

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (“Agreement”) is made and entered into by and between the **CITY OF BURLESON** (the “City”), a home rule municipal corporation situated in portions of Tarrant and Johnson Counties, Texas and **Komatsu/Rangel, Inc. dba Komatsu Architecture** (“Consultant”).

1. SCOPE OF SERVICES.

Attached hereto and incorporated for all purposes incident to this Agreement is **Attachment A** more specifically describing the services to be provided hereunder.

2. TERM.

This Agreement shall commence upon execution by the parties (the “Effective Date”) and terminate upon completion of the work specified in the scope of services unless terminated earlier in accordance with the provisions of this Agreement. Those obligations concerning warranties and representations which by their nature should survive termination of this Agreement, shall survive termination of this Agreement, including Articles 5, 6, 8, 12, 14-17, and 25-26.

3. COMPENSATION.

This is a fixed-price contract. The City shall pay Consultant an amount not to exceed **Two Hundred Nineteen Thousand Eight Hundred Thirty One Dollars** and **0**/100 in accordance with the fee schedule incorporated herein as **Attachment A**, and subject to the other terms and conditions of this Agreement, in exchange for completion of all tasks and delivery of all services listed in Attachment A, Scope of Work. In the event of partial performance the City shall pay Consultant for only the itemized tasks completed and delivered. Consultant shall not perform any additional services for the City not specified by this Agreement unless the City requests and approves in writing the additional services and costs for such services. The City shall not be liable for any additional expenses of Consultant not specified by this Agreement unless the City first duly approves such expenses in a contract amendment executed by the City Manager or the City Manager’s designee.

The Consultant shall submit monthly payment invoices to the City. Invoices shall contain a detailed breakdown to include: task or deliverables to the City and date provided for the billing period, the amount billed for each task or deliverable, and the total amount due.

Payment for services rendered shall be due within thirty (30) days of the uncontested performance of the particular services so ordered and receipt by City of Consultant’s invoice for payment of same. In the event of a disputed or contested billing, only that portion so contested may be withheld from payment, and the undisputed portion will be paid. No interest will accrue on any contested portion of the billing until mutually resolved. City will exercise reasonableness in contesting any billing or portion thereof.

4. TERMINATION.

4.1. Written Notice.

The City or Consultant may terminate this Agreement at any time and for any reason by providing the other party with 30 days written notice of termination.

4.2 Non-appropriation of Funds.

In the event no funds or insufficient funds are appropriated by the City in any fiscal period for any payments due hereunder, City will notify Consultant of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds shall have been appropriated.

4.3 Duties and Obligations of the Parties.

In the event that this Agreement is terminated prior to the end of the term of this agreement as provided in Article 2, the City shall pay Consultant for services actually rendered or consultant shall reimburse the City for services paid for but not actually rendered, up to the date of notice of termination.

5. **DISCLOSURE OF CONFLICTS AND CONFIDENTIAL INFORMATION.**

Consultant hereby warrants to the City that Consultant has made full disclosure in writing of any existing or potential conflicts of interest related to Consultant's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Consultant hereby agrees immediately to make full disclosure to the City in writing. Consultant, for itself and its officers, agents and employees, further agrees that it shall treat all information provided to it by the City as confidential and shall not disclose any such information to a third party without the prior written approval of the City. Consultant shall store and maintain City information in a secure manner and shall not allow unauthorized users to access, modify, delete or otherwise corrupt City Information in any way. Consultant shall notify the City immediately if the security or integrity of any City information has been compromised or is believed to have been compromised.

6. **RIGHT TO AUDIT.**

Consultant agrees that the City shall, until the expiration of three (3) years after final payment under this contract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of the consultant involving transactions relating to this Contract at no additional cost to the City. Consultant agrees that the City shall have access during normal working hours to all necessary Consultant facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The City shall give Consultant reasonable advance notice of intended audits.

Consultant further agrees to include in all its subcontractor agreements hereunder a
Professional Services Agreement

provision to the effect that the subcontractor agrees that the City shall, until expiration of three (3) years after final payment of the subcontract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of such subcontractor involving transactions related to the subcontract, and further that City shall have access during normal working hours to all subcontractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this paragraph. City shall give subcontractor reasonable notice of intended audits.

7. INDEPENDENT CONTRACTOR.

It is expressly understood and agreed that Consultant shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, Consultant shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, and subcontractors. Consultant acknowledges that the doctrine of *respondeat superior* shall not apply as between the City, its officers, agents, servants and employees, and Consultant, its officers, agents, employees, servants, contractors, and subcontractors. Consultant further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and Consultant.

8. CHARACTER OF SERVICES AND INDEMNIFICATION.

8.1 Character of Services.

Consultant shall perform as an independent contractor all services under this Agreement with the professional skill and care ordinarily provided by competent architects, engineers, or landscape architects practicing under the same or similar circumstances and professional license. Further, Consultant shall perform as an independent contractor all services under this Agreement as expeditiously as possible as is prudent considering the ordinary professional skill and care of a competent engineer or architect. Provided, however, if this is a construction contract for architectural or engineering services or a contract related to the construction or repair of an improvement to real property that contains architectural or engineering services as a component part, the architectural or engineering services must be performed with the professional skill and care ordinarily provided by competent architects or engineers practicing under the same or similar circumstances and professional license. Consultant shall provide professional services necessary for the work described in Attachment "A," and incorporated herein and made a part hereof as if written word for word; provided, however, that in case of conflict in the language of Attachment "A" the terms and conditions of this Agreement shall be final and binding upon both parties hereto.

8.2 Indemnification.

CONSULTANT DOES HEREBY COVENANT AND CONTRACT TO INDEMNIFY AND HOLD HARMLESS CITY AND ALL OF ITS OFFICIALS, OFFICERS, AGENTS, EMPLOYEES AND INVITEES, IN BOTH THEIR PUBLIC AND

PRIVATE CAPACITIES, FROM ANY AND ALL LIABILITY, CLAIMS, SUITS, DEMANDS OR CAUSES OF ACTION, INCLUDING REASONABLE ATTORNEY FEES OF LITIGATION AND/OR SETTLEMENT, THAT MAY ARISE BY REASON OF DEATH OF OR INJURY TO PERSONS OR DAMAGE TO OR LOSS OF USE OF PROPERTY OCCASIONED BY ANY WRONGFUL INTENTIONAL ACT OR OMISSION OF CONSULTANT AS WELL AS ANY NEGLIGENT OMISSION, ACT OR ERROR OF CONSULTANT, ITS OFFICIALS, OFFICERS, AGENTS, EMPLOYEES AND INVITEES, OR OTHER PERSONS FOR WHOM CONSULTANT IS LEGALLY LIABLE WITH REGARD TO THE PERFORMANCE OF THIS AGREEMENT, WHETHER SAID NEGLIGENCE IS SOLE NEGLIGENCE, CONTRACTUAL COMPARATIVE NEGLIGENCE, CONCURRENT NEGLIGENCE OR ANY OTHER FORM OF NEGLIGENCE. IN THE EVENT OF JOINT OR CONCURRENT NEGLIGENCE OF CONSULTANT AND CITY, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. NOTHING IN THIS PARAGRAPH IS INTENDED TO WAIVE ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW OR WAIVE ANY DEFENSES OF CONSULTANT OR CITY UNDER TEXAS LAW. THIS PARAGRAPH SHALL NOT BE CONSTRUED FOR THE BENEFIT OF ANY THIRD PARTY, NOR DOES IT CREATE OR GRANT ANY RIGHT OR CAUSE OF ACTION IN FAVOR OF ANY THIRD PARTY AGAINST CITY OR CONSULTANT.

