

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Wednesday, December 8, 2021

5:00 PM

ELECTRONIC PUBLIC MEETING

FINANCE COMMITTEE

*Tonya Burns, Chairperson, Ward 6
Judy Priestley, Vice Chairperson, Ward 4*

*Eric Mays, Ward 1
Quincy Murphy, Ward 3
Allie Herkenroder, Ward 7*

*Ladel Lewis, Ward 2
Jerri Winfrey-Carter, Ward 5
Dennis Pfeiffer, Ward 8*

Eva Worthing, Ward 9

Inez M. Brown, City Clerk

Davina Donahue, Deputy City Clerk

SPECIAL PUBLIC NOTICE -- ELECTRONIC PUBLIC MEETING**PUBLIC NOTICE
FLINT CITY COUNCIL ELECTRONIC PUBLIC MEETING**

On Friday, October 5, 2020, the Michigan Supreme Court (MSC) issued an order declaring that the Emergency Powers of Governor (EPG) Act as an unconstitutional delegation of legislative authority, which was the primary authority relied on by Governor Whitmer for her COVID-19 related executive orders. Subsequently, Governor Whitmer requested that the MSC clarify that their order does not go into effect until October 30, 2020. On Monday October 12, 2020, the Michigan Supreme Court rejected Governor Whitmer's request to delay the effect of its decision to strike down the EPG. On, Tuesday, October 13, 2020, Senate Bill 1108 passed, amending the Open Meetings Act to allow municipalities to hold electronic meetings. On Friday, October 16, 2020, Governor Whitmer signed into law Senate Bill 1108 amending the Open Meetings Act. Subsequently, on December 22, 2020, Public Act 267 of 1976 was amended through Senate Bill 1246 extending the electronic meetings with no reason through March 31, 2021. The act also allows that after March 31, 2021, electronic meetings may be held if a local state of emergency was declared. On March 23, 2020, the Flint City Council extended Mayor Neeley's declaration of emergency indefinitely due to the COVID-19 pandemic. Therefore, this meeting will be held electronically.

Pursuant to Act 267 of the Public Acts of 1976 Open Meetings Act as amended, notice is hereby given that the Flint City Council will conduct four (4) regularly-scheduled committee meetings, to be held as follows:

**Flint City Council Committee Meetings
(Finance, Governmental Operations, Legislative and Grants)
Wednesday, December 8, 2021, at 5 p.m.**

1. The public and media may listen to the meeting online by live stream at <https://www.youtube.com/c/FlintCityCouncilMeetings> or through Start Meeting by dialing (617) 944-8177. (If unable to get through, please dial (206) 451-6011.)
 2. In order to speak during the PUBLIC SPEAKING PERIOD of each meeting by telephone, participants will also call (617) 944-8177. (If unable to get through, please dial (206) 451-6011):
 - a. All callers will be queued and muted until the Public Speaking portion of each agenda;
 - b. Public speakers will be unmuted in order and asked if they wish to address the City Council ON ANY SUBJECT;
 - c. Public speakers should state and spell their name for the record and will be allowed two (2) minutes for public speaking during each meeting;
 - d. The speaker will be returned to mute after the 2 minutes have expired;
 - e. After the telephonic public speakers for each committee meeting are completed, emailed public comments will be read by the City Clerk. All emailed public comments will be timed for 2 minutes;
 - f. Per Rules Governing Meetings of the Council (Rule 7.1 VII), there will only be one speaking opportunity per speaker per meeting. Consequently, public participants who call in and speak during the public speaking period of the meetings WILL NOT have any written comments as submitted read by the City Clerk.
 3. The public may send public comments by email to CouncilPublicComment@cityofflint.com no later than 10 minutes prior to the meeting start time of 5 p.m.
 4. Persons with disabilities may participate in the meeting by the above-mentioned means or by emailing a request for an accommodation to CouncilPublicComment@cityofflint.com, with the subject line Request for Accommodation, or by contacting the City Clerk at (810) 766-7418 to request accommodation - including, but not limited to, interpreters.
- If there are any questions concerning this notice, please direct them to City Council office at (810) 766-7418.

ROLL CALL

MEMBER REMOTE ANNOUNCEMENT

Pursuant to the newly revised Open Meetings Act, each Council member shall state that they are attending the meeting remotely and shall state where he or she is physically located (county or city and state).

MEMBER CONTACT INFORMATION

Eric Mays - (810) 922-4860; Ladel Lewis - llewis@cityofflint.com; Quincy Murphy - qmurphy@cityofflint.com; Judy Priestley - jpriestley@cityofflint.com; Jerri Winfrey-Carter - jwinfrey-carter@cityofflint.com; Tonya Burns - tburns@cityofflint.com; Allie Herkenroder - aherkenroder@cityoffliht.com <mailto:aherkenroder@cityoffliht.com>; Dennis Pfeiffer - dpfeiffer@cityofflint.com; Eva Worthing - eworthing@cityofflint.com.

PROCEDURES ON CONDUCTING ELECTRONIC MEETINGS

All boards and commissions must adhere to all laws established under the Michigan Compiled Laws and in accordance with the revisions to the Open Meetings Act adopted in Senate Bill 1246, as passed on December 17, 2020, and signed into law on December 22, 2020, and subsequent amendments that may be adopted.

READING OF DISORDERLY PERSONS CITY CODE SUBSECTION

Section 31-10, Disorderly Conduct, Assault and Battery, and Disorderly Persons, and will be subject to arrest for a misdemeanor. Any person who prevents the peaceful and orderly conduct of any meeting will be given one warning. If they persist in disrupting the meeting, that individual will be subject to arrest. Violators shall be removed from meetings.

EXECUTIVE (CLOSED) SESSION

An Executive (Closed) Session as requested by the Department of Law to discuss Opioid Litigation re: National Prescription Opiate Litigation, MDL No. 2804 (City of Flint v Actavis Pharma, Inc. F/K/a Watson Pharma, Inc. et al.

PUBLIC SPEAKING

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, June 12, 2017), two (2) minutes per speaker. Only one speaking opportunity per speaker.

COUNCIL RESPONSE

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, June 12, 2017), Councilpersons may respond to any public speaker, but only one response and only when all public speakers have been heard. Individual council response is limited to two minutes.

SPECIAL ORDERS

210278 Special Order/Flint Water Crisis Criminal Cases/Former Special Prosecutor Todd Flood

A Special Order as requested by Councilperson Mays to discuss Flint water crisis criminal cases with Former Special Prosecutor Todd Flood.

RESOLUTIONS

210540 Contractual Agreement/Ernst & Young/Management Services/American Rescue Act Plan (ARPA) Funds

Resolution resolving that the appropriate city officials, upon City Council's approval, are hereby authorized to do all things necessary to enter into and manage a contractual agreement with Ernst & Young for management services for the city's American Rescue Act Plan (ARPA) funds, including but not limited to compliance and implementation, in an amount NOT-TO-EXCEED \$3,994,074.00 for FY2022 through FY2027 [FUSDT-CSLFRF Professional Services Acct. No. 287-171.716-801.000.]

210542 Contract/Garland/DBS, Inc./Roof Replacement/City Hall/South Building

Resolution resolving that the appropriate city officials, upon City Council's approval, are to do all things necessary to enter into a contract with Garland/DBS, Inc., for roof replacement at the South Building at City Hall, in an amount NOT-TO-EXCEED \$254,991.00, as requested by Facilities Maintenance [Public Improvement Fund Acct. No. 402-753.200-976.000.]

210571 Agreement/Lighthouse, An Alera Group Co./Property Insurance Coverage/Terrorism Coverage

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to enter into an agreement with Lighthouse, An Alera Group Co., to provide the City of Flint with its property and terrorism coverage. Property insurance will be layered through two carriers -- Arch Specialty Insurance Co. and the Lexington Specialty Insurance Agency, Inc. -- Hiscox will endorse terrorism coverage. Premiums are to be paid to Arch Specialty Insurance Co. for an amount of \$256,250.00; to the Lexington Specialty Insurance Agency, Inc. for an amount of \$257,250.00; and to Lloyd's of London Underwriters (for Hiscox) for a premium cost of \$14,350.00, as requested by Finance. The total premium for all three coverages is NOT-TO-EXCEED \$527,850.00 [Risk & Benefit Insurance Fund Acct. No. 677-174.851-955.000].

210572 Contract/Lighthouse Group/General Liability & Terrorism Coverage

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to enter into a contract with Lighthouse, an Alera Group Co. to provide the City with its general liability and terrorism coverage, through the Old Republic Union Insurance Co., at a premium NOT-TO-EXCEED \$465,843.85 for a 12-month period beginning November 23, 2021, through November 23, 2022, as requested by Finance [Risk & Benefit Fund Acct. No. 677-174.851-955.000.]

210573 Authorization/COVID-19 Premium Pay/Public Safety Personnel

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to do all things necessary to compensate qualifying essential workers meeting the criteria outlined. Before COVID-19 Premium Pay compensation is distributed, the City of Flint's ARPA administration, compliance and implementation firm shall be contracted with and in place to review and ensure compliance with the latest U.S. Department of the Treasury Interim final rules. COVID-19 Premium Pay to be paid from the American Rescue Plan Act (ARPA) Fund Account 287. [NOTE: Premium Pay will be paid to qualifying Flint Police Department sworn officers and Flint Fire Department certified fire suppression personnel (an additional \$5.00 per hour worked between June 14, 2020, through June 12, 2021, not to exceed the maximum of \$10,400.00), as well as qualifying public safety civilian support personnel (an additional \$2.50 per hour worked between June 14, 2020, through June 12, 2021, not to exceed the maximum of \$5,200.00).]

210574 Authorization/COVID-19 Premium Pay/American Federation of State, County & Municipal Employees (AFSCME) Local 1600 & 1799/Essential Workers

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to do all things necessary to compensate qualifying essential workers meeting the criteria outlined. Before COVID-19 Premium Pay compensation is distributed, the City of Flint's ARPA administration, compliance and implementation firm shall be contracted with and in place to review and ensure compliance with the latest U.S. Department of the Treasury Interim final rules. COVID-19 Premium Pay to be paid from the American Rescue Plan Act (ARPA) Fund Account 287. [NOTE: Premium Pay will be paid to qualifying AFSCME Local 1600 and 1799 personnel (an additional \$3.00 per hour worked between June 14, 2020, through June 12, 2021, not to exceed the maximum of \$6,240.00).]

210575 Three-Year Contract Extension/Innovative Software Services, Inc./Income Tax Services

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to do all things necessary to extend the contract with Innovative Software Services, Inc. for income tax processing, collection of income taxes, account reconciliation, compliance programs and issuance of refund checks for the City of Flint in an amount NOT-TO-EXCEED \$611,287.00 for FY2022, \$672,415.98 for FY2023, and \$739,657.58 for FY2024, pending adoption of each year's budget, as requested by Customer Service.

210577 CO#1/Contract/Modern Concrete/Ready-Mix Concrete

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to issue change order #1 with Modern Concrete [to allow for the continuation of the sidewalk replacement program this Spring], in an amount NOT-TO-EXCEED \$332,300.00, for a total aggregate of \$332,300.00, as requested by Transportation [Local Street Fund Supplies Acct. No. 203-449.200-752.000].

- 210578** CO#2/Contract/Extend Contract/Rowe Professional Services Co./Comprehensive Zoning Services
- Resolution resolving that city officials, upon City Council's approval, are authorized to do all things necessary to enter into change order #2 to Contract 20-044 with Rowe Professional Services Co. until June 30, 2022, and to add \$60,000.00 to continue their provision of comprehensive zoning services, as requested by Planning & Development [Planning & Development Medical Marijuana Compliance Professional Services Acct. No. 101-371.220-801.000 = \$12,275.00; Planning & Zoning General Fund Acct. No. 101-371.209-801.000 = \$25,000.00; and Kellogg Economic and Community Development Grant Acct. No. 296-728.400-801.000 = \$22,725.00.]
- 210579** Budget Amendment/Transfer of Funds/Transportation Department/Department of Public Works/Transportation/Local Street Funds
- Resolution resolving that the appropriate city officials, upon City Council's approval, are hereby authorized to do all things necessary to amend the FY2021-2022 budget of the City of Flint to reflect the changes requested (outlined in the Resolution) to the city's Department of Public Works/Transportation Local Street Funds for a total change of \$1,000,000.00. [NOTE: According to the Staff Review, the additional funding is needed to cover all necessary requisitions in the Purchase Order System, and to complete local asphalt paving and local sidewalks, per ACT51 State requirements.]
- 210580** CO#1/Contract/Sorensen Gross Construction Co./Dort Pump Station Rehabilitation
- Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to do all things necessary to enter into change order #1 with Sorensen Gross Construction Co. for the Dort Pump Station rehabilitation, in an amount NOT-TO-EXCEED \$420,547.47, and a total contract amount NOT-TO-EXCEED \$4,069,944.47 as requested by DPW [Water Infrastructure Improvements for the Nation (WIIN) Fund Acct. No. 496-552.000-801.076].
- 210581** Contract/Spalding DeDecker/Construction Engineering Services/Miller Road Rehabilitation
- Resolution resolving that the appropriate city officials, upon City Council's approval, are to do all things necessary to enter into a contract with Spalding DeDecker for construction engineering services for the Miller Road rehabilitation [from Hammerburg Road to Ballenger Highway], in an amount NOT-TO-EXCEED \$276,591.00, as requested by Transportation [Major Street Fund Acct. No. 202-441.702-801.000.]
- 210582** CO#1/Ace-Saginaw Paving Co./Asphalt Paving Materials
- Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to issue change order #1 to Ace-Saginaw Paving Co.

for asphalt paving materials, as requested by Transportation, in an amount NOT-TO-EXCEED \$850,000.00, and a total aggregate Purchase Order amount NOT-TO-EXCEED \$1,410,000.00 [Local Street Fund Acct. No. 203-449.201-782.000.]

- 210583** CO#1/Extend & Increase Contract/Clark Commons II LDHA, LLC/Environmental Remediation Activities/Clark Commons/Phase 1

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to do all things necessary to process change order #1 to increase and extend Contract 18-087 with Clark Commons II LDHA, LLC, by \$275,005.00 in environmental remediation funds and extending through June 30, 2022, for a total Phase 1 contract of \$7,415,000.00, as requested by Planning & Development.

- 210584** Agreement Increase/Clark Commons II LDHA, LLC/Choice Neighborhoods Clark Commons Project Phase II

Resolution resolving that the appropriate city officials, upon City Council's approval, are authorized to do all things necessary to increase the Phase II Clark Commons agreement with Clark Commons II LDHA, LLC, by \$725,420.00 in FHUD18CHOICE fund and \$475,000.00 in SDEQ-19-BRDP funds, for a total Phase II contract amount of \$4,976,419.50, as requested by Planning & Development.

- 210585** Resolution of Support/Transportation Improvement Program (TIP) Projects/Genesee County Metropolitan Alliance/Improvements to Federal Aid Eligible Roads/City of Flint

Resolution resolving that this resolution is adopted to attest the city's support for the Draft List of Prioritized Projects for the FY2023-2026 Transportation Improvement Program (TIP) call for projects to secure funding for improvements to Federal-aid eligible roads within the City of Flint's jurisdiction. The city's estimated local match is in the amount of \$8,363,524.00, AND, resolving that this resolution attests the city's commitment to providing local funding for its share of projects selected for inclusion in the FY2023-2026 Transportation Improvement Program (TIP).

- 210586** Partial Settlement Agreement/National Prescription Opiate Litigation, MCL No. 2804 (City of Flint v Actavis Pharma, Inc., F/K/A Watson Pharma, Inc. et al)

Resolution resolving that the Flint City Council approves and consents to the city partially settling the National Prescription Opiate Litigation and authorizes the City Administrator to do all things necessary to partially settle the National Prescription Opiate Litigation matters on terms and conditions acceptable to the city. [NOTE: Numerous lawsuits have been filed nationally, arising out of the improper and illegal distribution and marketing of opioids by pharmaceutical manufacturers and distributors of Opioids. In February 2019, the City of Flint filed a lawsuit against those manufacturers and distributors who are most culpable to deal with the crisis by recouping taxpayer dollars spent on responding to the crisis, including but not limited to law enforcement and fire. A \$26 billion settlement was reached. The

city will receive approximately \$8.8 million.]

DISCUSSION ITEMS

ADJOURNMENT



PROPOSAL# 22-512

RESOLUTION NO.: 210540

PRESENTED: NOV - 3 2021

ADOPTED: _____

BY THE CITY ADMINISTRATOR:

RESOLUTION TO ERNST & YOUNG FOR MANAGEMENT OF THE ARPA FUNDS

The City of Flint Department of Purchases & Supplies solicited proposals for the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds as requested by the Finance Department in 2021. After thorough review of the eight proposals received by the Finance and Economic Development teams, the Finance team recommends awarding the contract for compliance and implementation of the ARPA funds to Ernst & Young. The contract with Ernst & Young would not exceed \$3,994,074 for FY2022 to FY2027.

The ARPA CLFRF grant budget was adopted with resolution 210280 for \$94,726,664. Per the US Treasury, "funds used in a manner consistent with the Interim Final Rule while the Interim Final Rule is effective will not be subject to recoupment."

This contract will use grant code FUSDT-CSLFRF and account 287-171.716-801.000 Professional Services.

Year	Amount
Year 1	\$ 1,150,650
Year 2	884,380
Year 3	738,025
Year 4	627,494
Year 5	593,525
Aggregate Total	\$3,994,074

IT IS RESOLVED, that the appropriate City officials are hereby authorized to do all things necessary to enter into and manage a contractual agreement with Ernst & Young for management services for the City's ARPA funds, including but not limited to compliance and implementation, in the amount not-to-exceed \$3,994,074.00 for the FY2022 to FY2027.

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Oct 27, 2021 15:21 EDT)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J. F. Widigan

Robert Widigan, Interim Chief Financial Officer

FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Oct 27, 2021 17:08 EDT)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:



RESOLUTION NO.: _____

PRESENTED: _____

ADOPTED: _____

APPROVED AS TO PURCHASING:

Lauren Rowley

Lauren Rowley, Purchasing Manager



CITY OF FLINT

STAFF REVIEW FORM

TODAY'S DATE: 10/26/2021

PREPARED BY: Vickie Foster, Dept. of Finance

AGENDA ITEM TITLE: Management of ARPA Funds

VENDOR NAME: Ernst & Young

BACKGROUND/SUMMARY OF PROPOSED ACTION:

After thorough review of the eight proposals received for RFP22-512, the Finance team recommends awarding the contract for compliance and implementation of the ARPA funds to Ernst & Young. The contract with Ernst & Young would not exceed \$3,994,074 for FY2022 to FY2027.

BUDGETED EXPENDITURE? YES

Dept.	Name of Account	Account Number	Grant Code	Amount
Finance	Professional Services	287-171.716-801.000	FUSDT-CSLFRF	3,994,074
GRAND TOTAL				3,994,074

PRE-ENCUMBERED? YES ☐ NO ☒ **REQUISITION NO:**

ACCOUNTING APPROVAL: Martita Moffett-Page
Martita Moffett-Page (Oct 27, 2021 13:37 EDT) **Date:** _____
Martita Moffett-Page, Grants Administrator

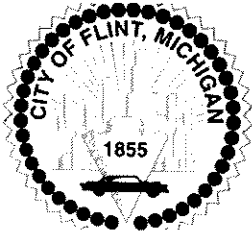
WILL YOUR DEPARTMENT NEED A CONTRACT? YES (see attached)

WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal)

Year 1 \$1,150,650 Year 2 \$884,380 Year 3 \$738,025 Year 4 \$627,494 Year 5 \$593,525

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ **APPROVED** ☐ **NOT APPROVED**

DEPARTMENTAL APPROVAL: Jennifer Ryan
Jennifer Ryan (Oct 27, 2021 11:19 EDT) **Date:** _____
Jennifer Ryan, Deputy Finance Director



Sheldon A. Neeley
Mayor

CITY OF FLINT Department of Finance

Clyde Edwards
City Administrator

Robert J.F. Widigan
Interim Chief Financial Officer

Jennifer Ryan
Deputy Finance Director

MEMORANDUM

TO: Lauren Rowley
Purchasing Manager

FROM: Robert J.F. Widigan
Interim Chief Financial Officer

DATE: October 21, 2021

SUBJECT: Management of American Rescue Plan Act (ARPA) Funds – Proposal #22000512

The proposals received for RFP #22-512 were reviewed and discussed with Jennifer Ryan, Lottie Ferguson, Khalfani Stephens, Martita Moffett-Page, and Robert J.F. Widigan. Below is a summary of the results.

From our original Management of American Rescue Plan Act (ARPA) Funds RFP, we received eight (8) proposals (attached is a summary of all eight responses, titled "Flint ARPA Proposal Summary - FINAL"). The (8) proposal were from the following firms:

1. Witt O'Brien's, LLC - Washington, DC
2. Accutrak Consulting and Accounting Services PLLC - Chesterfield, MI
3. Ernst & Young LLP - Detroit, MI
4. Montgomery & Company, PLLC - Southfield, MI
5. MGT of America Consulting, LLC - Tampa, FL
6. Guidehouse, Inc. - Falls Church, VA
7. BLN Emergency Management - Wixom, MI
8. Tidal Basin Government Consulting, LLC - Utica, NY

From those eight (8) proposals, we focused on four (4). They were selected based on all of the following factors: total cost; subcontracting; proximity to Flint, MI or Genesee County, MI; experience working with other Michigan communities; and overall experience managing federal grants.

The four (4) selected were BLN, E&Y, Montgomery, and Tidal Basin. Jenn and I reached out to these companies with the following request:

"We would like to focus on Compliance and Implementation. Could you please provide the following information for both compliance and implementation separately?"

Management Of American Rescue Plan Act (ARPA) Funds – Proposal #22000512 (continued)

- Can you describe how you see your firm defining and handling compliance/implementation?
- Can you refine your estimated cost for compliance/implementation (feel free to break it down by hourly and then a not to exceed rate)?
- Can you provide your estimated time spent on compliance/implementation?
- Can you provide an estimated team size for compliance/implementation?
- Can you describe your estimated presence in Flint and/or City Hall?"

Two of the four firms, E&Y and Montgomery, replied by the deadline of Monday (10/18); one of the four firms, BLN, replied on Tuesday (10/19) at 4:45 PM. These responses are attached.

- The response from BLN Emergency Management did not answer most of the questions sent. They did include a breakdown of their costs, with a lower total than their original proposal.
- The response from Montgomery & Company answered our questions and included a cost breakdown. Their proposed services, though, seem to be focused on project management and training.
- The response from Ernst & Young LLP answered our questions and included a cost breakdown. In addition to project management and training, as offered by Montgomery, E&Y offer a more hands-on approach. E&Y's cost breakdown included more hours and a lower average cost per hour. Additionally, E&Y has more relevant experience and extensive resources. Although we had limited the updated information to implementation and compliance, E&Y includes a leveraging component as part of their engagement; their team includes resources to check for related funding for projects.

Based on our review, we have selected Ernst & Young LLP as the vendor for the Management of ARPA RFP #22-512.



SEALED PROPOSALS RECEIVED IN THE DIVISION OF PURCHASES & SUPPLIES
For Management of American Rescue Plan Act (ARPA) Funds
Proposal# 22000512
Approximate Annual Quantities – Not Guaranteed
Furnish as requested for the period 7/1/21 – 6/30/22

Bidder# 1: Witt O'Brien's, LLC
Washington, DC

Professional Services Estimate \$513,300.00

Travel / On-Site Support \$77,610.00

Bidder# 2: Accutrak Consulting and Accounting Services PLLC
Chesterfield, MI

Proposed Fee

Job Title	Fully Burdened Hourly Rate
Subject Matter Expert	\$250
Project Manager	\$215
Senior Project Analyst	\$185
Project Analyst	\$135
Administrative Support	\$75

Bidder# 3: Ernst & Young LLP
Detroit, MI

Total Cost:

Year 1: \$1,414,500.00

Year 2: \$ 884,380.00

Year 3: \$ 738,025.00

Year 4: \$ 627,494.00

Year 5: \$ 593,525.00

TOTAL: \$4,247,924.00

A SPECIAL NOTE FROM THE PURCHASING DIVISION

Bid results posted are before evaluation team review and award recommendation.



Bidder# 4: Montgomery & Company, PLLC
Southfield, MI

Total Cost:

Year 1: \$ 829,080.00

Year 2: \$ 829,080.00

Year 3: \$ 829,080.00

Year 4: \$ 829,080.00

Year 5: \$ 829,080.00

TOTAL: \$4,145,400.00

Bidder# 5: MGT of America Consulting, LLC
Tampa, FL

Total Cost:

Year 1: \$ 201,916.00

Year 2: \$ 207,292.00

Year 3: \$ 213,436.00

Year 4: \$ 220,540.00

Year 5: \$ 226,492.00

TOTAL: \$1,069,676.00

A SPECIAL NOTE FROM THE PURCHASING DIVISION

Bid results posted are before evaluation team review and award recommendation.



Bidder# 6: Guidehouse, Inc.
Falls Church, VA

Proposed rates are based on a time and materials fee arrangement.

Rate Card Sheet

Team Guidehouse Rate Sheet					
Position	Year 1 Hourly Rate	Year 2 Hourly Rate	Year 3 Hourly Rate	Year 4 Hourly Rate	Year 5 Hourly Rate
Partner/Leader	\$325	\$335	\$345	\$355	\$366
Director	\$295	\$300	\$315	\$324	\$334
Manager	\$235	\$245	\$250	\$258	\$266
Senior Consultant	\$180	\$185	\$190	\$196	\$202
Consultant	\$150	\$155	\$160	\$165	\$170
Recovery Analyst III	\$125	\$130	\$135	\$136	\$143
Recovery Analyst II	\$65	\$70	\$75	\$77	\$79
Recovery Analyst I	\$45	\$50	\$55	\$57	\$59
Analyst	\$35	\$40	\$45	\$46	\$47

Bidder# 7: BLN Emergency Management
Wixom, MI

Total Cost:

Year 1: \$1,836,318.25

Year 2: \$1,737,618.25

Year 3: \$1,745,514.25

Year 4: \$1,479,447.25

Year 5: \$ 765,811.00

TOTAL: \$7,564,709.00

A SPECIAL NOTE FROM THE PURCHASING DIVISION

Bid results posted are before evaluation team review and award recommendation.



***Bidder# 8: Tidal Basin Government Consulting, LLC
Utica, NY***

Total Cost:

Year 1: \$1,255,450.00

Year 2: \$1,282,950.00

Year 3: \$1,282,950.00

Year 4: \$1,282,950.00

Year 5: \$1,282,950.00

TOTAL: \$6,387,250.00

A SPECIAL NOTE FROM THE PURCHASING DIVISION

Bid results posted are before evaluation team review and award recommendation.



