



POLICYHOLDER NOTICE

CNA Commercial Insurance
151 N. Franklin St.
Chicago, IL 60606

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

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Inland Marine

Renewal Declaration

POLICY NUMBER	COVERAGE PROVIDED BY	FROM - POLICY PERIOD - TO
C 5099692240	The Continental Insurance Co. 151 N Franklin CHICAGO, IL 60606	07/01/2021 07/01/2022

INSURED NAME AND ADDRESS
COUNTY OF SAN BERNARDINO
222 WEST HOSPITALITY LANE
3RD FLOOR
SAN BERNARDINO, CA 92415

AGENCY NUMBER	AGENCY NAME AND ADDRESS
047850	ALLIANT INS SERVICES, INC 1301 DOVE STREET, SUITE 200 NEWPORT BEACH, CA 92660 Phone Number: (949)809-1401

BRANCH NUMBER	BRANCH NAME AND ADDRESS
240	LOS ANGELES WEDBUSH CENTER 1000 WILSHIRE BLVD 18 FL #1800 LOS ANGELES, CA 90017 Phone Number: (877)400-0750

This policy becomes effective and expires at 12:01 A.M. standard time at your mailing address on the dates shown above.

The Named Insured is a Municipality.

Your policy is composed of this Declarations, with the attached Common Policy Conditions, Coverage Forms, and Endorsements, if any. The Policy Forms and Endorsement Schedule shows all forms applicable to this policy at the time of policy issuance.

The Policy Premium Is	\$184,583.00
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Terrorism Risk Insurance Extension Act Premium	\$39.00
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Your Premium includes the following amount to cover a fire loss that follows from a certified act of terrorism, even if certified acts of terrorism are otherwise excluded under this policy (statutorily required for locations in the Standard Fire Policy states of CA, HI, ME, MO, OR AND WI):

	\$16.00
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POLICY NUMBER

C 5099692240

INSURED NAME AND ADDRESS

COUNTY OF SAN BERNARDINO
222 WEST HOSPITALITY LANE
3RD FLOOR
SAN BERNARDINO, CA 92415

In return for the payment of the premium, and subject to all the terms and conditions contained here-in, we agree to provide the insurance as stated.

POLICY NUMBER
C 5099692240

INSURED NAME AND ADDRESS
COUNTY OF SAN BERNARDINO
222 WEST HOSPITALITY LANE
3RD FLOOR
SAN BERNARDINO, CA 92415

INLAND MARINE SUMMARY OF COVERAGES

Contractors Equipment

- Contractors Equipment Declarations - Policy Level Information - G300665
- Contractors Equipment Declarations - Additional Coverage and Coverage Extension Schedule - G300666

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POLICY NUMBER
C 5099692240

INSURED NAME AND ADDRESS
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INLAND MARINE CONTRACTORS EQUIPMENT SCHEDULE

(For Additional IM Declaration Information, See Form G300665)

ITEM NO.	DESCRIPTION OF EQUIPMENT (Year, Manufacturer, Model)	LIMIT OF INSURANCE	DEDUCTIBLE	COINSURANCE	VALUATION (ACV, RC, AV)
1	DPW TRANSPORTATION	\$46,325,000	\$5,000		
2	DPW FLOOD CONTROL	\$13,720,000	\$5,000		
8	RENTAL BARE EQUIPMENT	\$20,535	\$5,000		
9	ARMC EQUIPMENT	\$941,400	\$5,000		
10	FIRE DEPTMENT ASSET LIST	\$78,107,527	\$25,000		
11	OES FIRE	\$3,125,000	\$5,000		
12	Yucaipa Reg Park	\$63,102	\$5,000		
34	Glen Helen	\$336,781	\$5,000		
35	HR Covid Vaccine	\$170,000	\$5,000		

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INLAND MARINE LOSS PAYEE SCHEDULE

All loss payees as their interests may appear in the Covered Property.

The following provisions apply in accordance with the insurable interest of the loss payee: Loss Payable, Lender's Loss Payable, or Contract of Sale.

Description of Property: Any Covered Property in which a loss payee, creditor or lender holds an interest, including any person or organization you have entered a contract with for the sale of the Covered Property.

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INSURED NAME AND ADDRESS
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FORMS AND ENDORSEMENTS SCHEDULE

DECLARATIONS AND SCHEDULES

FORM NUMBER		FORM TITLE
CM0001	09/2004	Commercial Inland Marine Conditions
CNA63759XX	07/2012	Waterborne Property Sub-Limit and Deductible
G144291A	03/2003	Economic And Trade Sanctions Condition
G15028A	08/1989	Loss Payable Provision
G300665B	11/2009	Contractors Equipment Declaration-Policy Level
G300666B	11/2009	Contractors Equipment Declaration-Add Cov and Ext
G44080H	11/2009	Contractors Equipment Coverage Form
IL0003	09/2008	Calculation of Premium
IL0017	11/1998	Common Policy Conditions
IL0102	02/2020	California Changes - Actual Cash Value
IL0104	07/2020	California Changes
IL0270	07/2020	California Changes - Cancellation and Nonrenewal
IL0952	01/2015	Cap on Losses From Certified Acts of Terrorism
G56015B	11/1991	COUNTY OF SAN BERNARDINO AUTO ENDORSEMENT
G56015B	11/1991	ADDITIONAL INSUREDS ENDORSEMENT
G56015B	11/1991	FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMI

***** PLEASE READ THE ENCLOSED IMPORTANT NOTICES CONCERNING YOUR POLICY *****

FORM NUMBER		FORM TITLE
G145041A	05/2003	IMP INF Economic And Trade Sanctions Condition

Countersignature


Chairman of the Board


Secretary

POLICY NUMBER
C 5099692240

INSURED NAME AND ADDRESS
COUNTY OF SAN BERNARDINO
222 WEST HOSPITALITY LANE
3RD FLOOR
SAN BERNARDINO, CA 92415

POLICY CHANGES

COUNTY OF SAN BERNARDINO AUTO ENDORSEMENT

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COUNTY OF SAN BERNARDINO
AUTO ENDORSEMENT

This endorsement modifies insurance provided under the following:
CONTRACTORS EQUIPMENT COVERAGE FORM

I. Section A. COVERAGE, 1. Covered Property is deleted in its entirety and replaced with the following:

1. Covered Property, as used in this Coverage Form, means:
- a. "Your" "contractors equipment", or the "contractors equipment" of others under "your" care, custody or control; and
 - b. "Autos" owned, leased or rented by "you", including temporary, non-owned substitute "autos" for an owned, leased or rented "auto" that is out of service because of breakdown, repair, servicing, "loss" or destruction;
- described in the Declarations page. Reference to the term "equipment" in the Declarations also includes "autos" described in b. above. However, Covered Property does not include property described under the Property Not Covered section.

