use of a consultant or negotiator who is retained with our prior written consent;

(2) reasonable expenses associated with travel necessitated by the kidnapping;

(3) the amount of any reward offered with our prior, written approval that leads to the arrest and conviction of the individual or individuals responsible for the kidnapping.

(4) the salary owed to any kidnapped executive officer, director or trustee, exclusive of benefits and incentive bonuses, incurred during the period beginning 30 days after the abduction and continuing through the date you receive confirmation that the kidnapped person has died or been released, for a period not to exceed 12 months; and

(5) the interest you are assessed on money you are required to borrow to pay the amounts described in paragraphs **(1)** through **(4)** immediately above that accrues during a period beginning 30 days after you borrow the money and ends on the date we make the payment to you.

c. The insurance provided by this coverage extension applies only to kidnappings or abductions that occur in the United States of America, its territories and Canada.

d. The most we will pay under this coverage extension is $50,000.

e. The per occurrence Deductible set out in the "Declarations" does not apply to this Item **9** coverage extension.

10. GARAGES AND SHEDS

a. Coverage is extended to apply to loss or damage to any garages or sheds located at the premises described or identified in the "Declarations" caused by or resulting from a "Covered Cause of Loss."

b. The most we will pay for all loss or damage to all garages and sheds at any one premises is $25,000 per occurrence.

c. The per occurrence Deductible set out in the "Declarations" applies to this Item **10** coverage extension.

11. LOSS DATA PREPARATION COSTS

a. Coverage is extended to apply to the reasonable and necessary costs you incur preparing loss data required by policy conditions after a property loss that is caused by or results from a "Covered Cause of Loss" in order to obtain payment from us. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss.

b. The per occurrence Deductible set out in the "Declarations" applies to this Item **11** coverage extension.

12. MONEY AND SECURITIES

a. We will pay for loss of Covered Property caused by or resulting directly from the covered causes of loss, set out under in **(1)(b)** and **(2)(b)** below.

(1) Inside the Premises:

(a) Covered Property means Money and Securities inside the Premises or a Banking Premises. Covered Property also means containers of Covered Property, and we will pay for loss of and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the Premises resulting directly from an actual or attempted Theft of or unlawful entry into those containers. We will also pay for loss from damage to the Premises or its exterior resulting directly from an actual or attempted Theft of Covered Prop-

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erty if you are the owner of the Premises or are liable for damage to it.

(b) Covered causes of loss under this coverage extension include only the following: Theft, disappearance, or destruction.

(2) Outside the Premises:

(a) Covered Property means Money and Securities outside the Premises in the care and custody of a Messenger.

(b) Covered causes of loss under this coverage extension include only the following: Theft, Disappearance, or Destruction.

b. Coverage extension. We will pay for loss of Covered Property resulting directly from the above described covered causes of loss while outside the Premises in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss that you cannot recover:

(1) Under your contract with the armored motor vehicle company, and

(2) From any insurance or indemnity carrier of, or for the benefit of customers of, the armored motor vehicle company.

c. General Exclusions, Conditions, and Definitions. All provisions in **PART VIII,** of this endorsement shall apply to this coverage extension. In addition, the following exclusions, conditions, and definitions shall apply:

d. Additional Exclusions. We will not pay for loss arising out of:

(1) Accounting or arithmetical errors or omissions;

(2) Any dishonest or criminal act committed by any of your employees, directors, trustees, agents, or authorized representatives:

(a) Acting alone or in collusion with another person(s); or

(b) While performing services for you or otherwise;

(3) The giving or surrendering of property in any exchange or purchase:

(4) Damage to the Premises caused by or resulting from fire however caused that destroys Covered Property;

(5) Money contained in any Money operated device unless the amount of Money deposited in the device has been recorded by a continuous recording instrument in the device that shows the balance of funds in the device since it was last serviced and the funds in the device were emptied;

(6) Loss of property after it has been transferred or surrendered to a person or place outside the Premises or Banking Premises:

(a) On the basis of unauthorized instruction; or

(b) As a result of a threat to do:

(i) Bodily harm to any person; or

(ii) Damage to any property.

