

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SPARTA PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

The provisions of the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit- Owners Coverage Forms and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. Coverage, terms, conditions, and exclusions as modified by this form supersede the coverage, terms, conditions and exclusions of the form being modified. All other coverage, terms, conditions, and exclusions of this policy apply to coverage provided under this form. This endorsement applies only if the Coverage Forms and Coverage Part named above are included in this policy and only to premises scheduled on the Declarations for which a limit is shown for Building and/or Business Personal Property.

#### I. Changes to the Coverage Forms

##### A. Covered Property

All references to 100 feet throughout the Coverage Form are expanded to 1,000 feet.

##### B. Additional Coverages

The following limits amend the limits otherwise shown in the Coverage Form under the referenced paragraphs.

###### 1. Debris Removal

The limit for **Debris Removal** in the first Paragraph **A.4.a.(4)** and the last Paragraph of **A.4.a.(4)** are changed from \$10,000 to \$25,000.

###### 2. Fire Department Service Charge

The first paragraph of **A.4.c.** is amended to read as follows:

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

##### C. Coverage Extensions - Amended

The following limits amend the limits otherwise shown in the Coverage Form under the referenced paragraphs.

#### 1. Newly Acquired Or Constructed Property

- a. The last paragraph of **A.5.a.(1)** is amended to read as follows:

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

- b. The last paragraph of **A.5.a.(2)(a)** is amended to read as follows:

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

- c. Paragraph of **A.5.a.(3)(b)** is amended to read as follows:

(b) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

#### 2. Personal Effects And Property Of Others

The last paragraph of **A.5.b.** is amended to read as follows:

The most we will pay for loss or damage under this Extension is \$15,000 at each described premises, but no more than \$1,500 per employee or other person. Our payment for loss of or damage to personal property of others will only be for the account of others.

#### 3. Valuable Papers And Records (Other Than Electronic Data)

Paragraph **A.5.c.** is replaced with the following:

You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

The most we will pay under this Extension for loss or damage to "valuable papers and records" at the described premises is \$50,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

For "valuable papers and records" not at the described premises, the most we will pay is \$10,000.

#### 4. Personal Property Off Premises

Paragraph A.5.d.(3) is amended to read as follows:

(3) The most we will pay for loss or damage under this Extension is \$25,000.

#### 5. Outdoor Property

The first sentence of the last paragraph of A.5.e. is amended to read as follows:

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$1,500 for any one tree, shrub or plant.

### D. Coverage Extensions - Additional

The following is added to Coverage Extensions shown in the Coverage Form.

#### 1. Accounts Receivable

a. You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. 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. The most we will pay under this Coverage Extension for loss or damage at the described premises is \$50,000.

For accounts receivable not at the described premises, the most we will pay is \$10,000.

#### 2. Claims Data Expense

In the event of a covered cause of loss, we will pay for all reasonable expenses incurred by you at our specific request to assist us in:

- (1) The investigation of a claim
- (2) The determination of the amount of loss, including the cost of taking inventory, getting appraisals, and preparing other data in order to determine the extent of your covered loss.

The most we will pay for preparation of claim data under this Extension is \$5,000. The amount payable under this extension is additional coverage.

#### 3. Employee Dishonesty

a. We will pay for direct loss of or damage to Business Personal Property and "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 partner) 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:

- (a) Any employee; or
- (b) Any other person or organization.

b. We will not pay for loss or damage resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.

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

d. 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.

e. This Coverage Extension does not apply to any employee immediately upon discovery by:

- (1) You; or
- (2) Any of your partners, officers or directors not in collusion with the employee;

loss or damage resulting from any dishonest act committed by that employee before or after being hired by you.

f. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.

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

- (1) This Coverage Extension 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 Coverage Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.

h. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Coverage Extension and is limited to the lesser of the amount recoverable under:

- (1) This Coverage Extension as of its effective date; or
- (2) The prior insurance had it remained in effect.

The amount payable under this extension is additional coverage.

#### 4. Fine Arts

You may extend the insurance that applies to Your Business Personal Property to apply to Fine Arts. The Fine Arts must be located at the described premises at the time of loss or damage.

a. We will pay for direct loss of or damage to fine arts, 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 under this Coverage Extension for loss or damage is \$25,000. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this endorsement is not additional insurance over the insurance available for Business Personal 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 will be determined as of the time of loss.

f. Fine arts do not include stamps, coins, jewelry, precious and semi-precious stones and precious metals, antique autos or airplanes.

#### 5. Fire Suppression System Recharge

We will pay up to \$5,000 for your expense to recharge your fire suppression system, including portable fire extinguishers, if the system was discharged due to fire at the described premises. The amount payable under this extension is additional coverage.

#### 6. Forgery And Alteration

You may extend the insurance that applies to Business Personal Property to apply to Forgery and Alterations.

- a. We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- b. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- c. The most we will pay for any one "occurrence", including legal expenses, is \$25,000.

#### 7. Lock Replacement

- a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
- b. The most we will pay under this Coverage Extension for all loss or damage is \$5,000. However, \$10,000 is the most we will pay for all loss sustained in any one policy year, regardless of the number of occurrences of loss or theft or the number of premises, locations or keys. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- c. A deductible of \$100 will apply for each loss.

The amount payable under this extension is additional coverage.