II. Section A. COVERAGE, 2. Property Not Covered, paragraph a. is deleted in its entirety and replaced with the following:

- a. Fire trucks valued at less than \$100,000;

III. Section B. EXCLUSIONS, paragraph 2. is amended by the addition of the following:

- "Diminution in value";
The blowout or puncture of tires or other road damage to tires;

IV. Section G. DEFINITIONS is amended by the addition of the following:

"Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads.

"Contractors Equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects. "Contractors' equipment" also means:

- a. Self-propelled vehicles designed and used primarily to carry mounted equipment, or
- b. Vehicles designed for highway use that are unlicensed and not operated on public roads.


Chairman of the Board


Secretary

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SAN BERNARDINO, CA 92415

POLICY CHANGES

COUNTY OF SAN BERNARDINO AUTO ENDORSEMENT

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

"Diminution in value" means the actual or perceived loss in market value or resale value which results from direct physical "loss".

All other terms and conditions of the policy remain unchanged.

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Secretary

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INSURED NAME AND ADDRESS
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SAN BERNARDINO, CA 92415

POLICY CHANGES
ADDITIONAL INSURED ENDORSEMENT

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ADDITIONAL INSURED
This endorsement modifies insurance provided under the following:
CONTRACTORS EQUIPMENT COVERAGE FORM

The following additional insureds are added to the policy:

Penske Truck Leasing Co. L.L.P. and it's partners are named as
Additional Insured for all vehicles leased or rented from Penske
Truck Leasing Co. L.L.P. including substitutes, extras, permanent
replacements, or interim vehicles

All other terms and conditions of the policy remain unchanged.

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Chairman of the Board


Secretary

POLICY NUMBER
C 5099692240

INSURED NAME AND ADDRESS
COUNTY OF SAN BERNARDINO
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3RD FLOOR
SAN BERNARDINO, CA 92415

POLICY CHANGES

FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERA

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERAGE
ENDORSEMENT

This endorsement modifies insurance provided under the following:
CONTRACTORS EQUIPMENT COVERAGE FORM

I. EXCLUSION AMENDMENTS

A. Section B. EXCLUSIONS, paragraph 1., is amended by the addition of the following:

Fungi, Wet Rot, Dry Rot and Microbes

The presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or "microbes."

This exclusion does not apply:

1. When "fungi", wet or dry rot or "microbes" result from fire or lightning.
2. To the extent that coverage is provided by the Coverage Extension - Fungi Limited Coverage.

B. To the extent any exclusion for fungus, hidden or latent defect, changes in or extremes of temperature, or dampness or dryness of atmosphere, conflicts with the coverage provided by the Coverage Extension - Fungi Limited Coverage, such exclusion does not apply.

II. FUNGI LIMITED COVERAGE

The following Coverage Extension is added:

SCHEDULE

Fungi Limited Coverage "Annual Aggregate" Limit: \$25,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERAGE
ENDORSEMENT

This endorsement modifies insurance provided under the following:
CONTRACTORS EQUIPMENT COVERAGE FORM

I. EXCLUSION AMENDMENTS

A. Section B. EXCLUSIONS, paragraph 1., is amended by the addition of the following:

Fungi, Wet Rot, Dry Rot and Microbes

The presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or "microbes."

This exclusion does not apply:

1. When "fungi", wet or dry rot or "microbes" result from fire or lightning.
2. To the extent that coverage is provided by the Coverage Extension - Fungi Limited Coverage.


Chairman of the Board


Secretary



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POLICY CHANGES

FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERA

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

B. To the extent any exclusion for fungus, hidden or latent defect, changes in or extremes of temperature, or dampness or dryness of atmosphere, conflicts with the coverage provided by the Coverage Extension - Fungi Limited Coverage, such exclusion does not apply.

II. FUNGI LIMITED COVERAGE

The following Coverage Extension is added:

SCHEDULE

Fungi Limited Coverage "Annual Aggregate" Limit: \$25,000

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Chairman of the Board


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POLICY CHANGES

FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERA

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

Fungi Limited Coverage

(1) We cover loss or damage by "fungi", wet or dry rot or "microbes", when the "fungi", wet or dry rot or "microbes" is the result of a Covered Causes of Loss that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence. As used in this Coverage Extension, the term loss or damage means:

(a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or "microbes", including the cost of removal of the "fungi", wet or dry rot or "microbes";

(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or "microbes"; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or "microbes", are present.

(2) The coverage described under this Coverage Extension is limited to the Fungi Limited Coverage "Annual Aggregate" limit shown above. With respect to a particular occurrence of loss which results in "fungi", wet or dry rot or "microbes", the Fungi Limited Coverage "Annual Aggregate" limit is not reinstated in a subsequent policy period when the "fungi", wet or dry rot or "microbes" continues to be present or active, or recurs.

(3) The coverage provided under this Coverage Extension does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet or dry rot or "microbes", and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the affected Covered Property.

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Chairman of the Board


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POLICY CHANGES

FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERA

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or "microbes", loss payment will not be limited by the terms of this Coverage Extension, except to the extent that "fungi", wet or dry rot or "microbes", causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Coverage Extension.

Payment under this Coverage Extension cannot be combined with any other payment under this coverage form for loss or damage by "fungi", wet or dry rot or "microbes".

(4) If this policy includes Time Element coverage, the "period of restoration" for the applicable Time Element coverage is extended to include the reasonable and necessary time to account for the coverage described in paragraph (1) of this Coverage Extension. Such Time Element coverage is included within the Fungi Limited Coverage "Annual Aggregate" limit shown above.

The Fungi Limited Coverage - Coverage Extension does not apply when "fungi", wet rot, dry rot or "microbes" result from fire or lightning.

III. Additional DEFINITIONS

1. "Annual Aggregate" refers to a Limit of Insurance which represents the most we will pay in each separate twelve (12) month period of this policy, regardless of the number of occurrences.

2. "Fungi" means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. But "fungi" does not include any fungi intended by the insured for consumption.

3. "Microbes" means any non-fungal microorganism or non-fungal, colony-form organism that causes infection or disease. "Microbe" includes any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of microbes.