CONSULTANT WARRANTS THAT NO MUSIC, LITERARY OR ARTISTIC WORK OR OTHER PROPERTY PROTECTED BY COPYRIGHT WILL BE REPRODUCED OR USED, NOR WILL THE NAME OF ANY ENTITY PROTECTED BY TRADEMARK BE REPRODUCED OR USED BY CONSULTANT UNLESS CONSULTANT HAS OBTAINED WRITTEN PERMISSION FROM THE COPYRIGHT OR TRADEMARK HOLDER AS REQUIRED BY LAW, SUBJECT ALSO TO CITY'S CONSENT. CONSULTANT COVENANTS TO COMPLY STRICTLY WITH ALL LAWS RESPECTING COPYRIGHTS, ROYALTIES, AND TRADEMARKS AND WARRANTS THAT IT WILL NOT INFRINGE ANY RELATED STATUTORY, COMMON LAW OR OTHER RIGHT OF ANY PERSON OR ENTITY IN PERFORMING THIS AGREEMENT. CONSULTANT WILL INDEMNIFY AND HOLD CITY AND ITS OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM ALL CLAIMS, LOSSES AND DAMAGES (INCLUDING REASONABLE ATTORNEY'S FEES) WITH RESPECT TO SUCH COPYRIGHT, ROYALTY OR TRADEMARK RIGHTS TO THE EXTENT CAUSED BY CONSULTANT OR FOR WHOM CONSULTANT IS LEGALLY LIABLE.

THE PROVISIONS OF THIS SECTION ARE INTENDED TO ONLY PROVIDE INDEMNIFICATION TO THE EXTENT ALLOWED BY TEXAS LOCAL GOV'T CODE SEC. 271.904 AND SHALL BE CONSTRUED TO THAT EFFECT. THE CONSULTANT AS ALLOWED BY TEXAS LOCAL GOV'T CODE SEC. 271.904 WILL STILL NAME CITY AS ADDITIONAL INSURED IN ITS GENERAL LIABILITY POLICY AND PROVIDE ANY DEFENSE AS ALLOWED BY THE POLICY.

9. ASSIGNMENT AND SUBCONTRACTING.

Consultant shall not assign or subcontract any of its duties, obligations or rights under this Agreement without the prior written consent of the City. If the City grants consent to an assignment, the assignee shall execute a written agreement with the City and the Consultant under which the assignee agrees to be bound by the duties and obligations of Consultant under this Agreement. The Consultant and Assignee shall be jointly liable for all obligations under this Agreement prior to the assignment. If the City grants consent to a subcontract, the subcontractor shall execute a written agreement with the Consultant referencing this Agreement under which the subcontractor shall agree to be bound by the duties and obligations of the Consultant under this Agreement as such duties and obligations may apply. The Consultant shall provide the City with a fully executed copy of any such subcontract.

10. INSURANCE.

Consultant shall provide the City with certificate(s) of insurance documenting policies of the following minimum coverage limits that are to be in effect prior to commencement of any work pursuant to this Agreement:

10.1 Coverage and Limits

- (a) Commercial General Liability
\$1,000,000 Each Occurrence
\$1,000,000 Aggregate
- (b) Automobile Liability
\$1,000,000 Each accident on a combined single limit basis or
\$250,000 Bodily injury per person
\$500,000 Bodily injury per person per occurrence
\$100,000 Property damage

Coverage shall be on any vehicle used by the Consultant, its employees, agents, representatives in the course of the providing services under this Agreement. "Any vehicle" shall be any vehicle owned, hired and non-owned.

- (c) Worker's Compensation
Statutory limits
Employer's liability
\$100,000 Each accident/occurrence
\$100,000 Disease - per each employee
\$500,000 Disease - policy limit

This coverage may be written as follows:

Workers' Compensation and Employers' Liability coverage with limits consistent with statutory benefits outlined in the Texas workers' Compensation Act (Art. 8308 – 1.01 et seq. Tex. Rev. Civ. Stat.) and minimum policy limits for Employers' Liability of \$100,000 each accident/occurrence, \$500,000 bodily injury disease policy limit and \$100,000 per disease per employee

(d) Errors & Omissions (Professional Liability):

\$1,000,000 Per Claim and Aggregate

If coverage is written on a claims-made basis, the retroactive date shall be coincident with or prior to the date to the contractual agreement. The certificate of insurance shall state that the coverage is claims-made and include the retroactive date. The insurance shall be maintained for the duration of the contractual agreement and for five (5) years following completion of the services provides under the contractual agreement or for the warranty period, which ever is longer. An annual certificate of insurance submitted to the City shall evidence coverage.

10.2 Certificates.

Certificates of Insurance evidencing that the Consultant has obtained all required insurance shall be delivered to the City prior to Consultant proceeding with any work pursuant to this Agreement. All applicable policies shall be endorsed to name the City as an additional insured thereon, as its interests may appear. The term City shall include its employees, officers, officials, agent, and volunteers in respect to the contracted services. Any failure on the part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement. The City reserves the right to make reasonable requests or revisions pertaining to the types and limits of that coverage. A minimum of thirty (30) days notice of cancellation or reduction in limits of coverage shall be provided to the City. Ten (10) days notice shall be acceptable in the event of non-payment of premium. Such terms shall be endorsed onto Consultant's insurance policies. Notice shall be sent to the Purchasing Manager, City of Burleson, 141 W. Renfro, Burleson, Texas 76028, with copies to the City Attorney at the same address.

10.3 Additional Insurance Requirements.

The insurance required herein must be provided by an insurer licensed to do business in the State of Texas. The insurance required herein must be provided by an insurer rated by the A.M. Best as "A-" or better or are rated "A" by Standard and Poor's. The insurance required herein shall be in full force and effect at all times during this Agreement.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

Consultant agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations. If the City notifies Consultant of any violation of such laws, ordinances, rules or regulations, Consultant shall immediately desist from and correct the violation.

12. NON-DISCRIMINATION COVENANT.

Consultant, for itself, its personal representatives, assigns, subcontractors and successors in interest, as part of the consideration herein, agrees that in the performance of Consultant's duties and obligations hereunder, it shall not discriminate in the treatment or employment of any individual or group of individuals on any basis prohibited by law. If any claim arises from an alleged violation of this non-discrimination covenant by Consultant, its personal representatives, assigns, subcontractors or successors in interest, Consultant agrees to assume such liability and to indemnify and defend the City and hold the City harmless from such claim.

13. NOTICES.

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

To CITY:

City of Burleson
City Manager's Office
Attn: Bryan Langley
141 W. Renfro St.
Burleson, TX 76028

To CONSULTANT:

Komatsu/Rangel, Inc. dba Komatsu Architecture
3880 Hulen St., Ste. 300
Fort Worth, TX TX 76107.00

14. GOVERNMENTAL POWERS.

It is understood and agreed that by execution of this Agreement, the City does not waive or surrender any of its governmental powers.

15. NO WAIVER.

The failure of the City or Consultant to insist upon the performance of any term or provision of this Agreement or to exercise any right granted herein shall not constitute a waiver of the City's or Consultant's respective right to insist upon appropriate performance or to assert any such right on any future occasion.

16. GOVERNING LAW / VENUE.

This Agreement shall be construed in accordance with the internal laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought on the basis of this Agreement,

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venue for such action shall lie in state courts located in Johnson County, Texas or the United States District Court for the Northern District of Texas.

17. SEVERABILITY.

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. FORCE MAJEURE.

The City and Consultant shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

19. HEADINGS NOT CONTROLLING.

Headings and titles used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

20. REVIEW OF COUNSEL.

The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or exhibits hereto.

21. AMENDMENTS / MODIFICATIONS / EXTENSIONS.

No extension, modification or amendment of this Agreement shall be binding upon a party hereto unless such extension, modification, or amendment is set forth in a written instrument, which is executed by an authorized representative and delivered on behalf of such party.

22. ENTIRETY OF AGREEMENT.

This Agreement, including the schedule of exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Consultant, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

23. SIGNATURE AUTHORITY.

The person signing this agreement hereby warrants that he/she has the legal authority to execute this agreement on behalf of the respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. The other party is fully entitled to rely on this warranty and representation in entering into this Agreement.