RESOLUTION NO.: 210280
PRESENTED: JUN 14 2021
ADOPTED: JUN 14 2021

RESOLUTION AUTHORIZING THE AMENDMENT OF THE FY2020-21 BUDGET TO INCLUDE \$94,726,664 OF FUNDING FOR THE AMERICAN RESCUE PLAN ACT; CORONAVIRUS LOCAL FISCAL RECOVERY FUND FROM THE UNITED STATES DEPARTMENT OF TREASURY

BY THE MAYOR:

As part of the American Rescue Plan Act, the City of Flint was awarded grant funding from the Coronavirus Local Fiscal Recovery Fund through the US Department of Treasury. The City's allocation of the funds totals \$94,726,664. The City received the first of two payments on May 19, 2021 for \$47,363,332.00; the second payment is expected in May 2022.

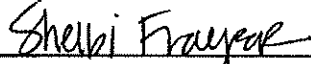
The period of performance for this award ends on December 31, 2026, and the City may use the award to cover eligible costs incurred during the period that begins on March 3, 2021 and ends on December 31, 2024. This grant is to address public health and economic impacts of the COVID-19 public health emergency and invest in infrastructure. The City will not expend funds until final rules have been issued by the U.S. Department of Treasury.

IT IS RESOLVED that the appropriate City officials are hereby authorized to do all things necessary to appropriate grant funding and abide by terms and conditions of the grant from the United States Department of Treasury for addressing the Public Health and Economic Impacts of the COVID-19 Public Health Emergency under grant code FUSDT-CSLFRF in the amount of \$94,726,664, and to make available in subsequent fiscal years any remaining funds that are still available from the grantor.

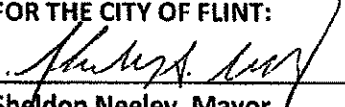
APPROVED AS TO FORM:


Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:


Shelbi Frayer, Chief Financial Officer

FOR THE CITY OF FLINT:


Sheldon Neeley, Mayor

APPROVED BY CITY COUNCIL:


Kate Fields, City Council President

More Information on the Conclusion of the Public Comment Period and the Interim Final Rule on the Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan provides \$350 billion through the Coronavirus State and Local Fiscal Recovery Funds for eligible state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs. This funding is subject to the requirements specified in the Interim Final Rule adopted by Treasury, which describes whether a program, project, or service is an eligible use.

The Interim Final Rule took effect on May 17, 2021 and was open for public comment until July 16, 2021. Treasury welcomes the robust stakeholder feedback that was provided, with nearly 1,000 unique comments submitted. Treasury is committed to a prompt and thorough review of the comments and plans to adopt a final rule, which will respond to comments received. Treasury expects its review of comments to continue into the fall.

Until Treasury adopts a final rule and the final rule becomes effective, the Interim Final Rule is, and will remain, binding and effective. This means that recipients can and should rely on the Interim Final Rule to determine whether uses of funds are eligible under this program. Treasury encourages recipients to use funds to meet needs in their communities.

Funds used in a manner consistent with the Interim Final Rule while the Interim Final Rule is effective will not be subject to recoupment.

As noted above, the Interim Final Rule implements the four categories of eligible uses established under the American Rescue Plan Act, including by establishing criteria and considerations for recipients to determine whether a use is consistent with the Interim Final Rule. To provide clarity regarding eligible uses and help support recipients in responding to urgent needs, the Interim Final Rule includes a non-exclusive list of programs or services that are eligible as responding to the public health emergency and its negative economic impacts and a non-exclusive list of government services that may be funded to the extent of a government's reduction in revenue. At the end of this statement are examples that recipients may consider. Please note that not every eligible use is listed below, and recipients may use the Interim Final Rule to interpret whether their use of fund meet the criteria of what is eligible. It is possible for recipients to use funds in a manner that is not on the list below as long as it is consistent with guidance in the Interim Final Rule.

Additionally, recipients can use State and Local Fiscal Recovery Funds, up to their amount of revenue loss due to COVID-19, with broad discretion to provide government services. Some examples of government services include police, fire, and other public safety services, school or educational services, health services, environmental services, and maintenance or pay-go funded building of infrastructure including roads.

Finally, recipients may also consider FAQs issued by Treasury to help assess whether a project or service would be an eligible use of Coronavirus State and Local Fiscal Recovery Funds.

If recipients have interpretive questions regarding the Interim Final Rule, they may contact Treasury at slfrp@treasury.gov. Treasury does not pre-approve specific uses of these funds.

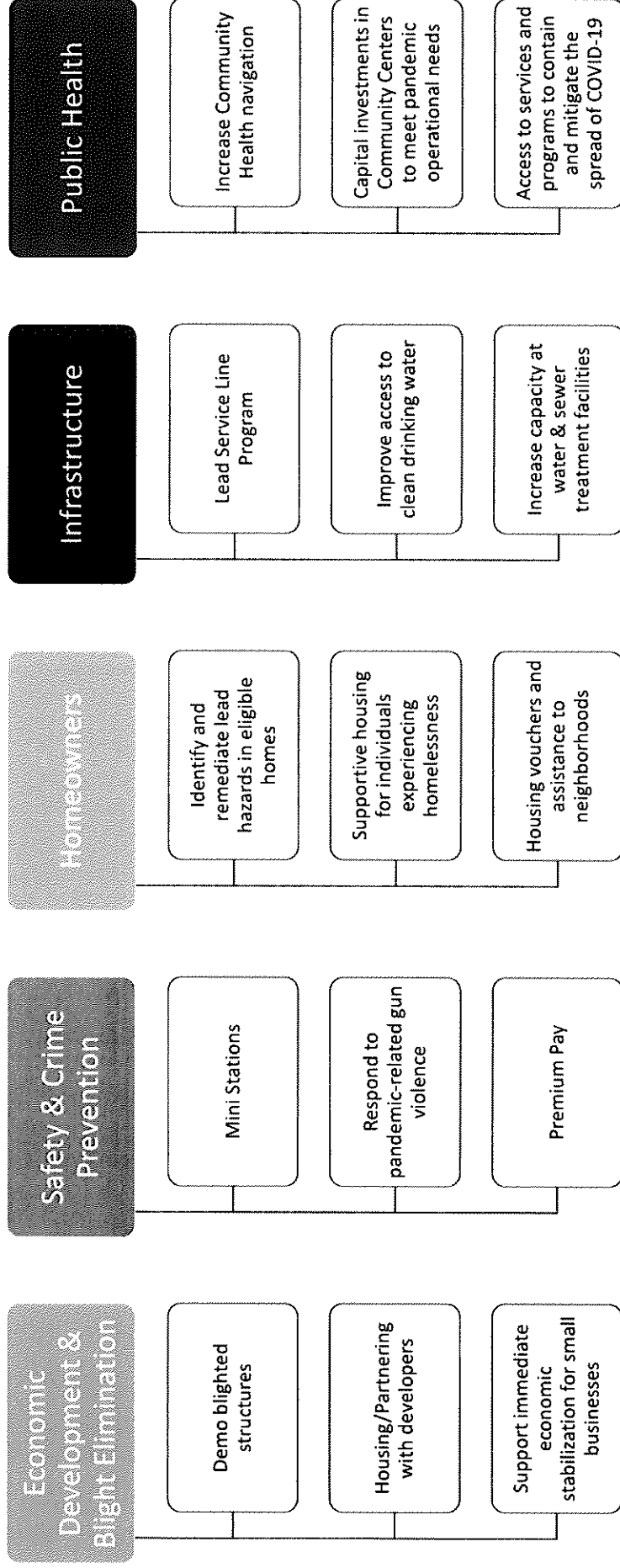
Treasury is committed to supporting recipients in helping to ensure a strong and equitable recovery and recipients are encouraged to use this relief to support urgent needs, including pandemic response efforts and supporting the immediate needs of households and businesses.

Non-Exhaustive Examples of Funding Uses Eligible as Responding to the COVID-19 Public Health Emergency and Its Negative Economic Impacts

- Expenses related to COVID–19 vaccination programs and sites
- Costs of providing COVID–19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants
- COVID–19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities
- COVID–19-related expenses of public hospitals, clinics, and similar facilities
- Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity
- Emergency medical response expenses, including emergency medical transportation, related to COVID–19
- Mental health treatment, substance misuse treatment, and other behavioral health services
- Assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers
- Assistance to households or populations facing negative economic impacts, including food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; internet access or digital literacy assistance.
- Assistance to small businesses facing negative economic impacts, including to address financial hardship; implement COVID–19 prevention or mitigation tactics; or provide technical assistance, counseling, or other services to assist with business planning needs.
- For state, local, or Tribal governments, payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees responding to the COVID–19 public health emergency.
- Payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.
- When provided in a qualified census tract, to households living in a qualified census tract, by a Tribal government, or to other households, businesses, or populations disproportionately impacted by COVID–19, including programs or services that:
 - Facilitate access to health and social services, including assistance accessing public benefits or community violence intervention programs
 - Address housing insecurity, including support for individuals who are homeless and development of affordable housing
 - Address COVID– 19 impacts on education, including: new or expanded early learning services and services to address the academic, social, emotional, and mental health needs of students
 - Address the impacts of the COVID– 19 public health emergency on childhood health or welfare, including new or expanded childcare or home visiting programs.

DRAFT

ARPA Spending Categories

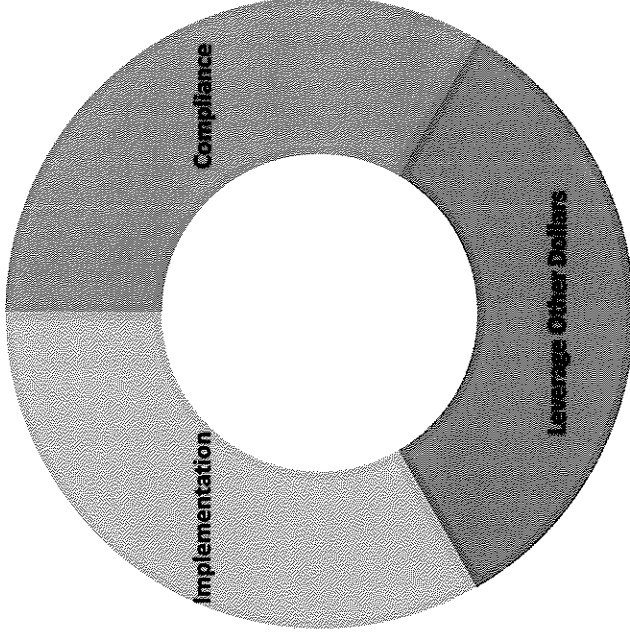


***Subject to change based on community input and US Department of the Treasury Interim Final Rules**

DRAFT

ARPA - FISCAL RECOVERY FUNDS INDIRECT DOLLARS - SPENDING PLAN

■ Compliance ■ Leverage Other Dollars ■ Implementation



Compliance: A third party firm to be our “watch dog” on these Federal funds. Responsible for all reporting, monitoring, and identifying justification for allowable costs.

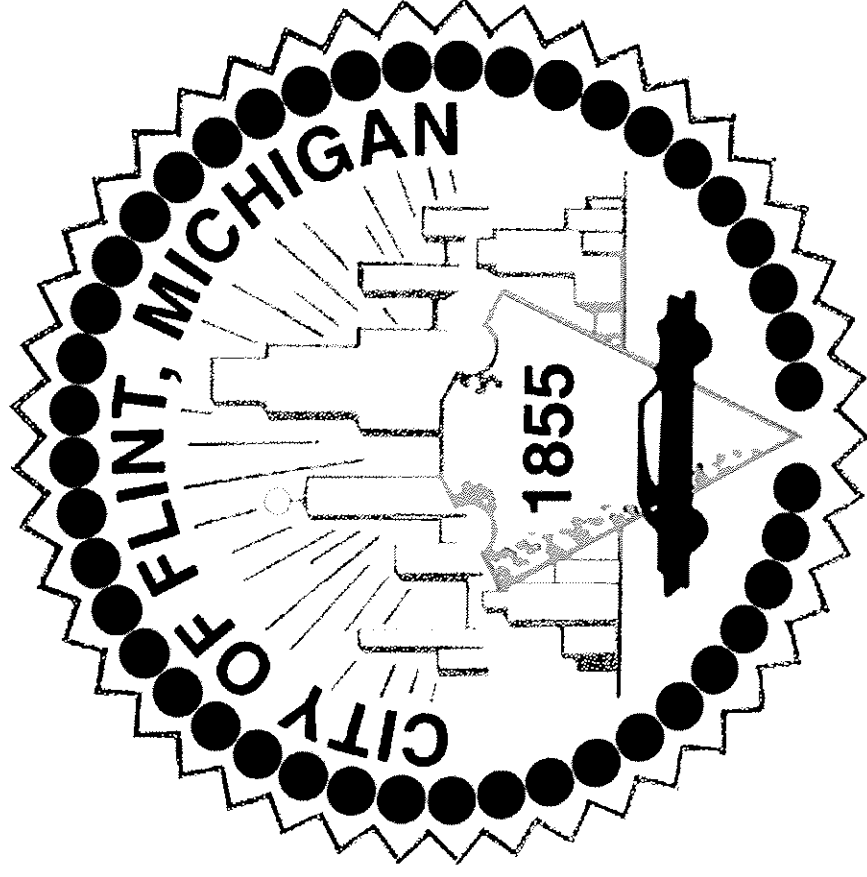
Implementation: Additional staff/contractors to assist with daily implementation of these dollars. Be the project manager for all identified projects.

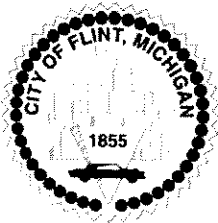
Leverage other Dollars: A third party firm to go after other ARPA dollars for the city. This could be matching grants, leveraging other foundations, etc.

We Want To Hear From You!

Residents can weigh in until **December 1, 2021**, with their thoughts in many ways:

- ☐ Vote in this poll: surveymonkey.com/r/FlintFundingPriorities
- ☐ Send an email to input@cityofflint.com
- ☐ Mail comments to:
City of Flint Budget Input
1101 S. Saginaw St. Room 203
Flint, Michigan 48502
- ☐ Write comments and drop them off at Flint City Hall in the red drop box in front of the City Hall entrance.
- ☐ Call (810) 237-2000





RESOLUTION NO.: 210542

PRESENTED: NOV - 3 2021

ADOPTED: _____

PROPOSAL# 25-MI-210917

BY THE CITY ADMINISTRATOR:

RESOLUTION TO GARLAND/DBS, INC. FOR ROOF REPLACEMENT
AT CITY HALL SOUTH BUILDING

On October 7, 2021, The Facilities Maintenance Department submitted to the Purchasing Department, a cooperative bid that was administered by Garland/DBS, Inc. through a Master Intergovernmental Cooperative Purchasing Agreement (MICPA/OMNIA) for a roof replacement for the South Building at City Hall. The roof is in dire need of repair, as not doing so could potentially cause danger to citizens and employees.

WHEREAS, Lutz Roofing Co. was the lowest bidder from the (4) solicitations received. Funding for said services are budgeted, and will come from the following account:

Account Number	Account Name	Amount
402-753.200-976.000	Public Improvement Fund	\$ 254,991.00
	FY22 GRAND TOTAL	\$254,991.00

IT IS RESOLVED, that the Appropriate City Officials are to do all things necessary to enter into a contract with Garland/DBS, Inc. for roof replacement at the South Building at City Hall, in an amount not-to-exceed \$254,991.00 for the FY22 (07/01/21-06/30/22).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Oct 26, 2021 12:07 EDT)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J. F. Widigan

Robert Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Oct 26, 2021 12:24 EDT)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

APPROVED AS TO PURCHASING:

Lauren Rowley

Lauren Rowley
Purchasing Manager



CITY OF FLINT

RESOLUTION STAFF REVIEW FORM

TODAY'S DATE: October 26, 2021

BID/PROPOSAL# Cooperative purchasing contract MICPA

AGENDA ITEM TITLE: Roof replacement on the South Building at City Hall

PREPARED BY Kathryn Neumann for Lee Osborne, Facilities Maintenance Operations Manager

VENDOR NAME: Garland/DBS, Inc.

BACKGROUND/SUMMARY OF PROPOSED ACTION:

The purpose of this resolution is to award a contract to Garland/DBS, Inc. for the replacement of a roof located on the South Building at City Hall. These roofs have needed replacement for several years. Garland/DBS, Inc. solicited bids through the Master Intergovernmental Cooperative Purchasing Agreement (MICPA) and Lutz Roofing Co., Inc. was the lowest bidder from four solicitations.

FINANCIAL IMPLICATIONS: There is money in the account listed below.

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
402	Public Improvement Fund	753.200-976.000		\$254,991.00
FY20 GRAND TOTAL				\$ 254,991.00

PRE-ENCUMBERED? YES ☒ NO ☐ **REQUISITION NO:** 220005106

ACCOUNTING APPROVAL: Jennifer Ryan **Date:** _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☒ NO ☐

OTHER IMPLICATIONS (i.e., collective bargaining):

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ **APPROVED** ☐ **NOT APPROVED**

DEPARTMENT HEAD SIGNATURE: Lee Osborne
(Lee Osborne, Facilities Maintenance Operations Manager)



since 1895

THE GARLAND COMPANY, INC.

PERFORMANCE ROOFING AND FLOORING SYSTEMS

3800 EAST 91 STREET • CLEVELAND, OHIO 44105-2197

PHONE: (216) 641-7500 • FAX: (216) 641-0633

NATIONWIDE: 1-800-321-9336

10-10-21

Lee Osborne
City of Flint
1101 Saginaw St.
Flint, MI 48502

Mr. Lee Osborne,

The City's Roofing assets are routinely inspected to establish a priority list for future capital funding and required scopes of work. Over the past decade, multiple older roofing assets have successfully been replaced throughout the City of Flint. Recent investigations revealed significant deterioration of the roofing components on the South Building housing the Development, Planning, Design and various other city run entities. Due to the condition and design of the previously installed roof, full replacement is the only option. Technical specifications based on design constraints, environment, roof access and longevity were established to generate a base-line for new roof installation; ensuring consistent bid quality and raising standards to current building code where possible. Pre-qualified roofing contractors were contacted for interest and a pre-bid has been completed for competitive bidding.

Bid Results

The project-specific Bid Set including scope of work, technical specifications, construction details and detailed installation instructions for competitive bids was provided to the roofing contractors. Each of the responsive bids received were from reputable roofing firms who have demonstrated the capability and capacity of completing the scope of work in a safe and timely manner. We recommend proceeding with the award to low responsive bidder, Lutz Roofing, for the South Building Roof Replacement Project with the low responsive bid of \$249,991. (Utilizing the largest Public Purchasing Co-Op, Omnia Partners, resulted in additional discounts for the City of Flint.)

Lutz Roofing
\$249,991

Royal Roofing
\$290,888

National Roofing
\$375,358

T.F. Beck
\$501,529

Over the past six months, we've noticed the pandemic creating inconsistent bid results and uncertainty in the construction industry. This uncertainty along with contractor back-log, material cost increases and extremely long material lead-times, has resulted in the need for most municipalities to secure contractor scheduling six to twelve months ahead of the project start date. Since Lutz's responsive bid is significantly more economical than other responsive bids, we recommend providing the contractor with a formal acceptance at this time, even though the work shall not be completed until the Spring/Summer of 2022. Providing acceptance now eliminates additional material cost increases set for 2022 (anticipated at \$50,000+ specific to this project) and establishes a project timeline to allow contractors to secure material lead-times which have increased to six months or more. Delaying acceptance will prevent this project from completion in the 2022 calendar year and create potential safety concerns for building occupants.

Should you have any additional questions, please do not hesitate to call us directly.

Sincerely, your Garland Team,

Brad Konvolinka
The Garland Company, Inc.



Garland/DBS, Inc.
3800 East 91st Street
Cleveland, OH 44105
Phone: (800) 762-8225
Fax: (216) 883-2055



ROOFING MATERIAL AND SERVICES PROPOSAL

City of Flint
Flint City Hall
1101 Saginaw St
Flint, MI 48503

Date Submitted: 10/07/2021

Proposal #: 25-MI-210917

MICPA # PW1925

Purchase orders to be made out to: Garland/DBS, Inc.

Please Note: The following budget/estimate is being provided according to the pricing established under the Master Intergovernmental Cooperative Purchasing Agreement (MICPA) with Racine County, WI and OMNIA Partners, Public Sector (U.S. Communities). The line item pricing breakdown from Attachment C: Bid Form should be viewed as the maximum price an agency will be charged under the agreement. Garland/DBS, Inc. administered an informal competitive process for obtaining quotes for the project with the hopes of providing a lower market-adjusted price whenever possible.

Scope of Work: Base Bid - City Hall South Building (Section A, A2 & B)

1. Remove ballasted EPDM roof and insulation down to existing vapor barrier.
2. Repair vapor barrier and/or concrete at provided line-item costs as needed. Approval from owner required prior to the acceptance of all change orders.
3. Remove debris and ensure surface is dry; apply asphaltic roof primer to deck at specified rate.
4. Install two layers of 2.6" polyisocyanurate insulation in hot asphalt, staggering joints throughout.
5. Install wood nailer at perimeter to meet new roof line at fastener pattern provided.
6. Install 1/4:12 tapered polyisocyanurate insulation around perimeter of roof extending 4' onto the field.
7. Install 1/2:12 slope tapered saddles between drain sumps.
8. Attach a 1/2" pre-primed recovery board in insulation adhesive.
9. Install fiberglass reinforced SBS modified base sheet specified in hot asphalt. Base sheet to be installed in a shingle fashion starting at the low point.
10. Install fiberglass/polyester reinforced SBS modified smooth cap sheet specified in hot asphalt.
11. Using a notched squeegee, apply cold-process, polymer modified flood-coat at specified rate and immediately broadcast pea gravel per specifications.

12. Flashing to be comprised of fiberglass reinforced SBS modified base and fiberglass/polyester reinforced SBS modified mineral cap sheet installed in trowel-grade flashing adhesive.
13. Sump all drains at 8' diameter using ¼ : 12 slope; install new pans and gravel stop.
14. New edge metal to be fabricated and installed per wind up-lift calculations and local code.
15. Apply two coats of aluminized surface protection to all exposed flashings, drain assemblies and rooftop penetrations.
16. Replace (16) existing pipe supports with composite supports; secure to electrical conduit.
17. Furnish and install new roof hatch to replace existing.
18. Charcoal filters are to be used at all roof penetrations throughout the installation process. HVAC units and intakes nearest the working area should be powered down during the day.
19. All Sections: Clean up all debris and/or damage done to grounds, building and roof top (if any). Contractor is responsible for any clean up and cost accrued.
20. Contractor to provide a written (2) year workmanship warranty to manufacturer. The manufacturer is to provide a single (30) year warranty directly to the City of Flint which includes materials and labor.

Attachment C: Bid Form - Line Item Pricing Breakdown

Item #	Item Description	Unit Price	Quantity	Unit	Extended Price
2.16	Tear-off & Dispose of Debris: SYSTEM TYPE Ballasted Single-Ply W/ Insulation - Concrete Deck	\$ 2.58	9,150	SF	\$ 23,607
6.10.01	Roof Deck and Insulation Option: CONCRETE ROOF DECK - COLD PROCESS APPLICATION INSULATION OPTION: Adhere Polyisocyanurate in Insulation Adhesive / Adhere High Density Asphalt Coated Wood Fiber with Insulation Adhesive to Provide an Average R-Value of 20 In Compliance FM 1-90 Requirements	\$ 4.78	9,150	SF	\$ 43,737
12.01.02	2-PLY ROOF SYSTEMS - COMBINATIONS OF A BASE PLY & A CAP SHEET (TOP PLY) PLEASE NOTE: BASE PLY & CAP SHEET COMBINATIONS MUST BE APPROVED BY THE MANUFACTURER: ROOF CONFIGURATION 1 Ply Modified Base Sheet Adhered in Hot ASTM D 312 Type III or IV Asphalt: BASE PLY OPTION: ASTM D 6163 SBS Fiberglass Reinforced Modified Bituminous Sheet Material Type III - 220 lbf/in tensile	\$ 3.18	9,150	SF	\$ 29,097

12.07.02	2-PLY ROOF SYSTEMS - COMBINATIONS OF A BASE PLY & A CAP SHEET (TOP PLY) PLEASE NOTE: BASE PLY & CAP SHEET COMBINATIONS MUST BE APPROVED BY THE MANUFACTURER: ROOF CONFIGURATION 1 Ply Cap Sheet, Set in Hot ASTM D 312 Type III or IV Asphalt, Flood Coat & Aggregate in Hot Modified Coal Tar Pitch: ROOFING MEMBRANE & COATING OPTION ASTM D 6162 SBS Fiberglass/Polyester Reinforced Modified Bituminous Sheet Material Type III - Minimum of 220 lb/in tensile, Flood Coat in Modified Hot Coal Tar Pitch With 2000% Elongation	\$ 7.80	9,150	SF	\$ 71,370
12.07.06	2-PLY ROOF SYSTEMS - COMBINATIONS OF A BASE PLY & A CAP SHEET (TOP PLY) PLEASE NOTE: BASE PLY & CAP SHEET COMBINATIONS MUST BE APPROVED BY THE MANUFACTURER: ROOF CONFIGURATION 1 Ply Cap Sheet, Set in Hot ASTM D 312 Type III or IV Asphalt, Flood Coat & Aggregate in Hot Modified Coal Tar Pitch: COATING OPTION: Add/Deduct for Installing Flood Coat in Cold Process Coal Tar Pitch	\$ (0.68)	9,150	SF	\$ (6,222)
20.01.02	NEW FLASHINGS FOR ROOFING SYSTEMS & RESTORATION OPTIONS: ROOF FLASHINGS FOR MODIFIED & COAL TAR PITCH ROOF SYSTEMS: Minimum 1 Ply of Base Flashing and Mineral Cap Sheet Installed in Hot ASTM D 312 Type III or IV Asphalt FLASHING OPTION: BASE PLY: SBS Modified Fiberglass Reinforced Base Flashing Ply w/ Tensile Strength of 100 lb/in tensile (ASTM D 5147); TOP PLY: ASTM D 6163 SBS Fiberglass Reinforced Modified Bituminous Sheet Material Type III - 220 lb/in tensile	\$ 14.00	1,000	SF	\$ 14,000
20.01.11	NEW FLASHINGS FOR ROOFING SYSTEMS & RESTORATION OPTIONS: ROOF FLASHINGS FOR MODIFIED & COAL TAR PITCH ROOF SYSTEMS: Minimum 1 Ply of Base Flashing and Mineral Cap Sheet Installed in Hot ASTM D 312 Type III or IV Asphalt PER SQUARE FOOT COSTS - INSTALLING IN COLD PROCESS FLASHING ADHESIVE Substitute Hot Asphalt Application for Cold Process Flashing Adhesive Application	\$ 6.50	1,000	SF	\$ 6,500
5.10	Coat New Roofing With Elastomeric Coating: ROOF SYSTEM TYPE Apply an Aluminum Coating per Specifications (3/4 Gallon per Square per Coat - 2 Coats Required) - Smooth or Mineral Surfaced Modified	\$ 1.80	1,000	SF	\$ 1,800
	Metal Stretch-Out: 24 Gauge Kynar Gravel Stop with Four (4) Bends	\$ 13.27	520	LF	\$ 6,900
	Metal Stretch-Out: 24 Gauge Kynar Drip Edge with Three (3) Bends	\$ 12.02	80	LF	\$ 962

	Metal Stretch-Out: 24 Gauge Kynar Fascia with Two (2) Bends	\$ 12.47	120	LF	\$ 1,496
	Sub Total Prior to Multipliers				\$ 193,247
22.08	MULTIPLIER - ROOF HEIGHT IS GREATER THAN 20 FT, BUT LESS THAN OR EQUAL TO 50 FT STORIES Multiplier is applied when labor production is effected by the roof height. This multiplier applies to roof heights that exceed an estimated 2 stories, but are less than or equal to an estimated 5 stories. Additional roof height can require increased safety requirements, larger lift equipment, tie-offs, etc.	18	\$ 193,247	%	\$ 34,785
22.20	MULTIPLIER - ROOF SIZE IS GREATER THAN 5,000 SF, BUT LESS THAN 10,000 SF Multiplier is applied when Roof Size is greater than 5,000 SF, but less than 10,000 SF. Situation creates the fixed costs: equipment, mobilization, demobilization, disposal, & set-up labor to be allocated across a smaller roof area resulting in fixed costs being a larger portion of the overall job costs	15	\$ 193,247	%	\$ 28,987
	Total After Multipliers				\$ 257,019

Base Bid Total Maximum Price of Line Items under the MICPA: **\$ 257,019**

Proposal Price Based Upon Market Experience: **\$ 249,991**

Garland/DBS Price Based Upon Local Market Competition:

Lutz Roofing Co., Inc.	\$ 249,991
Royal Roofing Co., Inc.	\$ 290,888
National Roofing & Sheet Metal Co., Inc.	\$ 375,358
T.F. Beck Roofing & Sheet Metal	\$ 501,529

Unforeseen Site Conditions:

Roof Hatch	\$ 1,425.00 Each
Drain Replacement	\$ 2,109.00 Each

Please Note – The construction industry is experiencing unprecedented global pricing and availability pressures for many key building components. Specifically, the roofing industry is currently experiencing long lead times and significant price increases with roofing insulation and roofing fasteners. Therefore, this proposal can only be held for 30 days. DBS greatly values your business, and we are working diligently with our long-term suppliers to minimize price increases and project delays which could effect your project. Thank you for your understanding and cooperation.