But this exclusion **(6)** does not apply to loss of Covered Property while outside the Premises or Banking Premises when the property was in the care and custody of a Messenger if you:

(c) Had no knowledge of any threat at the time the conveyance began; or

(d) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat;

(7) Loss from damage to the Premises or its exterior or to containers of Covered Property by vandalism or malicious mischief; and

(8) Loss resulting from you, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with the title to or possession of any Covered Property.

e. Additional Conditions that Apply to this Coverage Extension

Your Duties in the Event of Loss: If you have reason to believe that any loss of, or loss from damage to Covered Property involves a violation of law, you must notify the police.

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f. Additional Definitions that Apply to this Coverage Extension

(1) Banking Premises means the interior of that portion of any building occupied by a banking or safe depository institution.

(2) Messenger means you or any of your employees while having care and custody of the property outside the Premises.

(3) Occurrence means an:

(a) Act or series of related acts involving one or more persons; or

(b) Act or event, or a series of related acts or events not involving any person.

(4) Premises means the interior of that portion of any building you occupy in conducting your operations.

(5) Theft means any act of stealing.

(6) Money means:

(a) Currency, coins, and bank notes in current use and having a face value; and

(b) Travelers checks, registered checks and money orders held for sale to the public

(7) Securities means negotiable and nonnegotiable instruments or contracts representing either Money or:

(a) Tokens, tickets, revenue or postage stamps (whether represented by actual stamps or unused value in a postage meter) in current use;

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include Money: and

(c) Stocks, bonds, mutual fund certificates of participation and similar evidences of securities ownership

g. Records

You must keep records of all Money and Securities so we can verify the amount of any loss or damage.

h. Valuation

We will pay for:

Loss of Money for not more than 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's dollar equivalent on the day the loss was discovered.

Loss of Securities for not more than their value at the close of business on the day the loss occurred. If the exact day of the loss cannot be established, then the value will be determined as of the probable day of loss. We may, at our option:

(3) 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 which were replaced or paid for; or

(4) 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 value of the Securities at the close of business on the day the loss was discovered.

i. The per occurrence Deductible set out in the “Declarations” applies to this Item **12** coverage extension.

13. OUTDOOR PROPERTY

a. Coverage is extended to apply to direct physical loss of or damage to your outdoor fences, playground equipment, outdoor lighting, radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns, including reasonable debris removal expenses, caused by or resulting from:

Fire;

Lightning;

Explosion;

Riot or Civil Commotion;

Aircraft;

Theft;

Vandalism; or

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Malicious Mischief;

provided such causes of loss are a "Covered Cause of Loss."

b. The most we will pay under this coverage extension is $25,000 for loss or damages at any one insured location and for any one covered loss.

c. The per occurrence Deductible set out in the "Declarations" applies to this Item **13** coverage extension.

14. PERSONAL EFFECTS AND PROPERTY OF "RESIDENTIAL CLIENTS"

a. Coverage is extended to apply to the direct physical loss of or damage to the personal property of "Residential Clients" while they are in your care, caused by or resulting from a "Covered Cause of Loss." Personal property does not include Money or Securities, as defined in Item **12** of this **Part III**.

b. The coverage afforded by this extension is subject to the following sub- limits:

(1) The each "Residential Client" sub-limit is $1,000 and is the most we will pay as a result of the direct physical loss of or damage to the personal property of any one "Residential Client" during the Policy Period.

(2) The per location sub-limit is $25,000 and is the most we will pay as a result of the direct physical loss of or damage to the personal property of all "Residential Clients" at any one location listed or described in the "Declarations" during the policy period.

c. The per occurrence Deductible set out in the "Declarations" applies to this Item **14** coverage extension.

15. POLLUTANT CLEAN UP AND REMOVAL

a. Coverage is extended to 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.

b. This 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.

c. This coverage extension is subject to the sub-limit set out in the schedule. The most we will pay under this additional coverage for each described premises is $50,000 for the sum of all covered expenses arising out of a "Covered Cause of Loss" occurring during each separate 12 month period of this policy.

d. The per occurrence Deductible set out in the "Declarations" applies to this Item **15** coverage extension.

16. PROPERTY IN TRANSIT

a. Coverage is extended to direct physical loss of or damage to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the building(s) or premises described or identified in the "Declarations."

b. The personal property must be in or on (1) a motor vehicle you own, lease or operate or (2) a motor vehicle owned, leased or operated by a Carrier or bailee for hire, and the motor vehicle must be between points within the coverage territory.

c. Loss or damage must be caused by or result from one of 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 of package by forced entry into a securely locked body or compartment of your vehicle. There must be visible marks of the forced entry.

d. Carrier means an entity that provides vehicle transportation services for compensation.