24. NO WAIVER OF GOVERNMENTAL IMMUNITY.

Nothing contained in this Agreement shall be construed as a waiver of City's governmental immunity, or of any damage caps or limitations imposed by law, or any other legal protections granted to City by law, except to the extent expressly provided or necessarily implied herein.

25. MANDATORY OWNERSHIP DISCLOSURE PROVISION.

Consultant shall submit completed Texas Ethics Commission Form 1295 Ownership Disclosure form to City at time of execution of Agreement pursuant to Texas Government Code Section 2252.908.

26. MANDATORY ANTI-ISRAEL BOYCOTT PROVISION.

Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate:

- i. Pursuant to Section 2271.002 of the Texas Government Code, Consultant certifies that either (i) it meets an exemption criterion under Section 2271.002; or (ii) it does not boycott Israel and will not boycott Israel during the term of the Agreement. Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- ii. Pursuant to SB 13, 87th Texas Legislature, Consultant certifies that either (i) it meets an exemption criterion under SB 13, 87th Texas Legislature; or (ii) it does not boycott energy companies, as defined in Section 1 of SB 13, 87th Texas Legislature, and will not boycott energy companies during the term of the Agreement. Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- iii. Pursuant to SB 19, 87th Texas Legislature, Consultant certifies that either (i) it meets an exemption criterion under SB 19, 87th Texas Legislature; or (ii) it does not discriminate against a firearm entity or firearm trade association, as defined in Section 1 of SB 19, 87th Texas Legislature, and will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- iv. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, Consultant certifies that either (i) it meets an exemption criterion under Subchapter F, Chapter 2252, Texas Government Code; or (ii) is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Vendor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

27. NON-EXCLUSIVITY.

Agreement is non-exclusive and City may enter into a separate Agreement with any other person or entity for some or all of the work to be performed under Agreement.

28. NO THIRD-PARTY BENEFICIARIES.

Except as expressly provided herein, nothing herein is intended to confer upon any person other than the parties hereto any rights, benefits or remedies under or because of this Agreement, provided, however, that the described beneficiaries of the indemnity provisions of this Agreement are expressly intended third-party beneficiaries of this Agreement.

29. BASIC SAFEGUARDING OF CONTRACTOR INFORMATION SYSTEMS.

The Consultant shall apply basic safeguarding requirements and procedures to protect the Consultant's information systems whenever the information systems store, process, or transmit any information, not intended for public release, which is provided by or generated for the City. This requirement does not include information provided by the City to the public or simple transactional information, such as that is necessary to process payments. These requirements and procedures shall include, at a minimum, the security control requirements "reflective of actions a prudent business person would employ" which are outlined in the Federal Acquisition Regulations FAR 52.204-21(b) and codified in the Code of Federal Regulations at 48 C.F.R. § 52.204-21(b) (2016).

Consultant shall include the substance of this clause in subcontracts under this contract (including subcontracts for the acquisition of commercial items other than commercially available off-the-shelf items) in which the subcontractor may have City contract information residing in or transiting through its information system.

30. OWNERSHIP OF DOCUMENTS.

All documents and materials prepared by Consultant under the terms of this Agreement are the City's property from the time of preparation. Consultant will deliver copies of the documents and materials to the City or make them available for inspection whenever requested. City has the right to make duplicate copies of such documents or materials for its own file or use for any other such purposes as the City deems necessary and there shall be no additional costs incurred because of such copying or use.

31. COUNTERPARTS; PDF SIGNATURES.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any pdf-format or other electronic transmission of any signature of a signatory shall be deemed an original and shall bind such signatory.

The remainder of this page is left intentionally blank

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

CITY OF BURLESON:

Komatsu/Rangel, Inc. dba Komatsu Architecture

By: _____

By:  _____

Name: _____

Name: Karl Komatsu

Title: _____

Title: President and Principal in Charge

Date: _____

Date: 04/13/2023

APPROVED AS TO FORM:

By: _____

City Attorney, Assistant City Attorney,
or Deputy City Attorney

ATTACHMENT A

I. Scope of Services



KOMATSU

ARCHITECTURE

February 6, 2023

Errick Thompson
Public Works Department Deputy Director
141 W Renfro Street
Burleson, Texas 76028

RE: Basic A/E Fee Proposal for the Remodel and Addition to Fire Station No. 1
Burleson, Texas

Dear Mr. Thompson:

Komatsu Architecture is pleased to provide this fee proposal for Basic Architectural and Engineering Services for the remodel and addition to Fire Station No. 1. We propose the following:

- Provide Basic A/E Services for the remodel of the existing Fire Station. Architectural, Civil, Structural, Mechanical, Electrical, and Plumbing.
- Komatsu will draft Standard Form of Agreement Between Owner and Architect AIA B101-2017 for review and signatures.
- One meeting with City and FD staff to discuss final design concept.
- 30% Schematic Deliverables: Cost Estimate, one meeting, PDF set, 1 full size and 1 half size set plans.
- 60% Design Development Deliverables: Cost Estimate, one meeting, PDF set, 1 full size and 1 half size set plans.
- 95% Construction Drawings Deliverables: Cost Estimate, one meeting, PDF set, 1 full size and 1 half size set plans.
- Final Sealed Drawings and Specs Deliverables: PDF set, 1 full size and 1 half size set plans and specs.
- TDLR Registration, Accessibility Review and Inspection.
- 16 architect inspection trips are included during Construction Administration.

This Proposal excludes the following:

- Remodel to the existing Administration wing of the building
- Parking area and site access revisions
- Geotechnical Investigation and Report
- Site Topographic Survey
- Hazardous Material Investigation service
- Furniture selections and specifications
- Third Party peer review for the Tornado Shelter
- Building Permit Printing
- Bid Document Printing for Contractor solicitation
- Material testing during construction.

The following consultants are on the A/E Team:

- MEP: MEPCE
- Civil: Carrillo Engineering, LLC
- Structure: AD Perantie, LLC
- Cost Estimation: Riddle & Goodnight Inc.
- InSpec Specifications

Fire Station No. 1 Remodel and Addition A/E Fee:

Architect Fee, including expenses	\$ 82,513.00
Consultant Fees	\$137,319.00
<hr/>	
Total	\$219,831.00

If you have any questions regarding this proposal, please let me know. If this proposal meets with your approval, Komatsu is prepared to start to work to meet your schedule and expectations. We appreciate this opportunity to be working with the City of Burleson on this Fire Department project. We look forward to hearing from you.

Sincerely,



Les Edmonds, AIA
Komatsu Architecture

Attachments: Hourly breakdown

Komatsu Architecture Fee Proposal

Burleson Fire Station No. 1 Remodel and Addition: Basic A/E Service

February 6, 2023

Job No. 2022.151

Activity	Labor and Hourly Rates									TOTAL
	Project Manager	Architect	Technical Support	Interior Designer	Space Planner	Construction Administrator	Position 7	Position 8	Position 9	
	\$175.00 /hr	\$145.00 /hr	\$115.00 /hr	\$130.00 /hr	\$ 75.00 /hr	\$120.00 /hr	\$ - /hr	\$ - /hr	\$ - /hr	
Architectural										
30% Schematic Design	8	20	32							\$ 7,980
60% Design Development	16	40	96							\$ 19,640
100% Constrction Documents	16	80	120							\$ 28,200
Bidding	4	4								\$ 1,280
Construction Admin., submittals, RFI's, etc. (16 trips)	8	64	80							\$ 19,880
Project Closeout	4	8	12							\$ 3,240
Hours	56	216	340			-				
Expenses										
Design Submittal Reproduction / Delivery										\$ 1,000
Registered Accessibility Specialist										\$ 1,293
Total Architect Fee										\$ 82,513
Consultants										
Civil										\$ 24,200
MEP										\$ 51,013
Structure										\$ 46,310
Estimating										\$ 10,846
Specs										\$ 4,950
Grand Total										\$ 219,831

Basis of Proposal

1. Refer to cover letter
2. 10% Prime overhead cost added to Consultant fees
- 3.
- 4.
- 5.
- 6.

EVENT SCHEDULE PLANNER 2023

PROJECT/EVENT	BURLESON FS1 RENOVATION 13 APRIL 2023
ORGANIZER	RYAN BRANTLEY

1. Schedule is based on City Council approval on May 1, 2023.
2. Plan layout is finalized and no client plan changes are planned to be made.