Clarifications/Exclusions:

1. Permits are excluded.
2. Bonds are included.
3. Plumbing, Mechanical, Electrical work is excluded.
4. Masonry work is excluded.
5. Interior Temporary protection is excluded.
6. Any work not exclusively described in the above proposal scope of work is excluded.

If you have any questions regarding this proposal, please do not hesitate to call me at my number listed below.

Respectfully Submitted,

Matt Egan

Matt Egan
Garland/DBS, Inc.
(216) 430-3662

RESOLUTION NO.: 210571PRESENTED: DEC - 8 2021

ADOPTED: _____

**RESOLUTION AUTHORIZING LIGHTHOUSE GROUP TO
PROVIDE PROPERTY INSURANCE COVERAGE****BY THE MAYOR:**

The Lighthouse Group in consultation with the Department of Finance, has evaluated the current coverage amounts and updated the necessary building and equipment lists. The Lighthouse Group is recommending a layered coverage plan for the period 12/1/2021-12/1/2022, as follows:

Insurance Provider	Type of Coverage	Total Premium
Arch Specialty Insurance Company	Property (50% split)	\$256,250.00
Lexington Insurance Company	Property (50% split)	\$257,250.00
Hiscox	Terrorism	\$ 14,350.00

The total premium for all three coverages is not to exceed \$527,850.00. Funding is budgeted and will come from the following account:

Account Number	Account Name	Amount
677-174.851-955.000	Risk & Benefit Insurance	\$527,850.00

IT IS RESOLVED that the appropriate City officials are authorized to enter into an agreement with The Lighthouse Group to provide the City of Flint with its property and terrorism coverage. Property insurance will be layered through two carriers, Arch Specialty Insurance Company and the Lexington Insurance Company; Hiscox will endorse terrorism coverage. Premiums are to be paid to Arch Specialty Insurance Company for an amount of \$256,250; the Lexington Insurance Company for an amount of \$257,250; and Lloyd's of London Underwriters for Hiscox, at a premium cost of \$14,350.00. The total premium for all three coverages is not to exceed \$527,850.00.

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Dec 1, 2021 14:33 EST)

Angela Wheeler, Chief Legal Officer**APPROVED AS TO FINANCE:**

Robert J.F. Widigan
Robert J.F. Widigan (Dec 1, 2021 13:31 EST)

Robert J.F. Widigan, Chief Financial Officer**FOR THE CITY OF FLINT:**

Sheldon A. Neeley
Mayor Sheldon A. Neeley

APPROVED BY CITY COUNCIL:

Eric Mays
Eric Mays, City Council President

RESOLUTION STAFF REVIEW

Date: November 30, 2021

Agenda Item Title: Resolution authorizing Lighthouse Group to Provide Property Insurance Coverage

Prepared By: V. Foster for Robert J.F. Widigan

Background/Summary of Proposed Action:

The City of Flint's property, boiler, and terrorism coverage are currently provided by its broker, The Lighthouse Group. Through the Lighthouse Group, coverage for the period 11/1/20-11/1/21 was acquired through the Traveler's Insurance and Hartford Steam Boiler at a premium cost of \$194,059.

On August 27, 2021, Travelers issued a notice of non-renewal. Insurance costs have substantially increased nationally due to the COVID-19 pandemic, cybersecurity threats, and increases in extreme weather. Additionally, the City of Flint filed two large claims under the 2020-2021 policy. These claims include a complete fire loss of the clubhouse as Pierce Park Golf Course and a WPC settling tank damage claim. To allow the City of Flint additional time to acquire other coverage, Traveler's Insurance agreed to extend the current policy for the period November 1, 2021 through December 1, 2021.

The Lighthouse Agency solicited 22 carriers. Of the 12 to respond, 10 declined to submit quotes. Two carriers were agreeable to extending terms for layered coverage as outlined below. This summary details a layered program to get to a maximum limit of insurance of \$10,000,000 per occurrence limit (first 50% covered by Arch Specialty and the next 50% covered by Lexington Insurance) subject to a \$100,000 deductible. The annual premium for all three coverages for the program is \$527,850 which includes terrorism coverage (\$14,350).

Line of Business	Quote Description	Carrier	Premium	Fees	SL Taxes & Fees	Total Cost
Property	Arch Specialty Property Qte ltr	Arch Specialty Insurance Company	\$250,000	\$0.00	\$6,250.00	\$256,250.00
Property	Lexington Property Quote ltr	Lexington Insurance Company	\$250,000	\$1,000.00	\$6,250.00	\$257,250.00
Terrorism	Hiscox Terrorism Qte ltr	Certain Underwriters at Lloyd's, London	\$14,000	\$0.00	\$350.00	\$14,350
		Totals	\$514,000	\$1,000	\$12,850	\$527,850

The Department of Finance, based on review and the recommendation of the Lighthouse Group, is recommending that the City acquire coverage through the Arch, Lexington, and Hiscox companies to ensure property and terrorism coverage are in place through December 1, 2022.

Financial Implications: Failure to pay this premium would result in cancellation of the policy and no property protection for the existing structures and equipment.

Budgeted Expenditure? Yes

Account Number: 677-174.851-955.000

Staff Recommendation:

It is the recommendation of the Department of Finance that the property and terrorism coverage be acquired as outlined above.

Approval: Robert J.F. Widigan
Robert J.F. Widigan (Dec 1, 2021 13:31 EST)

Robert J.F. Widigan
Chief Financial Officer

As to budget: Jennifer Ryan
Jennifer Ryan (Dec 1, 2021 12:59 EST)

**CITY OF FLINT
P. O. BOX 586
FLINT**

MI 48501

**INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA**

Office		Agent or Broker		Date of Issue
GRAND RAPIDS	079	LIGHTHOUSE GROUP	GF919	08-27-21 PS01
We wish to inform you that your COMMERCIAL POLICY			Policy Number	
P-630-0N563658-TIL-20			will not be renewed on its expiration date 11-01-21 .	

If you have any questions in regard to this notice of non-renewal, please contact this company's representative.
Any other information pertaining to this notice is described below.

SEE IL T8 50

Signature: CLYDE D EDWARDS
CLYDE D EDWARDS (Dec 1, 2021 14:35 EST)
Email: cedwards@cityofflint.com

THIS NOTICE IS GIVEN ONLY BY THE COMPANY OR COMPANIES WHICH ISSUED THIS POLICY.

SEE ATTACHED IMPORTANT NOTICE(S)

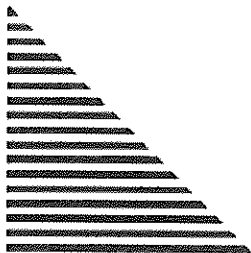
CN 00 6A 10 01



Insurance Proposal
Prepared For

City of Flint

EFFECTIVE 12/1/2021 TO 12/1/2022



Lighthouse, An Alera Group Company

Our mission at the Lighthouse is the profitable and ethical delivery of innovative insurance solutions for the protection of our clients.

We are well positioned to provide excellent service for all your business and personal insurance needs including:

- Commercial Insurance
- Personal Insurance
- Employee Benefits
- Individual Insurance/Medicare
- Financial Services

Along with these business units, Lighthouse provides seminars for clients and the public on relevant issues. These are done in conjunction with several insurance companies, with which we have solid, long term relationships.

We have multiple locations throughout Michigan and sister agencies across the nation to serve your needs. Our investment in technology has allowed Lighthouse to provide exemplary response time, as well as comprehensive claims and risk management services.

We have active memberships with local Chambers of Commerce, various industry associations, and serve on Advisory Boards of several insurance companies. We also have many Industry Specific Programs tailored to give specialized coverages when they are needed.

Named Insureds

City of Flint

Location Schedule

Loc #	Bldg #	Address	City	State	Zip	Description
0001	0001	1101 S. Saginaw St. Room 203	Flint	MI	48503	City Hall
0001	0002	1101 S. Saginaw St. Room 203	Flint	MI	48503	Dome Auditorium
0001	0003	1101 S. Saginaw St. Room 203	Flint	MI	48505	S. Building
0002	0004	1101 S. Saginaw St. Room 203	Flint	MI	48502	N. Building
0003	0005	210 E Fifth St	Flint	MI	48503	Police Dept.
0005	0007	4535 M.L. King Ave	Flint	MI	48532	Archie Parks
0006	0008	310 E Fifth St	Flint	MI	48532	Station #1 HQ
0007	0009	1525 M.L. King Ave	Flint	MI	48502	Station #3
0008	0010	4309 Industrial	Flint	MI	48502	Station #4
0009	0011	716 W Pierson Rd	Flint	MI	48502	Station #6
0010	0012	202 E Atherton	Flint	MI	48502	Station #8
0011	0013	3310 E Court St	Flint	MI	48502	Water Service Cen.
0011	0014	3318 E Court St	Flint	MI	48502	Misc. Storage
0012	0015	4500 N Dort Hwy	Flint	MI	48502	Treatment Plant
0012	0016	4500 N Dort Hwy	Flint	MI	48502	Ozone Plant
0012	0017	4500 N Dort Hwy	Flint	MI	48502	Elevated Tank Cont
0012	0018	4500 N Dort Hwy	Flint	MI	48502	Pumping Station 4
0012	0019	4500 N Dort Hwy	Flint	MI	48502	Electric Substation
0012	0020	4500 N Dort Hwy	Flint	MI	48502	Water Control 2
0012	0021	2800 Hammerburg Rd	Flint	MI	48502	Booster Station
0013	0022	1614 Dupont	Flint	MI	48502	Westside Reservoir
0014	0023	G-12233 E Potter Road	Flint	MI	48502	Water Control 1
0015	0024	G-4652 Beecher Rd	Flint	MI	48507	Sewage Treatment
0015	0025	G-4652 Beecher Rd	Flint	MI	48507	Admin Bldg-Lab
0015	0026	G-4652 Beecher Rd	Flint	MI	48507	Service Building
0015	0027	G-4652 Beecher Rd	Flint	MI	48507	Influent Box
0015	0028	G-4652 Beecher Rd	Flint	MI	48507	'A' Grit Tanks
0015	0029	G-4652 Beecher Rd	Flint	MI	48506	'B' New Grit Bldg
0015	0030	G-4652 Beecher Rd	Flint	MI	48506	Primary Settling tank
0015	0031	G-4652 Beecher Rd	Flint	MI	48506	Aeration Tank
0015	0032	G-4652 Beecher Rd	Flint	MI	48506	Final Settling
0015	0033	G-4652 Beecher Rd	Flint	MI	48506	Storage Building
0015	0034	G-4652 Beecher Rd	Flint	MI	48506	Blower, Filler
0015	0035	G-4652 Beecher Rd	Flint	MI	48506	Equip, Micro strainer
0015	0036	G-4652 Beecher Rd	Flint	MI	48506	Chlorine Contact
0015	0037	G-4652 Beecher Rd	Flint	MI	48506	Trickling Filter
0015	0038	G-4652 Beecher Rd	Flint	MI	48504	Sludge Thickening
0015	0039	G-4652 Beecher Rd	Flint	MI	48504	Blended Sludge
0015	0040	G-4652 Beecher Rd	Flint	MI	48504	Gas Sphere Storage
0015	0041	G-4652 Beecher Rd	Flint	MI	48504	Old Pre-Aeration
0015	0042	G-4652 Beecher Rd	Flint	MI	48503	Old Final Settling
0015	0043	G-4652 Beecher Rd	Flint	MI	48503	NW Pumping Station

Loc #	Bldg #	Address	City	State	Zip	Description
0015	0044	G-4652 Beecher Rd	Flint	MI	48503	LPO, Vacuum
0015	0045	G-4652 Beecher Rd	Flint	MI	48503	Storage Building
0015	0046	G-4652 Beecher Rd	Flint	MI	48503	E. Sewage Pump Station
0015	0047	G-4652 Beecher Rd	Flint	MI	48502	Hypochlorite Tank
0015	0048	G-4652 Beecher Rd	Flint	MI	48506	Air Filter A
0015	0049	G-4652 Beecher Rd	Flint	MI	48502	Air Filter B
0015	0050	G-4652 Beecher Rd	Flint	MI	48502	Air Filter C
0015	0051	G-4652 Beecher Rd	Flint	MI	48502	Sulfur Dioxide Bldg
0015	0052	G-4652 Beecher Rd	Flint	MI	48503	Storage
0016	0053	251 E. Blvd Drive	Flint	MI	48503	Avon St Pumping
0017	0054	Avon Street	Flint	MI	48505	Sewage Retention Tank
0018	0055	1524 Mackin Rd & 1416 Dupont	Flint	MI	48502	Water Pump Station
0018	0056	2305 W 3rd Ave	Flint	MI	48503	Third Ave Pump
0019	0057	6625 Fleming Rd	Flint	MI	48503	Sewage Lift Station
0020	0058	5629 Fleming Rd	Flint	MI	48532	Sewage Lift Station
0021	0059	2300 Branch	Flint	MI	48532	Sewage Lift Station
0022	0060	2420 Brownnell	Flint	MI	48502	Sewage Lift Station
0023	0061	1106 S Averill St	Flint	MI	48502	Forestry Division Shop
0023	0062	1106 S Averill St	Flint	MI	48502	Office
0023	0063	1106 S Averill St	Flint	MI	48502	Storage Bldg
0023	0064	1106 S Averill St	Flint	MI	48502	Pole Barn Garage
0023	0065	1106 S Averill St	Flint	MI	48502	Maintenance Bldg
0024	0066	930 E Blvd Drive	Flint	MI	48502	Shop & Garage
0024	0067	930 E Blvd Drive	Flint	MI	48502	Shop at Rear
0024	0068	930 E Blvd Drive	Flint	MI	48502	New Storage Bldg
0025	0069	4266 E Pierson Rd	Flint	MI	48502	Cart Storage Barn
0025	0070	4266 E Pierson Rd	Flint	MI	48502	Pump House
0025	0071	4266 E Pierson Rd	Flint	MI	48502	Kearsley Lake Golf
0026	0072	2401 Nolen Drive	Flint	MI	48502	Mott Golf & Clubhouse
0026	0073	2401 Nolen Drive	Flint	MI	48502	Equip Storage
0026	0074	2401 Nolen Drive	Flint	MI	48502	Pump House Bridges
0027	0075	1221 S Vernon	Flint	MI	48507	Pierce Golf & clubhouse
0028	0076	1901 Hammerburg Rd	Flint	MI	48507	Swartz Creek Golf
0028	0077	1901 Hammerburg Rd	Flint	MI	48507	Equip Storage
0028	0078	1901 Hammerburg Rd	Flint	MI	48507	Pump House
0028	0079	1901 Hammerburg Rd	Flint	MI	48507	Bridges outside Equip
0028	0080	1901 Hammerburg Rd	Flint	MI	48506	Golf Car Storage Barn
0029	0081	3300-3400 N Saginaw	Flint	MI	48506	Berston Fieldhouse
0030	0082	2201 Forest Hill	Flint	MI	48506	Haskell Community Cent
0031	0083	1301-09 Pingree St	Flint	MI	48506	Brennan Comm Center
0031	0084	1301-09 Pingree St	Flint	MI	48506	Wilkins Park Ballfield
0032	0085	1002 W Home	Flint	MI	48506	Hasselbring Center
0033	0086	249 Peer Ave	Flint	MI	48506	McKinley Sr Citizens Cen
0034	0087	Vernon-Broadway	Flint	MI	48506	Amos Park Basketball
0035	0088	E Fifth Ave-Root St	Flint	MI	48506	Barney Fountain
0036	0089	Brownell-W Dayton	Flint	MI	48504	Bassett Park Outside
0037	0090	Woodland-E Court St	Flint	MI	48504	Burroughs Park
0038	0091	M. L. King Ave-2 E Pierson	Flint	MI	48504	Clara Wilborn Shelter
0039	0092	Averill-1-69 Expressway	Flint	MI	48504	Cook Park Shelter
0040	0093	Damon-N Saginaw St	Flint	MI	48503	Dewey Park Shelter
0041	0094	E Hamilton-Ave A	Flint	MI	48503	Dryant Park
0042	0095	640 W Pasadena	Flint	MI	48503	Forest Park Shelter 1
0042	0096	640 W Pasadena	Flint	MI	48503	Forest Park Shelter 2
0042	0097	640 W Pasadena	Flint	MI	48503	Forest Park Exercise
0043	0098	1101 Kearsley Park Blvd	Flint	MI	48502	Kearsley Park Pavilion
0043	0099	1101 Kearsley Park Blvd	Flint	MI	48506	Kearsley Park 4 bridges
0044	0100	W Court & Middleton	Flint	MI	48502	Mann Hall park sign
0045	0101	Tacken-Mann Hall	Flint	MI	48506	McCallum Park Sign

Loc #	Bldg #	Address	City	State	Zip	Description
0046	0102	M.L King Ave-N Saginaw	Flint	MI	48506	McFarlan Monuments 2
0047	0103	Lippincott & Clifford	Flint	MI	48506	Foot Bridge
0048	0104	Mason-Welch Blvd	Flint	MI	48506	Bolawanee Park Sign
0049	0105	Miller Rd-Court St	Flint	MI	48506	Mobley Park
0050	0106	River Village	Flint	MI	48506	River City 5 Windmills
0051	0107	Saginaw St	Flint	MI	48506	Riverbank park Fountain
0051	0108	Saginaw St	Flint	MI	48506	Grand Fountain Elec
0051	0109	Saginaw St	Flint	MI	48506	Fountain Emergency Lights
0051	0110	Saginaw St	Flint	MI	48506	Recirculation System
0051	0111	Saginaw St	Flint	MI	48506	Vault Sump Pumps
0051	0112	Saginaw St	Flint	MI	48506	Misc Pump Fibradams
0051	0113	Saginaw St	Flint	MI	48506	Misc. Pumps-Meter Pit
0051	0114	Saginaw St	Flint	MI	48506	Misc Pump Fibradams 2
0051	0115	Saginaw St	Flint	MI	48506	Elec Panels Ext in water well
0051	0116	Saginaw St	Flint	MI	48506	Outside Lighting
0051	0117	Saginaw St	Flint	MI	48506	Pulaski Monument
0052	0118	Harrison St	Flint	MI	48506	Rest Rooms
0052	0119	Harrison St	Flint	MI	48506	UAW Sit Down Monument
0053	0120	SE Saginaw St	Flint	MI	48506	Misc Pumps Electric Vault
0054	0121	Chicago Blvd-Clancy	Flint	MI	48506	Sarginson park Shelter
0055	0122	3201 Hammerburg Rd	Flint	MI	48506	Stanley Broome Park
0055	0123	3201 Hammerburg Rd	Flint	MI	48506	Park Lights Scoreboard
0055	0124	3201 Hammerburg Rd	Flint	MI	48506	Fencing & Backstops
0055	0125	3201 Hammerburg Rd	Flint	MI	48506	Press Box
0055	0126	3201 Hammerburg Rd	Flint	MI	48506	Concession Bldg
0056	0127	3821 N Franklin	Flint	MI	48506	Whaley Park Shelter
0056	0128	3821 N Franklin	Flint	MI	48506	Whaley Park Outside
0056	0129	3821 N Franklin	Flint	MI	48506	Whaley Park Lights
0056	0130	3821 N Franklin	Flint	MI	48506	Whaley Park Grand Stands
0056	0131	3821 N Franklin	Flint	MI	48506	Whaley Park Press Box
0056	0132	3821 N Franklin	Flint	MI	48506	Concession Bldg
0056	0133	3821 N Franklin	Flint	MI	48506	Whaley Park Softball Lights
0056	0134	3821 N Franklin	Flint	MI	48506	Whaley Park Softball Stands
0057	0135	1701 Utah	Flint	MI	48506	Whaley Park Dasher Boards
0058	0136	Pengelly-Milton	Flint	MI	48506	Windiate Park Court
0059	0137	Brookside-Woodlawn	Flint	MI	48506	Woodlawn Park Bridge
0059	0138	Brookside-Woodlawn	Flint	MI	48506	Tennis Court
0060	0139	Morningside Dr	Flint	MI	48506	Shelter (Carpenter)
0061	0140	702 W 12th Street	Flint	MI	48506	New City Garage
0061	0141	702 W 12th Street	Flint	MI	48506	Gas Station warehouse
0061	0142	702 W 12th Street	Flint	MI	48506	New City Garage
0061	0143	702 W 12th Street	Flint	MI	48506	12,000 Gallon Tank
0061	0144	702 W 12th Street	Flint	MI	48506	3,000 Gallon fuel oil storage
0062	0145	630 S Saginaw St	Flint	MI	48506	68 th District Court
0063	0146	3402 Western Rd	Flint	MI	48506	Station #5
0064	0147	1100 S Cedar St	Flint	MI	48506	Cedar St Pump Station
0065	0148	420 E Boulevard Drive	Flint	MI	48506	Farmers Mkt
0066	0149	R/420 E Boulevard Drive	Flint	MI	48506	Farmers Mkt

Commercial Property

SUBJECT OF INSURANCE

Subject of Insurance	Carrier	Limits	Cause of Loss	Deductible	Valuation
Property	50% of 10M limit - Lexington	5,000,000	Special	100,000	RC
Earthquake		5,000,000	Special	100,000	
Flood		10,000,000	Special	100,000	
Named Storm		10,000,000	Special	100,000	
Equipment Breakdown		10,000,000	Special	100,000	
Accounts Receivable		1,000,000	Special	100,000	
Debris Removal		2,500,000 (25% of direct physical damage)	Special	100,000	
Ordinance or Law Coverage		2,500,000	Special	100,000	
Errors or Omissions		1,000,000	Special	100,000	
Newly Acquired Property		1,000,000	Special	100,000	

RC = Replacement Cost

SUBJECT OF INSURANCE

Subject of Insurance	Carrier	Limits	Cause of Loss	Deductible	Valuation
Property	50% of 10 M Limit - Arch	5,000,000	Special	100,000	RC
Earthquake		5,000,000	Special	100,000	
Flood		10,000,000	Special	100,000	
Named Storm		10,000,000	Special	100,000	
Equipment Breakdown		10,000,000	Special	100,000	
Accounts Receivable		1,000,000	Special	100,000	
Debris Removal		2,500,000 (25% of direct physical damage)	Special	100,000	
Ordinance or Law Coverage		2,500,000	Special	100,000	
Errors or Omissions		2,500,000	Special	100,000	
Newly Acquired Property		1,000,000	Special	100,000	

Premium Summary

Coverage	Carrier	Renewal Premium
Property – 50%	Lexington	\$257,250
Property – 50%	Arch	\$256,250
Terrorism	Hiscox	\$14,350
Total Program		\$527,850

All quoted premiums are annual estimates.

Your insurance policies can be delivered either by paper form or electronic flash drive. Please let us know which option you prefer.

Markets Approached

- Chubb – Declined
- Nationwide – Declined, not a market for public/civic exposures
- Central – Declined, Not a market for municipalities
- Cincinnati – Declined, Outside their property appetite
- EMC – Declined, Population exposure to large for carrier
- Encova – Declined, not a market for municipalities
- Hanover – Declined, not a market for municipalities
- Hastings – Declined, due to loss history
- Michigan Millers – Declined, exposures to great
- Selective – Declined, due to mostly Frame and JM construction

Binding Conditions

- Signed Terrorism forms
- Signed applications

This insurance proposal is based upon your insurance history and the information that you have provided. It is your responsibility to review each item to make sure that you have all the coverages that you need, and that the limits of liability are appropriate.