All other terms and conditions of the policy remain unchanged.


Chairman of the Board


Secretary



CONTRACTORS EQUIPMENT DECLARATIONS**POLICY LEVEL****COVERED PROPERTY**Insurance applies only to those coverages designated by an **X** below:**[X] Scheduled Items-Limit** \$142,809,345**SCHEDULE**

Item No	Description of Equipment	Limit of Insurance*	Deductible	Coinsurance	Valuation (ACV,RC,AV)
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REFER TO IM DECLARATION FORM G55232

* if "BLANKET" is shown, Blanket coverage on equipment used in your business limits apply.

[] As per itemized list on file with the company dated:

The limit of insurance for any one item will not exceed the amount shown in the itemized list. The total limit of covered equipment is shown.

As per itemized list on file with the company-Deductible

[X] Blanket coverage on equipment used in your business-Limit	\$200,000
Limit Per Item	\$100,000

Blanket coverage-Deductible	\$5,000
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[X] Equipment Leased or Rented to Others	
Items may be included in Scheduled Items or Itemized List On File.	
Limit Per Occurrence	\$500,000
Limit Per Item	\$500,000

Equipment Leased or Rented to Others-Deductible	
If a deductible is shown, no other deductible applies.	
	\$5,000

[X] Blanket coverage on small tools used in your business-Limit	\$250,000
Limit Per Item	\$10,000

Small Tools-Deductible	\$5,000
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[X] Blanket coverage on employee tools and work clothing	
Limit	\$250,000
Limit Per Item	\$10,000
Limit Per Employee	\$250,000

Employee tools and work clothing-Deductible	\$5,000
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[X] Blanket Coverage on Short-Term Equipment Leased, Borrowed Or Rented From Others	
Limit Per Occurrence	\$500,000
Limit Per Item	\$500,000

Short-Term Equipment Leased, Borrowed or Rented From Others-Deductible	\$5,000
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BUSINESS INCOME, CONTRACTUAL PENALTIES AND EXTRA EXPENSE

Limit of Insurance
Maximum Per Day
Waiting Period

ADDITIONAL CONDITIONS

Percentage Deductible

The following Percentage Deductible applies to all Covered Property or coverage(s) listed where PERCENTAGE is specified:

of the value of the item, or the largest value if two or more items are involved in the same loss, but not less than , nor more than .

Reporting Conditions

Covered Property	Rate	Premium Base
Short Term Equipment Leased, Borrowed or Rented from Others		
Unscheduled Equipment Leased or Rented to Others		
Blanket coverage on equipment used in your business		

Reporting Period
Premium Adjustment Period

Maximum per Occurrence Limit-any one loss

\$25,000,000

Minimum Earned Premium

Coinsurance

Waived

Applies to all Covered Property:

- (1) unless "Waived" is specified in the Schedule;
- (2) unless a different coinsurance percentage is shown in the Schedule; or
- (3) except for categories excluded in Sec. F.3.c. (Additional Conditions) of this Coverage Form.

Valuation

Replacement Cost

Applies to all Covered Property unless otherwise specified in the Schedule.

CONTRACTORS EQUIPMENT DECLARATIONS

ADDITIONAL COVERAGE and COVERAGE EXTENSION SCHEDULE

Additional Coverages

a. Arson and Crime Reward Payments	\$5,000
b. Data Restoration Expense	\$25,000
c. Debris Removal Additional Amount	\$100,000
d. Fire Department Service Charge and Extinguishing Expense	\$25,000
e. Loss Adjustment Expense	\$25,000
f. Maintenance Supplies, Spare Parts and Fuel	\$25,000
g. Recharge of Fire Protection Equipment	\$25,000

Coverage Extensions

a. Equipment Loaned to Others	INCLUDED
b. Expediting Expense	\$50,000
c. Newly Acquired Property	
(1) Per Occurrence	\$500,000
(2) Per Item	\$500,000
(3) Property Damage Deductible	\$1,000
(4) Business Income, Contractual Penalties and Extra Expense Per Day	
(5) Business Income, Contractual Penalties and Extra Expense Per Occurrence	
(6) Time Limit	180 days
d. Pollutant Clean Up and Removal	\$100,000
e. Preservation of Property	INCLUDED
f. Rental Reimbursement	
(1) Per Occurrence	\$250,000
(2) Aggregate	\$250,000
(3) Waiting Period	24 hours
g. Unintentional Errors and Omissions	\$25,000
h. Waterborne Property in Transit	INCLUDED
i. Waterborne Property	INCLUDED
j. Weight of Load	INCLUDED

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COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

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- a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

- 1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- 2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage 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 damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything

necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- 1. Prior to a loss to your Covered Property.
- 2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

- 1. This Coverage Part;
- 2. The Covered Property;
- 3. Your interest in the Covered Property; or
- 4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

- 1. There has been full compliance with all the terms of this Coverage Part; and
- 2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

- 1. During the policy period shown in the Declarations; and
- 2. Within the coverage territory.

F. Valuation

The value of property 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 damage;
or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATERBORNE PROPERTY SUB-LIMIT AND DEDUCTIBLE

This endorsement modifies insurance provided under the following:

CONTRACTORS EQUIPMENT COVERAGE FORM

WATERBORNE PROPERTY SCHEDULE

Waterborne Property Limit of Insurance: \$500,000

Waterborne Property Deductible: \$5,000

Section **A. COVERAGE, 6. Coverage Extensions, i. Waterborne Property** is deleted in its entirety and replaced with the following:

i. Waterborne Property

If Waterborne Property, other than Waterborne Property in Transit, is shown as INCLUDED in the Declarations, "we" will pay for direct physical "loss" from a Covered Cause of Loss to Waterborne Property that is not in transit. The most "we" will pay in any one occurrence under this Coverage Extension is the Waterborne Property Limit of Insurance.

The Deductible shown on the above schedule does not apply to Time Element "loss."

All other terms and conditions of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE FORM

SCHEDULE

<u>Location (If Applicable)</u>	<u>Description of Property</u>	<u>Loss Payee (Name & Address)</u>	<u>Provisions Applicable</u>		
			<u>Loss Payable</u>	<u>Lender's Loss Payable</u>	<u>Contract Of Sale</u>

REFER TO INLAND MARINE LOSS PAYEE SCHEDULE

A. When this endorsement is attached to your Commercial Inland Marine Coverage Form the term Coverage Form in this endorsement is replaced by the term Policy.