Project Phase	Starting	Ending	Project Phase	Starting	Ending
Schematic Progress	2.28.2023	4.6.2023	90% CD Submittal	9.8.2023	9.8.2023
CONTRACT	4.6.2023	5.1.2023	90% GP & Budget Review	9.11.2023	9.15.2023
30% CD Progress	5.2.2023	6.1.2023	100% CD Progress	9.18.2017	9.28.2023
30% CD Submittal	6.2.2023	6.2.2023	Final Submittal	9.29.2023	9.29.2023
30% GP Review	6.5.2023	6.9.2023			
60% CD Progress	6.12.2023	7.27.2023			
60% CD Submittal	7.28.2023	7.28.2023			
60% GP Review	7.31.2023	8.4.2023			
90% CD Progress	8.7.2023	9.7.2023			

JANUARY							FEBRUARY							MARCH							APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
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KOMATSU
ARCHITECTURE

April 17, 2023

City of Burleson
141 West Renfro Street
Burleson, TX 76028

RE: **Burleson Fire Station No. 1 Additions and Renovations**

To whom it may concern:

Per AIA form B101-2017 Article 6, Komatsu and the City of Burleson agree that the Cost of the Work is estimated to be at \$2,142,235.00 (two million, one hundred forty two thousand, two hundred thirty five and zero hundredths) for the building construction budget.

ARTICLE 6 – COST OF WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1.1, as a Supplemental Service.

§ 6.4 If, through no fault of the Architect, the Procurement Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality, or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;

- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or,
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

Owner Budget and Cost Estimates

The Owner recognizes the extraordinary prevailing market conditions in the construction and manufacturing industries, including post-contract date factors such as the recent OPEC oil market manipulations that impact downstream petrochemical products to shipping costs. Traditional cost estimating parameters such as recent or historical pricing data no longer provide a predictable basis for future cost projections. Projects in all construction sectors – institutional, governmental, commercial, and housing are experiencing continued escalation of pricing in materials, labor, and manufactured goods, including supply chain disruptions and non-competitive bid environments due to excess of available work and lack of labor for general and sub-contractor markets at any given time. Recent examples typically have resulted in over-budget costs from 25% to 40% and higher on a national and regional Southwest basis. A third party Construction Cost consultant cannot predict the construction industry's self-protection of any number of factors: interest rate; spot shortages; discontinuance of product production; or market condition escalations and intangible factors such as premiums on smaller or more complicated work (renovation vs new), desirability of the work (easy vs difficult profit opportunities).

This contract reflects that design services based on a bid or budget cost cannot be performed without compensation for professional services rendered, should changes be required to the documents due to potential bid or budget cost overruns. This contractual status references the factors and circumstances not in control of the Architect or its Consultants. The Architect and its Consultants, at the direction of the Owner, will proceed under the Additional Services provisions should the market bid results exceed the Owner's budget, through no fault or control of the Architect-Engineer team.

Sincerely,


Karl Komatsu
President, Komatsu Architecture

4/17/2023

Date



KOMARAN-01

PROSENZWEIG

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/13/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 4682 Fort Worth, TX-Hub International Insurance Services 3221 Collinsworth Fort Worth, TX 76107	CONTACT NAME: Kristin Jackson PHONE (A/C, No, Ext): (817) 820-8164 FAX (A/C, No): (817) 984-7630 E-MAIL ADDRESS: kristin.jackson@hubinternational.com																					
INSURED Komatsu Rangel, Inc. DBA Komatsu Architecture 3880 Hulen St, Suite #300 Fort Worth, TX 76107	<table><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A :</td><td>Massachusetts Bay Insurance Company</td><td>22306</td></tr><tr><td>INSURER B :</td><td>Allmerica Financial Benefit Insurance Company</td><td>41840</td></tr><tr><td>INSURER C :</td><td>Hanover Insurance Company</td><td>22292</td></tr><tr><td>INSURER D :</td><td>Arch Insurance Company</td><td>11150</td></tr><tr><td>INSURER E :</td><td>Federal Insurance Company</td><td>20281</td></tr><tr><td>INSURER F :</td><td></td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A :	Massachusetts Bay Insurance Company	22306	INSURER B :	Allmerica Financial Benefit Insurance Company	41840	INSURER C :	Hanover Insurance Company	22292	INSURER D :	Arch Insurance Company	11150	INSURER E :	Federal Insurance Company	20281	INSURER F :		
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INSURER F :																						

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			ODK-A589554-09	4/1/2023	4/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			AWK-A589531-09	4/1/2023	4/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			ODK-A589554-09	4/1/2023	4/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ Aggregate \$ 5,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	WHK-A589538-09	4/1/2023	4/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Errors & Omissions			PAAEP0144001	9/6/2022	9/6/2023	per claim 2,000,000
E	D&O/EPLI/FID/Crime			8246-0379	10/24/2022	10/24/2023	Max Agg per Cov. 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

General Liability:

Form #391-1448 08 16 - Avenues Businessowners Deluxe Platinum Architects and Engineers Program Broadening Endorsement: Additional Insured by Contract, Agreement or Permit - Primary and Non-Contributory

Auto Liability:

Form #461-0478 12 12 - Blanket Additional Insured - Primary and Non-Contributory
SEE ATTACHED ACORD 101

CERTIFICATE HOLDER

CANCELLATION

City of Burleson
725 SE John Jones Drive
Burleson, TX 76028-4296

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

AGENCY Fort Worth, TX-Hub International Insurance Services	License # 4682	NAMED INSURED Komatsu Rangel, Inc. DBA Komatsu Architecture 3880 Hulen St, Suite #300 Fort Worth, TX 76107
POLICY NUMBER SEE PAGE 1		
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Description of Operations/Locations/Vehicles:

Workers Compensation:

Form WC 42 03 04 - Blanket Waiver of Subrogation for any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver

RE: Burleson Fire Station #1 Improvements, 828 SW Alsbury Blvd, Burleson, TX 76028-4296

SECTION II - LIABILITY Changes	Limit	Page
1. Additional Insured by Contract, Agreement or Permit - Amended	Included	15
2. Additional Insured by Contract, Agreement or Permit - Primary and Non-contributory	Included	15
3. Aggregate Limit of Insurance (Per Project)		16
4. Damage to Premises Rented to You - Revised Limit	\$1,000,000	16
5. Limits of Insurance - Medical Expenses	\$10,000 per person	16
6. Newly Acquired or Formed Organizations	180 Days	17
7. Non-Owned Watercraft	75 Feet	17
8. Who Is An Insured - Unnamed Joint Venture	Included	17

II. DEDUCTIBLES

Deductibles are subject to the provisions applicable to the Businessowners Coverage Form except as provided below. We will not pay for covered loss or damage in any one occurrence unless the amount of loss or damage exceeds the applicable Deductible amount. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

III. COVERED PROPERTY

Scheduled Coverages

1. Accounts Receivable

SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, f. Accounts Receivable, paragraphs (2) and (3) are replaced by the following:

(2) We will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises. The most we will pay is \$250,000 for accounts receivable at the described premises, unless a higher Limit of Insurance for accounts receivable is shown in the Additional Property Coverage Schedule.

(3) We will pay under this Coverage Extension for loss or damage in any one occurrence not at the described premises. The most we will pay is \$250,000 for accounts receivable not at the described premises.

2. Backup or Overflow of a Sewer, Drain or Sump

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:**

Backup or Overflow of a Sewer, Drain or Sump

(1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.

(2) For the purpose of this Additional Coverage only, **SECTION I - PROPERTY, B. Exclusions, g. Water, paragraph (3) is deleted.**

(3) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at a premises described in the Declarations. This Additional Coverage does not increase the Limits of Insurance.