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e. The per occurrence Deductible set out in the "Declarations" applies to this Item **16** coverage extension.

17. PROPERTY LOCATED AT CONVENTIONS, FAIRS, EXHIBITIONS OR SPECIAL EVENTS

a. Coverage is extended to direct physical loss of or damage to your personal property caused by or resulting from a "Covered Cause of Loss" while it is temporarily on display or being used during a convention, fair, exhibition or special event at a location you do not own, lease or operate.

b. The per occurrence Deductible set out in the "Declarations" applies to this Item **17** coverage extension.

18. FIRE DEPARTMENT SERVICE CHARGE

a. Coverage is extended to apply to amounts you are assessed or charged by a fire department or rescue service as a service charge for responding to a fire or other emergency at a building listed or described in the "Declarations" if:

(1) Such charges were assumed by you under a contract or agreement entered into prior to the loss; or

(2) Such charges or assessments are required by local ordinance.

b. Exclusions. We will NOT pay for any amounts assessed by a fire department or rescue service as a result of a false alarm unless the person making the false alarm reasonably believed that a fire or similar emergency actually existed at the building.

c. The per occurrence Deductible set out in the "Declarations" does not apply to this Item **18** extension of coverage.

d. The most we will pay under this coverage extension is $ 10,000.

19. RETAINING WALLS

a. Coverage is extended to direct physical loss or damage to any of your retaining walls that are located within the premises of a building or structure described or identified in the "Declarations" resulting from a "Covered Cause of Loss."

b. The per occurrence Deductible set out in the "Declarations" applies to this Item **19** coverage extension.

20. SIGNS

a. Coverage is extended to direct physical loss of or damage to your signs caused by or resulting from a "Covered Cause of Loss," whether or not attached to buildings or structures listed or described in the "Declarations."

b. The per occurrence Deductible set out in the "Declarations" applies to this Item **20** coverage extension.

21. SPOILAGE

a. Coverage is extended to direct physical loss of or damage to your perishable personal property and the perishable personal property of your "Residential Clients" while at or within 1,000 feet of a building or premises identified or described in the "Declarations" caused by spoilage due to change in temperature or humidity resulting from:

(1) Complete or partial interruption of electrical power to the described premises due to conditions beyond your control; or

(2) Mechanical breakdown or failure of heating, cooling, or humidity control equipment or apparatus at the described premises.

b. Insurance under this coverage extension includes the reasonable expenses you incur to minimize the amount of covered spoilage loss.

c. Any "Utility Services" exclusion found in any Commercial Property Coverage Form does not apply to this coverage extension.

d. Exclusions. We will not pay for any loss under this coverage extension caused by or arising out of any of the following:

(1) The manual disconnection of any heating, cooling or humidity control equipment or apparatus from its source of power; or

(2) The deactivation of electrical power or current caused by the throwing of any switch or other device used to control the flow of electrical power or current; but the exclusions under paragraphs **(1)** and **(2)** above do not apply to any act committed by your "Residential Clients."

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(3) The inability of an electric utility company or other power source to provide sufficient power caused by or resulting from a governmental order or lack of fuel;

(4) The inability of a power source at a described building to provide sufficient power to meet demand due to insufficient generating capacity; or

(5) Any of the following:

(i) Earth Movement;

(ii) Government Action;

(iii) Nuclear Hazard;

(iv) War and Military; or

(v) Water.

None of the other exclusions in section B of the CAUSES OF LOSS -SPECIAL FORM apply to this coverage extension.

e. Limit of Insurance. The most we will pay with respect to perishable personal property of your "Residential Clients" is $1,000 per each "Residential Client."

f. We will not pay for loss or damage with respect to any one occurrence under this coverage extension until the amount of loss or damage to perishable property exceeds:

(1) $250 per any "Residential Client"; and

(2) $500 for your perishable property.

