

Form #PROP-EXT (Rev. July 24, 2018)
Property Extension Endorsement

APPLICABLE TO THE COMMERCIAL BUILDING, EQUIPMENT AND STOCK BROAD FORM:

This Policy is extended to include extensions of coverage as stated below.

The following extensions of coverage shall:

- (i) not be considered for the purpose of determining the application of any Coinsurance clause (except Item 2, Building By-laws).
- (ii) not apply if they are more specifically insured elsewhere in this policy and/or if specific amount(s) or limit(s) are indicated on the "Declarations Page" for any of them.
- (iii) increase the amount of insurance for this Policy by the amounts or limits stated in this endorsement (except Items 1 and 2 do not increase the amount of insurance).

- 1. Building By-laws:** This Policy shall, and only as a result of a peril insured against, extend to indemnify the Insured, without increasing the amount of insurance stated on the "Declarations page" for "**Building**" or the amount of insurance for "**Building**" shown in the Statement of Values if coverage is on a "**Property Of Every Description**" basis, for:
- (i) loss occasioned by the demolition of any undamaged portion of the building or structures; or
 - (ii) the cost of demolishing and clearing the site of any undamaged portion of the building or structures; or
 - (iii) any necessary increase in the cost of repairing, replacing, constructing or reconstructing the building, or structures, on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
 - (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - (b) is in force at the time of such loss or damage.

This extension, however, does not insure against:

- (i) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding, or repairing on the same site or adjacent site or prohibits continuance of like occupancy;
- (ii) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants".
- (iii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluation or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

"**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- 2. Extra Expense:** This Policy is extended to insure the necessary Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following damage to or destruction by the perils insured against to the building(s) or contents thereof at the "Premises" described on the "Declarations Page". The Insurer shall be liable for Extra Expense so incurred, for not exceeding such length of time, herein referred to as the Period of Restoration, commencing with the date of loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or contents thereof as may be destroyed or damaged.

For the purposes of this clause "**Extra Expense**" means the excess (if any) of the total cost during the Period of Restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this Policy for loss of income nor for "Extra Expense" in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business, nor the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "Extra Expense".

"**Normal**" means the condition which would have existed had no loss occurred.

As soon as practicable after any loss, the Insured shall resume complete or partial business operations of the property described and, in so far as practicable, reduce or dispense with such extra expense as are being incurred.

This extension is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage to a neighbouring premises by a peril insured against.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

The Insurer shall not be liable for:

- (i) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (ii) loss due to suspension, lapse or cancellation of any lease or license, contract or order;
- (iii) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing;
- (iv) any increase of loss due to interference at the described premises by strikers or other persons, with rebuilding, repairing or replacing property, or with the resumption or continuation of business;

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

- 3. Valuable Papers and Records:** This Policy is extended to cover the actual loss sustained by the Insured through direct physical loss or damage to Valuable Papers and Records. The term "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but excluding money and securities, electronic data control tapes or discs.

The insurance provided by this extension applies:

- (i) while the insured Valuable Papers and Records are contained in the "Premises" specified on the "Declarations Page". It is a condition precedent to any right of recovery hereunder, that the Valuable Papers and Records shall be kept in receptacles (minimum of metal filing cabinets) at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) or (iii) below;
- (ii) while the insured Valuable Papers and Records are being removed to, and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal;
- (iii) while the Valuable Papers and Records are being conveyed outside the Insured's premises or temporarily in other premises (except for storage).

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not insure:

- (i) loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for the direct loss caused by such ensuing fire or explosion;
- (ii) loss of property held as samples or for sale or for delivery after sale;
- (iii) property which cannot be replaced with other of like kind and quality.

Basis of Settlement

The limit of the Insurer's liability for loss shall not exceed the actual cash value of the property at the time of loss, nor what it would cost to repair or replace the property with other of like kind and quality, subject to a maximum recovery of \$25,000 for any one loss.

The Insurer may pay for the loss in money or may repair or replace the property and may settle any claim for loss of the property either with the Insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. The Insured or Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the Insured shall be entitled to the property upon reimbursing the Insurer for the amount so paid or the cost of replacement.

4. **Professional Fees:** In the event of loss or damage from a peril insured against, the Insurer will pay reasonable fees to auditors, accountants, architects, engineers or other professionals other than public adjusters and the Insured's own employees for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the amount of loss payable under this Policy.

This extension applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer. This extension may also apply to any Business Interruption loss covered under this Policy.