(4) Special Sewer Backup Exclusion

We will not pay for:

(a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or

(b) Failure to keep a sump pump or its related equipment in proper working condition; or

(c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

3. Brands and Labels

The following is added to **SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions:**

Brands and Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to your Business Personal Property to:

(a) Pay expenses you incur to:

- (i) Remove the brand or label and then relabel the damaged property to comply with any applicable law; or
- (ii) Label or stamp the damaged property Salvage, if doing so will not physically damage the property.

- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

4. Business Income Billable Hours Option

The following is added to **SECTION I - PROPERTY, A. Coverage, E. Property Loss Conditions, 5. Loss Payment:**

Business Income Billable Hours Option

- (1) At your option you may choose to settle a covered Business Income and Extra Expense loss, as described under the Business Income, Extra Expense and Utility Services Additional Coverages, on a billable hours basis. If you choose this settlement method, the billable hours will be verified through review of your historical financial records or based on an average of your billable hourly rate over the past 12 months.
- (2) This loss settlement option is only available to you prior to your submission to us of calculations described under **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, f. Business Income.**
- (3) If you choose this option, **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, f. Business Income**, paragraph (c) is replaced by the following:
- (c) Business Income means the:

- (i) Income that would have been generated from billable hours normally charged by you to your clients for services performed by you or your employees if no physical loss or damage occurred;
- (ii) Other income of your business that would have been incurred if no physical loss or damage occurred;
- (iii) Continuing normal operating expenses incurred, including "payroll expenses". However, if your business is not generating any income because you are primarily in research or development or have not yet brought your product to market, your continuing normal operating expenses, including "payroll expenses" will not be offset by the Net Loss; and
- (iv) "Rental Value".

For manufacturing risks, Net Income includes the net sales value of production.

- (4) For any occurrence, the two available methods for adjusting and calculating Business Income and Extra Expense loss may not be combined. When the alternative billable hours approach described above is selected, the maximum coverage under this loss settlement option is \$25,000 on an actual loss sustained basis.

5. Business Income and Extra Expense - Dependent Properties

The heading for **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, m. Business Income from Dependent Properties** is replaced by the following:

m. Business Income and Extra Expense from Dependent Properties

The following is added to **Business Income and Extra Expense from Dependent Properties:**

We will pay the necessary Extra Expense you incur due to direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.

The definition of Extra Expense for this Additional Coverage is replaced by the following:

Extra Expense means necessary expenses you incur during the "period of restoration" for the "dependent property" that you would not have incurred if there had been no direct physical loss or damage to the premises of any "dependent property" caused by or resulting from a Covered Cause of Loss:

- (1) To avoid or minimize the "suspension" of business and to continue "operations"; or
- (2) To minimize the "suspension" of business if you cannot continue "operations".

We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- (3) Paragraph (2) of this Additional Coverage is replaced by the following:

- (2) The most we will pay under this Additional Coverage is \$100,000 per occurrence, regardless of the number of "dependent properties" affected.

6. Transit Business Income and Extra Expense

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages**:

Transit Business Income and Extra Expense

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while "in transit" caused by or resulting from a Covered Cause of Loss.
- (2) **SECTION I - PROPERTY, B. Exclusions**, paragraphs 1.b Earth Movement and 1.g Water do not apply to this Additional Coverage:
- (3) The most we will pay for loss in any one occurrence under this Additional Coverage is \$50,000.
- (4) The amount payable under this Additional Coverage is additional insurance.

7. Business Income from Websites

- a. The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages**:

Business Income from Websites

- (1) You may extend this insurance to apply to a "suspension" of "operations" caused by direct physical loss or damage to property that you depend on for "web site and communications services" from a Covered Cause of Loss.
- (2) We will not pay for any loss of Business Income you incur during the first 12 hours that immediately follows the time when you first discovered the Covered Cause of Loss. This Waiting Period does not apply to Extra Expense.
- (3) The most we will pay for the actual loss of Business Income and necessary and reasonable Extra Expense in any one occurrence under this Additional Coverage is \$50,000 and only for the 7-day period immediately following the Covered Cause of Loss.
- (4) Coverage does not apply to Websites unless there is a duplicate or back-up copy of your Web Page stored at a location that is at least 1,000 feet away from the premises of the vendor that provides "web site and communications services".
- (5) "Web Site and Communication Services" means:
 - (a) Internet access, e-mail, web hosting, value added network services and application software services at the premises of others; or
 - (b) Network and router infrastructure located more than 1,000 feet from the described premises.

- b. This Additional Coverage is not subject to **SECTION I - PROPERTY, C. Limits of Insurance**.

8. Civil Authority

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, i. Civil Authority, paragraph (2) is replaced by the following:

- (2) Civil Authority Coverage for Business Income will begin 24 hours after the time of the first action of civil authority that prohibits access to the described premises and will end:
 - (a) Four consecutive weeks after the time of that action; or
 - (b) When your Civil Authority Coverage for Business Income ends;

whichever is later.

9. Computer Equipment

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, r. Computer Equipment, paragraph (6) is replaced by the following:

- (6) Regardless of the number of insured locations involved, the most we will pay for loss or damage under this Additional Coverage in any one occurrence is the applicable Limit of Insurance for Covered Property at the premises described in the Declarations. .

The most we will pay for loss or damage under this Additional Coverage to property described in paragraphs (1) and (2) above in any one occurrence while "in transit" or at a premises other than the described premises is \$100,000.

The most we will pay for loss or damage under this Additional Coverage to property described in paragraphs (1) and (2) above in any one occurrence for property that you newly acquire is \$100,000.

With respect to newly acquired property under this Additional Coverage, coverage will end when any of the following occurs:

- (a) The policy expires;
- (b) 180 days after you acquire the property listed in (1)(a - d);
- (c) You report values to us.

The most we will pay for Extra Expense is \$5,000 or the amount shown in the Additional Property Coverage Schedule in any one occurrence.

This Additional Coverage is not subject to **SECTION I - PROPERTY, C. Limits of Insurance.**

10. Computer and Funds Transfer Fraud

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, hh. Computer and Funds Transfer Fraud, paragraph (3) is replaced by the following:

- (3) The most we will pay per occurrence under this Additional Coverage is \$10,000 unless a higher Limit of Insurance is shown in the Schedule of Amended Limits of Insurance.

11. Consequential Loss to Stock

The following is added to **SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions:**

Consequential Loss to Stock

- (1) You may extend the insurance that applies to your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.
- (2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.
- (3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

12. Contract Penalties

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:**

Contract Penalties

- (1) We will pay for contract penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- (2) The most we will pay for all penalties in any one occurrence is \$25,000.
- (3) The amount payable under this Additional Coverage is additional insurance.

13. Denial of Access to Premises

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:**

Denial of Access to Premises

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.
- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for

a period of up to 30 consecutive days after coverage begins.

- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:

(a) 30 consecutive days after coverage begins; or

(b) When your Business Income coverage ends;

whichever is earlier.

- (4) The definitions of Business Income and Extra Expense contained in the Business Income Additional Coverage and the Extra Expense Additional Coverage also apply to this Denial of Access to Premises Additional Coverage.

14. Electronic Vandalism

SECTION I - Property, A. Coverage, 5. Additional Coverages, dd. Electronic Vandalism, paragraph (3) is replaced by the following:

- (3) The most we will pay for loss of or damage to computer "hardware" or "software" in any one occurrence under this Additional Coverage is \$5,000. The most we pay for all covered losses to computer "hardware" or "software" under this Additional Coverage during each separate 12-month period of this policy is \$100,000.

The most we will pay under this Additional Coverage for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$100,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

15. Employee Theft Including ERISA Compliance

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, p. Employee Theft Including ERISA, paragraph (6), is replaced by the following:

- (6) The most we will pay for all loss resulting directly from an occurrence is \$50,000. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year.

16. Expediting Expenses

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:**

Expediting Expenses

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:

(a) Make temporary repairs;

(b) Expedite permanent repair or replacement of damaged property; or

(c) Provide training on replacement machines or equipment.