B. LOSS PAYABLE

The following is added under the Loss Conditions section of the Commercial Inland Marine Conditions, Paragraph E. – Loss Payment:

For Covered Property in which both you and a Loss Payee shown in the above Schedule have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the above Schedule is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Bills of lading;
- b. Financing statements;
- c. Chattel mortgages.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear;
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property;
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of



your acts or because you have failed to comply with the terms of this Coverage Form:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principle on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we do not **renew** this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added under the Loss Condition section of the Commercial Inland Marine Conditions, Paragraph F. – Other Insurance:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

CONTRACTORS EQUIPMENT COVERAGE FORM

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CONTRACTORS EQUIPMENT COVERAGE FORM

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and what is not covered.

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G – **DEFINITIONS**.

A. COVERAGE

Subject to the Limits of Liability specified in the Declarations, and all other Policy provisions "we" will pay for direct physical "loss" to Covered Property described herein from any Covered Cause of Loss.

1. **Covered Property**, as used in this Coverage Form, means the contractors equipment property described in the Declarations page and subject to **Section A.2. (Property Not Covered)** below. This Covered Property may be "your" property, or the property of others in "your" care, custody or control.

2. **Property Not Covered**

- a. Automobiles, motor trucks, tractors, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
 - (1) Self-propelled vehicles designed and used primarily to carry mounted Covered Property, or
 - (2) Vehicles designed for highway use that are unlicensed and not operated on public roads;
- b. Aircraft or watercraft;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Equipment leased or rented to others, unless indicated in the Declarations;
- e. Equipment loaned to others, except as provided in **Section A. Coverage Extension 6.a.**;
- f. Property while airborne;
- g. Property while waterborne, except as provided in **Section A. Coverage Extension 6.h. or in Coverage Extension 6.i.**

3. **Time Element**

a. **Business Income, Contractual Penalties and Extra Expense**

(1) As used in this Coverage Form:

(a) **Business Income** means:

- (i) Net income including net rental income (net profit or "loss" before income taxes) that would have been earned or incurred; and
- (ii) Continuing normal operating expenses incurred.

But, Business Income does not include any incentive bonus which would have been received if the project had been completed ahead of schedule.

(b) **Contractual Penalties** means amounts which, under the terms of "your" contract, "you" are required to pay due to "your" inability to fulfill the contractual obligations due to a delay. "Your" inability to fulfill contractual obligations due to a delay must be as a direct result of a "loss" to "your" Covered Property due to a Covered Cause of Loss.

(c) **Extra Expense** means necessary additional expenses "you" incur to avoid or minimize the suspension of business and to continue operations. This includes additional expenses incurred to make temporary repairs to, and expedite the permanent repair or replacement of Covered Property that is damaged by a Covered Cause of Loss, such as overtime and the additional cost of express or other means of rapid transportation.

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All necessary expenses that "you" incur to reduce "loss" of Business Income other than Fire Department Service Charges and Extinguishing Expenses, but "we" will not pay more than the actual amount by which the "loss" of Business Income is reduced.

(2) "We" will pay for;

- (a)** The actual "loss" of Business Income "you" sustain during the "period of restoration," after the waiting period. If applicable, "we" will deduct from this amount all charges and expenses which do not necessarily continue during the "period of restoration."
- (b)** The actual "loss" of Business Income "you" sustain directly from a total or partial "loss" to "your" Covered Property, but no more than the Maximum Per Day Limit of Insurance specified in the Declarations for each day "your" operations are suspended.

This period of time will not be limited by the expiration date of the Policy.

(3) The most "we" will pay for all "loss" of Business Income, Contractual Penalties and Extra Expense arising out of any one occurrence under this Coverage Form is the Business Income, Contractual Penalties and Extra Expense Limit of Insurance specified in the Declarations.

(4) A Waiting Period Deductible is the amount of time, immediately following the date and time of direct physical "loss," during which "you" are responsible for the amount of Business Income "loss" sustained or Contractual Penalties incurred or Extra Expense incurred. "We" will then pay the amount of Business Income "loss" sustained and Contractual Penalties incurred and Extra Expense incurred during the remainder of the "Period of Restoration," up to the Limit of Insurance specified in the Declarations that applies to this Coverage. The Waiting Period Deductible that applies to "your" coverage for "loss" of Business Income, Contractual Penalties and Extra Expense is the Business Income, Contractual Penalties and Extra Expense Waiting Period Deductible specified in the Declarations. No other Deductible applies to the insurance provided under this Coverage Form.

(5) "We" will discontinue payments for "loss" when:

- (a)** The total amount paid for the "loss" of income equals the per occurrence Limit of Insurance specified in the Declarations; or
- (b)** The "Period of Restoration" is completed, whichever occurs first.

4. Covered Causes of Loss

Covered Causes of Loss means all causes of direct physical "loss" except those causes of loss listed in **Section B. (EXCLUSIONS)**.

5. Additional Coverages

a. Arson and Crime Reward Payments

(1) In the event of an arson, theft or vandalism "loss" to which the insurance provided by this Coverage Form applies, "we" will reimburse "you" for amounts "you" offer, and subsequently pay, as a reward to anyone, other than "you" or "your" officers, partners or directors, for information leading to:

- (a)** The arrest and conviction of any person(s) responsible for the arson, theft or vandalism "loss"; or
- (b)** The recovery of the stolen property.

(2) The most "we" will pay under this Additional Coverage for all rewards paid for information regarding any one arson, theft, or vandalism "loss" is the Arson and Crime Reward Payments Limit of Insurance specified in the Declarations.

(3) No deductible applies to this Additional Coverage.

b. Data Restoration Expense

(1) The insurance provided by this Coverage Form covers "your" costs to research, replace or restore the lost data on lost or damaged "media" which is used in or with "your" Covered Property.

(2) This Additional Coverage applies only if the direct physical "loss" is caused by or results from a Covered Cause of Loss.

- (3) The most "we" will pay in any one occurrence under this Additional Coverage for "your" costs to research, replace, or restore the lost data on lost or damaged "media" is the Data Restoration Expense Limit of Insurance specified in the Declarations.

c. Debris Removal

- (1) "We" will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.
- (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical "loss."
- (3) The most "we" will pay under this Additional Coverage is 25% of:
- (a) The amount "we" pay for the direct physical "loss" to Covered Property, plus
 - (b) The Deductible in this Policy applicable to that "loss."