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

5. **Accounts Receivable:** This Policy is extended to cover against all risks of direct physical loss or damage to the Insured's records of accounts receivable occurring during the policy period.

This extension insures:

- (i) all sums due to the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable;
- (ii) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (iii) collection expense in excess of normal collection cost and made necessary because of loss or damage;
- (iv) other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance shall apply only while records of accounts receivable are contained in the "Premises" described on the "Declarations Page". It is a condition precedent to any right of recovery hereunder that, except while in actual use, such records be kept in receptacles (minimum of metal filing cabinets), when the premises are not open for business.

This insurance also applies while records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned therefrom, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not apply:

- (i) to loss due to bookkeeping, accounting or billing errors or omissions;
- (ii) to loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (iii) to loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of the wrongful giving, taking, obtaining or withholding.

Basis of Settlement

When there is a proof of loss covered by these extensions but the Insured cannot accurately establish the total amount of accounts receivable outstanding on the date of loss, such amount shall be based on the Insured's monthly statements and shall be computed as follows;

- (i) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- (ii) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- (iii) the amount determined under (i) above, increased or decreased by the percentage calculated under (ii) above, shall be the agreed total amount of accounts receivable on the last day of the fiscal month in which said loss occurs;
- (iv) the amount determined under (iii) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

Inspection and Audit

The Insurer shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by the Insured, and to examine and audit the Insured's books and records at any time during the policy period and any extension thereof and within three years after the final

termination of this Policy, as far as they relate to the subject matter of any outstanding record of accounts receivable submitted by the Insured and the amount of recoveries of accounts receivable on which the Insurer has made any settlement.

Recoveries

After payment of loss, all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer, but all recoveries in excess of such amounts shall belong to the Insured.

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

6. **Exterior Signs Including Street Clocks, Communication Towers, Antennae and Satellite Receivers:** This Policy is extended to cover the aforementioned property on the "Premises" for loss or damage from a peril insured against excluding loss or damage caused by wear and tear, latent defect, corrosion or rust, mechanical breakdown or during installation, repairing or dismantling. The limit of insurance with respect to this extension of coverage is \$ 10,000 for any one loss.

7. Land and Water Pollution Clean Up Indemnity Agreement

- (a) The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants":
- (i) is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under the Commercial Building Equipment and Stock Broad Form;
 - (ii) is sudden, unexpected and unintended from the standpoint of the Insured and
 - (iii) first occurs during the policy period.

The maximum amount of insurance for this extension of coverage during any one policy period shall not exceed in the aggregate \$10,000.

No Automatic Reinstatement

- (b) Notwithstanding the Reinstatement Clause in this Policy, following a loss under this extension of coverage, the amount of insurance specified above will be reduced by the amount payable.

Additional Exclusions

- (c) The Insurer shall not be liable for:
- (i) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises".
 - (ii) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this extension of coverage.
 - (iii) fines, penalties, punitive or exemplary damages;
 - (iv) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, processing or treatment of waste.

Additional Conditions

- (d) (i) Reporting Period
It is a condition precedent to recovery that all expenses insured by this extension of coverage must be incurred and reported to the Insured within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" for which "clean up" expenses are being claimed.
- (ii) Other Insurance
The insurance afforded by this extension of coverage shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

Additional Definitions

Wherever used in this extension of coverage:

- (i) "**Clean Up**" means the removal, containment, treatment, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (ii) "**Premises**" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page".
- (iii) "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

8. **Newly Acquired Locations:** "Building", "Equipment" and "Stock" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres (328 feet) of such location. The following limits of insurance attach at the time of the acquisition and extend for a period of 30 days or to the date of endorsement of this Policy adding such location whichever first occurs.

The limit of insurance for this extension of coverage is \$250,000 for "Building", "Equipment" and "Stock" for any one loss.

9. **Transit:** "Equipment" and "Stock", in transit other than by parcel post. The limit of insurance for this extension of coverage is \$25,000 for any one loss.
10. **Fire Department Service Charges:** This Policy is extended to cover the Insured's liability assumed by contract or agreement, prior to the loss, for Fire Department Service Charges when the Fire Department is called to save or protect the insured property from a peril insured against. The maximum recovery under this extension is \$ 25,000 for any one loss.
11. **Fire Equipment Recharge:** This Policy is extended to cover expenses actually incurred as a result of a peril insured against to recharge a fire protection or fire fighting system. The maximum recovery under this extension is \$ 25,000 for any one loss.
12. **Inflation Protection**
- (a) The amount of insurance applicable to "Building" shall be increased during the policy period by the proportion by which the latest published Building Construction Index has increased since the last premium due date.
 - (b) At the premium due date, the amount of insurance shall be increased automatically in accordance with the latest published Building Construction Index and the appropriate premium charged.