- (2) The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000.

- (3) The amount payable under this Additional Coverage is additional insurance.

17. Extended Business Income

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, f. Business Income, (2) Extended Business Income, (a) Extended Business Income - Other Than Rental Value, paragraph (ii) and (b) Extended Business Income - Rental Value, paragraph (ii) are replaced by the following:

- (a) **Extended Business Income - Other Than Rental Value**

(ii) Ends on the earlier of:

- 1) The date you could restore your operations, with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- 2) 90 consecutive days after the date determined in (2)(a)(i) above.

- (b) **Extended Business Income - Rental Value**

(ii) Ends on the earlier of:

- 1) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have

existed if no direct physical loss or damage had occurred; or

- 2) 90 consecutive days after the date determined in (2)(b)(i) above.

18. Fine Arts

- a. **SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, x. Fine Arts,** paragraph (3) is replaced by the following:

(3) The most we will pay for loss under this Additional Coverage is \$100,000 per occurrence regardless of the number of locations or buildings involved.

- b. For the purpose of this Additional Coverage, **SECTION I - PROPERTY, G. Property Definitions, 21. "Fine Arts"** is replaced by the following:

21. "Fine Arts" means architectural models, paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" furniture, "antique" jewelry, bric-a-brac, porcelains, and similar property of rarity, historical value, or artistic merit.

19. Forgery or Alteration

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, k. Forgery or Alteration, paragraph (5) is replaced by the following:

- (5) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$50,000.

20. Hired Auto - Physical Damage

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages**:

Hired Auto - Physical Damage Coverage

- (1) We will pay for loss to an "auto" you or an "employee", at your direction, lease, hire or rent without a driver for a period of 30 days or less for the purpose of conducting customary operations for your business. This does not include any "auto" you lease, hire or rent from any of your "employees" or members of their households.

We will pay for loss to a covered "auto" or its equipment caused by:

- (a) **Comprehensive coverage**

From any cause except:

- (i) The covered "auto's" collision with another object; or

- (ii) The covered "auto's" overturn.

(b) **Collision coverage**

- (i) The covered "auto's" collision with another object; or
- (ii) The covered "auto's" overturn.

- (2) For the purpose of this Additional Coverage only, **SECTION I - PROPERTY, A. Coverage, 2. Property Not Covered,** paragraph a. is replaced by the following:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration and:

- (1) Any "auto" as described in paragraph (1) above, while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity;

- (2) Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment;

- (3) Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment; or

- (4) Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.

- (3) For the purpose of this Additional Coverage only, **SECTION I - PROPERTY, B. Exclusions** does not apply with the exception of the following exclusions:

- (a) **1.d. Nuclear Hazard;**

- (b) **1.f. War and Military Action**

For the purpose of this Additional Coverage only, the following exclusions are added to **SECTION I - PROPERTY, B. Exclusions**:

1. We will not pay for loss to a covered "auto" caused by or resulting from someone causing you to voluntarily part with the "auto" by trick or scheme or under false pretenses; or

2. We will not pay for loss caused by or resulting from wear and tear, freezing; mechanical or electrical breakdown; blowouts, punctures or other road damage to tires.

(4) For the purpose of this Additional Coverage only, the following is added to **SECTION I - PROPERTY, C. Limits of Insurance:**

Hired Auto Physical Damage Limits of Insurance

The most we will pay for loss to any one covered "auto" is the lesser of:

- a. The actual cash value of the damaged or stolen property as of the time of loss;
- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
- c. \$50,000.

(5) The following is added to **SECTION I - PROPERTY, D. Deductibles**, paragraph 5.:

Hired Auto - Physical Damage

(6) For the purpose of this Additional Coverage only, the following is added to **SECTION I - PROPERTY, G. Property Definitions:**

1. "Auto" means a land motor vehicle, trailer or semitrailer that is subject to motor vehicle registration, or designed for travel on public roads, including any attached machinery or equipment.

The amount payable under this Additional Coverage is additional insurance.

This coverage is excess to any other valid insurance whether collectible or not.

21. Identity Theft Expense Reimbursement

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:**

Identity Theft Expense

(1) We will pay for "expenses" incurred by an "insured person" as a direct result of any one "Identity Theft" first discovered or learned of by such "insured person" during the policy period.

Any act or series of acts committed by one or more persons, or in which such persons are aiding and abetting others against an "insured person", is considered to be one "identity theft" even if a series of acts

continues into subsequent policy period(s).

(2) With respect to this Additional Coverage:

(a) "Expenses" means:

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (ii) Costs of certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit agencies;

(iii) Lost income resulting from:

- 1) Time taken off work to complete fraud affidavits; or
- 2) Meeting or talking to law enforcement agencies, credit agencies or legal counsel.

(iv) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;

(v) Reasonable attorney fees to:

- 1) Defend lawsuits brought against an "insured person" by merchants, financial institutions or their collection agencies;
- 2) Remove any criminal or civil judgments wrongly entered against an "insured person"; or
- 3) Challenge the accuracy or completeness of any information in a consumer credit report;

(vi) Charges for long distance telephone calls due to "Identity theft" to:

- 1) Merchants;
- 2) Law enforcement agencies;
- 3) Financial institutions or other similar credit grantors; or
- 4) Credit agencies

(vii) Reasonable fees for professional financial advice or professional credit advice.

- The most we will pay for "expenses" under paragraph (2) (a) is \$5,000, subject to a maximum of \$200 per day.
- (b) For purposes of this Additional Coverage, "identity theft" means:
The act of knowingly transferring or using, without lawful authority, a means of identification of an "insured person" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law; and
- (c) "Insured person" means:
- (i) For sole proprietorships: The individual who is the sole proprietor of the Named Insured shown in the Declarations;
 - (ii) For partnerships: Any individual that is a partner of the Named Insured shown in the Declarations;
 - (iii) For corporations or any other type of organization: The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured, shown in the Declarations.
- (3) The following additional exclusions apply to this Additional Coverage:
We will not pay for:
- (a) Expenses incurred due to any fraudulent, dishonest or criminal acts by:
 - (i) An "insured person";
 - (ii) Any person aiding or abetting an "insured person"; or
 - (iii) Any authorized representative of an "insured person";
 whether acting alone or in collusion with others; or
 - (b) Loss other than "expenses". Account balances which arise out of fraudulent or unauthorized charges would be one example of loss other than "expenses".
 - (4) Regardless of the amount of the deductible for Covered Property shown in the Declarations, the most we will deduct from any claim for "expenses" under this Additional Coverage for any one "identity theft" is \$250.
 - (5) The most we will pay under this Additional Coverage for all "Expenses" arising out of all "Identity Theft" against an "Insured Person" incurred in any one policy year, regardless of the number of "Identity Thefts" involved, is \$15,000 unless a higher Limit of Insurance is shown in the Declarations.
 - (6) In order for coverage to be provided under this Additional coverage, you must send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity theft" coverage.
- ## 22. Interruption of Computer Operations
- SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, ee. Interruption of Computer Operations, paragraph (3) is replaced by the following:**
- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved is:
- (a) \$500,000 unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
 - (b) \$25,000 in any one occurrence for interruptions covered under paragraphs (1) and (2) above for loss arising out of a Covered Cause of Loss occurring away from the described premises. This per occurrence limit applies regardless of the number of premises involved.
 - (c) \$50,000 for all losses arising out of interruptions covered under paragraphs (1) and (2) that arise out of a Covered Cause of Loss

occurring away from the described premises during each separate 12 month period of this policy.

23. Marring and Scratching

The following is added to **SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions:**

Marring and Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
 - (a) Your "stock";
 - (b) Your printing plates; or
 - (c) Property of others that is in your care, custody or control.
- (2) This Coverage Extension does not apply to:
 - (a) Property at other than the described premises; or
 - (b) Personal Property in transit.
- (3) Payment under this Coverage Extension is included within Limit of Insurance applicable to your Business Personal Property.