But, this limitation does not apply to any additional debris removal limit provided under the **Additional Coverage and Coverage Extension** Declarations Schedule.

- (4) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water, or
- (b) Remove, restore, or replace polluted land or water.

d. Fire Department Service Charge and Extinguishing Expense

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, "we" will pay up to the Fire Department Service Charge and Extinguishing Expense Limit of Insurance specified in the Declarations for "your" liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

e. Loss Adjustment Expense

In the event of covered "loss" under this Coverage Form, "we" will pay for reasonable expenses incurred by "you," at our request, to assist us in the determination of the amount of "loss," such as taking inventory and appraisals.

"We" will not pay for public adjustors' fees.

No Deductible applies to this Additional Coverage.

f. Maintenance Supplies, Spare parts and Fuel

"We" will pay for "loss" to spare parts and accessories for Covered Property, fluids for vehicles including fuel oil, grease, and similar maintenance supplies usual to "your" operations caused by or resulting from a Covered Cause of Loss. This Additional Coverage does not apply to products, such as fuels in underground tanks.

g. Recharge of Fire Protection Equipment

"We" will pay the cost to recharge discharged Fire Protection Equipment whether or not there is direct physical "loss" to Covered Property. The most "we" will pay for this Additional Coverage is the Recharge of Fire Protection Limit of Insurance specified in the Declarations.

6. Coverage Extensions

a. Equipment Loaned To Others

If Equipment Loaned to Others is shown as INCLUDED in the Declarations, "we" will pay for direct physical "loss" as a result of a Covered Cause of Loss to Equipment Loaned to Others for a period of less than 12 Months.

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b. Expediting Expenses

"We" will pay reasonable and necessary costs incurred by the insured to expedite repairs to Covered Property following "loss" covered under this Coverage Form. This includes payment of overtime wages and extra cost to use express or other rapid means of transportation. However, coverage is not included hereunder for costs recoverable elsewhere in the Policy or for permanent repair or replacement of damaged Covered Property. The most "we" will pay under this Coverage Extension is the Expediting Expenses Limit of Insurance specified in the Declarations.

c. Newly Acquired Property

(1) The insurance provided by this Coverage Form is extended to apply to direct physical "loss" to property of the type described in the Declarations which "you" acquire during the policy period.

"We" will also pay for the actual "loss" of Business Income "you" sustain and Contractual Penalties "you" incur and necessary Extra Expense "you" incur during the "Period of Restoration" due to direct physical "loss" or damage to the "Newly Acquired Property."

(2) Insurance under this Coverage Extension applies only if the direct physical "loss" or damage is caused by or results from a Covered Cause of Loss.

(3) The most "we" will pay in any one occurrence under this Coverage Extension is the Limits of Insurance specified in the Declarations for:

(a) "Newly Acquired Property" Limit per item;

(b) "Newly Acquired Property" limit per occurrence;

(c) Business Income, Contractual Penalties and Extra Expense from "Newly Acquired Property" Limit per day;

(d) Business Income, Contractual Penalties and Extra Expense from "Newly Acquired Property" Limit per occurrence.

(4) The Deductible that applies to the Business Income, Contractual Penalties, and Extra Expense coverage afforded under **Section A.3.a. Time Element** of this Coverage Form also applies to this Coverage Extension for "loss" of Business Income, Contractual Penalties and Extra Expense. No other Deductible applies to this coverage for "loss" of Business Income, Contractual Penalties and Extra Expense.

(5) The insurance provided under this Coverage Extension for each newly acquired piece of Covered Property will end when any of the following first occurs:

(a) The Policy expires;

(b) The "Newly Acquired Property" Time Limit specified in the Declarations has lapsed; or

(c) "You" report the value of the Covered Property to us.

"We" will charge "you" additional premium for values reported from the date "you" acquire the Covered Property.

d. Pollutant Clean Up and Removal

"We" will pay "your" expense to extract "Pollutants" from land or water 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 Loss occurs.

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

The most we will pay for the sum of all covered expenses arising out of Covered Cause of Loss occurring during each separate 12 month period of this Policy is the Pollutant Clean Up and Removal Limit of Insurance specified in the Declarations.

e. Preservation of Property

If it is necessary to move Covered Property from a premises to preserve it from "loss" by a Covered Cause of Loss, "we" will pay for any direct physical "loss" to that Covered Property:

- (1) While it is being moved, or while temporarily stored at another location; and
- (2) Only if the "loss" occurs within 30 days after the Covered Property is first moved.

f. Rental Reimbursement

We will reimburse "you" for the rental of equipment that is necessary to replace owned Covered Property and Covered Property in "your" care, custody and control, and that was made inoperable due to direct physical "loss" by a Covered Cause of Loss.

"We" will not reimburse "you" if "you" have other similar equipment available to "you" at no additional expense, which can be used to continue or resume "your" operations.

A Waiting Period Deductible is the amount of time, immediately following the date and time of direct physical "loss," during which "you" are responsible for the amount of rental reimbursement "loss" incurred. The Waiting Period Deductible that applies to "your" coverage for "loss" of rental reimbursement is the Rental Reimbursement Waiting Period Deductible specified in the Declarations. "Our" payment will be limited to expenses incurred during the period beginning after the Rental Reimbursement Waiting Period Deductible, and ending when the Covered Property has been replaced, restored to service or is no longer needed, whichever occurs first. "Our" payment will not be limited by the expiration date of the Policy. No other Deductible applies to this Coverage Extension.

The most "we" will reimburse "you" for rental expense in any one occurrence under this Coverage Extension is specified in the Declarations. "We" will not pay more for all rental expenses in any one Policy year than the Aggregate Limit of Insurance for Rental Expense specified in the Declarations.

g. Unintentional Errors and Omissions

This insurance shall not be prejudiced by any unintentional or inadvertent error, omission, incorrect valuation or incorrect description of the interest, risk or property, provided notice is given to the Company as soon as practicable upon discovery of any such error, omission, incorrect valuation or incorrect description. The most "we" will pay under this Coverage Extension is the Unintentional Errors and Omissions Limit of Insurance specified in the Declarations.

h. Waterborne Property in Transit

If Waterborne Property in Transit is shown as INCLUDED in the Declarations "we" will pay for direct physical "loss" to Waterborne Property in Transit as a result of a Covered Cause of Loss.

i. Waterborne Property

If Waterborne Property, other than Waterborne in Transit, is shown as INCLUDED in the Declarations, "we" will pay for direct physical "loss" to Waterborne Property as a result of a Covered Cause of Loss.

j. Weight of Load

"We" will pay for "loss" due to Weight of Load exceeding the registered lifting capacity of any Covered Property under normal operating conditions at the time of "loss" if Weight of Load is shown as INCLUDED in the Declarations.