- (c) If the amount of insurance applicable to "Building" is changed at the request of the Insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of the change.
- (d) If the Policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.
- (e) In this extension,
 - (i) "Building Construction Index" means the Index published by Statistics Canada relating to non-residential construction;
 - (ii) "premium due date" means the inception date of this policy or any renewal or anniversary date.

- 13. Glass:** This Policy is extended to provide coverage for accidental breakage of all exterior glass and/or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is owner of the "Building" or is legally liable for such damage. This extension shall also include the expenses incurred for boarding up damaged openings or installing temporary plates. A deductible of \$500 applies to each and every loss.
- 14. Fine Arts:** This Policy is extended to cover for direct physical loss or damage to Fine Arts. The term "Fine Arts" includes paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

Territorial Limits

Coverage on insured property applies within the territorial limits of Canada and the United States of America, excluding the premises of fair grounds or of any national or international exposition.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not insure:

- (i) Breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused by:
 - (a) fire, explosion, falling object striking the exterior of the building, impact by aircraft or land vehicle, lightning, smoke, vandalism or malicious acts, windstorm or hail or by accident to land, water or air conveyances, or by theft or attempt thereat;
 - (b) earthquake or flood, if otherwise insured under this Policy.
- (ii) Loss or damage to any property while undergoing any process or while being actually worked upon where any loss or damage is due thereto.

Packing Condition

It is agreed by the Insured that the property insured hereunder is packed and unpacked by competent packers.

The limit of insurance for this extension of coverage is \$5,000 any one item up to 50% of the contents for any one loss.

- 15. Debris Removal:** This Policy is extended to provide an additional amount of insurance of \$10,000 for debris removal expense coverage as outlined in the Insuring Agreements. The limit of insurance for this extension of coverage is 10% of building limit subject to a maximum of \$10,000.
- 16. Money and Securities:** This Policy is extended, subject to a limit of insurance of \$5,000, to cover loss of money and securities by actual destruction, disappearance or wrongful abstraction thereof, while such property is:
 - (i) within the premises;
 - (ii) within any bank or similar recognized place of safe deposit;
 - (iii) being conveyed outside the premises by the Insured, a partner of the Insured or an employee of the Insured directly to and from the premises, any bank or similar recognized place of safe deposit;
 - (iv) within the living quarters in the home of the Insured, a partner of the Insured or an employee of the Insured;

Additional Exclusions:

This extension does not insure loss:

- a) due to the giving up or surrendering of money or securities in any exchange or purchase;
- b) due to accounting or arithmetical errors or omissions;
- c) of money contained in a coin operated amusement device or vending machine, unless the amount of money deposited within the device or machine is recorded by a continuous instrument therein;
- d) of potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this extension;
- e) of money or securities which have been transferred to a person or a place outside the premises on the basis of unauthorized instructions;
- f) of money or securities while in the custody of any armoured motor vehicle company.

Where used in this form:

- (i) money means currency, coins, bank notes, and bullion;
- (ii) Securities means all negotiable and non-negotiable instruments representing money or other property, including but not limited to cheques, drafts, tokens, tickets, bills of lading, warehouse receipts, revenue and other stamps in current use.

- 17. Arson Award:** In the event of loss or damage by fire that results from an act of arson for which coverage is afforded under this Policy, the Insurer will reimburse the Insured for rewards paid for information directly leading to convictions for that act of arson. The Insurer's total liability under this extension of coverage shall not exceed \$5,000.
- 18. Exhibitions:** This Policy is extended to cover direct physical loss or damage to "Equipment" and "Stock" while temporarily on exhibition at locations not owned or usually occupied by the Insured. The limit of insurance for this extension of coverage is \$5,000 at any one exhibition.
- 19. Personal Property of Officers and Employees:** The limit of insurance referred to in Clause 6(a) (ii) of the Commercial Building, Equipment and Stock Broad Form is amended to read \$1,000 in respect of any one officer or employee subject to an aggregate limit of \$5,000 in any one occurrence.
- 20. Off Premises Power:** The Business Interruption Forms attached to this policy are extended to insure the Insured's loss of business income caused by or resulting from loss, damage or destruction by an insured peril to any off-premises power, gas, or water supply locations or facilities furnishing or transmitting power, gas, or water to the Insured's operations.