22. VALUABLE PAPERS AND RECORDS

a. Coverage is extended to the reasonable and necessary expense you incur to replace or restore the lost information on valuable papers and records for which duplicates do not exist, located at a building or premises described in the "Declarations," when such loss is caused by or results from a "Covered Cause of Loss."

b. This coverage extension includes 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.

c. Exclusion. This coverage extension does not apply to the loss of electronic data which includes information, facts or computer programs stored as or on, created or used on or transmitted to or from any computer. (But see Item **4** of this **Part III** relating to Electronic Equipment Including Additional Expense, Software and Transit.)

d. The per occurrence Deductible set out in the "Declarations" applies to this Item **22** coverage extension.

23. WATER BACKUP OF SEWERS AND DRAINS

a. Coverage is extended to loss or damage caused by or resulting from water that backs up from a sewer or drain.

b. The most we will pay for any one water backup occurrence is $25,000.

c. The per occurrence Deductible set out in the "Declarations" applies to this Item **23** coverage extension.

PART IV
BUSINESS PERSONAL PROPERTY

The first paragraph of subsection b of section 1, Covered Property, of Part A, Coverage, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to read as follows:

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,250 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation of Coverage form:

PART V
ORDINANCE OR LAW COVERAGE

A. Limits of Insurance.

The limits of coverage under this coverage extension are as follows:

1. **Coverage A:** The per building limits shown in the "Declarations." In the event the "Declarations" show that the buildings or premises are insured on a blanket basis, then the limit per each building or premises shall be determined by reference to the schedule of buildings and/or premises on file with us.

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2. **Coverage B** and **Coverage C:** The combined amount of $1,000,000 as shown on the Schedule of Coverage Extensions and Additions.

B. Application of Coverage(s)

The Coverage(s) provided by this coverage extension apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the following qualifications set forth in **B.3.**

1. The ordinance or law:

a. regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. is in force at the time of loss.

But coverage under this coverage extension 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 coverage extension.

2. a. The building sustains direct physical damage that is a “Covered Cause of Loss” and such damage results in enforcement of the ordinance or law; or

b. The building sustains both direct physical damage that is caused by or results from a “Covered Cause of Loss” 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.

c. But if the building sustains direct physical damage that is not a “Covered Cause of Loss.” and such damage is the subject of the ordinance or law, then there is no coverage under this coverage extension even if the building has also sustained direct physical damage caused by or resulting from a “Covered Cause of Loss.”

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of coverages **A, B,** and/or **C** of this coverage extension. 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.

(Section **H.** of this coverage extension provides an example of this procedure.)

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, B** and/or **C** of this coverage extension.

C. We will not pay under Coverage **A, B** or **C** of his coverage extension for:

1. 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

2. 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.

D. Coverages

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** 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.

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Coverage **A** is included within the Limit of Insurance shown in the "Declarations" as applicable to the covered building(s). Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained direct physical damage caused by or resulting from a "Covered Cause of Loss," 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.

The Coinsurance Additional Condition in the Building and Personal Property Coverage Form does not apply to this demolition cost coverage.

3. Coverage C – Increased Cost Of Construction Coverage

a. With respect to the building that has sustained direct physical damage caused by or resulting from a "Covered Cause of Loss," we will pay the increased cost to:

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

(2) Reconstruct or remodel undamaged portions of that building, 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:

(1) 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.

(2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM does not apply to Increased cost of construction coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **3.a.:**

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

(2) Foundation of the building;

(3) Pilings; and

(4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, **3.b.**

E. Loss Payment

1. All following loss payment Provisions, **E.2.** and **E.3.,** are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If the replacement cost coverage option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(1) The amount you would 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

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

b. 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:

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

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

3. The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages **B** and **C** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

(1) We will not pay for the increased cost of construction:

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

(b) 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.

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

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this coverage extension apply separately to each building to which this endorsement applies.

G. Under this coverage extension, we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and

2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **B.3.** of this coverage extension).

Assume:

- Wind is a "Covered Cause of Loss"; Flood is an excluded Cause of Loss
- The building has a value of $200,000
- Total direct physical damage to building: $100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): $30,000
- Portion of direct physical damage that is not covered (caused by flood): $70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: $60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$30,000 ÷ $100,000 = .30

Step 2:

Apply that proportion to the Ordinance or Law loss.