Agreement and Acceptance

The undersigned insured acknowledges that they have read and understood the Insurance Proposal as presented by Lighthouse Group, an Alera Group Agency LLC and authorizes them to bind coverage.
Effective Date: 12/1/2021

Policy Type: Commercial Property

PROPOSED COVERAGE HAS BEEN REJECTED/MODIFIED AS OUTLINED:

- 1.
- 2.
- 3.
- 4.

Named Insured: City of Flint

Title: _____

Signature: _____ Date: _____

RETURN TO THE ATTENTION OF: Cort Niemi

EMAIL: cniami@lighthousegroup.com

MAIL: Lighthouse, An Alera Group Company
56 Grandville Ave, Ste 300
Grand Rapids, MI 49503

Electronic Delivery Supplement

Client Name: City of Flint	Date:
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ELECTRONIC SELECTION / REJECTION OPTION FORM

Your insurer may be required by law to obtain consent from insureds prior to engaging in any electronic delivery of insurance policies and/or other supporting documents in connection with the policy. You have the right to:

- Select electronic delivery;
- Reject electronic delivery;
- Withdraw your consent if you decide you no longer want to receive electronic delivery of your insurance policy and/or other supporting documents in connection with your insurance policy.

☐ ELECTION OF ELECTRONIC INSURANCE POLICY DELIVERY OPTION

I select the option to receive the following documents in connection with my insurance policy electronically, for myself and all those covered under the policy until further notice. I acknowledge I may no longer receive paper copies of my insurance policy.

- Insurance Policy
- Identification Card
- Notices of Cancellation
- Notices of Nonrenewal
- Other supporting documents in connection with my insurance policy

☐ REJECTION OF ELECTRONIC DELIVERY OPTION

I reject the option to receive my insurance policy and/or other supporting documents in connection with my insurance policy electronically, for myself and all those covered under the policy until further notice. I will continue to receive paper copies of such documents.

☐ WITHDRAWAL OF CONSENT OF ELECTRONIC DELIVERY

I withdraw my previous consent of electronic delivery of my insurance policy and/or other supporting documents in connection with my insurance policy, for myself and all those covered under the policy until further notice. I elect to receive paper copies of such documents in the future.

ELECTRONIC DELIVERY DISCLOSURE

The policyholder who elects to allow for insurance policy and/or other supporting documents in connection with the insurance policy to be sent to the electronic mail address provided should be diligent in updating the electronic mail address provided to the insurer in the event that the address should change.

_____ Name of Recipient to Receive Insurance policy &/or Other Supporting Documents	_____ Relationship to Client
_____ E-Mail Address of Recipient	
_____ Client Signature	_____ Date (MM/DD/YYYY)

Commercial Lines Coverage Options

In addition to the below coverage options, there may be more insurance products available for your consideration.

Property

We do not determine property values, as we do not have any specific expertise in making this evaluation. It is in your best interest to evaluate the amount of your contents to determine the appropriate limits. Additionally, it is in your best interest to seek a building valuation survey to determine the appropriate construction cost of any building coverage.

- Off Premises Power Failure
- Spoilage Coverage
- Business Income & Extra Expense
- Ordinance or Law
- Vacancy Permit
- Builders Risk
- Mfg Selling Price
- Property of Others
- Leased or Rented Property
- Peak Season Coverage
- Equipment Breakdown
- Earthquake
- Flood
- Dependent Property

General Liability

Higher limits may also be available for General Liability coverages.

- Employment Practices Liability
- Liquor Liability
- Employee Benefits Liability
- Product Recall Coverage
- Pollution Liability

Inland Marine

- Installation Floater
- Replacement Cost
- Miscellaneous Tools / Equipment
- Leased or Rented Equipment
- Sign Coverage
- Scheduled Equipment / Tools
- Valuable Papers / Accounts Receivable
- Bailee Liability
- Patterns, Dies, Molds

Crime

- Employee Dishonesty
- Forgery / Alterations
- Money & Securities

Business Auto

- Drive Other Car
- Hired & Non-Owned Auto Liability
- Hired Car Physical Damage

Miscellaneous

- Umbrella Liability / Higher Limits on Current Umbrella
- Professional Liability
- Data Breach / Cyber Liability
- Directors & Officers Coverage
- Fiduciary Liability
- Bonds
- Trade Credit Insurance

Cyber Liability Quiz

What is your Internet Privacy and/or Security Risk?

Take this quick quiz to determine your level of risk.

1. Are you involved in any of the following industries:
 - Education
 - Healthcare
 - Financial Services
 - Retail
2. Do you provide services to clients on your website?
3. Do you collect, receive, transmit or store personally identifiable information or personal health information? For example, Social Security numbers, driver's license numbers, email addresses, bank account numbers, credit/debit card numbers, etc.
4. Do you need to develop or update procedures to comply with privacy legislation? For Example, Health Insurance Portability and Accountability Act – HIPPA, The Gramm-Leach Bliley Act or other legislation with respect to the protection of other confidential information?
5. Do your employees use laptops, cell phones, smart phones, or tablets?
6. Do you store sensitive data on your network in the cloud or even in paper files?
7. Do you manage the content of your website and/or host the infrastructure yourself instead of using a third party?
8. Do you have a Written Information Security Plan?

Your Score:

2 or less answered yes:

Your risk is low. However, Cyber Liability coverage is worth considering.

3 to 4 answered yes:

Your risk is great and obtaining Cyber Liability should be a priority

5 or more answered yes:

Your risk is significant! Without proper coverage afforded by Cyber Liability, the financial well being of your company is at risk!



for individuals and families

- Life Insurance
- Return of Premium Life Insurance
- Annuities
- Disability Income Protection
- Long-term Care
- Life Insurance Review and Audit Program
- Individual Mortgage Pay-off in Event of Death

for business owners

- Business Continuation Planning (Life and Disability Insurance)
- Key Person Coverage (Life and Disability Insurance)
- Debt Coverage or Life Insurance Required by Bank
- Estate Analysis - Legacy Trust
- Executive Owner Premier Audit Program
- Voluntary Products

As a client of Lighthouse, An Alera Group Company, you are eligible to take advantage of our Life Insurance Review & Audit Program free of charge. An evaluation of your personal and business life insurance policies can provide the reassurance your plans are set to meet your needs when and how you expect them to.

With more than 100 years of combined experience, our Life Insurance and Executive Benefits team will provide an in-depth and objective review of the life insurance you have in place today. With direct access to more than 30 insurance carriers, we will propose only the best alternatives directly in line with your goals and budget. Life insurance coverage can change over time, therefore we recommend policies be reviewed every three years.

Since over 80 percent of life insurance policies don't live up to client expectations due to overpriced premiums, incorrect design or early termination, this review is of tremendous value by providing peace of mind and protection for what matters most.

If you are interested in Lighthouse's life insurance services, contact your sales executive to get started.



Lighthouse's personalized and innovative approach to the ever-changing world of healthcare allows for your business to keep moving forward. By leveraging our extensive network of resources, we craft the plan you and your employees desire.

COMPLIANCE

- MyWave access and support
- Miller Johnson - Legal Firm
- Compliance Checklist
- Benchmarking
- SPD Review
- 5500 Assistance

TECHNOLOGY

- Benefit Adm. - Employee Navigator
- Member Management
- Self-serve enrollment
- Variable Hour Tracking
- ACA Reporting - 1095 reporting

HR SUPPORT

- Employee Handbook Review
- Compensation Benchmarking
- Mock DOL Audit
- Training Resources
- On Staff HR Consultant

WELLNESS

- On Staff Resources
- Consulting/Design
- Implementation/Ongoing Assistance
- Reporting/Analysis/Vendors

MEDICARE/INDIVIDUALS

- Onsite Educational Meetings
- 1 on 1 Consultations
- Transition to Medicare
- Employee Separation Services
- Individual Plan Options

DATA ANALYTICS

- Underwriter on Staff
- Monthly Claims Reporting
- PA 152 Analysis
- Predictive Modeling
- 3-5 Year Strategic Plan
- Milliman Reporting Services

EMPLOYEE COMMUNICATION

- Benefits Booklets
- Custom Communications
- ACA Updates
- Electronic & Print



Lexington Specialty Insurance Agency, Inc.

LEXINGTON INSURANCE COMPANY

Proposal of Insurance

Thank you for giving an AIG insurer an opportunity to quote your business. Our proposal is attached for your consideration. In addition, we have highlighted the key benefits of choosing an AIG insurer as your partner in helping mitigate risk. These benefits include optional coverages and service capabilities which can be adjusted to adapt to your ever changing business needs. We hope that you find our offering compelling but if you would like to discuss options or if you have any questions please do not hesitate to contact us. Our goal is to provide you with a product that meets your needs or in other words, a program you can call your own.

We are pleased to offer the following Proposal of Insurance received from Lexington Insurance Company that will be issued on Commercial Property Policy PR8371 (01/18) and is based upon the following:

Total Insurable Value: \$252,060,171 (Per schedule on file with the Company)

Item 1. Named Insured and Address:

CITY OF FLINT
1101 S SAGINAW ST
FLINT, MI 48502-1420

The Named Insured shall mean the First Named Insured and its affiliated and subsidiary companies and/or corporations as now exist or may hereafter be incorporated, constituted or acquired including their interests as may appear in partnerships or joint ventures which the Insured is legally obligated to insure.

Item 2. Mortgageholders, Loss Payees and Additional Insureds: Per Certificates on file with the Company or any endorsement attached to and forming a part of this Policy.

Item 3. Policy Period:

From: 12/01/2021 To: 12/01/2022

(At 12:01 A.M. Standard Time at the Insured Location.)

Item 4. Coverage Territory:

The United States, its territories and possessions and Puerto Rico, including their respective coastal waters.

Item 5. Premium:

- A. Total Premium: \$250,000 *
- B. Terrorism Premium: \$12,500
(IN ADDITION TO the Total Premium)
- C. Minimum Earned Premium: 35.00% of Total Premium

***Premium figures do not include applicable surplus lines tax or fees.**

100% Layer Premium:

\$500,000 (Premium figures do not include surplus lines taxes and fees)

The Layer Premium above **DOES NOT INCLUDE** a charge of \$25,000 applicable to coverage as respects to Terrorism

Lexington Total Premium:

\$250,000 (Premium figures do not include surplus lines taxes and fees)

The Lexington Total Premium above **DOES NOT INCLUDE** a charge of \$12,500 applicable to coverage as respects to Terrorism

Item 6. Policy Limit: \$10,000,000 is the maximum liability in any one Occurrence as a result of all covered loss or damage regardless of the number of Insured Locations, coverages or Covered Causes of Loss under this Policy.

Participation:

50.00% being \$5,000,000 part of \$10,000,000 per Occurrence and in the primary

A. Sublimits of Liability:

The Sublimits of Liability stated in this Policy are part of and not in addition to the Policy Limit and any Sublimits of Liability shown in Item 6.A. below. The Sublimits of Liability are: (1) the maximum amount the Company will pay for all covered loss or damage arising out of the specific perils or coverages and/or (2) the maximum number of days for a specific coverage, regardless of the number of Insured Locations, coverages or Covered Causes of Loss under this Policy.

The following Sublimits of Liability represent 100% of the coverage purchased by the Insured for the Program set forth above and the Company's share of each Sublimit of Liability shall be determined by applying the Participation shown above.

The Sublimits of Liability stated in this Policy are per Occurrence unless otherwise indicated. Regardless of the number of Occurrences, any Annual Aggregate in this Policy is the maximum amount payable for all covered loss or damage for the applicable coverage or Covered Cause of Loss.

If the words, NOT COVERED are shown instead of a limit, Sublimit amount, or number of days, or if a specified amount or number of days is not shown corresponding to any coverage or

Covered Cause of Loss, then no coverage is provided for that coverage or Covered Cause of Loss.

1. Sublimits Applicable to Specified Covered Causes of Loss - Each of these Sublimits is part of and not in addition to the Policy Limit.

a. Earth Movement:

- i. \$5,000,000:** Annual Aggregate for all covered loss or damage arising out of **Earth Movement**
- ii.** Subject to A.1.a.i. above, the Annual Aggregate for all covered loss or damage arising out of **Earth Movement** in California, Alaska, Hawaii and Puerto Rico combined: **Not Covered**
- iii.** Subject to A.1.a.i. above, the Annual Aggregate for all covered loss or damage arising out of **Earth Movement** in the **Pacific Northwest Earthquake Zone: Not Covered**
- iv.** Subject to A.1.a.i. above, the Annual Aggregate for all covered loss or damage arising out of **Earth Movement** in the **New Madrid Earthquake Zone: Not Covered**

b. Flood:

- i. \$5,000,000:** Annual Aggregate for all covered loss or damage arising out of **Flood**
- ii.** Subject to A.1.b.i. above, the Annual Aggregate for all covered loss or damage arising out of **Flood** in a Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA) at the time of the loss: **\$5,000,000**

If the property that sustains physical loss or damage due to **Flood** is partially in such Special Flood Hazard Area (SFHA), then the entire property shall be deemed to be in that Special Flood Hazard Area (SFHA) and the loss or damage will be subject to the Sublimit stated A.1.b.ii. above.

c. Named Storm:

- i. \$10,000,000** for all covered loss or damage arising out of **Named Storm**
- ii.** Subject to A.1.c.i. above, for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Texas to North Carolina, Hawaii, Puerto Rico and U.S. Virgin Islands): Not Covered**
- iii.** Subject to A.1.c.i. above, for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Virginia to Maine): Not Covered**
- iv.** Subject to A.1.c.i. above, for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Florida): Not Covered**
- v.** Subject to A.1.c.i. above, for all covered loss or damage arising out of **Named Storm** in a **Tier 2 High Hazard Wind Zone: Not Covered**

For the purpose of the above Sublimits of Liability, **Named Storm** includes, but is not limited to, loss or damage from wind, **Hail**, lightning, tornado, rain or water (whether driven by wind or not), **Flood**, or any wind driven objects or debris.

In the event covered loss or damage by **Flood** occurs concurrently or in any sequence with a **Named Storm**, the maximum amount the Company will pay per **Occurrence** for all such loss or damage by **Flood** shall be the applicable Sublimits of Liability for **Flood** as shown in Item 6.A.1.b. above, but in no event shall the Company pay more than the maximum applicable **Named Storm** Sublimit. However, if **Flood** is not covered, the maximum amount the Company will pay per **Occurrence** for all such loss or damage arising out of **Named Storm** shall exclude loss or damage by **Flood**.

- d. **Equipment Breakdown:** **\$10,000,000** for all covered loss or damage from **Equipment Breakdown**

Other Sublimit(s) and conditions Applicable to Equipment Breakdown:

1. Hazardous Substances: \$100,000
2. Spoilage: \$100,000
3. "Covered Equipment" does not include conveyors, cranes or hoists, but does include electrical equipment mounted on or used with a conveyor, crane or hoist.
4. We will not pay for loss, damage or expense caused by or resulting from the accidental discharge of molten material, however caused.

2. **Sublimits Applicable to Additional Time Element Coverages** - Each of these Sublimits is part of, and not in addition to the **Policy Limit** and any Sublimits applicable to Specified Covered Causes of Loss shown in Item 6.A.1 above.

- | | |
|--|---|
| a. Contingent Time Element: | Not Covered except as respects Earth Movement, Flood, and Named Storm , where the Sublimit is Not Covered |
| b. Extended Period of Indemnity: | Not Covered days |
| c. Extra Expense: | Not Covered |
| d. Ingress & Egress: | Not Covered days, subject to a maximum Sublimit of Not Covered and a distance limitation of Not Covered mile |
| e. Interruption by Civil or Military Authority: | Not Covered days, subject to a maximum Sublimit of Not Covered and a distance limitation of Not Covered mile |
| f. Rental Value: | Not Covered |
| g. Royalties: | Not Covered |
| h. Additional Sublimits: | |
| Time Element: | Not Covered |

3. Sublimits Applicable to Additional Coverages - Each of these Sublimits is part of, and not in addition to the Policy Limit and any Sublimits applicable to Specified Covered Causes of Loss shown in Item 6.A.1. above.

a.	Accounts Receivable:	\$1,000,000
b.	Debris Removal:	25.00% of covered direct physical loss or damage payable for all Insured Property, subject to a maximum Sublimit of \$2,500,000
c.	Demolition And Increased Cost of Construction:	
	Demolition Coverage A:	Included
	Demolition Coverage B:	\$2,500,000
	Demolition Coverage C:	\$2,500,000
d.	Electronic Data and Media:	\$2,500,000
e.	Errors or Omissions:	\$1,000,000, except as respects Earth Movement, Flood, and Named Storm, where the Sublimit is \$1,000,000
f.	Expediting Expenses:	\$500,000
g.	Fine Arts:	\$10,000 per item subject to a maximum Sublimit of \$100,000 per Occurrence
h.	Fire Brigade Charges And Extinguishing Expenses:	\$250,000
i.	Leasehold Interest (including Leasehold Improvements & Betterments):	\$500,000
j.	Limited Pollution Coverage:	\$100,000 Annual Aggregate
k.	Miscellaneous Unnamed Locations:	\$1,000,000, except as respects Earth Movement, Flood, and Named Storm, where the Sublimit is \$1,000,000
l.	New Construction and Additions:	Not Covered, except as respects Earth Movement, Flood, and Named Storm, where the Sublimit is Not Covered. In no event will the Company pay more than Not Covered for Soft Costs.
m.	Newly Acquired Property:	\$1,000,000, except as respects Earth Movement, Flood, and Named Storm, where the Sublimit is \$1,000,000

n. Outdoor Property:	\$100,000
o. Pairs or Sets:	\$100,000
p. Professional Fees:	\$100,000
q. Property Removed from Insured Locations:	\$100,000
r. Service Interruption:	\$250,000
s. Spoilage:	\$100,000
t. Transit:	\$100,000 per conveyance subject to a maximum Sublimit of \$100,000 per Occurrence
u. Valuable Papers and Records:	\$250,000
v. Additional Sublimits:	

4. **Other Sublimits:** Each of these Sublimits is part of, and not in addition to the **Policy Limit** and any Sublimits applicable to Specified Covered Causes of Loss shown in Item 6.A.1 above.

a. Contractor's Equipment:	\$25,000 for physical loss or damage to contractor's equipment per item subject to a maximum Sublimit of \$100,000 per Occurrence
b. Ordinary Payroll	Not Covered days

- B. **Maximum Amount Payable:** In the event of covered loss or damage hereunder, the liability of the Company shall be limited to the least of the following:

1. The actual adjusted amount of covered loss or damage, less applicable Deductible(s);
2. As respects each **Insured Location**, One Hundred Percent (100.00%) percent of the total combined stated values for all categories of Insured Property and Time Element coverages shown for that **Insured Location** on the latest Statement of Values or other documentation, on file with the Company prior to the time of the loss or damage; or
3. The **Policy Limit** or applicable Sublimit(s) of Liability shown in Item 6.A. or elsewhere in this Policy.

Item 7. Qualifying Periods: In accordance with the **Policy**, the following Qualifying Periods apply to these Additional Coverages:

- | | |
|---|-------------------|
| A. Ingress & Egress: | Not Covered hours |
| B. Interruption by Civil or Military Authority: | Not Covered hours |
| C. Service Interruption: | 24 hours |

Item 8. Deductibles: The Deductibles shown below apply per **Occurrence** unless otherwise stated.

A. Policy Deductible: \$100,000 applicable to all covered loss or damage unless otherwise stated below or in this Policy.

B. Earth Movement:

1. \$100,000 for all covered loss or damage arising out of **Earth Movement** (other than as set forth in this Earth Movement Deductible section).
2. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Earth Movement** in California, Hawaii, Alaska and Puerto Rico.
3. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Earth Movement** in the **Pacific Northwest Earthquake Zone**.
4. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Earth Movement** in the **New Madrid Earthquake Zone**.

C. Flood:

1. \$100,000 for all covered loss or damage arising out of **Flood** (other than as set forth in this Flood Deductible section).
2. **N/A** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **\$500,000** any one **Occurrence** for all covered loss or damage arising out of **Flood** at any property wholly or partially within a Special Flood Hazard Area (SFHA) at the time of the loss as defined by the Federal Emergency Management Agency (FEMA).

D. Named Storm

1. **N/A** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **\$100,000** any one **Occurrence** for all covered loss or damage arising out of **Named Storm** (other than as set forth in this Named Storm Deductible section).
2. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Texas to North Carolina, Hawaii, Puerto Rico and U.S. Virgin Islands)**.
3. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence**

for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Virginia to Maine)**.

4. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Florida)**.
5. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 2 High Hazard Wind Zone**.

E. High Hazard Hail:

1. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Hail** in **Hail Zone 1**.
2. **Not Covered** of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of **Not Covered** any one **Occurrence** for all covered loss or damage arising out of **Hail** in **Hail Zone 2**.

F. Equipment Breakdown:

1. **Property Damage and Time Element Combined Deductible:**

\$100,000 for all covered loss or damage from **Equipment Breakdown**; or

2. **Property Damage and Time Element Separate Deductibles:**

a. **Property Damage:** N/A for all covered loss or damage other than Time Element loss to **Covered Equipment** from **Equipment Breakdown** and in addition, the following Time Element Deductible:

b. **Time Element:**

i. N/A for all covered Time Element loss from **Equipment Breakdown**;

ii. N/A times the **Average Daily Value** for all covered Time Element loss from **Equipment Breakdown**; or

iii. N/A hours following the **Occurrence** for all covered Time Element loss from **Equipment Breakdown**.

G. Additional Deductible(s):

In each case of loss or damage covered by this **Policy**, the Company shall not be liable unless the Insured sustains covered loss or damage in a single **Occurrence** greater than any applicable Deductible described in this **Policy** and then only for the amount in excess of such Deductible.

If an amount is not shown for any Deductible, then that Deductible shall not apply. Also, if an amount is not shown with respect to a part of a Deductible, then such part shall not apply, but the rest of the Deductible shall apply. When this **Policy** covers more than one **Insured Location**, the Deductible shall apply against the total loss or damage covered by this **Policy** in any one **Occurrence**, unless otherwise stated herein.

If two or more Deductible amounts provided in this **Policy** apply to a single **Occurrence**, the total to be deducted shall not exceed the largest applicable Deductible unless otherwise stated in this **Policy**. However, if a separate Property Damage Deductible and a separate Time Element Deductible apply to loss or damage in a single **Occurrence**, the Company shall apply both Deductibles. For any coverage for which there is a waiting period or a time period before coverage commences, such period shall apply in addition to any applicable Deductible(s) set forth in this **Policy**.

For avoidance of doubt, with respect to the largest applicable Deductible, if covered loss or damage by **Flood** occurs concurrently or in any sequence with a **Named Storm**, then the Company shall apply the **Flood** Deductible set forth in Item 8.C. or the **Named Storm** Deductible set forth in Item 8.D., whichever is greater.

Item 9. Assigned Adjuster:

Adjuster Name: AIG

Adjusting Firm: AIG

Item 10. Forms Attached: See Forms attaching to and/or forming part of this Proposal of Insurance. If any form is referred to in any other document or email as part of this Proposal of Insurance, but has not been attached to this Proposal of Insurance, including Commercial Property Policy PR8371 (01/18), then such form(s) shall be made available upon request.

Producer

Producer: AMWINS BROKERAGE OF THE MIDWEST
Address: KATHRYN GRAVES
37 OTTAWA NW
GRAND RAPIDS, MI 49503

ADDITIONAL SUBJECTIVITIES AND/OR CONDITIONS TO BE FULFILLED PRIOR TO BINDING:

- Policyholder Disclosure Notice of Terrorism Insurance Coverage (Applicable to Certified and Non-Certified Acts)
- No deterioration of loss experience prior to binding

Cancellation: 60 days written notice from the Company, except
10 days written notice from the Company in the case of non-payment of premium

Other Conditions:

1. THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION
2. This Proposal of Insurance does not afford coverage nor any other binding obligations on the Company and contains only a general description of the coverage provided. It is an offer for coverage made subject to the warranties, terms and conditions as detailed herein. Coverage will not be afforded until a Binder of Insurance is executed and issued by the Company.

3. This Proposal of Insurance is based on information provided by the producer and found in the submission. The Company reserves the right to rescind this Proposal of Insurance if there are any material changes in the losses, exposure, protection, management or ownership of the insured property prior to binding.
4. The Company may withdraw this Proposal of Insurance at any time prior to acceptance and in no event will it remain open for acceptance beyond the effective shown in the policy period. Coverage may not be bound without the authorization of the Company.
5. As respects acts of terrorism as defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (hereinafter, "TRIA"), the Insured has the option to accept or reject coverage. Rejection of coverage would be evidenced by the Insured's signature on the attached Policyholder Disclosure Notice of Terrorism Coverage and returning it to the Company prior to binding.
6. Unless otherwise amended by a State Amendatory Endorsement, we shall not be deemed to provide cover and we shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us, our parent company or our ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

Additional Conditions

- **Important:** In order to complete the underwriting process, we require that you send us the additional information requested in the subject to information in this letter. We are not required to bind coverage prior to our receipt, review and underwriting approval of the requested information. However, we may bind coverage before we have received, reviewed and approved the information. In such event, we have the right to cancel the insurance upon 10 days notice if the completed and signed "Broker Responsible for Surplus Lines Filing Agreement" is not received by us within 10 days from the effective date of coverage. Additionally, if we have not received the required information requested with the specified time frame then we have the right to cancel the insurance upon 20 days notice.
- The foregoing information is for indication purposes. This is not a binder of insurance. Because the general underwriting requirements of this office may change, we reserve the right to withdraw this proposal at any time, and in no event will it remain open for acceptance beyond the effective/inception date of the policy as listed in this quotation. The Company reserves to itself the right to determine the inception date of any coverage granted according to the terms of this quotation.

Please notify us if the information contained herein is incorrect.

Please feel free to contact our office with any questions you may have or if you need any further clarification on any portion of this Quotation of Insurance.

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(APPLICABLE TO CERTIFIED AND NON-CERTIFIED ACTS)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage for a prospective premium of \$12,500.
<input type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism. I further understand that the Insurer does not offer stand-alone terrorism coverage for non-certified acts of terrorism and that by declining to purchase coverage for certified acts of terrorism, I am also declining to purchase coverage for non-certified acts of terrorism. This will be reflected in the policy by a Terrorism Exclusion.

Policyholder/Applicant’s Signature

Policyholder/Applicant’s Printed Name

Date



ARCH SPECIALTY INSURANCE COMPANY
(A Missouri Corporation)

New Business Quote

Date November 23, 2021

To Kate Graves
Amwins Brokerage of the Midwest, LLC
37 Ottawa NW
Suite 202
Grand Rapids, MI 49503

(616)954-7812
Kate.Graves@amwins.com

Prospective Insured **City of Flint**
1101 S. Saginaw St. Room 203
Flint, MI 48502

Re Property Quotation #: 2155181

Please read all of the following terms and conditions shown below carefully as they may not conform to the specifications shown on your submission.