B. EXCLUSIONS

- 1. "We" will not pay for "loss" caused directly or indirectly by any of the following causes - such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

a. Governmental Action

Seizure or destruction of Covered Property by order of governmental authority. But, "we" will pay for "loss" caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would otherwise be covered under this Coverage Form.



b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination results in fire, "we" will pay for the "loss" caused by that fire.

c. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

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

- a. Delay, loss of use, loss of market or, except as specifically provided, consequential "loss" of any nature.
- b. Unexplained disappearance, except for unexplained disappearance of Covered Property in the custody of a carrier for hire.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal acts by "you," any of "your" partners, employees, directors, trustees or authorized representatives, or anyone to whom "you" entrust the Covered Property for any purpose, other than a carrier or other bailee for hire.

This Exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This Exclusion does not apply to acts of destruction by employees, but theft by employees is not covered.

- e. Voluntary parting with any property by "you" or anyone else to whom "you" have entrusted the Covered Property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - f. Discharge, dispersal, seepage, migration, release, or escape of "Pollutants":
 - (1) Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or
 - (2) Except as provided for under the Coverage Extension Pollutant Clean Up and Removal.
- But if "loss" by the "specified causes of loss" results from the discharge, dispersal, seepage, migration, release or escape of "pollutants," we will pay for the resulting "loss" caused by the "specified cause of loss."
- g. The weight of a load exceeding the registered lifting capacity of any machine under the operating conditions at the time of "loss," except as provided in **Section A.6.j.**

3. "We" will not pay for direct physical "loss" caused by or resulting from any of the following causes of "loss" (3. a. through 3.j.), but, if any excluded cause of "loss" listed in said 3.a. through 3.j. results in a Covered Cause of Loss, "we" will pay for "loss" caused by that Covered Cause of Loss:

- a. Weather conditions - but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **Section B. Exclusion 1.** of this Coverage Form to produce the direct physical "loss";
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, installation, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, installation, construction, renovation or remodeling; or
 - (4) Maintenance;
- of part or all of any Covered Property, wherever located.

- d. Wear and tear, rust, corrosion, fungus, decay, depreciation, gradual deterioration, hidden or latent defect, or any quality in the Covered Property that causes it to damage or destroy itself;
 - e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
 - f. Dampness or dryness of atmosphere, changes in or extremes of temperature, marring or scratching, breakage of tubes, bulbs, lamps or articles made largely of glass (except lenses) but, "we" will pay for such "loss" caused directly by the "Specified Causes of Loss" when those "Specified Causes of Loss" are Covered Cause of Loss;
 - g. "Computer Virus";
 - h. Malfunction or failure of Covered Property to operate, due to, but not limited to adjustment, alignment, calibration, cleaning or modification;
 - i. Functioning of any safety or protective device; and/or
 - j. Mechanical breakdown or any artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
4. The following additional **exclusions** apply only to the insurance provided under this Coverage Form for "loss" of "Business Income" and "Extra Expense." "We" will not pay for:
- a. "Loss" of "Business Income" or "Extra Expense" caused by or resulting from programming errors or faulty machine instructions.
 - b. Any increase of "loss" of "Business Income" or "Extra Expense" caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing damaged Covered Property or in resuming "your" business operations, due to interference by strikers or other persons at "your" premises or the premises of "your" normal business operations; or
 - (2) Suspension, lapse, or cancellation of any license, lease, or contract. But if the suspension, lapse or cancellation is directly caused by the interruption of "your" business operations, "we" will cover such "loss" that affects "your" "Business Income" during the "Period of Restoration"; or
 - c. Any other consequential "loss."

C. LIMITS OF INSURANCE

- 1. The most "we" will pay for "loss" in any one occurrence is the Maximum Per Occurrence Limit specified in the Declarations.
- 2. Except where specifically indicated otherwise, payments under any Additional Coverages are in addition to the Property and Time Element Limits of Insurance.
- 3. Except where specifically indicated otherwise, payment under the Coverage Extensions does not increase the applicable Property and Time Element Limits of Insurance.
- 4. The most "we" will pay for any Additional Coverage or any Extension of Coverage under this Coverage Form is the Limit of Insurance specified in the Declarations.

D. DEDUCTIBLE

"We" will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible amount specified in the Declarations. "We" will then pay the adjusted "loss" in excess of the Deductible amount, or Percentage Deductible up to the applicable Limit of Insurance. If a "loss" involves two or more Covered Property items, the Percentage Deductible will apply only to the Covered Property with the highest value at the time of "loss." Except as may be otherwise provided in this Policy, in the event of any one Occurrence where two or more Deductibles apply, the total to be deducted shall not exceed the largest Deductible applicable, except that in the event of one Occurrence, where both a physical damage and a Time Element deductible are involved, each such Deductible shall apply separately.

E. VALUATION CONDITIONS

General Conditions F. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

- 1. In the event of "loss," the value of Covered Property will be determined as of the time of "loss."



2. If a covered "loss" occurs to an item of Covered Property and the total amount of this "loss" is less than 20% of the value of the item at the time of "loss," no depreciation will be applied to the damaged Covered Property in the settlement of the claim.
3. We will deduct the amount of any security deposit you retain on Covered Property leased or rented to others from what we would otherwise pay in the settlement of a claim.

4. Actual Cash Value (ACV)

- a. Unless otherwise indicated on the Declarations or in Section E.4.b. below, the value of Covered Property will be the least of the following amounts:
 - (1) The actual cash value of the lost or damaged Covered Property at the time of direct physical loss or damage;
 - (2) The cost of repairing the lost or damaged Covered Property with other property of like kind and quality;
 - (3) The cost of replacing the lost or damaged Covered Property with other property of like kind and quality;
 - (4) If the Covered Property is leased or rented, "your" liability imposed by law or assumed by contract; or
 - (5) The Limit of Insurance applicable to the lost or damaged Covered Property.
- b. With respect to Equipment Leased or Rented From Others, if the written lease or rental agreement requires that "you" insure such property on a replacement cost basis, the valuation is changed to replacement cost as described in Section E.5. of this Coverage Form below.