The Insurer shall not be liable under this endorsement for loss or expenses incurred during the first forty-eight (48) hours of loss of such service(s), however, if the lack of such service(s) cause a peril insured by this policy to occur on the insured premises this forty-eight (48) hour waiting period shall not apply.

The Insurer shall not be liable under this endorsement for loss of business income caused by or resulting from damage to or destruction of off-premises utility poles, towers, transmission lines or distribution lines.

The foregoing extension is subject otherwise to all the terms and conditions of this policy (as now existing or hereafter amended) and without increasing the amount (s) of insurance stated in the Policy Declarations.

The Insurer's total liability under this extension of coverage shall not exceed \$15,000.

- 21. Condominium Loss Assessment:** In the event of any loss or damage to any portion of the common elements of the building of which the Insured's "Unit" forms a part caused by a peril insured against, this Form covers the Insured's share of an assessment against all "Unit" owners made by the "Condominium Corporation", provided such assessment is for actual expenditure for repair or replacement made necessary by such loss or damage which is in excess of any recovery for the benefit of the Insured as owner of the "Unit" from Insurance covering the collective interest of the Condominium "Unit" owners.

This Form does not include coverage for any portion of an assessment made necessary by a deductible in any insurance covering the collective interests of the Condominium "Unit" owners.

Subrogation

The Insurer, upon making any payment or assuming liability therefore under this Form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Except with respect to arson, fraud, or vehicle impact, the Insurer agrees to waive its right of subrogation as to any claim against the "Condominium Corporation", its directors, property managers, agents and employees. Independent contractors shall not be considered to be agents or employees of the "Condominium Corporation", its directors, property managers, or of the "Unit" owners.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by each.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

Where used in this extension:

"Condominium Corporation" means a corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration and includes a strata corporation and in Quebec means the meeting of co-proprietors duly constituted.

"Unit" means the unit as defined in provincial legislation relating to condominium or co-ownership by declaration and includes a strata lot, and in Quebec exclusive portion as defined.

Loss, if any, under this Form shall be payable to the Insured.

The Insurer's total liability under this extension of coverage shall not exceed \$10,000.

- 22. Condominium Contingency Coverage:** should the condominium corporation's insurance not exist, be inadequate, or not respond because of an exclusion or condition. We will pay for the loss or damage to your unit caused by one of the perils insured by your policy, less any amount recoverable from any insurance covering the collective interest of the unit owners, as follows:

Basis of Settlement

- a) if within a reasonable time after the loss or damage you can replace or repair the loss or damage to your unit with materials of similar quality, we will pay for the actual cost of repairs or replacement, whichever is the lesser, without deduction for depreciation;
- b) if the loss or damage is not replaced or repaired within a reasonable time.

we will pay the actual cash value of the loss or damage at the time of the loss, but not more than the amount required to repair or replace:

We will not pay for that portion of any assessment made necessary by a deductible clause in the insurance of the condominium corporation.

The Insurer's total liability under this extension of coverage shall not exceed \$10,000.

- 23. Computer Equipment Breakdown and Media**

This coverage applies only to "computer equipment" including component parts thereof owned by the Insured or leased or under the control of the Insured and "computer media".

- (1) Computer Equipment Breakdown – Coverage is extended to include loss caused directly or indirectly by:
 - (a) Mechanical failure, faulty construction or error in design;
 - (b) Short circuit, blow-out or other electrical disturbance, other than lightning within the electrical apparatus; or
 - (c) "computer media" failure or breakdown or malfunction of "computer equipment" including component parts when said "computer media" is being run through the equipment.

Each claim for loss or damage under the Computer Equipment Breakdown Extension shall be adjusted separately and the deductible amount specified on the Declarations Page(s) shall be deducted from the amount of each such adjusted claim.

Additional Exclusion: This extension does not insure against loss or damage caused directly or indirectly by any change or interruption to electric power supply, if the change originates more than 30.5 meters (100 feet) away from the premises insured containing the property insured, except by lightning.

- 24. Temporary Locations & Transit:** Coverage is extended to include "computer equipment" and "computer media" while in transit or in temporary locations anywhere in Canada or the Continental United States of America.

The limit(s) or amount(s) referred to herein shall not apply if specific limit(s) or amount(s) are indicated on the "Declarations page" for any of the following extensions of coverage which apply only while the described property is within Canada or the Continental United States of America (excluding Alaska):

Temporary Locations: "Equipment" and "Stock" other than at a specified location except while in transit, but there shall be no liability under this extension at any location owned, rented or controlled in whole or in part by the Insured.