24. Money and Securities

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, s. Money and Securities, paragraph (5) is replaced by the following:

- (5) The most we will pay for loss in any one occurrence is:
 - (a) \$25,000 or the amount shown in the Additional Property Coverage Schedule Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution in the coverage territory; and
 - (b) \$25,000 or the amount shown in the Additional Property Coverage Schedule Outside the Premises for "money" and "securities" while at any other location listed in (1) above and while in the coverage territory.

25. Money Orders and Counterfeit Money

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, j. Money Orders

and Counterfeit Money, paragraph (3) is replaced by the following:

- (3) The most we will pay for any loss under this Additional Coverage is \$25,000.

26. Newly Acquired or Constructed Property - Business Income and Extra Expense

SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, a. Newly Acquired or Constructed Property, paragraph (3) is replaced by the following:

(3) Business Income and Extra Expense

You may extend the insurance that applies to Business Income and Extra Expense to apply to property at any location you acquire. The most we will pay for loss or damage under this Extension is \$500,000 at each premises.

27. Ordinance or Law - Demolition Cost and Increased Cost of Construction

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, i. Ordinance or Law, (5) Loss Payment, paragraph (d) is replaced by the following:

- (d) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction for each building described in the Declarations is \$25,000 or the amount shown in the Additional Property Schedule. If a damaged building(s) is covered under a Blanket Limit of Insurance and the Blanket Limit of Insurance applies to more than one building or item of property, then the most we will under this Additional Coverage, for each building, is \$25,000, or the amount shown in the Additional Property Coverage Schedule.

28. Ordinance or Law - Increased Period of Restoration

- a. The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, i. Ordinance or Law,** paragraph (4) Coverage:

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (a) Regulates the construction or repair of any property;

(b) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

(c) Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires:

(d) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or

(e) 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", "fungi", wet or dry rot or bacteria.

- b. The following is added to **SECTION I - PROPERTY, A. Coverage 5. Additional Coverages, I. Ordinance or Law, (5) Loss Payment, paragraph (c)**:

The most we will pay for loss under Increased Period of Restoration in any one occurrence is \$50,000 for each described building shown in the Declarations or the amount shown in the Additional Property Coverage Schedule. If a damaged building(s) is covered on a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay for Increased Period of Restoration for each described building in any one occurrence is \$50,000.

29. Ordinance or Law (Tenant's Improvement Extension)

- a. The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, I. Ordinance or Law, paragraph (4) Coverage**:

Coverage provided under paragraphs (a), (b) and (c) above applies to tenant's improvements and betterments but only if a Limit of Insurance is shown in the Declarations for Business Personal Property. Business Personal Property must be insured on a replacement cost basis.

This extension is provisional and excess to any other valid insurance for tenant's improvements and betterments whether collectible or not.

- b. The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, I. Ordinance or Law, (5) Loss Payment, paragraph (c)**:

Regardless of the number of locations insured or buildings involved, the most we will pay for any loss to tenant's improvements and betterments under this Additional Coverage in any one occurrence is \$25,000.

30. Outdoor Property

SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, c. Outdoor Property, paragraph (3) is replaced by the following:

- (3) Regardless of the number of described premises involved, the most we will pay for loss or damage under this Extension, including debris removal expense, is \$25,000, but not more than \$1,000 for any one tree, shrub or plant.

31. Personal Effects

SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, d. Personal Effects, paragraph (3) is replaced by the following:

- (3) The most we will pay for loss or damage under this Extension is \$75,000 at each described premises.

32. Portable Electronic Devices Coverage Worldwide

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages**:

Portable Electronic Devices Coverage Worldwide

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to portable electronic devices while anywhere in the world, including while "in transit".

- (2) For the purpose of this Additional Coverage, the following is added to **SECTION I - PROPERTY, G. Property Definitions**:

Portable electronic devices includes laptops, tablets, e-readers, smartphones or other lightweight, hand-held or wearable devices capable of storing, retrieving and processing data.

- (3) This coverage is provided when the property is owned by you or owned by others when in your or your "employees" care, custody or control, subject to **SECTION I - PROPERTY, E.**

Property Loss Conditions, 5. Loss Payment, paragraph d.(3)(b).

- (4) We will not pay for loss or damage to portable electronic devices when caused by, resulting from, or arising out of "theft" or unexplained loss when the property is checked baggage with a carrier for transit.

- (5) The provisions for a Business Income loss will be governed by the terms of **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, f. Business Income** except:

(a) There is no requirement that a loss occur within 1,000 feet or at the described premises as stated in paragraph (1)(a); and

(b) The following are not included under this Additional Coverage:

(i) Continuing normal operating expenses incurred, including "payroll expense";

(ii) Extended Business Income.

- (6) The provisions for Extra Expense loss will be governed by the terms of **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, g. Extra Expense** except:

(a) There is no requirement that a loss occur within 1,000 feet or at the described premises as stated in paragraph g.(1) and g.(2).

- (7) Limitations, item b. does not apply to this Additional Coverage.

- (8) **SECTION I - PROPERTY, B. Exclusions, 5. Business Income and Extra Expense Exclusions, paragraph (4)** does not apply to this Additional Coverage.

- (9) Regardless of the number of lost or damaged portable electronic devices, the most we will pay per occurrence including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$10,000.

- (10) The amount payable under this Additional Coverage is additional insurance.

33. Precious Metal Theft Payment Changes

SECTION I - PROPERTY, A. Coverage, 4. Limitations, paragraph c. is replaced by the following:

- c. For loss or damage by "theft", the following types of property are covered only up to the limits shown:

(1) \$10,000 for furs, fur garments and garments trimmed with fur.

(2) \$10,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones. This limit does not apply to jewelry and watches worth \$250 or less per item.

(3) \$25,000 for bullion, gold, silver, platinum and other precious alloys or metals.

34. Preservation of Property - Expense

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages**:

Preservation of Property - Expense

(1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.

(2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.

(3) The most we will pay under this Additional Coverage is \$25,000.

This Additional Coverage is an additional amount of insurance.

35. Personal Property in Transit

SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, i. Personal Property in Transit, paragraph (5) is replaced by the following:

(5) Payment under this Coverage Extension is included within the Limit of Insurance applicable to your Business Personal Property

36. Sales Representative Samples

SECTION I - PROPERTY, 5. Additional Coverages, y. Sales Representative Samples, paragraph (3) is replaced by the following:

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

37. Temporary Relocation of Property

The following is added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages**:

Temporary Relocation of Property



- (1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000.
- (4) The amount payable under this Additional Coverage is additional insurance.

38. Tenant Signs

SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, t. Tenant Signs, paragraph (4) is replaced by the following:

- (4) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Business Personal Property shown in the Declarations.

39. Utility Services (Including Overhead Transmission Lines)

a. SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, bb. Utility Services, paragraphs (1) and (2) are replaced by the following:

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown in paragraph (3) below.

The most we will pay for loss in any one occurrence under this Additional Coverage is \$25,000 at each described premises or the Limit of Insurance shown in the Additional Property Coverage Schedule.

- (2) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown in paragraph (3)

below.

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one occurrence under this Additional Coverage is \$25,000 at each described premises or the Limit of Insurance shown in the Additional Property Coverage Schedule.

b. SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, bb. Utility Services, paragraph (4) is deleted.

40. Valuable Papers and Records (Other Than Electronic Data)

SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions, e. Valuable Papers and Records (Other Than Electronic Data), paragraphs (2) and (3) are replaced by the following:

- (2) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$100,000.
- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence not at the described premises is \$100,000.

41. Worldwide Property Off Premises

The following is added to **SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions:**

Worldwide Property Off-Premises

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
 - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
 - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$50,000.

- (3) This Extension provides an additional amount of insurance.

SECTION II - LIABILITY

Paragraphs 2. through 8. amend coverage provided under **SECTION II - LIABILITY**.