5. Replacement Cost (RC)

If Replacement Cost is indicated in the Declarations, the following valuation provisions will apply:

- a. In the event of a "loss," "we" will determine the value of lost or damaged Covered Property on the basis of replacement cost without deduction for depreciation.
- b. "We" will establish the value of the "loss" at the time of its occurrence, but "we" will not pay more than the least of:
 - (1) The cost of repairing the lost or damaged Covered Property with property of like kind and quality;
 - (2) (i) The cost of replacing the lost or damaged Covered Property with property of like kind and quality; or
(ii) If replacement with property of like kind and quality is not possible, the cost of replacing the lost or damaged property with property of the nearest better kind and quality available;
 - (3) The amount "you" actually spend that is necessary to repair or replace the lost or damaged Covered Property; or
 - (4) If the Covered Property is leased or rented, "your" liability imposed by law or assumed by contract; or
 - (5) The Limit of Insurance applicable to the lost or damaged Covered Property.
- c. "We" will not pay on a replacement cost basis for any "loss":
 - (1) Until the lost or damaged Covered Property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the "loss."
- d. "You" may make a claim for "loss" covered by this Coverage Form on an actual cash value basis (as described in Section E.4.a. above of this Coverage Form (**Actual Cash Value (ACV)**)) instead of on a replacement cost basis. In the event "you" elect to have a "loss" settled on an actual cash value basis, "you" may still make a claim on a replacement cost basis if "you" notify "us" of "your" intent to do so within 180 days after the "loss."

6. Agreed Value (AV)

If Agreed Value is indicated in the Declarations, "we" will determine the value of the Covered Property as follows:

- a. With respect to individual items listed in the Schedule on file with "us," each item is valued at and insured for the amount indicated in the Schedule and without depreciation.
- b. With respect to items not listed in the Schedule on file with "us" with a specific limit but covered under the terms of this Policy, each item shall be valued at and insured for:

- (1) if owned by "you," the cost price to "you," without deduction for depreciation, or
- (2) If not owned by "you," the amount for which "you" may be legally liable contractually or otherwise.

Notwithstanding the foregoing, "we" may elect to repair any damaged Covered Property or replace any damaged Covered Property with another of like quality and value.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Carriers for Hire

"You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the Covered Property.

2. Coverage Territory

"We" will cover Covered Property wherever located within:

- a. The United States of America
- b. Puerto Rico; and
- c. Canada.

3. Coinsurance

- a. All Covered Property must be insured for at least the percentage coinsurance amount, as specified in the Declarations, of its value as of the time of "loss" or "you" will incur a penalty.
- b. The penalty is that "we" will pay only the proportion of any "loss" that the Limit of Insurance specified in the Declarations for the lost or damaged Covered Property bears to the Coinsurance percentage of its value as of the time of "loss."
- c. Coinsurance does not apply:
 - (1) if waived on the Declarations;
 - (2) to Small Tools;
 - (3) to Employee Tools and Work Clothing; or
 - (4) "Short Term Equipment Leased, Borrowed or Rented From Others."

4. Deductible Waiver for Pre-Loss Risk Protection

- a. In the event of a theft "loss," we agree to waive the Deductible amount - up to \$10,000 - if any piece of stolen Covered Property:
 - (1) is protected by a LoJack Stolen Vehicle Police Recovery System; or
 - (2) is registered on the National Equipment Register (NER) database prior to the date and time of theft.
- b. The following provisions are added to the Commercial Inland Marine Conditions, "Duties In The Event Of Loss":
 - (1) For Covered Property protected by a LoJack Stolen Vehicle Police Recovery System:
 - (a) Work with the police having jurisdiction in the area which the theft occurred to insure that the piece of Covered Property is entered as a vehicle into their computer system; and
 - (b) Provide LoJack with the same information you provided the local law enforcement agency.
 - (2) For Covered Property registered on the National Equipment Register Database:
 - (a) Ensure that a report of theft is submitted to law enforcement and that the NER is also notified of the loss; and
 - (b) Provide evidence, or request that the NER provide evidence, that the Covered Property is registered in the NER database when claiming a Deductible waiver.



5. Minimum Earned Premium

If a Minimum Earned Premium is specified in the Declarations, this is the minimum premium "we" will earn and retain regardless of the Policy's term except when the Policy is rescinded or cancelled as of the Policy effective date.

6. Reporting Conditions

Subject to the "Reporting Period" indicated in the Declarations, the Reporting Conditions will be as follows:

- a. Within 30 days after the end of each "reporting period," "you" must file with "us" reports of the Premium Base(s) shown in the Declarations.
- b. If, at the time of "loss," "you" have failed to file with us:
 - (1) The first required report, "we" will not pay more than 90% of the amount "we" would otherwise have paid;
 - (2) Any required report after the first report; "we" will not pay more than the value stated in the last report filed with us before the "loss."
- c. "We" will not pay more than the applicable Limit of Insurance even if the value "you" report exceeds the limit.
- d. After each Premium Adjustment Period, "we" will compute the earned premium using the rate indicated multiplied by the average reported values, per \$100. The average reported value is determined by dividing the total reported values by the number of reports, including the report of values at Policy inception.
- e. The premium specified in the Declarations is a deposit premium. When the "reporting period" is:
 - (1) On an annual basis, "we" will compare the total computed premium to the deposit premium. If the computed premium is:
 - (a) More than the deposit premium, "you" will pay us the difference; or
 - (b) Less than the deposit premium, "we" will pay "you" the difference.
 - (2) On other than an annual basis, "we" will apply the computed premium to the deposit premium until it is used up. "You" will pay us all premiums that exceed the deposit premium.
 - (a) "You" must pay at least the minimum premium specified in the Declarations. The minimum premium will only apply when the computed premium for the policy period is less than the minimum premium and the policy period is fully completed.
 - (b) If this insurance is cancelled, "you" must report the total value of all Covered Property up to and including the date of cancellation.

7. Resume Operations

The following applies when Business Income, Contractual Penalties and Extra Expense is indicated in the Declarations:

"You" must take all reasonable steps to minimize "your" loss of Business Income either by making use of "your" own property or by using other property to continue "your" operations. "You" must also resume at least partial operations as soon as practicable after a "loss."

G. DEFINITIONS

1. "Computer Virus" means any "software" introduced or implanted without authorization into "hardware" or "Software" which causes the corruption, distortion, deletion, destruction, unauthorized copying or "loss" of functionality of "software."
2. "Employee":
 - a. "Employee" means:
 - (1) Any natural person:
 - (a) while in "your" service or for 30 days after termination of service;
 - (b) who "you" compensate directly by salary, wages or commissions; and
 - (c) who "you" have the right to direct and control while performing services for "you."