$60,000 x .30 = $18,000

In this example, the most we will pay under this coverage extension for the Coverage **C** loss is $18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

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Note: The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

I. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

PART VI
EQUIPMENT BREAKDOWN COVERAGE

Subject to all terms and conditions provided by the Commercial Property Coverage Part, the following additional coverage is added:

A. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown on the Schedule and in the "Declarations." Payments under this **Part VI** will reduce the applicable Limits of Insurance under your BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

We will pay for direct physical loss of or damage to Covered Property at the premises identified or described in the "Declarations" caused by or resulting from Equipment Breakdown.

1. Equipment Breakdown means the following:

a. Physical loss or damage, both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

(a) Waste disposal piping;

(b) Any piping forming part of a fire protective system;

(c) Furnaces; and

(d) Any water piping other than:

(i) Boiler feed water piping between the feed pump and the boiler;

(ii) Boiler condensate return piping; or

(iii) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.

(2) All mechanical, electrical, electronic or fiber optic equipment.

b. Caused by, resulting from, or consisting of:

(1) Mechanical breakdown;

(2) Electrical or electronic breakdown;

(3) Rupture, bursting, bulging, implosion, or steam explosion; or

(4) Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires.

If covered electrical equipment requires drying out as a result of a flood we will pay for the direct expenses of such drying out.

2. However, Equipment Breakdown does not mean:

a. Physical loss or damage caused by or resulting from any of the following:

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;

(6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system, including any hardware, programs or software;

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(7) Scratching and marring.

However if loss or damage not otherwise excluded results, then we will pay for such resulting damage.

b. Any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

B. In addition to the coverage provided by this endorsement in **Part III**, item **15.** Pollutant Clean Up and Removal, we will pay for Pollutant Clean Up and Removal for loss resulting from an Equipment Breakdown. The most we will pay for Pollutant Clean Up and Removal for loss resulting from an Equipment Breakdown is $25,000.

This 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.

C. Additional Coverage Extensions.

1. Expediting Expense

We will pay for the expediting expense loss resulting from an Equipment Breakdown with respect to your damaged covered property. We will pay the Reasonable Extra Cost to:

a. Make temporary repairs;

b. Expedite permanent repairs; and

c. Expedite permanent replacement.

Reasonable extra cost means the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation. This will be a part of and not an addition to the limit per loss.

2. Refrigerant Contamination

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of Equipment Breakdown.

The most we will pay for loss or damage under this coverage is $25,000.

3. Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by Equipment Breakdown to types of property covered by this policy, that are:

a. Located on or within 1,000 feet of your described premises, and

b. Owned by the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is $25,000.

3. With respect to the coverage provided by this Part VI coverage extension, the following is added to Paragraph **F. Additional Condition(s)** in the Building and Personal Property Coverage Form.

SUSPENSION

Whenever covered property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that covered property for the perils covered by this **Part VI** coverage estension. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

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a. Your last known address; or

b. The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

C. With respect to the coverage provided by this **Part VI** coverage extension, the CAUSES OF LOSS – SPECIAL FORM are amended as follows:.

1. Paragraph **B. Exclusions**, exclusions pertaining to the following are deleted:

a. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires.

b. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

2. Exclusion **B.1.e. Utility Services** is deleted and replaced with the following:

UTILITY SERVICES

Loss resulting from an Equipment Breakdown to power or other utility service supplied to the described premises if the failure occurs beyond 1,000 feet away from the described premises.

But if failure of power or other utility service results in an Equipment Breakdown to covered property, we will pay for the loss or damage caused by the Equipment Breakdown.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead the **Special Exclusion** applies to these coverages.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is $25,000, unless a higher limit is provided by Endorsement. In that case, whichever limit is greater will apply.

3. Exclusion **B.3.a.(1)** of the CAUSES OF LOSS – BASIC FORM and CAUSES OF LOSS – BROAD FORM, and exclusion B.4.a.(1) of the CAUSES OF LOSS – SPECIAL FORM are deleted and replaced with the following:

When a loss results from Equipment Breakdown, we will not pay for:

(1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises if the failure occurs beyond 1000 feet of your described premise.

But if the failure of power or other utility service results in a “Covered Cause of Loss,” we will pay for the loss resulting from that “Covered Cause of Loss.”

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is $25,000 unless a higher limit is provided by Endorsement. In that case, whichever limit is greater will apply.