Proposed Policy Period Effective: December 1, 2021
Expiration: December 1, 2022
(12:01 A.M. Standard time at the address of the Insured shown above)

Insurer **Arch Specialty Insurance Company**
Non-Admitted Carrier
AM Best Rating: A+ Standard & Poor's Rating: A+

Total Insurable Values \$252,060,171

Limit of Liability

Arch Participation

50.0000% being \$5,000,000 Per Occurrence part of \$10,000,000 Per Occurrence excess of deductibles

100% Program Sub-limits

All sub-limits shown below are the 100% program sub-limits which apply on a ground-up basis over all participating layers of insurance. Arch Specialty Insurance Company's participation, if any, in such sub-limits shall be in proportion to Arch Specialty Insurance Company's participation in the overall limits for this account, as detailed in the Participation Section above. Sub-limits are part of and not in addition to the 100% Program Limit shown above and are per occurrence unless otherwise indicated.

Earth Movement	\$5,000,000 Per Occurrence and Annual Aggregate
Flood	\$5,000,000 Per Occurrence and Annual Aggregate , including Special Hazard Flood Area
Accounts Receivable	\$1,000,000
Debris Removal	\$2,500,000 or 25% of the adjusted property damage loss, whichever is less
Electronic Data and Media	\$2,500,000
Errors & Omissions	\$2,500,000
Expediting Expense	\$500,000
Fine Arts	\$10,000 per item subject to a maximum sublimit of \$100,000 per occurrence
Fire Department Service Charges	\$250,000
Leasehold Interest	\$500,000
Limited Coverage for Fungus, Wet Rot, Dry Rot and Bacteria	\$100,000
Miscellaneous Unnamed Locations	\$1,000,000
Newly Acquired Property	\$1,000,000
Non-owned detached trailers	\$5,000
Ordinance and Law Coverage A	Included
Ordinance and Law Coverage B	\$2,500,000
Ordinance and Law Coverage C	\$2,500,000
Outdoor Property	\$100,000 subject to \$250 per item for outdoor shrubs, trees, and plants
Personal Effects and Property of Others	\$100,000
Pollutant Clean Up and Removal	\$100,000
Professional Fees	\$100,000
Property In Transit	\$100,000
Property Off Premises	\$100,000

Spoilage	\$100,000
Valuable Papers and Records	\$250,000
Special Flood Hazard Area	\$5,000,000 per Occurrence and Aggregate, subject to the Flood Limit of Insurance per Occurrence and Aggregate
Boiler & Machinery - Expediting Expense	\$100,000 Per Breakdown
Boiler & Machinery - Pollutant Clean Up and Removal	\$100,000 Per Breakdown
Boiler & Machinery - Perishable Goods	\$100,000 Per Breakdown
Boiler & Machinery - Electronic Data and Media	\$100,000 Per Breakdown
Boiler & Machinery - Demolition and Increased Cost of Construction	\$100,000 Per Breakdown

Deductibles

All Perils, except	\$100,000 Per Occurrence
Earth Movement	\$100,000 Per Occurrence
Flood	\$100,000 Per Occurrence, except
Special Flood Hazard Areas	\$500,000 Per Occurrence

Coverage

Coverage Territory	The United States of America (Including its territories and possessions) and Puerto Rico
Location(s) Covered	As per schedule on file received on 10/25/2021
Covered Perils	"All Risks" of Direct Physical Loss or Damage Including Earth Movement and Flood , including Equipment Breakdown, subject to policy terms, conditions, and exclusions
Covered Property	Real Property Business Personal Property
Valuation	Replacement Cost as respect to Real and Business Personal Property
Co-Insurance	NIL as respects Real and/or Personal Property

Policy Terms and Conditions

Policy Conditions	No other Arch Insurance Group (including Ventus) participation Favorable Inspection 1. 4652 Beecher Rd., Flint, MI 2. 1101 S. Saginaw St, Flint, MI 3. 4500 N. Dort Hwy, Flint, MI 4. 210 E 5th St, Flint, MI
Cancellation	30 Days except 10 days as respects Non-Payment of Premium Cancellation by Company is on a prorata basis Cancellation by Insured is on a short rate basis
Minimum Earned Premium	35.00%

Applicable Policy Forms

Form Number	Form Name
06 EXP0001 00 07 16	COMMERCIAL PROPERTY DECLARATIONS (ASIC)
00 ML0012 00 01 03	SCHEDULE OF FORMS AND ENDORSEMENTS
06 ML0002 00 12 14	SIGNATURE PAGE (ARCH SPECIALTY)
00 EXP0009 00 11 14	MINIMUM EARNED PREMIUM CLAUSE – PERCENTAGE
00 EXP0091 00 11 03	COMMON POLICY CONDITIONS
00 ML0003 00 04 12	SERVICE OF SUIT
06 CP0002 00 03 08	CLAIMS HANDLING PROCEDURES (Arch Specialty Ins. Co.)
00 EXP0125 00 06 06	TOTAL TERRORISM EXCLUSION
00 EXP0127 00 06 06	EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, OR CHEMICAL TERRORISM
00 MLT0031 00 12 19	TERRORISM COVERAGE DISCLOSURE NOTICE
00 ML0065 00 06 07	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
00 EXP0078 00 01 16	OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT
00 EXP0003 00 08 14	EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS
00 EXP0004 00 08 15	ELECTRONIC DATA LOSS OR DAMAGE - EXCLUSION
00 EXP0189 00 02 15	ASBESTOS MATERIAL REMOVAL LIMITATION
00 EXP0192 00 03 15	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
00 EXP0225 00 03 21	APPRAISAL
02 EXPD 00 09 02	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
00 EXP0101 00 08 14	COMMERCIAL PROPERTY CONDITIONS
00 EXP0083 00 08 18	PARTICIPATION CLAUSE
00 EXP0092 00 04 16	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
00 EXP0100 00 08 14	CAUSES OF LOSS - SPECIAL FORM

Applicable Policy Forms

Form Number	Form Name
00 EXP0207 00 09 16	EQUIPMENT BREAKDOWN COVERAGE
00 EXP0194 00 03 15	EARTH MOVEMENT ENDORSEMENT
00 EXP0043 00 03 15	FLOOD ENDORSEMENT
00 EXP0042 00 08 14	SPECIAL FLOOD HAZARD EXCLUSION
00 EXP0205 00 09 15	PROPERTY COVERAGE ENHANCEMENT ENDORSEMENT – BROAD FORM
00 EXP0105 00 08 14	ORDINANCE OR LAW COVERAGE
00 EXP0132 00 11 14	PRE-EXISTING DAMAGE EXCLUSION

Premium

100% Layer Premium excluding TRIPRA	\$500,000.00
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Arch Share Premium Breakdown

Arch Premium	\$250,000.00
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Boiler & Machinery Premium	Included
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Arch Total Premium excluding TRIPRA	\$250,000.00
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TRIPRA Certified Acts of Terrorism Premium	\$5,000.00
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Arch Total Premium including TRIPRA	\$255,000.00
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TRIPRA Certified Acts of Terrorism

Premium for the Arch Share for the optional coverage for Certified Acts of Terrorism is as per the provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2019 and is in addition to and not included in the Arch Share premium above. We can include coverage as required by TRIPRA for an additional premium as displayed above. Note that terrorism coverage would not be provided at locations outside of the United States of America. If this optional coverage is rejected, then the attached Terrorism Coverage Disclosure Notice must be signed by the Insured and returned at the time of binding.

This quote is valid for 30 days or until the proposed effective date, whichever occurs first.

If, between the date of the original submission and the effective date of the policy, there is a material change in any of the information (including but not limited to claims or potential claims) originally submitted or subsequently requested by Arch, the Insured is required to notify Arch immediately. Arch reserves the right to terminate or modify the terms of this quote in the event of a material change in such information.

Please advise if there are any questions regarding this quote or if we are to bind.

This policy will be issued by a surplus lines insurer. Compliance with applicable laws and payment of the surplus lines premium taxes is the responsibility of the Insured, insurance agent or insurance broker. Applicable taxes and fees are not included in the premium due for the insurance coverage bound.

TERRORISM COVERAGE DISCLOSURE NOTICE

TERRORISM COVERAGE PROVIDED UNDER THIS POLICY

The Terrorism Risk Insurance Act of 2002 as amended and extended by the subsequent Terrorism Risk Insurance Program Reauthorization Acts (collectively referred to as the "Act") established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. An act of terrorism is defined as any act certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act. **This offer does not include coverage for incidents of nuclear, biological, chemical, or radiological terrorism which will be excluded from your policy.** Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

If your policy provides commercial property coverage, in certain states, statutes or regulations may require coverage for fire following an act of terrorism. In those states, if terrorism results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to Legal Liability coverage forms or Leasehold Interest coverage forms.

Your premium will include the additional premium for terrorism as stated in the section of this Notice titled DISCLOSURE OF PREMIUM.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. **The federal share equals 80% in years 2020 through 2027 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible during Calendar Year 2020 and each Calendar Year thereafter through 2027.**

DISCLOSURE OF CAP ON ANNUAL LIABILITY

If the aggregate insured terrorism losses of all insurers exceed \$100,000,000,000 during any **Calendar Year** provided in the Act, the Secretary of the Treasury shall not make any payments for any portion of the amount of such losses that exceed \$100,000,000,000, and if we have met our insurer deductible, we shall not be liable for the payment of any portion of such losses that exceeds \$100,000,000,000.

DISCLOSURE OF PREMIUM

Your premium for terrorism coverage is: \$5,000.00

(This charge/amount is applied to obtain the final premium.)

You may choose to reject the offer by signing the statement below and returning it to us. Your policy will be changed to exclude the described coverage. If you chose to accept this offer, this form does not have to be returned.

REJECTION STATEMENT

I hereby decline to purchase coverage for certified acts of terrorism. I understand that an exclusion of certain terrorism losses will be made part of this policy.

Policyholder/Legal Representative/Applicant's
Signature

Print Name of Policyholder/Legal
Representative /Applicant

Date: _____

City of Flint

Named Insured

Arch Specialty Insurance Company

Insurance Company

Policy Number:

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN
ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

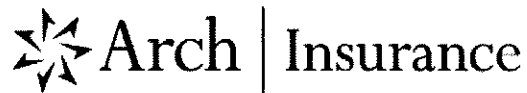
This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



ARCH SPECIALTY INSURANCE COMPANY
(A Missouri Corporation)

Home Office Address:
2345 Grand Blvd, Suite 900
Kansas City, MO 64108

Administrative Address:
Harborside 3
210 Hudson Street, Suite 300
Jersey City, NJ 07311-1107
Tel: (866) 413-5550

COMMERCIAL PROPERTY

DECLARATIONS

Policy Number:
Renewal of:

Named Insured:
Address:

Policy Period:
From: **To:**
 at 12:01 A.M., Standard Time at your mailing address shown above.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Commercial Property Coverage Part	PREMIUM
	\$
	\$
	\$
	\$
	\$
	\$
Other:	\$
Total	\$

Premium Shown is payable at inception.

LOCATIONS COVERED: See attached Schedule of Locations

**FORMS AND ENDORSEMENTS Applying to this Coverage Part and Made Part of this Policy at
Time of Issue: See attached Schedule of Forms and Endorsements**

ISSUE DATE:

Surplus Lines Agent Name:

Surplus Lines Agent Address:

Surplus Lines Agent License:

Surplus Lines State Taxes were filed:

Arch Specialty Insurance Company is licensed in the state of Missouri only.

SCHEDULE OF FORMS AND ENDORSEMENTS

NAMED INSURED:	TERM:	to
POLICY NUMBER:		

[illegible]



Signature Page

IN WITNESS WHEREOF, Arch Specialty Insurance Company has caused this policy to be executed and attested.

A handwritten signature in cursive script that reads "John Mentz".

John Mentz
President

A handwritten signature in cursive script that reads "Regan A. Shulman".

Regan Shulman
Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM CLAUSE – PERCENTAGE

This endorsement modifies insurance provided under this policy.

It is agreed that in the event of cancellation of this policy by you, a minimum premium of % of the original policy premium shall become earned; any conditions of the policy to the contrary notwithstanding.

Your failure to make timely payment of premium shall be considered a request by you for us to cancel. In the event of such cancellation by us for non-payment of premium, the minimum premium shall be due and payable; provided, however, such non-payment cancellation shall be rescinded if you remit the full premium due within ten (10) days of receiving it.

In the event of any other cancellation by us, the earned premium shall be computed pro rata, not subject to the minimum premium.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of

any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

It is agreed that:

1. In the event of the failure of the **Insurer** to pay any amount claimed to be due hereunder, the **Insurer**, at the request of the **Insured**, will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction. All matters arising under this Policy shall be determined in accordance with the law and practice of such Court, provided that nothing shall prohibit the **Insurer** from removing any action, suit or proceeding to a United States District Court. The **Insurer** shall abide by the final decision of such court or any appellate court in the event of an appeal.
2. Service of process in the above described action, suit or proceeding may be made upon: General Counsel, Arch Specialty Insurance Company, Harborside 3 210 Hudson Street, Suite 300 Jersey City, NJ 07311-1107. Upon the request of the **Insured**, such General Counsel shall give a written undertaking to enter an appearance on behalf of the **Insurer** in the event that such an action, suit or proceeding shall be instituted.
3. Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance or other officer specified in such statute as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted against the **Insurer** upon this Policy. The Superintendent, Commissioner or Director of Insurance or other officer is hereby authorized and directed to accept service of process on behalf of the **Insurer** in any such action, suit or proceeding and to mail a copy of such process to the above mentioned General Counsel.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

CLAIMS HANDLING PROCEDURES

An important value of your insurance coverage is the ability of the insurance company to respond when you have a claim. Arch Specialty Insurance Company is committed to providing its insureds with effective claim services.

Notices of each incident, claim or suit must be sent immediately to:

Arch Specialty Insurance Company
[Business Division] Claims
1299 Farnam Street, Suite 500
Omaha, NE 68102
P.O. Box 542033
Omaha, NE 68154
Phone: 877 688-ARCH (2724)
Fax: 866 266-3630
Email: Claims@ArchInsurance.com

You will be contacted by a representative of the company's Claim Department. This representative will confirm receipt of the loss notice directly to you, provide a company claim number for all future correspondence, refer to an adjuster if necessary, and discuss further handling of the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

TOTAL TERRORISM EXCLUSION

This endorsement modifies insurance provided under the Policy.

- A.** The following definition is added and applies under this endorsement whenever the term terrorism, is enclosed in quotation marks:

"Terrorism" means activities against persons, organizations or property of any nature:

1. that involve the following or preparation for the following:
 - a. use or threat of force or violence; or
 - b. commission or threat of a dangerous act; or
 - c. commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When:
 - a. the effect is to intimidate or coerce a government or a civilian population or any segment thereof, or to disrupt any segment of the economy; and/or
 - b. it appears that the intent is to intimidate or coerce a government or a civilian population, or to further a philosophical, political, ideological, religious, social or economic objective or to express (or express opposition to) a philosophical, political, ideological, religious, social or economic objective.

- B.** The following exclusion is added:

EXCLUSION OF TERRORISM

We (the Company) will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.

This exclusion also applies when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" involves the use, release, or escape of nuclear materials, or that directly or indirectly results in nuclear reaction, nuclear radiation or radioactive contamination; or
4. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

C. Application Of Other Exclusions

1. When the EXCLUSION OF TERRORISM applies in accordance with the terms of **B.1.**, **B.2.** or **B.3.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The EXCLUSION OF TERRORISM contained in this Endorsement replaces any terrorism exclusion contained in this Coverage Form, Coverage Part or Policy.
3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion, War Exclusion, or the War And Military Action Exclusion.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**EXCLUSION OF TERRORISM INVOLVING
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM**

This endorsement modifies insurance provided under the Policy.

- A. The following definition is added and applies under this endorsement whenever the term terrorism, is enclosed in quotation marks:

"Terrorism" means activities against persons, organizations or property of any nature:

1. that involve the following or preparation for the following:
 - a. use or threat of force or violence; or
 - b. commission or threat of a dangerous act; or
 - c. commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When:
 - a. the effect is to intimidate or coerce a government or a civilian population or any segment thereof, or to disrupt any segment of the economy; and/or
 - b. it appears that the intent is to intimidate or coerce a government or a civilian population, or to further a philosophical, political, ideological, religious, social or economic objective or to express (or express opposition to) a philosophical, political, ideological, religious, social or economic objective.

- B. The following exclusion is added:

**EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL
TERRORISM**

We (the Company) will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" involves the use, release, or escape of nuclear materials, or that directly or indirectly results in nuclear reaction, nuclear radiation or radioactive contamination; or
4. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

C. Limitation of Amount of Coverage

If this policy provides coverage that is excess insurance, coverage provided under this endorsement shall apply in excess of the stated attachment point in the policy and proportionally to the loss or damage based on the percentage shown in the Declarations, subject to applicable deductibles. In no event shall this coverage drop down, or apply unless and until loss or damage exceeding such attachment point is sustained, and then only for the proportion of such excess loss attributable to our participation. Should this clause conflict in any way with other drop-down or priority of payment clauses contained in this policy, this clause shall control as pertains to coverage provided by this policy.

D. Application Of Other Exclusions

1. When the EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM applies in accordance with the terms of **B.1.**, **B.2.** or **B.3.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM contained in this Endorsement replaces any terrorism exclusion contained in this Coverage Form, Coverage Part or Policy.
3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion, War Exclusion, or the War And Military Action Exclusion.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

TERRORISM COVERAGE DISCLOSURE NOTICE

TERRORISM COVERAGE PROVIDED UNDER THIS POLICY

The Terrorism Risk Insurance Act of 2002 as amended and extended by the subsequent Terrorism Risk Insurance Program Reauthorization Acts (collectively referred to as the "Act") established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. An act of terrorism is defined as any act certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act. **This offer does not include coverage for incidents of nuclear, biological, chemical, or radiological terrorism which will be excluded from your policy.** Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

If your policy provides commercial property coverage, in certain states, statutes or regulations may require coverage for fire following an act of terrorism. In those states, if terrorism results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to Legal Liability coverage forms or Leasehold Interest coverage forms.

Your premium will include the additional premium for terrorism as stated in the section of this Notice titled DISCLOSURE OF PREMIUM.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. **The federal share equals 80% in years 2020 through 2027 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible during Calendar Year 2020 and each Calendar Year thereafter through 2027.**

DISCLOSURE OF CAP ON ANNUAL LIABILITY

If the aggregate insured terrorism losses of all insurers exceed \$100,000,000,000 during any **Calendar Year** provided in the Act, the Secretary of the Treasury shall not make any payments for any portion of the amount of such losses that exceed \$100,000,000,000, and if we have met our insurer deductible, we shall not be liable for the payment of any portion of such losses that exceeds \$100,000,000,000.

DISCLOSURE OF PREMIUM

Your premium for terrorism coverage is:

(This charge/amount is applied to obtain the final premium.)

You may choose to reject the offer by signing the statement below and returning it to us. Your policy will be changed to exclude the described coverage. If you chose to accept this offer, this form does not have to be returned.

REJECTION STATEMENT

I hereby decline to purchase coverage for certified acts of terrorism. I understand that an exclusion of certain terrorism losses will be made part of this policy.

Policyholder/Legal Representative/Applicant's
Signature

Named Insured

Print Name of Policyholder/Legal
Representative /Applicant

Insurance Company

Date:

Policy Number:

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN
ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under this policy.

It is agreed that the following special terms and conditions apply to this policy:

1. The DEFINITIONS Section of the policy and any forms or endorsements attached thereto are amended by the addition of the following Definition:

"Occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters or casualties, arising out of one event. The duration and extent of any one loss, disaster, casualty or series of losses, disasters or casualties will be limited to all losses or series of losses occurring during any period of 168 consecutive hours arising out of, and directly occasioned by, the same event.

When the term applies to loss or series of losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, earthquake, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, you may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss occurs to any Covered Property.

2. The premium for this policy is based upon the Statement of Values on file with us, or attached to this policy. In the event of loss hereunder, our liability, subject to the terms of paragraph 3. below, shall be limited to the least of the following:
 - a. The actual adjusted amount of loss, less applicable deductible(s).
 - b. 100% of the individually stated value for each scheduled item of interest insured, as shown on the latest Statement of Values on file with us, or attached to this policy, after applying the deductible(s).
 - c. The Limit of Liability or Amount of Insurance shown on the Declarations Page or endorsed onto this policy.
3. The Limit of Liability or Amount of Insurance shown on the Declarations Page of this policy, or endorsed onto this policy, is the total limit of our liability applicable to each "occurrence". Notwithstanding any other terms and conditions of this policy, in no event shall our liability exceed this limit or amount, irrespective of the number of locations involved.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS

This endorsement modifies insurance provided under this policy.

- A.** The following item is added to **EXCLUSIONS**, section **B**. With respect to the loss or damage addressed therein, this exclusion supersedes any other exclusion which addresses fungus.

EXCLUSION – “Fungus”, Wet Rot, Dry Rot And Bacteria

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

But if “fungus”, wet or dry rot or bacteria results in:

1. A “specified cause of loss”, we will pay for the loss or damage caused by that “specified cause of loss”, if the Causes of Loss – Special Form applies; or
2. A “covered cause of loss”, we will pay for the loss or damage caused by that “covered cause of loss”, if the Causes of Loss – Basic Form and Causes of Loss – Broad Form applies.

This exclusion does not apply:

1. When “fungus”, wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

- B.** The following exclusion replaces any exclusion pertaining to continuous or repeated seepage or leakage of water; and supersedes any other exclusion, preclusion of coverage or exception to an exclusion pertaining to leakage or discharge of water or steam from a system or appliance.

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- C.** The following item is added to **ADDITIONAL COVERAGES**:

ADDITIONAL COVERAGE – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria

1. This limited coverage applies only when the “fungus”, wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that “occurrence”, and only if any loss resulting from the following is reported to us within 60 days of the “occurrence”:
 - a. A “specified cause of loss” other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are a part of a vegetated roof.

2. Under conditions described in item **A.1.** above, we will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage provided under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all "occurrences" which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular "occurrence" of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.
4. The coverage provided under this Limited Coverage is a sub-limit and does not increase the applicable Limit of Insurance on any Covered Property. If a particular "occurrence" results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes of Loss form or under the Additional Coverage – Collapse.
6. The following **6.a.** or **6.b.** applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage form.
 - a. If the loss which resulted in "fungus" wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

D. The following item is added to **DEFINITIONS**:

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

E. Item **d.2.** under section **2.** of the **EXCLUSIONS** is amended to read:

"Rust, corrosion, decay, deterioration, hidden or latent defect or quality in property that causes it to damage or destroy itself".

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC DATA LOSS OR DAMAGE - EXCLUSION

This endorsement modifies insurance provided under this policy.

A. It is agreed that the following definitions apply:

"Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature". "Computer Virus" includes but is not limited to 'trojan horses', 'worms' and 'time or logic bombs'.

B. Except as provided in the Additional Coverage – Electronic Data, if any, the following exclusion applies:

Damage to Electronic Data

We will not pay for loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" including loss of use, reduction in functionality, or any cost or expense to replace or restore such "Electronic Data" from any cause whatsoever (including, but not limited to, "Computer Virus" or a willful or malicious act).

This exclusion applies regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this exclusion does not apply to loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" arising from the following specified causes of loss, if these causes of loss are not otherwise excluded: fire, lightning, explosion, windstorm or hail, strike, riot or civil commotion, leakage from fire extinguishing equipment, impact or collapse. However, this exception does not apply to fire or explosion resulting from risks excluded under any terrorism exclusion.

C. Except as provided in the Additional Coverage – Interruption Of Computer Operations, if any, the following is added to the Business Income and/or Extra Expense Coverage, as applicable:

Additional Limitation – Interruption Of Computer Operations

We will not pay for:

1. Business Income loss incurred when a "suspension" of "operations" is caused by loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" from any cause whatsoever (including, but not limited to, "Computer Virus" or a willful or malicious act).
2. Extra Expense loss incurred when action is taken to avoid or minimize a "suspension" of "operations" caused by loss, destruction, distortion, erasure, corruption, deletion, manipulation

or alteration of or damage to "Electronic Data" from any cause whatsoever (including, but not limited to, "Computer Virus" or a willful or malicious act).

This limitation applies regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this limitation will not apply to loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" arising from the following specified causes of loss, if these causes of loss are not otherwise excluded: fire, lightning, explosion, windstorm or hail, strike, riot or civil commotion, leakage from fire extinguishing equipment, impact or collapse. However, this exception does not apply to fire or explosion resulting from risks excluded under any terrorism exclusion.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS MATERIAL REMOVAL LIMITATION

This endorsement modifies insurance provided under this policy.

It is agreed that:

ASBESTOS MATERIAL REMOVAL LIMITATION

This policy excludes any loss, damage or expense to remove or replace asbestos materials unless such materials are themselves damaged by a Covered Cause of Loss.

Notwithstanding that competent Government Authority may declare all or parts of the insured premises unfit for occupancy without removal or modifications to asbestos materials, our liability is limited to the proportion represented by the cost to repair the damaged part of the premises, not the entire property.

Similarly, if the policy provides any coverage for business income, extra expense, loss of rents or rental value or other loss of use or occupancy, such coverage shall be limited to the time necessary to repair or replace only the damaged portion(s) of the premises.

Nothing in this Endorsement shall override any radioactive contamination exclusion clause in the Policy to which this Endorsement is attached.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under this policy.

It is agreed that:

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

1. The exclusion set forth in Paragraph 2. applies to all coverages under all forms and endorsements that comprise this policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
2. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this policy.
3. With respect to any loss or damage subject to the exclusion in Paragraph 2., such exclusion supersedes any exclusion relating to "pollutants".
4. The following provisions in this policy are hereby amended to remove reference to bacteria:
 - (a) EXCLUSION – "Fungus", Wet Rot, Dry Rot And Bacteria;
 - (b) ADDITIONAL COVERAGE – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, Including any endorsement increasing the scope or amount of coverage.

The terms of the exclusion in Paragraph 2., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APPRAISAL

This endorsement modifies insurance provided under all Coverage Parts.

This endorsement replaces any and all other provisions regarding appraisal.

If we and you disagree on the value of the property or the amount of loss, either party may request, in writing, an appraisal of the value of the property and/or the amount of loss. You cannot make such request unless: (i) you have fully complied with all provisions of this policy; and (ii) we have received a signed and sworn proof of loss from you identifying the total amount being claimed under the policy along with detailed amounts for each type of coverage being claimed including but not limited to real property, personal property, stock, contents, debris removal, business income, extra expense, ordinance or law, and any other additional coverage a claim is being made.