The limit of insurance for this extension of coverage is \$10,000 for any one loss.

25. **Parcel Post:** "Equipment" and "Stock" in any one package in course of transit by parcel post. The limit of insurance for this extension of coverage is \$1,000 for any one loss.
26. **Sales Representative:** "Equipment" and "Stock", whether in transit or otherwise, in the custody of a sales representative of the Insured. The limit of insurance for this extension of coverage is \$2,500 for any one loss.
27. **Bailee's Customers Form**

Property Insured: This Form insures all kinds of lawful goods or articles accepted by the Insured or by agents of the Insured for cleaning, laundering, pressing, renovating, repairing, sewing or dyeing, being property of the Insured's customers, while in possession of the Insured as herein described, while located in the premises scheduled in the Declarations with respect to this form, and while being transported to or from the customers' premises or to or from the premises of the Insured's agents or sub-contractors, all only if shipped via the Insured's vehicles, messengers, or contract carriers within the Territorial Limits as stated herein.

Limits Of Liability: The limit of insurance for this extension of coverage is \$10,000 for any one loss.

Deductible: From the aggregate amount of all adjusted claims arising from each separate occurrence of loss of or damage to property insured by this Form or from the applicable limit of the Insurer's liability with respect to such separate occurrence of loss or damage, whichever is the less, the deductible amount shown in the Declarations shall be deducted. Such deductible shall not apply, however, to loss or damage by fire, lightning, smoke, leakage of fire protective equipment, explosion, strike, riot, tornado, windstorm, hail, flood, earthquake, burglary, robbery or collision or overturning of the transporting conveyance.

Valuation: The Insurer shall not be liable beyond the actual cash value of the property insured hereunder at the time when such loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value, with proper deduction for depreciation, however caused. In addition to the foregoing, the Insurer will pay the Insured's customary charges that have been earned on such lost or damaged goods. This clause applies separately to each location described in the Declarations.

Perils Insured: This Form insures against all risks of direct physical loss of or damage to the insured property from any external cause, except as provided elsewhere in this Form, and against confusion of the insured property caused by perils insured hereunder.

Property Excluded: This Form does not insure property accepted for storage, held in storage or for which a storage charge is made. Property held by the Insured without instructions from the owner to hold in storage shall not be considered as being held in storage unless such property is held for a period in excess of forty-five (45) days after processing is completed.

Perils Excluded: This Form does not insure against:

- (a) loss or damage caused by wear and tear, inherent vice, latent defect, gradual deterioration or depreciation, insects or vermin;
- (b) loss or damage caused by processing or any work upon the insured property unless fire or explosion ensues, and then only for direct loss or damage caused by such ensuing fire or explosion;
- (c) loss or damage resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (bailees or carriers for hire excepted);
- (d) theft of insured property left upon any delivery vehicle overnight unless the vehicle is locked in the Insured's private garage or a building occupied solely by the Insured;
- (e) unexplained loss or mysterious disappearance of property (except property in the custody of carriers or bailees for hire);
- (f) loss or damage occasioned by neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the Insured has notice of an impending disaster.

Special Conditions

Territorial Limits: This Form covers only while the insured property is at locations within or is in transit within and between locations in Canada or the Continental United States of America, excluding Alaska.

Warranty: It is warranted that the Insured has not and will not enter into any agreement releasing or limiting the liability of any bailee or carrier unless such agreement is specifically reported to the Insurer and consent thereto endorsed hereon.

Property Of Others: At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or owner of the property.

Reinstatement: Loss under any item of this Form shall not reduce the applicable amount of insurance.

Premises Protection Clause: It is a condition of this insurance that the Insured shall maintain so far as is within his or her control such protective safeguards as were represented by the Insured to be in effect at the time of attachment of this insurance.

Examination Of Records: The Insured shall, as often as may be reasonably required during the term of this Form and for one year thereafter, produce the examination by the Insurer, or its authorized representative, all the books and records inventories and accounts relating to the property insured hereunder.

Other Insurance: If at the time of loss or damage there is available to a named or unnamed Insured or any other interested party any other insurance which would apply in the absence of this Form, the insurance under this Form shall apply only as excess insurance over such other insurance.

Except as otherwise provided in this endorsement all terms, provisions and conditions of the Policy shall have full force and effect.