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PART VII
DEFINITIONS AND POLICY CHANGES

A. Definitions:

The following definitions apply to this endorsement and are added to Section H, Definitions, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

1. “Covered Cause of Loss” means the covered losses set out in the CAUSES OF LOSS – SPECIAL FORM attached to your BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

2. “Declarations” means the Declarations Page accompanying your BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

3. “Fine Arts” means paintings, prints, pictures, etchings, tapestries, art glass items, hand-made rugs, statuary, rare books, antique furniture, antique gold, silver or pewter items, manuscripts, porcelains, bric-a-brac and similar items when such objects are of rarity, historical value or artistic merit.

4. “Operations” means human or social services customarily provided by the Named Insured and occurring at the buildings or premises described or identified in the “Declarations” to your BUILDING AND PERSONAL PROPERTY COVERAGE FORM

5. “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 a premises identified or described in the Declarations,” 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 of time that is required due to the enforcement of any law that regulates the construction, use or repair, or requires the tearing down of any property.

6. "Residential Client" means a person who is both **(1)** residing in any of the buildings or premises identified or described in the “Declarations” pursuant to permission and knowledge of the Named Insured and **(2)** receiving specialized care, treatment or services provided by the Named Insured, as, for example, a child or challenged person residing in a group home operated by a human services provider.

"Residential Client" does not include **(1)** a member of the “Residential Client’s” family or **(2)** guest(s) of the “Residential Client,” even if such family member or guest is residing in said building or premises as a tenant or temporary occupant with the permission and knowledge of the Named Insured.

“Residential Client” does not include a person who is simply residing in said building or premises or a portion of the same, whether or not pursuant to a written or verbal lease or license agreement, and who is NOT receiving specialized care, treatment or services from the Named Insured, as, for example, a tenant who is occupying an apartment unit within a building owned or operated by a sponsor of affordable housing.

7. "Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under the Building and Personal Property Coverage Form.

8. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

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(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

9. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenantable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

B. Policy Changes:

Part C, Limits of Insurance, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is changed to read as follows:

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the "Declarations" **plus** the **Part I** flexible blanket limit of this endorsement, the **Part II** limit of this endorsement, the **Part III** flexible blanket limit (subject to certain sub-limits) of this endorsement, and the combined coverage B and C limits of **Part V** of this endorsement. The most we will pay for certain coverage extensions contained in this endorsement is set out in those coverage extensions.

PART VIII
GENERAL EXCLUSIONS, CONDITIONS AND DEFINITIONS

With respect to **PART III**, item **12.** as shown in the Schedule of Coverage Extensions and Additions, the following General Exclusions, General Conditions and General Definitions apply to this endorsement in addition to the terms and conditions contained in the Commercial Property Coverage Forms.

A. General Exclusions

We will not pay for loss as specified below:

1. 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.

2. 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:

a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.

b. 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 insurance.

c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

3. Legal Expenses

Expenses related to any legal action.

B. General Conditions

1. Consolidation – Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity:

a. Any additional persons become "employees"; or

b. You acquire the use and control of any additional "premises";

any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", for a period of 60 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities.

You must give us written notice within this 60 day period and obtain our written consent to extend this insurance to such additional "employees" or "premises". Upon obtaining our written consent, you must pay us an additional premium.

If you fail to notify us in writing within this 60 day period, then this insurance shall automatically terminate as to such additional "employees" or "premises".

2. Coverage Extensions

Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit Of Insurance applying to the Coverage or Coverage Section.

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3. Extended Period To Discover Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

4. Joint Insured

a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.

b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

c. An "employee" of any Insured is considered to be an "employee" of every Insured.

d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.

e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

5. Loss Sustained During Prior Insurance

a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:

(1) This insurance became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

b. The insurance under this Condition is part of, not in addition to, the Limits Of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

(1) This insurance as of its effective date; or

(2) The prior insurance had it remained in effect.

6. Loss Covered Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate

If any loss is covered:

a. Partly by this insurance; and

b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit Of Insurance cumulates from year to year or period to period.

C. General Definitions

1. "Employee" means:

a. Any natural person:

(1) While in your service (and for 30 days after termination of service); and

(2) Whom you compensate directly by salary, wages or commissions; and

(3) Whom you have the right to direct and control while performing services for you; or

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

(1) Substitute for a permanent "employee" on leave; or

(2) 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".

But "employee" does not mean any:

(1) Agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

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