An appraisal may then take place only if the other party agrees in writing to participate in the appraisal process pursuant to terms of a written agreement between the parties. At a minimum, such written agreement will specify a protocol for:

- (i) the selection of a disinterested, competent and impartial appraiser who does not have any financial interest in the claim or appraisal award, including any contingent interest in the outcome of the claim or appraisal award;
- (ii) the inspection of the property by the appraisers;
- (iii) the selection of an umpire;
- (iv) communications between and among the appraisers and umpire;
- (v) specific itemization of each item of property and business income in dispute, allocated building-by-building, floor-by-floor, unit-by-unit, and/or area-by-area or as otherwise agreed; and
- (vi) an award form.

If the parties cannot agree on a written agreement specifying the protocol within 30 days, an appraisal will not take place.

If the appraisal moves forward, the two appraisers will select a disinterested, competent and impartial umpire who does not have any financial interest in the claim or appraisal award, including any contingent interest in the outcome of the claim or appraisal award.

If the two appraisers cannot agree on an umpire within 15 days of either appraiser proposing one or more umpires, the two appraisers may jointly request that a judge of a court in the county of the loss or damage select a disinterested, competent and impartial umpire who does not have any financial interest in the claim or appraisal award, including any contingent interest in the outcome of the claim or appraisal award.

If either party to the appraisal, without notice to the other party, asks a judge to select an umpire, any such selection shall be invalidated and the selection of a new umpire shall be required. If the appraisers do not jointly agree to request the appointment of an umpire, either you or we can unilaterally end the appraisal upon written notice to the other.

Each appraiser will independently state, in accordance with the terms and conditions of this policy, the actual cash value and replacement cost value for each item of damaged real and personal property as well as any other disputed amounts as required by the written appraisal agreement.

If the appraisers fail to agree, they will submit their differences to the umpire and any agreement in the amount of loss between the umpire and either appraiser will be binding.

Each party will pay its chosen appraiser and will equally bear all other expenses of the appraisal and umpire.

In connection with the appraisal proceeding, neither the appraisers nor the umpire shall have authority to decide questions of law. Neither the appraisers nor the umpire shall attempt to resolve any issue of insurance coverage, policy exclusions, compliance with the policy terms and conditions, or any issues concerning any limits of insurance available under the Policy.

A demand for an appraisal does not relieve you of your continuing obligation to comply with the terms and conditions of this policy, including all requirements outlined in event of a loss. We may require completion of any of your duties, responsibilities or requirements of this policy prior to continuance of the appraisal proceeding. We will not be held to have waived any of our rights by any act relating to appraisal, including our right to deny a claim in whole or in part.

Where applicable, the parties agree that during the pendency of an appraisal all required responses and cures to any Civil Remedy Notices are extended until 30 days after the appraisal is concluded.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

1. POLICY NUMBER:

2. NAMED INSURED:

EFFECTIVE DATE:

RENEWAL OF:

3. DESCRIPTION OF PREMISES					<input type="checkbox"/> "X" If supplemental declarations attached		
Prem. No.		Bldg No.		Location, Construction and Occupancy			
COVERAGES PROVIDED – Insurance at the described premises applies only for coverages for which a limit of insurance is shown							
Prem. No.		Bldg. No.		Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance* Rates
*IF EXTRA EXPENSE COVERAGE, LIMITS ON LOSS PAYMENT							
OPTIONAL COVERAGES- applicable only when entries are made in the schedule below							
Prem. No.		Bldg. No.		Agreed Value		Replacement Cost ()	
				Expiration Date Coverage Amount		Building Personal Property Including "Stock"	
Prem. No.		Bldg. No.		Inflation Guard (percentage)		Monthly Limit of Indemnity	Maximum Period of Indemnity
				Building Personal Property			
4. MORTGAGE HOLDERS							
Prem. No.		Bldg. No.		Mortgage Holder Name and Mailing Address			
5. DEDUCTIBLE						TOTAL PREMIUM FOR THIS COVERAGE PART	
						\$	
6. FORMS/ENDORSEMENTS APPLICABLE							
To All Coverages				To Specific Premises/Coverages			
				Prem. No.	Bldg. No.	Coverages	Form Number

THESE DECLARATIONS, WHEN COMBINED WITH THE COMMON POLICY DECLARATIONS, THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE CONTRACT OF INSURANCE

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions); and
 - b. Puerto Rico;unless otherwise stated within the applicable Coverage Form or an endorsement to the policy.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PARTICIPATION CLAUSE

This endorsement modifies insurance provided under this policy.

A. Total Layer Limit of Liability: \$

B. Our Percentage: % (as shown on the Declarations and attached endorsement(s))

1. Unless specified otherwise, the Limit of Insurance shown in the Declarations and attached endorsement(s) for each applicable coverage represents our percentage of the total of the limit of insurance for all contributing insurance.

a. Additional Coverages (if applicable):

- ☐ Separate annual aggregate for Flood
- ☐ Separate annual aggregate for Earthquake and Volcanic Eruption combined
- ☐ Other

2. The following forms apply to this policy:

- ☐ Arch Policy Form
- ☐ Property Following Form

i. Controlling Insurer and Policy Number:

ii. Exceptions to the controlling policy:

3. The most we will pay is limited to our percentage (as shown above) of any limit of insurance shown in the Declarations and attached endorsement(s) of any covered loss, regardless of whether one or more causes of loss contribute to the loss.
4. The total deductible for all contributing insurance is shown in the Declarations and attached endorsement(s). The deductible applicable to this policy would be our percentage (as shown above) multiplied by the total deductible for all contributing insurance.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1)** Completed additions;
- (2)** Fixtures, including outdoor fixtures;
- (3)** Permanently installed:
 - (a)** Machinery and
 - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a)** Fire extinguishing equipment;
 - (b)** Outdoor furniture;
 - (c)** Floor coverings; and
 - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5)** If not covered by other insurance:
 - (a)** Additions under construction, alterations and repairs to the building or structure;
 - (b)** Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

- b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

- c. **Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. **Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;

- g.** Foundations of buildings, structures, machinery or boilers if their foundations are below:

 - (1)** The lowest basement floor; or
 - (2)** The surface of the ground, if there is no basement;
- h.** Land (including land on which the property is located), water, growing crops or lawns;
- i.** Personal property while airborne or waterborne;
- j.** Bulkheads, pilings, piers, wharves or docks;
- k.** Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l.** Retaining walls that are not part of a building;
- m.** Underground pipes, flues or drains;
- n.** Electronic data, except as provided under Additional Coverages – Electronic Data. Electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment. This Paragraph n., does not apply to your “stock” of prepackaged software, or to electronic data which is integrated in and operates or controls the building’s elevator, lighting, heating, ventilation, air conditioning or security system.
- o.** The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p.** Vehicles or self-propelled machines (including aircraft or watercraft) that:

 - (1)** Are licensed for use on public roads; or
 - (2)** Are operated principally away from the described premises.

This paragraph does not apply to:

- (a)** Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b)** Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c)** Rowboats or canoes out of water at the described premises; or
- (d)** Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the

Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
(\$10,000 is 20% of \$50,000)	

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible

(\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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 for any direct physical loss or damage to that property:

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum enforcement standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.
- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the

Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data. This Additional Coverage does not apply to your “stock” of prepackaged software, or to electronic data which is integrated in and operates or controls the building’s elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage – Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Electronic Data is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Electronic Data includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Electronic Data.
 - (d) Regardless of the Causes of Loss Form applicable, we will not pay for loss or damage caused by or resulting from a virus, harmful code or similar instruction, whether from an internal or external source, introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. There also

is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage – Electronic Data is \$2,500 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. 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.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

Each of the following Coverage Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;

- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one "occurrence", regardless of the types or number of items lost or damaged in that "occurrence".

f. Non-Owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

B. Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one "occurrence".

The limits applicable to the following Additional Coverages apply in accordance with the terms of such coverage and are in addition to the Limits of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean Up and Removal;
3. Increased Cost of Construction; and
4. Electronic Data.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one "occurrence" of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the "occurrence" involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per "occurrence".

Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible:	\$250
Limit of Insurance – Bldg. 1:	\$60,000
Limit of Insurance – Bldg. 2:	\$80,000
Loss to Bldg. 1:	\$60,100
Loss to Bldg. 2:	\$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$ 60,100	
– 250	
<hr/>	
\$ 59,850	Loss Payable – Bldg. 1

The Deductible applies once per "occurrence" and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850

Example No. 2:

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$70,000
(exceeds Limit of Insurance plus Deductible)	
Loss to Bldg. 2:	\$90,000
(exceeds Limit of Insurance plus Deductible)	
Loss Payable – Bldg. 1:	\$60,000
(Limit of Insurance)	
Loss Payable – Bldg. 2:	\$80,000
(Limit of Insurance)	
Total amount of loss payable:	\$140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

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

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

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When:	The value of the property is	\$250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$100,000

The Deductible is	\$250
The amount of loss is	\$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:	The value of the property is	\$250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$200,000
	The Deductible is	\$250
	The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When:	The value of property is:	
	Bldg. at Location No. 1	\$75,000
	Bldg. at Location No. 2	\$100,000
	Personal Property at Location No. 2	\$75,000
		<hr/>
		\$250,000
	The Coinsurance percentage for it is	90%
	The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$180,000
	The Deductible is	\$1,000
	The amount of loss is:	
	Bldg. at Location No. 2	\$30,000
	Personal Property at Location No. 2.	\$20,000
		<hr/>
		\$50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the

penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

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

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
- (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:	The applicable Limit of Insurance is	\$100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the policy year (or last policy change) is	146

The amount of increase is
\$100,000 x .08 x 146

÷ 365 =

\$3,200

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions.**

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Direct Physical Loss unless the loss is excluded or limited in this policy.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay

for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single "occurrence".

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

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

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3), or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, as described in g.(1) through g.(5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

Exclusions B.1.a. through B.1.g. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
- a. Artificially generated electrical, magnetic or electromagnetic energy or current, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any:
 - 1. Electrical or electronic wire(s), devices, appliances, system or network; or
 - 2. Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
 - (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (c) Pulse of electromagnetic energy; or
 - (d) Electromagnetic waves or microwaves.
- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.
 - (1) Wear and tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
 - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
 - (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion k. does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

(1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. **Leasehold Interest Coverage Form**

(1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. **Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a. Ordinance Or Law;

- (b) Paragraph **B.1.c.** Governmental Action;
 - (c) Paragraph **B.1.d.** Nuclear Hazard;
 - (d) Paragraph **B.1.e.** Utility Services; and
 - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) **Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) **Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or

damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income coverage or Extra Expense coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
- a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or
- (2) Containers of property held for sale.
- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
- (2) To Business Income coverage or to Extra Expense coverage.

- 3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of theft, regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.

- 4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. Additional Coverage – Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse and applies only to an abrupt collapse as described and limited in D.1. through D.5. below.

- 1. For the purposes of this Additional Coverage - Collapse:

- a. Abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of abrupt collapse;
 - c. A part of a building that is standing is not considered to be in a state of abrupt collapse even if it has separated from another part of the building;
 - d. A building that is standing or any part of a building that is standing is not considered to be in a state of abrupt collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - b. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - d. Weight of people or personal property;
 - e. Weight of rain that collects on a roof;
 - f. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes Of Loss form for the causes of loss listed in 2.a., 2.d. and 2.e.

3. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;

- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if the abrupt collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:

- a. Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
 - b. The property is Covered Property under this Coverage Form.
4. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a Cause of Loss listed in 2.a. through 2.f. above;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in.

- 5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. For the purposes of this Coverage Extension, the coverage territory is extended to include Canada but only for a period of thirty (30) consecutive days. Coverage begins when the property leaves the United States and automatically ends after thirty (30) days or at the end of the policy period, whichever occurs first.

- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

G. Definitions

- 1. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or

- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – BASIC
CAUSES OF LOSS – BROAD
CAUSES OF LOSS – SPECIAL FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Equipment Breakdown Schedule	
Equipment Breakdown Limits of Insurance:	
Perishable Goods	
Expediting Expenses	
Pollution Clean Up and Removal	
Data and Media	
Demolition and Increased Cost of Construction	
Deductibles:	
Direct Damage	
Business Income and Extra Expense	
Perishable Goods	
Utility Interruption – Waiting Period	hours
Other:	

The following is added to paragraph A. 4. Additional Coverages in the applicable Coverage Form:

A. Equipment Breakdown Coverage

1. We will pay for direct physical loss to Covered Property caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

2. "Breakdown"

- a. "Breakdown" means:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure caused by artificially generated electric current, including arcing;

that causes direct physical loss or damage to "covered equipment" and necessitates its repair or replacement.

- b. "Breakdown" does not mean:
- (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
 - (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Defects, erasures, errors, limitations or viruses in "computer equipment", data, "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
 - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
 - (7) The functioning of any safety or protective device.
- c. If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown".

3. **"Covered Equipment"**

- a. "Covered equipment" means any Covered Property that is:
- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents. For any boiler or fired vessel, the furnace of the "covered equipment" and the gas passages from there to the atmosphere will be considered as outside the "covered equipment";
 - (2) Communication equipment and "computer equipment";
 - (3) Fiber optic cable; or
 - (4) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- b. "Covered equipment" does not mean any:
- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
 - (2) Catalyst;
 - (3) Dragline, power shovel, excavation or construction equipment including any "covered equipment" mounted on or used solely with any dragline, power shovel, excavation or construction equipment;

- (4) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
 - (5) Equipment or any part of equipment manufactured by you for sale;
 - (6) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
 - (7) Insulating or refractory material;
 - (8) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
 - (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (11) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
 - (12) Vehicle, aircraft, self-propelled equipment or floating vessel, including any "covered equipment" mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel; or
 - (13) "Media".
4. **Property Not Covered.** With regard to the coverage provided by this Endorsement only, A.2.b. in the Coverage Form to which this Endorsement applies is deleted and replaced by the following:
- b. Animals.
5. **Equipment Breakdown Coverage Extensions.** The following coverages also apply to loss or damage caused by or resulting from a "breakdown" to "covered equipment". These Equipment Breakdown Coverage Extensions do not provide additional amounts of insurance. The limits provided are part of, not in addition to, the Limit of Insurance that applies to the damaged Covered Property.
- a. **Perishable Goods.**
 - (1) We will pay for:
 - (a) Your loss of "perishable goods" due to spoilage;
 - (b) Your loss of "perishable goods" due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste

disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage for such loss will begin 12 hours after the time the "breakdown" causes the interruption of the utility service; or

- (c) Your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "breakdown", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment Condition.
- (3) The most we will pay for any loss or expense under this Equipment Breakdown Coverage Extension is \$25,000 or the Limit of Insurance for Perishable Goods shown on the Equipment Breakdown Schedule, whichever is greater.

b. Expediting Expenses.

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.
- (2) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (3) The most we will pay for Expediting Expenses is \$25,000 or the Limit of Insurance for Expediting Expenses shown on the Equipment Breakdown Schedule, whichever is greater.

- c. **Utility Interruption.** The insurance provided for Business Income and/or Extra Expense, if covered elsewhere in the policy, is extended to apply to loss caused by or resulting from an interruption in utility services that is a direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

Coverage for Utility Interruption will begin 12 hours, or the time shown for Utility Interruption-Waiting Period in the Equipment Breakdown Schedule, after the time the "breakdown" causes the interruption of the utility service.

- d. **Drying Out.** If electrical "covered equipment" requires drying out as a result of a flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind, we will pay for the direct expense of drying out such electrical "covered equipment".

The most we will pay for such expense under this Equipment Breakdown Coverage Extension is the least of:

- (1) \$10,000;

- (2) the Limit of Insurance shown on the Declaration for the applicable covered property; or
- (3) the value of such damaged electrical "covered equipment".

Coverage provided by this extension does not include the cost to replace such equipment or any other loss, damage or expense that is caused by or results directly or indirectly from flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind.

- e. **Pollution Clean Up and Removal.** With regard to coverage provided under this Endorsement only, Additional Coverage A.4.d. in the Coverage Form to which this Endorsement applies is deleted and replaced by the following:

- d. We will pay your expense to extract "pollutants" from land or water at the described premises and the cost for clean-up, repair, replacement or disposal of Covered Property at the described premises if the discharge, dispersal, seepage, migration, release or escape of such "pollutants" is caused by or results from a "breakdown" to "covered equipment" that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which such "breakdown" occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land, water or the clean-up, repair, replacement, or disposal of Covered Property.

The most we will pay under this Additional Coverage, including any loss covered under any applicable Business Income or Extra Expense coverage, for the sum of all covered expenses is \$25,000 or the Limit of Insurance for Pollution Clean Up and Removal shown on the Equipment Breakdown Schedule, whichever is greater.

The coverage provided by this Additional Coverage does not include loss to "perishable goods" due to contamination from the release of a refrigerant.

- f. **Data and Media.** We will pay your cost to research, replace and restore data, including programs and operating systems that are lost or corrupted due to a "breakdown". We will also pay for loss or damage to "media" caused by a "breakdown". The most we will pay under this Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Business Income and Extra Expense coverage is \$25,000 or the Limit of Insurance for Data and Media shown on the Equipment Breakdown Schedule, whichever is greater.

- g. **Demolition and Increased Cost of Construction.**

The following applies despite the Ordinance or Law Exclusion. If a "breakdown" to "covered equipment" damages a building that is Covered Property that is insured at replacement cost, and the loss is increased by the enforcement of any laws or ordinances that are in force at the time of the "breakdown" and which regulate the demolition, construction, repair or use of the building or structure the following apply:

- (1) We will pay for:

- (a) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of such undamaged property; and
 - (b) Your actual expenditures for increased costs to repair, rebuild, or construct the building. If the building is repaired, rebuilt or constructed, it must be intended for a similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law;
- (2) With regard to otherwise covered Business Income and Extra Expense coverage, the "period of restoration" is extended to include the additional period of time required for demolition and to meet the minimum requirement of any ordinance or law enforcement at the time of the "breakdown".
- (3) We will not pay for any:
 - (a) Fine;
 - (b) Liability to a third party;
 - (c) Increase in loss due to a "pollutant"; or
 - (d) Demolition cost until the undamaged portions of the building are actually demolished;
 - (e) Increased construction costs until the building is actually rebuilt and replaced;
 - (f) Increases in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the "breakdown"; or
 - (g) Loss due to any ordinance or law that you were required to comply with before the "breakdown", even if the building was undamaged, and with which you failed to comply.

The most we will pay under this Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Business Income and Extra Expense coverage, is \$25,000 or the Limit of Insurance for Demolition and Increased Cost of Construction shown on the Equipment Breakdown Schedule, whichever is greater.

- 6. **Equipment Breakdown Exclusions.** With regard to coverage provided under this Endorsement only, the following changes are made:
 - a. The following Exclusions are deleted:
 - (1) In the Causes of Loss – Special Form: B.2.a.; B.2.d.(6); and B.2.e.
 - (2) In the Causes of Loss – Broad Form: B.2.a.; B.2.b.; B.2.c.
 - (3) In the Causes of Loss – Basic Form: B.2.a.; B.2.d.; and B.2.e.
 - b. Exclusion B.2.I. from the Causes of Loss – Special Form, is deleted and replaced by the following:

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "breakdown" to "covered equipment", we will pay for the loss or damage caused by that "breakdown".
- c. With regard to the Causes of Loss – Special Form, the last paragraph of Exclusion B.2.d. is deleted and replaced by the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "breakdown", we will pay the resulting loss or damage not otherwise excluded.
- d. The following exclusions apply to the coverage provided under this Endorsement in addition to the other exclusions, except as deleted in A.6.a. above, in the Coverage Form to which this Endorsement applies.

We will not pay under this Endorsement for loss or damage caused directly or indirectly by any of the following:

- (1) Any of the following tests:
 - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b) An insulation breakdown test of any type of electrical equipment;
 - (c) Any test which subjects the "covered equipment" to greater than maximum allowable operating conditions as identified by the manufacturer of the "covered equipment"
- (2) Fire including fire resulting from a "breakdown";
- (3) Combustion explosion;
- (4) Explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
- (5) An explosion. However, we will pay for direct loss or damage caused by an explosion of "covered equipment" of a kind specified in a. through f. below, if not otherwise excluded:
 - a. Steam boiler;
 - b. Electric steam generator;
 - c. Steam piping;
 - d. Steam turbine;
 - e. Steam engine; or
 - f. Gas turbine or any other moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.
- (6) With regard to the Causes of Loss – Basic Form and Causes of Loss – Broad Form:

Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a "breakdown" to "covered equipment" results, we will pay the resulting loss or damage not otherwise excluded.

- (7) With respect to Utility Interruption and paragraph (1)(b) of Perishable Goods coverage, we will not pay for loss caused by or resulting from: Lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; falling objects; water damage caused by the discharge or leakage of sprinkler system, sewer piping or domestic water piping; water or other means used to extinguish a fire, even when the attempt is unsuccessful; weight of snow, ice or sleet; freezing due to cold weather; molten material; or collapse.

7. Equipment Breakdown Limitations.

With regard to this Endorsement only, the following Limitations are deleted from the Causes of Loss – Special Form: C.1.a. and C.1.b.

8. Limits of Insurance

- a. The most we will pay for loss or damage in any one "breakdown" is the applicable Limit of Insurance shown in the Declarations. The limits provided for the Equipment Breakdown Coverage Extensions are part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to the damaged Covered Property.

The coverage provided by this Endorsement is part of, not in addition to, the Limits of Insurance shown in the Declarations.

- b. The most we will pay for water damage that results from a "breakdown" to "covered equipment" is \$25,000 for any one "breakdown" This is part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to damaged Covered Property.

9. Deductible

If an amount is shown in the Deductible section of the Equipment Breakdown Schedule, the following will apply; otherwise the deductible shown in the Declaration for the applicable coverage will apply.

Paragraph D. – Deductibles of the applicable coverage form is deleted and replaced by:

- a. In any one "breakdown, we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

The deductibles listed in the Equipment Breakdown Schedule shall be applied separately to the applicable coverage as follows:

(1) Dollar Deductible

If a dollar deductible is shown in the above schedule, we will first subtract the deductible amount from any loss we would otherwise pay.

(2) **Multiple per Unit Deductible**

If a multiple of units is shown in the above schedule, the deductible will be calculated as the sum of the multiplier times the number of units specified. (For example: if the deductible is specified as \$25/hp for air conditioning units, and a covered 500 hp air conditioning unit suffered a "Breakdown", the deductible will be \$25 times 500 hp which equals \$12,500.)

(3) **Time Deductible**

If a time deductible is shown in the above schedule, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

(4) **Multiple of Daily Value Deductible**

If a multiple of daily value is shown in the above schedule, this deductible will be calculated as follows:

- (a) For the entire premise described in the Declarations where the loss occurred, determine the total amount of Business Income that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (b) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.
- (c) Multiply the daily value in Paragraph (2) by the number of daily value multiples shown in the above schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

(5) **Percentage of Loss Deductible**

If a deductible is expressed as a percentage of loss in the above schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

(6) **Minimum Or Maximum Deductible**

(a) If:

- (i) A minimum dollar amount deductible is shown in the above schedule; and
- (ii) The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible:

then the Minimum Deductible amount shown in the above schedule will be the applicable deductible.

(b) If:

- (i) A maximum dollar amount deductible is shown in the above schedule; and
- (ii) The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the above schedule will be the applicable deductible.

b. If more than one deductible applies to a single coverage, then only one deductible, the highest, will apply to that coverage.

10 The following provision applies to the coverage provided by this Endorsement only and in addition to the provisions in the Loss Payment section of the Coverage Form to which this Endorsement applies:

New Generation. You may replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity which improves the environment, increases efficiency or enhances safety. We will pay up to an additional 25% of the covered property damage amount for the "Covered Equipment". This additional amount is included in, not in addition to, the applicable Limit of Insurance for Covered Property.

11. With respect to the coverage provided under this Endorsement, the following are added to the Additional Conditions section of the Coverage Form to which this Endorsement applies:

a. **Jurisdictional Inspections**

- (1) We agree to provide pressure vessel certificate-of-operation engineering services where:
 - (a) The certificate-of-operation is required by state, city or provincial law; and
 - (b) The state, city or provincial law permits inspections by insurance company employees.
- (2) If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
 - (a) Any fine or other penalty that may be assessed; or
 - (b) Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- (3) Certificate-of-operation engineering services will not be provided for any location, other than in the United States of America, Puerto Rico or Canada.

b. **Suspension**

- (1) Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this Endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.
 - (2) Once suspended in this way, your coverage can be reinstated only by an Endorsement for that "covered equipment".
 - (3) If we suspend your coverage, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.
12. With regard to the coverage provided by this Endorsement, the following definitions apply in addition to the definitions provided in the Coverage Form to which this Endorsement applies:
 - a. **"Computer equipment"** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include data or "media".
 - b. **"Media"** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
 - c. **"Perishable goods"** means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTH MOVEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
BUILDERS RISK COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

- A.** It is agreed that this policy covers loss or damage to the Covered Property as a result of Earth Movement Causes of Loss. The coverage provided under this endorsement ☐ covers ☐ does not cover the peril of Earth Movement – Sprinkler Leakage (meaning a Sprinkler Leakage loss or damage caused by Earth Movement).
- B.** For the purposes of this endorsement, the Earth Movement means:
- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
 - (2) Landslide, including any earth sinking, rising or shifting related to such event;
 - (3) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
 - (4) Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

Earth Movement does not include mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased.

C. Exclusions, Limitations And Related Provisions

1. The Exclusions and Limitation(s) sections of the Coverage Form and, where applicable, the Causes Of Loss Form apply to coverage provided under this endorsement, except as provided in C.2. and C.3. below.
2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply. To the extent the Earth Movement Exclusion provides coverage exceptions for the loss or damage caused by fire, building glass breakage or Volcanic Action (as defined in the Earth Movement Exclusion), the Earth Movement Exclusion does apply.
3. If there is an exclusion of collapse in the Coverage Form and where applicable the Causes Of Loss Form, such exclusion does not apply to collapse caused by Earth Movement.