1. Additional Insured by Contract, Agreement or Permit - Amended

For purposes of the coverage provided by this endorsement, Coverage 1. **Additional Insured by Contract, Agreement or Permit**, subparagraph c. (5) of the **Businessowners Liability Special Broadening Endorsement** is replaced by the following:

This provision does not apply to:

- (5) All professional liability as an architect or engineer arising out of any construction agreement or activities under which any insured or anyone acting on any insured's behalf provides or provided service, advice, expertise or work. Construction includes, but is not limited to, the plan, conception, design, build, construct, assembly, development, safety, erection, formation, reconstruct, rehabilitation, repair, or any improvement made to real property. Construction also includes the hiring, supervision or management of any of these activities. However, this exclusion does not apply to liability arising out of an insured's presence at a jobsite that was not caused by professional activities listed in the above paragraph.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury" involved professional liability as an architect or engineer arising out of any construction agreement or activities under which any insured or anyone acting on any insured's behalf provides or provided service, advice, expertise or work.

2. Additional Insured by Contract, Agreement or Permit - Primary and Non-contributory

- a. The following is added to **SECTION III - COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I - PROPERTY AND SECTION II - LIABILITY)**, paragraph H. **Other insurance**:

Additional Insured - Primary and

Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an **Additional Insured** under **SECTION II - LIABILITY, C. Who is an Insured**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the **Additional Insured** for a loss covered under **SECTION II - LIABILITY** of this Coverage Part, our obligations are limited as follows:

(1) Primary Insurance

This insurance is primary to other insurance that is available to the **Additional Insured** which covers the

Additional Insured as a **Named Insured**. We will not seek contribution from any other insurance available to the **Additional Insured** except:

- (a) For the sole negligence of the **Additional Insured**;
- (b) When the **Additional Insured** is an **Additional Insured** under another primary liability policy; or
- (c) When b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

(2) Excess Insurance

- (a) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (ii) That is Fire insurance for premises rented to the **Additional Insured** or temporarily occupied by the **Additional Insured** with permission of the owner;
- (iii) That is insurance purchased by the **Additional Insured** to cover the **Additional Insured's** liability as a tenant for "property damage" to premises rented to the **Additional Insured** or temporarily occupied by the **Additional Insured** with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft,

"autos" or watercraft to the extent not subject to Exclusion g. of SECTION II - LIABILITY. B. Exclusions, 1. Applicable to Business Liability Coverage.

- (v) That is insurance available to you for your participation in any past or present "unnamed joint venture".
- (vi) That is any insurance you may have that provides coverage for your professional services.
- (b) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (c) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (i) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (ii) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

(3) Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

- b. For the purposes of coverage provided under this endorsement, the following definition is added to SECTION II -

LIABILITY, F. Liability and Medical Expense Definitions:

- 1. "Unnamed joint venture" means any joint venture in which you are a member or partner where:
 - a. Each and every one of your co-ventures in that joint venture is a hair salon.
 - b. That joint venture is not.

3. Aggregate Limit of Insurance (Per Project)

- a. For purposes of the coverage provided by this endorsement, the following is added to SECTION II - LIABILITY, D. Liability and Medical Expenses Limits:

The General Aggregate Limit under D. Liability and Medical Expenses Limits of Insurance applies separately to each of "your projects" or each location listed in the Declarations.

- b. For purposes of the coverage provided by this endorsement, the following definition is added to SECTION II - LIABILITY, F. Liability And Medical Expenses Definitions:

- 1. "Your project" means:
 - a. Any premises, site or location at, on, or in which "your work" is not yet completed; and
 - b. Does not include any location listed in the Declarations.

4. Damage to Premises Rented To You - Revised Limit

SECTION II - LIABILITY, D. Liability And Medical Expenses Limits of Insurance, paragraph 4. is replaced by the following:

- 4. The most we will pay under Business Liability Coverage f or damages because of "property damage" to any one premises, while rented to you or while temporarily occupied by you with permission of the owner will be the greater of:

- a. \$1,000,000; or
- b. The Limit of Insurance f or Damage to Premises Rented To You shown in the Declarations.

5. Limits of Insurance - Medical Expenses

For purposes of the coverage provided by this endorsement, SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance, paragraph 3. is replaced by the following:

- 3. Subject to the Liability and Medical Expenses Limits Limit, the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is \$10,000 or the Medical Expenses limit shown in the Declarations, whichever is greater.

6. Newly Acquired or Formed Organizations

SECTION II - LIABILITY, C. Who is An Insured, paragraph 3. a. is replaced by the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

7. Nonowned Watercraft

SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, g. Aircraft, Auto or Watercraft, (2) Aircraft (Other Than Unmanned Aircraft), paragraph (b) is replaced by the following:

- (b) A watercraft you do not own that is:
 - (i) Less than 75 feet long; and
 - (ii) Not being used to carry persons or property for a charge.

8. Who is an Insured - Unnamed Joint Venture

- a. For purposes of the coverage provided by this endorsement, the final paragraph of **SECTION II - LIABILITY, C. Who Is An Insured** is replaced by the following:

Unnamed Joint Venture

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. However, this does not apply to you, for your participation in any past or present "unnamed joint venture", or if that person or organization is

otherwise an additional insured under **Additional Insureds - Unnamed Joint Venture** below.

- b. For purposes of the coverage provided by this endorsement, the following is added to **SECTION II - LIABILITY, C. Who is an Insured**:

Additional Insureds - Unnamed Joint Venture:

You, as an insured for your participation in any past or present "unnamed joint venture". However, you are not an insured if the "unnamed joint venture" has:

- (1) Direct employees; or
- (2) Owns, rents, or leases any real or personal property.

No other member or partner, or their spouses, of any past or present "unnamed joint venture" is an insured.

- c. For purposes of the coverage provided by this endorsement, the following definition is added to **SECTION II - LIABILITY, F. Liability And Medical Expenses Definitions**:

- 1. "Unnamed joint venture" means any joint venture in which you are a member or partner where:

- a. Each and every one of your co-ventures in that joint venture is an architectural, engineering or surveying firm; and
- b. That joint venture is not named in the Declarations.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART

A. The following is added to SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured:

Additional Insured if Required by Contract

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, such person or organization is an "insured"; but only to the extent that such person or organization qualifies as an "insured" under paragraph A.1.c. of this Section.

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, the most we will pay on behalf of such additional "insured" is the lesser of:

- (1) The Limits of Insurance for liability coverage specified in the written contract, written agreement or written permit; or
- (2) The Limits of Insurance for Liability Coverage shown in the Declarations applicable to this Coverage Part.

Such amount shall be part of and not in addition to the Limits of Insurance shown in the Declarations applicable to this Coverage Part. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

B. The following is added to SECTION IV - BUSINESS AUTO CONDITIONS, Paragraph B. General Conditions, subparagraph 5. Other Insurance:

Primary and Non-Contributory

If you agree in a written contract, written agreement or written permit that the insurance provided to a person or organization who qualifies as an additional "insured" under SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured, subparagraph Additional Insured if Required by Contract is primary and non-contributory, the following applies:

The liability coverage provided by this Coverage Part is primary to any other insurance available to the additional "insured" as a Named Insured. We will not seek contribution from any other insurance available to the additional "insured" except:

- (1) For the sole negligence of the additional "insured"; or
 - (2) For negligence arising out of the ownership, maintenance or use of any "auto" not owned by the additional "insured" or by you, unless that "auto" is a "trailer" connected to an "auto" owned by the additional "insured" or by you; or
 - (3) When the additional "insured" is also an additional "insured" under another liability policy.
- C. This endorsement will apply only if the "accident" occurs:**
1. During the policy period;
 2. Subsequent to the execution of the written contract or written agreement or the issuance of the written permit; and
 3. Prior to the expiration of the period of time that the written contract, written agreement or written permit requires such insurance to be provided to the additional "insured".
- D. Coverage provided to an additional "insured" will not be broader than coverage provided to any other "insured" under this Coverage Part.**

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1. () Specific Waiver

Name of person or organization

(X) Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

ALL TEXAS OPERATIONS

3. Premium:

The premium charge for this endorsement shall be 2 percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____