#### 8. Money And Securities

You may extend the insurance that applies to Business Personal Property to apply to 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. The most we will pay for loss in any one "occurrence" is:
  - (1) \$25,000 for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) \$10,000 for Outside the Premises for "money" and "securities" while anywhere else.
- d. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

#### 9. Money Orders And Counterfeit Paper Currency

You may extend the insurance that applies to Business Personal Property to apply to Money Orders And Counterfeit Paper Currency. We will pay for loss due to the good faith acceptance of:

- a. Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
- b. Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any one "occurrence" is \$25,000.

#### 10. Outdoor Signs

You may extend the insurance that applies to Your Building to apply to Outdoor Signs. The Outdoor Signs must be located at the described premises.

- a. The provision in the Limits Of Insurance section which pertains to signs does not apply.
- b. The most we will pay for direct physical loss to Covered Property in any one loss is \$25,000, unless a schedule lists a higher amount.

**11. Reward Payment**

We will reimburse you for rewards paid as follows:

- a. Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
  - (1) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
  - (2) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
- b. Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
  - (1) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
  - (2) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

- c. The lesser of the amount of the reward or \$5,000 is the most we will reimburse an eligible person under this Additional Coverage. However, \$25,000 is the most we will pay for reward payments sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or eligible persons. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

The amount payable under this extension is Additional Coverage. No deductible applies to this Additional Coverage.

**12. Sewer or Drain Backup**

We will pay for direct physical loss or damage to Covered Property at the described premises if the loss is caused by water that:

- a. Backs up through sewers or drains, or
- b. Enters into and overflows from within:
  - (1) A sump pump;
  - (2) A sump pump well; or
  - (3) Any other system, designed to remove subsurface water from the foundation area.

This coverage does not apply to direct physical loss to the sump pump caused by or resulting from mechanical breakdown, malfunction, or failure. But coverage shall apply to the overflow resulting from mechanical breakdown, malfunction, or failure of the sump pump.

Drains does not include roof drainage systems, gutters or downspouts.

The most we will pay under this Coverage Extension in any one loss or damage is \$25,000. The amount payable under this extension is additional coverage.

**E. The following are added to **Property Not Covered** in the **Coverage** Section:**

1. Property in storage away from the premises shown in the Declarations, except as provided in the Coverage Extensions of this endorsement;
2. Computers which are permanently installed in any aircraft, watercraft, motortruck or other vehicle.

**F. The following are added to the Loss Conditions Section:**

**1. Pair or Set**

In case of loss to any part of a pair or set, we may:

- 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.

**2. Packing**

You must arrange for fine arts to be packed and unpacked by competent packers.

**3. Reward Payment**

This Additional Coverage applies subject to the following conditions:

- a. An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
  - (1) You or any family member;
  - (2) Your employee or any of his or her family members;
  - (3) An employee of a law enforcement agency;
  - (4) An employee of a business engaged in property protection;
  - (5) Any person who had custody of the Covered Property at the time the theft was committed; or
  - (6) Any person involved in the crime.
- b. No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

**II. Changes To The Causes Of Loss – Special Form**

**A.** In addition to the Limitations and Exclusion applicable to property coverage, the following additional exclusions apply to the specified coverage only.

**1. Fine Arts**

The following exclusions in Section **B. Exclusions** do not apply:

- a. Ordinance or Law;
- b. Earth Movement;
- c. Utility Services or
- d. Water.

**2. Sewer or Drain Backup**

The following exclusions in Section **B. Exclusions** do not apply:

- a. Water that backs up or overflows from a sewer, drain or sump; or
- b. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

**3. Accounts Receivable**

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

- a. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- b. Bookkeeping, accounting or billing errors or omissions.

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

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

- a. Errors or omissions in processing or copying. But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
- b. Wear and tear, gradual deterioration or latent defect.

**5. Outdoor Signs**

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

- a. Dampness or dryness of atmosphere;
- b. Changes in or extremes of temperature;

- c. Marring or scratching;
- d. Rain, snow, ice or sleet.

**6. Money And Securities**

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

- a. Accounting or arithmetical errors or omissions;
- b. Giving or surrendering of property in any exchange or purchase; or
- c. Property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

**B. The following additional exclusion is added to Section B. Exclusions:**

**Inventory**

Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

**III. Definitions**

**A. "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.

**B. "Occurrence" means:**

- 1. Under Employee Theft:
  - (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.
- 2. Under Forgery Or Alteration:
  - (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, involving one or more instruments, during the Policy Period shown in the Declarations, before such Policy Period or both.
- 3. Under Money Orders And Counterfeit Paper Currency & Money And Securities:
  - (a) An individual act or event;

- (b) The combined total of all separate acts or events whether or not related; or
- (c) A series of acts or events 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.

**C. "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".

**D. "Valuable papers and records" means inscribed, printed or written:**

- 1. Documents;
- 2. Manuscripts; and
- 3. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean:

- 1. accounts receivable, "money" or "securities"; and
- 2. "valuable papers and records" that exist as electronic data as described under Property Not Covered - Electronic Data.

**IV. Other Insurance**

- A.** When coverage is provided by this form and another coverage form or endorsement is attached to this policy, the greater Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.
- B.** If there is other insurance under a separate policy covering the same loss or damage as provided for in this endorsement, we will pay only the amount of covered loss or damage in excess of the amount due from that other insurance, regardless of whether you are able to collect. However, we will not pay more than the applicable Limit of Insurance.