4. If the Additional Coverage – Collapse is applicable in the Coverage Form or the Causes Of Loss Form of this policy, this Additional Coverage does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earth Movement.
5. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earth Movement.
6. We will not pay for loss or damage caused by or resulting from any Earth Movement that begins before the inception of this insurance.
7. The Ordinance Or Law Exclusion in the Coverage Form and, where applicable, the Causes Of Loss Form continues to apply with respect to any loss under this Coverage Form including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
8. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

D. LIMITS OF INSURANCE (The option below, marked by "x", shall apply):

- ☐ Our liability for loss or damage caused by Earth Movement shall not exceed the sum of _____ for loss or damage at any one insured location; however, the Limit of Insurance shown above shall not exceed the sum of _____ due to any one Earth Movement for all locations combined, nor for all Earth Movement losses occurring in any one year period or policy period, whichever is less, commencing on _____.
- ☐ Other: _____

E. DEDUCTIBLE (The option below, marked by "x", shall apply):

- ☐ The sum of _____ shall be deducted from any adjusted claim due to Earth Movement.
- ☐ We shall not be liable for loss to any unit of insurance at any one location, unless such loss exceeds the _____ % of the total "insurable value" of such unit of insurance at the time when such loss shall happen, and then only for its proportion of such excess. The following shall each be considered a separate unit of insurance: (a) each separate building or structure; (b) the contents of each separate building or structure; (c) property in each yard; and (d) if the coverage is applicable and the loss involves Business Interruption (Business Income, including Loss of Rent or Rental Value, and/or Extra Expense and Leasehold Interest). This deductible shall supersede any other deductible in this policy as respects Earth Movement.

This percentage is subject to a Minimum Deductible per "occurrence" of _____.

For the purposes of this endorsement, "insurable value" shall mean:

1. Under the following Coverage Forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS

The value of Covered Property, at the premises described in the Declarations, per the Valuation clause of this policy, at the time and at the location where the physical damage happened.

2. Under the following Coverage Forms:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM

The full value(s) that would have been earned in the 12 month period following the "occurrence" by use of the lost or damaged Covered Property, at the premises described in the Declarations where the physical damage happened, plus that proportion of the values at all other locations where loss ensues that was directly affected by use of such lost or damaged Covered Property and that would have been earned in the 12 month period following the "occurrence".

☐ Other:

- F. If the coverage of the policy to which this endorsement is attached includes both Property Damage and Business Interruption (Business Income, including Loss of Rent or Rental Value, and/or Extra Expense and Leasehold Interest), the Limits shown above shall be the maximum amounts collectible under this policy for loss or damage resulting from Earth Movement, regardless of whether the loss involves Property Damage alone or both Property Damage and Business Interruption.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
BUILDERS RISK COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

A. It is agreed that this policy covers loss or damage to the Covered Property as a result of Flood.

B. For the purpose of this insurance, Flood shall be defined as follows:

Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:

1. The overflow of inland or tidal waters including a tidal wave or tsunami that causes the overflow of tidal waters;
2. The unusual or rapid accumulation or runoff of surface waters from any source;
3. Release of water impounded by a dam;
4. Water which backs up through sewers or drains; or
5. Mudslides or mudflows which are caused by flooding as defined in 2. above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

C. Exclusions, Limitations And Related Provisions

1. The Exclusions and Limitation(s) sections of the Coverage Form and, where applicable, the Causes Of Loss Form apply to coverage provided under this endorsement, except as provided in C.2. and C.3. below.
2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this endorsement, that part of the Water Exclusion does not apply.
3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.
4. The Ordinance Or Law Exclusion in the Coverage Form and, where applicable, the Causes Of Loss Form continues to apply with respect to any loss under this Coverage Form including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.

D. LIMITS OF INSURANCE

1. The option below, marked by "x", shall apply:

☐ Our liability for loss or damage caused by Flood shall not exceed the sum of _____ for loss or damage at any one insured location; however, the Limit of Insurance shown above shall not exceed the sum of _____ due to any one Flood for all locations combined, nor for all Flood losses occurring in any one year period or policy period, whichever is less, commencing on _____.

☐ Other:

2. Ensuing Loss

In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will **not** pay the sum of the Fire and Flood Limits.

E. DEDUCTIBLE

1. The option below, marked by "x", shall apply:

☐ The sum of _____ shall be deducted from any adjusted claim due to Flood.

☐ We shall not be liable for loss or damage to any unit of insurance at any one location, unless such loss exceeds the _____ of the total "insurable value" of such unit of insurance of Covered Property at the time and the location where the physical damage happened, and then only for its proportion of such excess. The following shall each be considered a separate unit of insurance: (a) each separate building or structure; (b) the contents of each separate building or structure; (c) property in each yard; and (d) if the coverage is applicable and the loss involves Business Interruption (Business Income, including Loss of Rent or Rental Value, and/or Extra Expense and Leasehold Interest). This deductible shall supersede any other deductible in this policy as respects Flood.

This percentage is subject to a Minimum Deductible per "occurrence" of _____.

For the purposes of this endorsement, "insurable value" shall mean:

a. Under the following Coverage Forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS

The value of Covered Property, at the premises described in the Declarations, per the Valuation clause of this policy, at the time and at the location where the physical damage happened.

b. Under the following Coverage Forms:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM

The full value(s) that would have been earned in the 12 month period following the "occurrence" by use of the lost or damaged Covered Property, at the premises described in the Declarations where the physical damage happened, plus that proportion of the values at all other locations where loss ensues that was directly affected by use of such lost or damaged Covered Property and that would have been earned in the 12 month period following the "occurrence".

☐ Other:

2. We will not pay for that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
 3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).
- F. If the coverage of the policy to which this endorsement is attached includes both Property Damage and Business Interruption (Business Income, including Loss of Rent or Rental Value, and/or Extra Expense and Leasehold Interest), the Limits shown above shall be the maximum amounts collectible under this policy for loss or damage resulting from Flood, regardless of whether the loss involves Property Damage alone or both Property Damage and Business Interruption.
- G. The **Other Insurance** Commercial Property Condition is replaced by the following with respect to the coverage provided under this endorsement:
- If the loss is also covered under a National Flood Insurance Program (NFIP) policy then we will pay only for the amount of loss in excess of the maximum limit that is insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit Of Insurance for Flood as stated in this endorsement or the Declarations of this Coverage Part.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL FLOOD HAZARD EXCLUSION

This endorsement modifies insurance provided under this policy.

With respect to any property located in the following special flood hazard areas as determined by the Federal Emergency Management Agency (Hazard Zones A, A1 through A30, AE, AH, AO, AR, A99, V, V1 through V30 and VE), coverage for Flood is excluded as follows:

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY COVERAGE ENHANCEMENT ENDORSEMENT – BROAD FORM

This endorsement modifies insurance provided under the following:

Building and Personal Property Coverage Form
Business Income with Extra Expense Coverage Form
Business Income without Extra Expense Coverage Form
Causes of Loss Basic Form
Causes of Loss Broad Form
Causes of Loss Special Form

It is agreed that the following Additional Coverages and Extensions of Coverage are included in this policy, but only if a Sub-Limit applicable to such is shown in the Schedule of Sub-Limits of Insurance. The most we will pay under these additional coverages and extensions of coverage in any one "occurrence" is the sub-limit shown in the schedule. If the Coverage does not apply, the phrase "Not Available" shall be inserted in the Sub-Limit column.

If a Schedule Aggregate Limit is shown in the Schedule, such limit shall apply to all losses in any one "occurrence" regardless of the number of coverages and extensions involved unless otherwise noted in endorsement.

Schedule of Sub-Limits of Insurance

ITEM	COVERAGE	SUBLIMIT
A	Accounts Receivable	\$100,000
B	Builder's Risk	\$100,000
C	Builder's Risk Soft Cost	\$10,000
D	Civil Authority	Lesser of 30 days or \$100,000
E	Contingent Time Element	Lesser of 30 days or \$50,000
F	Debris Removal	\$100,000
G	Electronic Data & Media	\$100,000
H	Errors or Omissions	\$25,000
I	Extended Period of Indemnity	90 Days
J	Extra Expense/Expediting Expense	\$25,000
K	Fine Arts	\$50,000
L	Fire Department Service Charges	\$10,000
M	Ingress/Egress	Lesser of 30 days or \$50,000
N	Leased or Rented Equipment	\$10,000 maximum any one item subject to a \$25,000 annual aggregate
O	Leasehold Interest	\$25,000
P	Lost Key	\$10,000
Q	Miscellaneous Unnamed Locations	\$25,000
R	Newly Acquired Buildings	\$500,000
S	Ordinance or Law Coverage Coverage A, B and C Combined Limit	\$250,000
T	Outdoor Property	\$25,000 subject to \$250 per tree, shrub or plant
U	Personal Effects and Property of Others	\$25,000
V	Pollutant Clean Up and Removal Coverage	\$25,000 per "occurrence" and annual aggregate

W	Professional Fees	\$10,000 per "occurrence" and annual aggregate
X	Property Off Premises	\$25,000
Y	Reclaiming, Restoring, or Repairing Land Improvements	\$10,000
Z	Reward Reimbursement	\$10,000
AA	Royalties	\$10,000
BB	Utility Services Coverage Excluding Transmission and Distribution Lines	\$100,000 subject to a 72 hour waiting period
CC	Spoilage	\$10,000
DD	Transit	\$25,000
EE	Valuable Papers and Records	\$100,000
SCHEDULE AGGREGATE LIMIT		Not Applicable

The Sub-Limits of Insurance for the following Coverages are included in the Occurrence Limit for the Covered Property indicated on the Declaration Page(s) and are not in addition thereto. The following Coverages are subject to all terms, conditions and exclusions of this Policy unless modified herein.

A. Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to accounts receivable. We will pay:

1. All amounts due from your customers that you are unable to collect.
2. Interest charges on any loan required to offset amounts you are able to collect pending our payment of these amounts:
3. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
4. Other reasonable expenses that you incur to re-establish your records of accounts receivable

that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable.

Coverage does not apply to:

1. Records of accounts receivable in storage away from the premises shown in the Declarations; or
2. Contraband or property in the course of illegal transportation or trade.

This coverage extension does not apply to loss or damage:

1. Due to delay, loss of use, loss of market or any other consequential loss.
2. Due to fraudulent, dishonest or criminal act (including theft) by you, a partner therein, an employee (including temporary employee and leased worker) or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;

3. Due to bookkeeping, accounting or billing errors or omissions;
4. The proof of which as to factual existence, is dependent upon an audit of records or an inventory computation;
5. Due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; or
6. Due to electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - a. Programming errors or faulty machine instructions;
 - b. Faulty installation or maintenance of data processing equipment or component parts;
 - c. An "occurrence" that took place more than 100 feet from your "premises"; or
 - d. Interruption of electrical power supply, power surge, blackout or brownout if the cause of such "occurrence" took place more than 100 feet from your "premises".

But we will pay for direct loss or damage caused by lightning.

7. Due to voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
8. Due to unauthorized instructions to transfer property to any person or to any place.
9. Due to neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

B. Builders Risk

This policy covers, if not otherwise excluded:

1. New buildings or structures while in the course of construction at Insured locations listed in the Schedule of Insured Locations;
2. Existing buildings or structures while in the course of alteration, extension, alteration, or renovation at Insured locations listed in the Schedule of Insured Locations;
3. Materials or supplies intended to become a permanent part of the buildings or structures in 1. or 2. above
4. Machinery and equipment intended to become a permanent part of the buildings or structures in 1. or 2. above while in the course of erection, installation, or assembly including testing and commissioning of such machinery and equipment.

C. Builders Risk Soft Costs

For Property under Construction, this policy is extended to cover "soft costs" incurred by you during the "period of restoration". Such "soft costs" must be the result of direct loss or damage from a Covered Cause of Loss. We will pay reasonable and necessary "soft costs" over and above those costs which would have been incurred by you during the "period of restoration" had no loss occurred.

"Soft costs" means:

1. The amount of actual interim or construction financing interest, including loan fees and other one time charges incurred to negotiate a new construction loan and/or extend the existing one;
2. Realty taxes and ground rent if any;
3. Advertising and promotional expenses;
4. Cost of additional commissions;
5. Architects, surveyors, legal, consulting engineers, accounting, licenses, permits, or other fees not otherwise covered by this Policy;
6. Project administration expense, but not including development fees;
7. Insurance premiums;
8. Founder's fee refunds; and
9. Other similar costs you incur over and above the costs that you normally would have incurred in course of construction.

D. Civil Authority

Under the Business Income (And Extra Expense) Coverage Form and the Business Income (Without Extra Expense) Coverage Form, paragraph 5. and paragraph 4. respectively, Additional Coverages, Civil Authority, reference to three consecutive weeks with respect to the Business Income coverage period is deleted and replaced by the lesser of the number of days or dollar Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

E. Contingent Time Element

Under the Business Income (And Extra Expense) Coverage Form and the Business Income (Without Extra Expense) Coverage Form, the Business Income coverage of this policy is extended to cover the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" directly resulting from physical loss or damage of the type insured against by this policy to property not otherwise excluded by this policy at "direct supplier or customer locations".

"Direct supplier or customer locations" mean those facilities owned, operated, or maintained by others whom you depend on to:

1. Deliver materials or services to you or to others for your account;
2. Accept your products or services; or
3. Manufacture products for delivery to your customers.

The phrase customer or supplier does not include and this extension does not apply to:

1. Any company supplying the insured premises or receiving from the insured premises electricity, fuel, water, steam, refrigeration, or communications of every type and description; or

2. Indirect suppliers or customers that may deliver, accept or manufacture products or services to direct suppliers or customers.

The Limit of Insurance is the lesser of the number of days or the dollar amount shown in the Schedule of Sub-Limits of Insurance.

F. Debris Removal

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 4. Additional Coverages, a. Debris Removal, reference to \$10,000 in subparagraph (4) is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

G. Electronic Data

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 4. Additional Coverages, f. Electronic Data, reference to \$2,500 in subparagraph (4) is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

H. Errors and Omissions

We will pay expenses incurred as a result of direct physical loss or damage at locations within the coverage territory that are owned, leased or operated by you, if such loss or damage is not payable under this policy solely due to:

1. Any error or unintentional omission in the description of the address of the property whether made at the inception of the policy period or subsequent thereto; or
2. Failure through any error or unintentional omission to:
 - a. Include your location at the inception of the policy; or
 - b. Report any newly acquired location before the period of automatic coverage provided under this policy for Newly Acquired or Constructed Property expires.
3. With respect to subparagraphs 1. and 2. Above, this Errors or Omissions additional coverage does not allow you or your representative to correct any value shown in the Statement of Values.
4. This policy covers such direct physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.
5. It is a condition of this additional coverage that any error or unintentional omission be reported by you to us when discovered and an additional premium be paid as determined by us.
6. There is no coverage under this paragraph for loss or damage which is covered under the Newly Acquired or Constructed Property or Miscellaneous Unnamed Locations provisions, if any, of this policy.

I. Extended Period of Indemnity

Under the Business Income (And Extra Expense) Coverage Form and the Business Income (Without Extra Expense) Coverage Form, paragraph 5. and paragraph 4. respectively, Additional Coverages, Extended Business Income, the number "30" in subparagraphs (1) (b) and (2) (b) is replaced by the number shown in the Schedule of Sub-Limits of Insurance.

J. Extra Expense/Expediting Expense

This Policy is extended to cover the loss sustained by you for Extra Expense during the "period of restoration" resulting from direct physical loss or damage from a Covered Cause of Loss to Covered Property utilized by you. Extra Expense means:

1. The reasonable and necessary extra expense incurred to temporarily continue as nearly normal as practicable the conduct of the your business; and
2. The reasonable and necessary extra costs of temporarily using your property or facilities or the property or facilities of others.
3. The reasonable extra costs (expediting expenses) for temporary repair of damaged property and for expediting the permanent repair or replacement of such damaged property. This includes overtime wages and extra costs of express or other rapid means of transportation. This does not include expenses recoverable elsewhere under this policy.

You agree to use any suitable property or service owned or controlled by you or obtainable from other sources in reducing the Business Income and Extra Expense incurred under this policy.

The Limit of Insurance is the lesser of the number of days or the dollar amount shown in the Schedule of Sub-Limits of Insurance.

K. Fine Arts

We will pay for direct physical loss or damage to "Fine Arts" located at an insured location specified on the Schedule of Locations on file. However, no coverage is provided for:

1. Breakage, marring, scratching, chipping or denting of art, glass, windows, statuary, sculptures, marble, glassware, porcelain, bric-a-brac, antique furniture, antique jewelry or similar fragile articles, unless such breakage, marring, scratching, chipping or denting is caused by a Covered Cause of Loss
2. Physical loss or damage as a result of restoring, repairing or retouching processes.

The valuation of property will be determined as of the date of loss or damage and will be the least of the following amounts:

- a. The actual cash value of the property;
- b. The lowest figure in your inventories, stock books, stock papers or lists existing as of the date of loss or damage;
- c. The cost of reasonably restoring the property to its condition immediately before loss or damage; or
- d. The cost of replacing that property with substantially identical property.

"Fine Arts" as used in this provision means paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles, and other bona fide works of arts, or items of rarity or historical value.

L. Fire Department Service Charges

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 4. Additional Coverages, c. Fire Department Service Charge, reference to \$1,000 is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

M. Ingress Egress

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the necessary "suspension" of your "operations" during the "period of restoration" due to the partial or total physical prevention of ingress to or egress from the described premises, whether or not the premises or Covered Property is damaged provided that both the following apply:

1. Such prevention is a direct result of physical damage to property within one (1) mile of the described premises and that property is the type of property insured, and not excluded by this Policy; and
2. The damage to such property described in 1. above is caused by or results from a Covered Cause of Loss.

The Limit of Insurance is the lesser of the number of days or the dollar amount shown in the Schedule of Sub-Limits of Insurance.

We will not pay for loss or damage caused directly or indirectly by picketing, protesting, striking or other action taken by workers, whether employed by you, except for physical damage not excluded by this Policy.

N. Leased or Rented Equipment

We will pay for direct physical loss or damage to Covered Property described below caused by a Covered Cause of Loss.

Covered Property:

1. Your equipment, including spare parts and accessories, that you lease or rent to your customers; or
2. Equipment that belongs to others while in your care, custody or control that you lease or rent to your customers.

Property Not Covered under this provision:

1. Automobiles, motor trucks, tractors, trailers or motorcycles designed and principally used to transport property or persons over public roads;
2. Cotton pickers, harvester – thresher combines and irrigation equipment;
3. Property while "underground", underwater, airborne, or waterborne, except while in transit in the custody of a carrier for hire;
4. Property loaned to your customers or others;
5. Watercraft or aircraft;
6. Property that you hold for sale;

7. Property that you have sold but not delivered;
8. Property that you have sold under a deferred payment sales agreement; or
9. Contraband or property in the course of illegal transportation or trade.

O. Leasehold Interest

If Covered Property is: (1) rendered wholly or partially untenable by a Covered Cause of Loss during the policy period and (2) your lease is canceled by a party other than by the you, or by an entity with any common ownership in you, in accordance with the conditions of the lease or as a result of a statutory requirement of the appropriate jurisdiction in which the damaged or destroyed Covered Property is located, then this policy is extended to cover "The Interest of the Insured as Lessee" (as defined below) or "The Interest of the Insured as Lessor" (as defined below), whichever is applicable, but only for the first three months succeeding the date of the loss or damage and the "Net Lease Interest" (as defined below) shall be paid for the remaining months of the unexpired lease. Recovery under this additional coverage shall be the pro-rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on your interest in:

1. The amount of bonus paid by you for the acquisition of the lease not recoverable under the terms of the lease;
2. Improvements and betterments to real property which are not covered under any other section of this policy; and
3. The amount of advance rental paid by you and not recoverable under the terms of the lease.

Definitions: The following terms, wherever used in this Paragraph shall mean:

1. "Interest of the Insured as Lessee" is defined as:
 - a. The excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and
 - b. The rental income earned by the Insured from sublease agreements, to the extent not covered under any other section of this policy, over and above the rental expenses specified in the lease between you and the lessor.
2. "Interest of the Insured as Lessor" is defined as the difference between the rents payable to the lessor under the terms of the lease in effect at the time of loss and the actual rent collectible by the lessor during the unexpired term of the lease provided the lease is canceled by the lessee, to the extent not covered under any other section of this policy.
3. "Net Lease Interest" is defined as that sum, which placed at 6% interest compounded annually will be equivalent to "The Interest of the Insured as Lessee" or The Interest of the Insured as Lessor".

We shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by your exercising any option to cancel the lease. Furthermore, you shall use due diligence, including all things reasonably practicable, to diminish loss under this additional coverage.

P. Lost Key Coverage

If your keys or key cards used to access buildings or structures described on the Declarations are lost or damaged caused by or resulting from a Covered Cause of Loss, we will pay the cost of replacing the keys or key cards and the repair or replacement of door locks, as required. Coverage includes the cost and expenses to refit a building with new locks and keys after the loss or damage of a master key held in your care, custody and control.

Q. Miscellaneous Unnamed Locations

We will pay for any loss or damage caused by a Covered Cause of Loss at any Miscellaneous Unnamed Location.

For the purpose of this insurance Miscellaneous Unnamed Locations is defined as a location owned, leased or rented by the Insured, but not specified in the Schedule of Locations and not considered Newly Acquired or Constructed Property and which is located within the Coverage Territory described in the policy.

R. Newly Acquired or Constructed Property

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 5. Coverage Extensions, a. Newly Acquired or Constructed Property reference to \$250,000 in subparagraph (1) is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

S. Ordinance or Law Coverage – Coverage A, B, and C Combined Limit

The most we will pay under this Additional Coverage described below for loss or damage in any one "occurrence" is the Sub-Limit shown in the Schedule. This Sub-Limit is the Combined Limit of Insurance for Coverages A, B, and C described below.

Coverage A – Loss to the Undamaged Portion of the Building

In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires the demolition of the undamaged portion of the same building.

Coverage B – Demolition Cost

In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the cost to demolish the building and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property. Coinsurance does not apply to this Additional Coverage.

Coverage C – Increased Cost of Construction

1. In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased cost to:
 - a. Repair or reconstruct damaged portions of that building; or
 - b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However,

- a. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
 - b. We will not pay for the increased cost of construction if the building is not repaired, reconstructed, or remodeled.
2. Coinsurance does not apply to this Additional Coverage.

Under this Additional Coverage, we will not pay for:

1. The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot, dry rot or bacteria.
2. Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot, dry rot or bacteria.
3. Any costs due to an ordinance or law that:
 - a. You are required to comply with before the loss, even when the building was undamaged; and
 - b. You failed to comply.

The following Additional Loss Provisions apply to this Additional Coverage:

1. For loss in value to the undamaged portion of a building to which this Additional Coverage applies, loss payment, including damaged and undamaged portions, will be determined as follows:

If Replacement Cost applies and the property is being repaired or replaced, on the same or another location, we will pay the lesser of:

- a. The amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same location and to the same height, floor area, style and comparable quality of the original property insured; or
- b. The Limit of Insurance shown in the Declarations as applicable to the covered Building that is damaged.

If Replacement Cost applies and the property is not repaired or replaced, or if Replacement Cost does not apply, we will pay the lesser of:

- a. The actual cash value of the building at the time of loss; or
- b. The Limit of Insurance shown in the Declarations as applicable to the covered Building.

2. Loss payment for Demolition Cost will be determined as follows:

We will pay the amount you actually spend to demolish and clear the site of the described premises.

3. Loss payment for Increased Cost of Construction will be determined as follows:

We will not pay for Increased Cost of Construction:

- a. Until the property is actually repaired, reconstructed, remodeled or replaced at the same or another location; and
- b. Unless the repairs, reconstruction, remodeling or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may, in our sole discretion, extend this period in writing during the two years.

T. Outdoor Property

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 5. Coverage Extensions, e. Outdoor Property reference to \$1,000, but not more than \$250 per tree, shrub or plant is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

U. Personal Effects and Property of Others

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 5. Coverage Extensions, b. Personal Effects And Property of Others reference to \$2,500 at each described premises is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

V. Pollutant Clean-Up and Removal Coverage

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 4. Additional Coverages, d. Pollutant Clean Up And Removal reference to \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

W. Professional Fees

This policy is extended to cover reasonable and necessary "Claim Preparation Costs" (as defined below) incurred by you at our request for the purpose of determining the extent or amount of insured loss or damage as a result of a Covered Cause of Loss under this policy, provided that you obtain our prior written approval for the vendor to be engaged by you.

"Claim Preparation Costs" means:

1. 1The cost of taking inventory and the cost of gathering and preparing other data to substantiate the extent or amount of loss or damage; and
2. 1The cost of services provided by accountants, contractors and engineers solely for the purpose of determining the extent or amount of loss or damage.

"Claim Preparation Costs" does not mean and does not include:

1. Legal fees, charges and expenses;

2. Fees and costs of a public claims adjuster, claim consultant, insurance broker or agent (except forensic accounting services), or any person acting for or on behalf of a public claims adjuster, claim consultant, or insurance broker or agent;
3. Costs associated with negotiation or presentation of any claim or part of a claim that we have advised you is disputed or denied;
4. Costs associated with establishing that any claim or part of a claim is covered by the policy; or
5. Costs which represent your overhead or operating expense, including salaries of your employees.

X. Property Off Premises

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 5. Coverage Extensions, d. PROPERTY OFF-PREMISES, reference to \$10,000 in Subparagraph (3) is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

Y. Reclaiming, Restoring, or Repairing Land Improvements

We will pay for expenses resulting from the cost of reclaiming, restoring or repairing land improvements. Land improvements are defined as any alteration to the natural condition of the land by grading, natural or man-made landscaping, earthen dikes or dams, and additions to land such as signs, pavements, sidewalks, roadways, drainage systems, irrigation systems, or similar works, provided the loss is the result of a Covered Cause of Loss.

Z. Reward Reimbursement

We will pay reward reimbursement for information that leads to a criminal conviction in connection with loss or damage to covered property due to theft, vandalism or "arson".

Definition: "Arson" means the willful and deliberate burning of property.

AA. Royalties

Under the Business Income (And Extra Expense) Coverage Form and the Business Income (Without Extra Expense) Coverage Form, this Policy is extended to cover loss of Business Income sustained by you under a royalty, licensing fee, or commission agreement between you and another party during the "period of restoration" arising out of direct physical loss or damage by a Covered Cause of Loss during the term of this policy to real or personal property of such other party, only if such royalties, fees or commissions are shown as such on the Statement of Values. When determining the amount payable, we will consider the amount of income derived by you from such agreements before, and the probable amount of income after, the date of loss or damage.