- (2) Any natural person who is furnished temporarily to "you";
- (a) to substitute for a permanent "employee" as defined in Paragraph above;
 - (b) who is on leave; or
 - (c) to meet seasonal or short-term work load conditions,
- while that person is subject to "your" direction and control and performing services for "you," excluding any such person while having care, and custody of Covered Property not on "your" premises.
- (3) Any natural person who is leased to "you" under a written agreement between "you" and a labor leasing firm, to perform duties related to the conduct of "your" business, but does not mean a temporary "employee" as defined in Section G.2.a.(2) above;
- (4) Any natural person who is a former "employee," director, partner, member, manager, representative or trustee retained as a consultant while performing services for "you"; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care, and custody of Covered Property outside the premises.
- b. "Employee" does not mean:
- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee."
3. "Hardware" means a network of electronic machine components capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" does not include "software."
4. "Loss" means accidental loss of or damage to the Covered Property.
5. "Media" means processing, recording, or storage materials used with "hardware." This includes but is not limited to films, tapes, cards, discs, drums, cartridges, or cells.
6. "Newly Acquired Property" means property purchased or borrowed by you during the policy period but does not include property you rent, hire or lease from others, except property for which you have a written rent or lease agreement of no less than 12 months.
7. "Period of Restoration" means the period of time that;
- a. begins with the date of direct physical "loss" caused by or resulting from any Covered Cause of Loss to a Scheduled item; and
 - b. ends on the date when the Covered Property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- a. regulates the construction, use or repair, or requires the tearing down of any property or Covered Property; or
 - b. requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."
- The expiration of the Policy will not cut short the "Period of Restoration."
8. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. "Premium base" means the basis upon which the premium for the Covered Property which "you" lease or rent will be determined. The "premium base" is shown in the Declarations.
10. "Reporting Period" means the period of time for which new reports of value are due, as specified in the Declarations:
- a. Monthly, reports must show values as of the last day of the month; and the "reporting period" ends on the last day of each month.

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- b.** Quarterly, reports must show values as of the last day of each month; but the "reporting period" ends on the last day of each third month from Policy inception.
 - c.** Semi-Annual, reports must show values as of the last day of each month; but the "reporting period" ends on the last day of the sixth month from Policy inception and on the Policy anniversary date.
 - d.** Annual, reports must show values as of the last day of each month; but the "reporting period" ends on the Policy anniversary date.
- 11.** "Short Term Equipment Leased, Borrowed or Rented From Others" means Covered Property that "you" have leased, borrowed or rented from others for a period of less than 12 months.
- 12.** "Specified Causes of Loss" means: fire; lightning; explosion; windstorm; hail; smoke; riot or civil commotion; vandalism; theft; leakage from fire extinguishing equipment; aircraft or vehicles and objects thrown up by vehicles; "sinkhole collapse," volcanic action; falling objects; weight of snow, ice or sleet; "water damage" elevator collision; sonic shock waves; or accident to the vehicle while carrying Covered Property.
 - a.** "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of "loss" does not include:
 - (1)** The cost of filling sinkholes; or
 - (2)** Sinking or collapse of land into man-made underground cavities.
 - b.** "Water damage" means "loss" caused by accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
- 13.** "Software" means:
 - a.** Electronic data processing, recording or storage "media"; and
 - b.** Data and programming records, used for electronic data processing or electronically controlled equipment, stored on "media."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the COMMON POLICY CONDITIONS:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void **ab initio** (void from its inception) with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "suit" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or "suit" that is brought by any Specially Designated National or Blocked Person or any person

or entity who is otherwise subject to U.S. economic or trade sanctions;

4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

- A.** In the event of a partial or total loss to a building or structure, actual cash value is calculated as the lesser of the following:
1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
 2. The Limit of Insurance applicable to the property.
- B.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 2. The Limit of Insurance applicable to the property.
- C.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
 COVERAGES, CONDITIONS, DEFINITIONS
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:
- If we and you disagree on the value of the property or the actual cash value or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). In this event, each party will select a competent and impartial appraiser. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and actual cash value and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of actual cash value and loss ("loss") and will be binding. Each party will:
1. Pay its chosen appraiser; and

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2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

E. The Appraisal Condition in:

1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the **Cancellation Common Policy Condition are replaced by the following:**

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

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- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:**
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- B. The following provision is added to the Cancellation Common Policy Condition:**
- 7. Residential Property**
- This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:
- Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form
- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
 - b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
 - c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

d. If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred. However, we may cancel:

- (1) When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;
- (2) If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against; or
- (3) If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. If this policy provides coverage as described in the preceding paragraph, and we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at the mailing address shown in the policy, at least 75 days, but not more than 120 days, before the expiration or anniversary date.

If we fail to give the first Named Insured shown in the Declarations notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the Named Insured. A notice to this effect shall be provided by us to the first Named Insured with the notice of nonrenewal.

b. We may elect not to renew such coverage for any reason, except as provided in Paragraphs c., d. and e. below.

c. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

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(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

- (a)** Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b)** Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- d.** We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.
- e.** We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction **(e.)** applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1)** Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2)** Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.
- f.** If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

- (1)** If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against;
- (2)** If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or
- (3)** If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

3. We are not required to send notice of nonrenewal in the following situations:

- a.** If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
- b.** If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
- c.** If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d.** If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e.** If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f.** If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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151 N. Franklin St.
Chicago, IL 60606

Policy Number	From Policy Period To	Coverage Is Provided By	Agency
C5099692240	07/01/21 07/01/22	Continental Insurance Company	047850240
Named Insured And Address		Agent	
COUNTY OF SAN BERNARDINO 222 WEST HOSPITALITY LANE 3RD FLOOR SAN BERNARDINO, CA 92415		ALLIANT INS SERVICES, INC 1301 DOVE STREET, SUITE 200 NEWPORT BEACH, CA 92660	

** PAYMENT PLAN SCHEDULE **

IT IS AGREED THAT THE TOTAL ESTIMATED PREMIUM SHOWN IN
THE DECLARATIONS OF THIS POLICY IS PAYABLE AS FOLLOWS:

EFFECTIVE DATE	PREMIUM
07/01/2021	\$184,583.00
TOTAL PREMIUM	\$184,583.00

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ISSUE DATE 07/21/21



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