BB. Utility Services Coverage – Excluding Transmission and Distribution Lines

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to any off premises water, communication or power supply services to your business. Coverage does not apply to overhead transmission lines including distribution lines. Further, coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

CC. Spoilage

This policy is extended to cover spoilage as a direct result of a Covered Cause of Loss and subject to the additional exclusions listed below. We shall be liable for direct physical loss or damage to:

1. "Perishable goods" due to spoilage;
2. "Perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
3. "Perishable goods" due to spoilage caused by a Covered Cause of Loss to equipment that is owned by a utility, landlord, or other supplier of any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. If you are unable to replace the perishable goods before its anticipated sale, payment will be determined on the basis of the sales price of the perishable goods at the time of the loss, less discounts and expenses that otherwise would have been incurred. Otherwise, payment will be determined in accordance with the Valuation provision of this policy.

"Perishable Goods" means personal property:

1. Maintained under controlled conditions for its preservation, and
2. Susceptible to loss or damage if the controlled conditions change.

Additional Exclusions: We shall not be liable for loss or damage caused by or resulting from:

1. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
2. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

DD. Transit

You may extend the insurance provided by this policy to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

1. Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
2. Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
3. Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

EE. Valuable Papers and Records (Other than Electronic Data)

Under the Building and Personal Property Coverage Form, A. COVERAGE, paragraph 5. Coverage Extensions, c. Valuable Papers and Records (Other than Electronic Data), reference to

\$2,000 in subparagraph (4) is deleted and replaced by the Sub-Limit shown in the Schedule of Sub-Limits of Insurance.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

ORDINANCE OR LAW COVERAGE

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

[illegible]

- b.** Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.
 - a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of or compliance with the ordinance or law; or
 - b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
 - c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

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

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

C. We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

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

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

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

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a

consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

- a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

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

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

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

E. Loss Payment

1. All following loss payment Provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:
- We will not pay more than the lesser of the following:
- a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit of Insurance shown for Coverage **B** in the Schedule above.
4. Unless Paragraph **E.5.** applies, loss payment under Coverage **C** – Increased Cost of Construction Coverage will be determined as follows:
- a. We will not pay under Coverage **C**:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the new premises; or

(2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.

5. If a Combined Limit of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

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

- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

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

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

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

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

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000

- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

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

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

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

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

I. The following definition is added:

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

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRE-EXISTING DAMAGE EXCLUSION

This endorsement modifies insurance provided under this policy.

It is agreed that this policy does not cover any loss or damage directly or indirectly caused by, resulting from or contributed to by any pre-existing property damage.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:



RESOLUTION NO.: 210572

PRESENTED: DEC - 8 2021

ADOPTED: _____

**RESOLUTION AUTHORIZING RETAINING LIGHTHOUSE TO PROVIDE EXCESS
GENERAL LIABILITY INSURANCE COVERAGE**

BY THE MAYOR:

WHEREAS, the City of Flint through the, The Lighthouse Group, its current broker, solicited proposals for general liability coverage; and

WHEREAS, the Department is recommending that the Lighthouse Group be retained to provide the City with general liability insurance coverage through the Old Republic Union Insurance Company for the period 11/23/2021-11/23/2022 at a cost of \$460,843.85. Optional Terrorism coverage is available for an additional \$5,000.00 for a total cost of \$465,843.85;

IT IS RESOLVED, that the appropriate City officials are authorized to enter into a contract with the Lighthouse Group to provide the City with its general liability and terrorism coverage through the Old Republic Union Insurance Company at a premium not to exceed \$465,843.85 for a 12-month period beginning 11/23/2021 to 11/23/2022. Funding for these services will come from account 677-174.851-955.000.

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 23, 2021 15:48 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 23, 2021 13:52 EST)

Robert J. F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

Sheldon A. Neeley
Mayor Sheldon A. Neeley

APPROVED BY CITY COUNCIL:

Eric Mays, Council President

STAFF REVIEW

Date: 11/22/2021

Agenda Item Title: Resolution Authorizing Retaining the Lighthouse Group to Provide Excess General Liability insurance coverage

Prepared By: V. Foster

Background/Summary of Proposed Action:

The Lighthouse Group, the city's insurance broker, solicited quotes for its excess general liability policy. Of the 15 carriers to respond, five were either unable to compete or declined to quote.

The City's current carrier, the Old Republic Union Insurance Company responded with a formal quote of \$460,843.85. It is the recommendation of the Lighthouse Group and the Chief Financial Officer to add terrorism coverage for an additional \$5,000, bringing the total premium total for all coverage to \$465,843.85.

Financial Implications: None. Funding is available in the self-insurance fund to cover premium costs.

Budgeted Expenditure: Yes

Account No: 677-174.851-955.000

Staff Recommendation:

The Department of Finance is recommending coverage through the Lighthouse Group with Old Republic Insurance Company for a 12-month policy for a total cost of \$465,843.85.

Recommendation approval:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 23, 2021 13:52 EST)

Robert J.F. Widigan
Chief Financial Officer



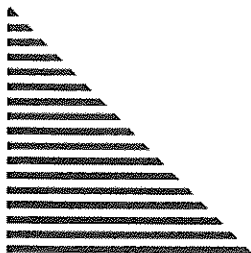
Lighthouse

AN **ALERA GROUP** COMPANY

Insurance Proposal
Prepared For

City of Flint

EFFECTIVE 11/23/2021 TO 11/23/2022



Lighthouse, An Alera Group Company

Our mission at the Lighthouse is the profitable and ethical delivery of innovative insurance solutions for the protection of our clients.

We are well positioned to provide excellent service for all your business and personal insurance needs including:

- Commercial Insurance
- Personal Insurance
- Employee Benefits
- Individual Insurance/Medicare
- Financial Services

Along with these business units, Lighthouse provides seminars for clients and the public on relevant issues. These are done in conjunction with several insurance companies, with which we have solid, long term relationships.

We have multiple locations throughout Michigan and sister agencies across the nation to serve your needs. Our investment in technology has allowed Lighthouse to provide exemplary response time, as well as comprehensive claims and risk management services.

We have active memberships with local Chambers of Commerce, various industry associations, and serve on Advisory Boards of several insurance companies. We also have many Industry Specific Programs tailored to give specialized coverages when they are needed.

Named Insureds

City of Flint

Location Schedule

Loc #	Bldg #	Address	City	State	Zip	Description
0001	0001	1101 S. Saginaw St. Room 203	Flint	MI	48502	City Hall
0001	0002	1101 S. Saginaw St. Room 203	Flint	MI	48502	Dome Auditorium
0001	0003	1101 S. Saginaw St. Room 203	Flint	MI	48502	S. Building
0002	0004	1101 S. Saginaw St. Room 203	Flint	MI	48502	N. Building
0003	0005	210 E Fifth St	Flint	MI	48502	Police Dept.
0005	0007	4535 M.L. King Ave	Flint	MI	48502	Archie Parks
0006	0008	310 E Fifth St	Flint	MI	48502	Station #1 HQ
0007	0009	1525 M.L. King Ave	Flint	MI	48502	Station #3
0008	0010	4309 Industrial	Flint	MI	48502	Station #4
0009	0011	716 W Pierson Rd	Flint	MI	48502	Station #6
0010	0012	202 E Atherton	Flint	MI	48507	Station #8
0011	0013	3310 E Court St	Flint	MI	48502	Water Service Cen.
0011	0014	3318 E Court St	Flint	MI	48502	Misc. Storage
0012	0015	4500 N Dort Hwy	Flint	MI	48506	Treatment Plant
0012	0016	4500 N Dort Hwy	Flint	MI	48506	Ozone Plant
0012	0017	4500 N Dort Hwy	Flint	MI	48506	Elevated Tank Cont
0012	0018	4500 N Dort Hwy	Flint	MI	48506	Pumping Station 4
0012	0019	4500 N Dort Hwy	Flint	MI	48506	Electric Substation
0012	0020	4500 N Dort Hwy	Flint	MI	48506	Water Control 2
0012	0021	2800 Hammerburg Rd	Flint	MI	48507	Booster Station
0013	0022	1614 Dupont	Flint	MI	48504	Westside Reservoir
0014	0023	G-12233 E Potter Road	Flint	MI	48507	Water Control 1
0015	0024	G-4652 Beecher Rd	Flint	MI	48507	Sewage Treatment
0015	0025	G-4652 Beecher Rd	Flint	MI	48507	Admin Bldg-Lab
0015	0026	G-4652 Beecher Rd	Flint	MI	48507	Service Building
0015	0027	G-4652 Beecher Rd	Flint	MI	48507	Influent Box
0015	0028	G-4652 Beecher Rd	Flint	MI	48507	'A' Grit Tanks
0015	0029	G-4652 Beecher Rd	Flint	MI	48507	'B' New Grit Bldg
0015	0030	G-4652 Beecher Rd	Flint	MI	48507	Primary Settling tank
0015	0031	G-4652 Beecher Rd	Flint	MI	48507	Aeration Tank
0015	0032	G-4652 Beecher Rd	Flint	MI	48507	Final Settling
0015	0033	G-4652 Beecher Rd	Flint	MI	48507	Storage Building
0015	0034	G-4652 Beecher Rd	Flint	MI	48507	Blower, Filler
0015	0035	G-4652 Beecher Rd	Flint	MI	48507	Equip, Micro strainer
0015	0036	G-4652 Beecher Rd	Flint	MI	48507	Chlorine Contact
0015	0037	G-4652 Beecher Rd	Flint	MI	48507	Trickling Filter
0015	0038	G-4652 Beecher Rd	Flint	MI	48507	Sludge Thickening
0015	0039	G-4652 Beecher Rd	Flint	MI	48507	Blended Sludge
0015	0040	G-4652 Beecher Rd	Flint	MI	48507	Gas Sphere Storage
0015	0041	G-4652 Beecher Rd	Flint	MI	48507	Old Pre-Aeration
0015	0042	G-4652 Beecher Rd	Flint	MI	48507	Old Final Settling
0015	0043	G-4652 Beecher Rd	Flint	MI	48507	NW Pumping Station

Loc #	Bldg #	Address	City	State	Zip	Description
0015	0044	G-4652 Beecher Rd	Flint	MI	48507	LPO, Vacuum
0015	0045	G-4652 Beecher Rd	Flint	MI	48507	Storage Building
0015	0046	G-4652 Beecher Rd	Flint	MI	48507	E. Sewage Pump Station
0015	0047	G-4652 Beecher Rd	Flint	MI	48507	Hypochlorite Tank
0015	0048	G-4652 Beecher Rd	Flint	MI	48507	Air Filter A
0015	0049	G-4652 Beecher Rd	Flint	MI	48507	Air Filter B
0015	0050	G-4652 Beecher Rd	Flint	MI	48507	Air Filter C
0015	0051	G-4652 Beecher Rd	Flint	MI	48507	Sulfur Dioxide Bldg
0015	0052	G-4652 Beecher Rd	Flint	MI	48507	Storage
0016	0053	251 E. Blvd Drive	Flint	MI	48507	Avon St Pumping
0017	0054	Avon Street	Flint	MI	48503	Sewage Retention Tank
0018	0055	1524 Mackin Rd & 1416 Dupont	Flint	MI	48503	Water Pump Station
0018	0056	2305 W 3rd Ave	Flint	MI	48503	Third Ave Pump
0019	0057	6625 Fleming Rd	Flint	MI	48504	Sewage Lift Station
0020	0058	5629 Fleming Rd	Flint	MI	48504	Sewage Lift Station
0021	0059	2300 Branch	Flint	MI	48506	Sewage Lift Station
0022	0060	2420 Brownell	Flint	MI	48504	Sewage Lift Station
0023	0061	1106 S Averill St	Flint	MI	48506	Forestry Division Shop
0023	0062	1106 S Averill St	Flint	MI	48506	Office
0023	0063	1106 S Averill St	Flint	MI	48506	Storage Bldg
0023	0064	1106 S Averill St	Flint	MI	48506	Pole Barn Garage
0023	0065	1106 S Averill St	Flint	MI	48506	Maintenance Bldg
0024	0066	930 E Blvd Drive	Flint	MI	48502	Shop & Garage
0024	0067	930 E Blvd Drive	Flint	MI	48502	Shop At Rear
0024	0068	930 E Blvd Drive	Flint	MI	48502	New Storage Bldg
0025	0069	4266 E Pierson Rd	Flint	MI	48506	Cart Storage Barn
0025	0070	4266 E Pierson Rd	Flint	MI	48506	Pump House
0025	0071	4266 E Pierson Rd	Flint	MI	48506	Kearsley Lake Golf
0026	0072	2401 Nolen Drive	Flint	MI	48503	Mott Golf & Clubhouse
0026	0073	2401 Nolen Drive	Flint	MI	48503	Equip Storage
0026	0074	2401 Nolen Drive	Flint	MI	48503	Pump House Bridges
0027	0075	1221 S Vernon	Flint	MI	48506	Pierce Golf & Clubhouse
0028	0076	1901 Hammerburg Rd	Flint	MI	48507	Swartz Creek Golf
0028	0077	1901 Hammerburg Rd	Flint	MI	48507	Equip Storage
0028	0078	1901 Hammerburg Rd	Flint	MI	48507	Pump House
0028	0079	1901 Hammerburg Rd	Flint	MI	48507	Bridges Outside Equip
0028	0080	1901 Hammerburg Rd	Flint	MI	48507	Golf Car Storage Barn
0029	0081	3300-3400 N Saginaw	Flint	MI	48502	Berston Fieldhouse
0030	0082	2201 Forest Hill	Flint	MI	48504	Haskell Community Cent
0031	0083	1301-09 Pingree St	Flint	MI	48505	Brennan Comm Center
0031	0084	1301-09 Pingree St	Flint	MI	48505	Wilkins Park Ballfield
0032	0085	1002 W Home	Flint	MI	48504	Hasselbring Center
0033	0086	249 Peer Ave	Flint	MI	48504	McKinley Sr Citizens Cen
0034	0087	Vernon-Broadway	Flint	MI	48506	Amos Park Basketball
0035	0088	E Fifth Ave-Root St	Flint	MI	48506	Barney Fountain
0036	0089	Brownell-W Dayton	Flint	MI	48504	Bassett Park Outside
0037	0090	Woodland-E Court St	Flint	MI	48504	Burroughs Park
0038	0091	M. L. King Ave-2 E Pierson	Flint	MI	48532	Clara Wilborn Shelter
0039	0092	Averill-1-69 Expressway	Flint	MI	48506	Cook Park Shelter
0040	0093	Damon-N Saginaw St	Flint	MI	48506	Dewey Park Shelter
0041	0094	E Hamilton-Ave A	Flint	MI	48505	Dryant Park
0042	0095	640 W Pasadena	Flint	MI	48505	Forest Park Shelter 1
0042	0096	640 W Pasadena	Flint	MI	48505	Forest Park Shelter 2
0042	0097	640 W Pasadena	Flint	MI	48505	Forest Park Exercise
0043	0098	1101 Kearsley Park Blvd	Flint	MI	48503	Kearsley Park Pavilion
0043	0099	1101 Kearsley Park Blvd	Flint	MI	48503	Kearsley Park 4 Bridges
0044	0100	W Court & Middleton	Flint	MI	48503	Mann Hall Park Sign
0045	0101	Tacken-Mann Hall	Flint	MI	48505	McCallum Park Sign

Loc #	Bldg #	Address	City	State	Zip	Description
0046	0102	M.L King Ave-N Saginaw	Flint	MI	48502	McFarlan Monuments 2
0047	0103	Lippincott & Clifford	Flint	MI	48503	Foot Bridge
0048	0104	Mason-Welch Blvd	Flint	MI	48503	Bolawanee Park Sign
0049	0105	Miller Rd-Court St	Flint	MI	48532	Mobley Park
0050	0106	River Village	Flint	MI	48532	River City 5 Windmills
0051	0107	Saginaw St	Flint	MI	48502	Riverbank Park Fountain
0051	0108	Saginaw St	Flint	MI	48502	Grand Fountain Elec
0051	0109	Saginaw St	Flint	MI	48502	Fountain Emergency Lights
0051	0110	Saginaw St	Flint	MI	48502	Recirculation System
0051	0111	Saginaw St	Flint	MI	48502	Vault Sump Pumps
0051	0112	Saginaw St	Flint	MI	48502	Misc Pump Fibradams
0051	0113	Saginaw St	Flint	MI	48502	Misc. Pumps-Meter Pit
0051	0114	Saginaw St	Flint	MI	48502	Misc Pump Fibradams 2
0051	0115	Saginaw St	Flint	MI	48502	Elec Panels Ext In Water Well
0051	0116	Saginaw St	Flint	MI	48502	Outside Lighting
0051	0117	Saginaw St	Flint	MI	48502	Pulaski Monument
0052	0118	Harrison St	Flint	MI	48502	Rest Rooms
0052	0119	Harrison St	Flint	MI	48502	UAW Sit Down Monument
0053	0120	SE Saginaw St	Flint	MI	48502	Misc Pumps Electric Vault
0054	0121	Chicago Blvd-Clancy	Flint	MI	48502	Sarginson Park Shelter
0055	0122	3201 Hammerburg Rd	Flint	MI	48507	Stanley Broome Park
0055	0123	3201 Hammerburg Rd	Flint	MI	48507	Park Lights Scoreboard
0055	0124	3201 Hammerburg Rd	Flint	MI	48507	Fencing & Backstops
0055	0125	3201 Hammerburg Rd	Flint	MI	48507	Press Box
0055	0126	3201 Hammerburg Rd	Flint	MI	48507	Concession Bldg
0056	0127	3821 N Franklin	Flint	MI	48506	Whaley Park Shelter
0056	0128	3821 N Franklin	Flint	MI	48506	Whaley Park Outside
0056	0129	3821 N Franklin	Flint	MI	48506	Whaley Park Lights
0056	0130	3821 N Franklin	Flint	MI	48506	Whaley Park Grand Stands
0056	0131	3821 N Franklin	Flint	MI	48506	Whaley Park Press Box
0056	0132	3821 N Franklin	Flint	MI	48506	Concession Bldg
0056	0133	3821 N Franklin	Flint	MI	48506	Whaley Park Softball Lights
0056	0134	3821 N Franklin	Flint	MI	48506	Whaley Park Softball Stands
0057	0135	1701 Utah	Flint	MI	48506	Whaley Park Dasher Boards
0058	0136	Pengelly-Milton	Flint	MI	48504	Windiate Park Court
0059	0137	Brookside-Woodlawn	Flint	MI	48504	Woodlawn Park Bridge
0059	0138	Brookside-Woodlawn	Flint	MI	48504	Tennis Court
0060	0139	Morningside Dr	Flint	MI	48504	Shelter (Carpenter)
0061	0140	702 W 12th Street	Flint	MI	48503	New City Garage
0061	0141	702 W 12th Street	Flint	MI	48503	Gas Station Warehouse
0061	0142	702 W 12th Street	Flint	MI	48503	New City Garage
0061	0143	702 W 12th Street	Flint	MI	48503	12,000 Gallon Tank
0061	0144	702 W 12th Street	Flint	MI	48503	3,000 Gallon Fuel Oil Storage
0062	0145	630 S Saginaw St	Flint	MI	48502	68 th District Court
0063	0146	3402 Western Rd	Flint	MI	48506	Station #5
0064	0147	1100 S Cedar St	Flint	MI	48502	Cedar St Pump Station
0065	0148	420 E Boulevard Drive	Flint	MI	48502	Farmers Mkt
0066	0149	R/420 E Boulevard Drive	Flint	MI	48502	Farmers Mkt

Public Entity Liability

COVERAGE FORM USED

Coverage	Occurrence/Claims Made	Retroactive Date
General Liability	Occurrence	NA
Errors and Omissions Liability	Claims Made	08/22/2013
Employment Practices Liability	Claims Made	08/22/2013
Sexual Harassment Liability	Claims Made	08/22/2013
Sexual Abuse Liability	Claims Made	11/23/2016
Employee Benefits Liability	Claims Made	08/22/2013

GENERAL LIABILITY

Coverage	Limit	Retention
General Liability per Occurrence	10,000,000	3,000,000
General Liability Annual Aggregate	10,000,000	
Liquor Liability	Included	
Incidental Medical Malpractice	Included	
Fire Damage Legal Liability	Included	

AUTOMOBILE LIABILITY

Coverage	Limit	Retention
Automobile Liability per Accident	10,000,000	3,000,000
Garagekeepers Legal Liability per Accident	1,000,000	3,000,000

LAW ENFORCEMENT LIABILITY

Coverage	Limit	Retention
Law Enforcement Liability per Occurrence	10,000,000	3,000,000
Law Enforcement Liability Annual Aggregate	10,000,000	
Incidental Medical Services	Included	

ERRORS AND OMISSIONS LIABILITY

Coverage	Limit	Retention
Errors and Omissions Liability per Claim	10,000,000	3,000,000
Errors and Omissions Liability Annual Aggregate	10,000,000	
Employment Practices Liability	Included	
Sexual Harassment Liability	Included	
Fire Damage Legal Liability	Included	

SEXUAL ABUSE LIABILITY

Coverage	Limit	Retention
Sexual Abuse Liability per Claim	10,000,000	3,000,000
Sexual Abuse Liability Annual Aggregate	10,000,000	

EMPLOYEE BENEFITS LIABILITY

Coverage	Limit	Retention
Employee Benefits Liability per Claim	10,000,000	3,000,000
Employee Benefits Liability Annual Aggregate	10,000,000	

Premium Summary

Coverage	Carrier	Expiring Premium	Renewal Premium	Premium Difference	Premium % Change
Public Entity Liability	Old Republic Union	\$412,037.50	\$460,843.85	\$48,806.35	11.85%
Terrorism (optional)				\$5,000	
Total Program		\$412,037.50	\$460,843.85	\$48,806.35*	11.85%

*Not including terrorism

Company	Best Rating	Admitted or Non Admitted
Old Republic Union Insurance Company	A+	Non Admitted

All quoted premiums are annual estimates.

4% of the increase is exposure change (helicopter), the remaining part of the rate increase is due to the City's Increased crime score.

Your insurance policies can be delivered either by paper form or electronic flash drive. Please let us know which option you prefer.

Binding Conditions

- Dam Inspection Report for Holloway Dam
- Signed TRIA
- 15 Markets Approached; Carriers Below Only Markets that agreed to review submission:

Markets Approached

- Berkley Ins. Co – Declined; Claims
- Chubb – Declined; Not able to compete; Estimated their premium would be 750K minimum.
- Lexington Insurance – Declined; No market
- Liberty – Declined; Financial Situation
- Travelers – Declined; Not able to compete

This insurance proposal is based upon your insurance history and the information that you have provided. It is your responsibility to review each item to make sure that you have all the coverages that you need, and that the limits of liability are appropriate.

Agreement and Acceptance

The undersigned insured acknowledges that they have read and understood the Insurance Proposal as presented by Lighthouse Group, an Alera Group Agency LLC and authorizes them to bind coverage.
Effective Date: 11/23/2021

Policy Type: Public Entity Liability

PROPOSED COVERAGE HAS BEEN REJECTED/MODIFIED AS OUTLINED:

- 1.
- 2.
- 3.
- 4.

Named Insured: City of Flint

Title: _____

Signature: _____ Date: _____

RETURN TO THE ATTENTION OF: Cort Niemi

EMAIL: cniemi@lighthousegroup.com

MAIL: Lighthouse, An Alera Group Company
56 Grandville Ave, Ste 300
Grand Rapids, MI 49503

Electronic Delivery Supplement

Client Name: City of Flint	Date:
----------------------------	-------

ELECTRONIC SELECTION / REJECTION OPTION FORM

Your insurer may be required by law to obtain consent from insureds prior to engaging in any electronic delivery of insurance policies and/or other supporting documents in connection with the policy. You have the right to:

- Select electronic delivery;
- Reject electronic delivery;
- Withdraw your consent if you decide you no longer want to receive electronic delivery of your insurance policy and/or other supporting documents in connection with your insurance policy.

☐ ELECTION OF ELECTRONIC INSURANCE POLICY DELIVERY OPTION

I select the option to receive the following documents in connection with my insurance policy electronically, for myself and all those covered under the policy until further notice. I acknowledge I may no longer receive paper copies of my insurance policy.

- Insurance Policy
- Identification Card
- Notices of Cancellation
- Notices of Nonrenewal
- Other supporting documents in connection with my insurance policy

☐ REJECTION OF ELECTRONIC DELIVERY OPTION

I reject the option to receive my insurance policy and/or other supporting documents in connection with my insurance policy electronically, for myself and all those covered under the policy until further notice. I will continue to receive paper copies of such documents.

☐ WITHDRAWAL OF CONSENT OF ELECTRONIC DELIVERY

I withdraw my previous consent of electronic delivery of my insurance policy and/or other supporting documents in connection with my insurance policy, for myself and all those covered under the policy until further notice. I elect to receive paper copies of such documents in the future.

ELECTRONIC DELIVERY DISCLOSURE

The policyholder who elects to allow for insurance policy and/or other supporting documents in connection with the insurance policy to be sent to the electronic mail address provided should be diligent in updating the electronic mail address provided to the insurer in the event that the address should change.

_____ Name of Recipient to Receive Insurance policy &/or Other Supporting Documents	_____ Relationship to Client
_____ E-Mail Address of Recipient	
_____ Client Signature	_____ Date (MM/DD/YYYY)

Commercial Lines Coverage Options

In addition to the below coverage options, there may be more insurance products available for your consideration.

Property

We do not determine property values, as we do not have any specific expertise in making this evaluation. It is in your best interest to evaluate the amount of your contents to determine the appropriate limits. Additionally, it is in your best interest to seek a building valuation survey to determine the appropriate construction cost of any building coverage.

- Off Premises Power Failure
- Spoilage Coverage
- Business Income & Extra Expense
- Ordinance or Law
- Vacancy Permit
- Builders Risk
- Mfg Selling Price
- Property of Others
- Leased or Rented Property
- Peak Season Coverage
- Equipment Breakdown
- Earthquake
- Flood
- Dependent Property

General Liability

Higher limits may also be available for General Liability coverages.

- Employment Practices Liability
- Liquor Liability
- Employee Benefits Liability
- Product Recall Coverage
- Pollution Liability

Inland Marine

- Installation Floater
- Replacement Cost
- Miscellaneous Tools/ Equipment
- Leased or Rented Equipment
- Sign Coverage
- Scheduled Equipment / Tools
- Valuable Papers / Accounts Receivable
- Bailee Liability
- Patterns, Dies, Molds

Crime

- Employee Dishonesty
- Forgery / Alterations
- Money & Securities

Business Auto

- Drive Other Car
- Hired & Non-Owned Auto Liability
- Hired Car Physical Damage

Miscellaneous

- Umbrella Liability / Higher Limits on Current Umbrella
- Professional Liability
- Data Breach / Cyber Liability
- Directors & Officers Coverage
- Fiduciary Liability
- Bonds
- Trade Credit Insurance

Cyber Liability Quiz

What is your Internet Privacy and/or Security Risk?

Take this quick quiz to determine your level of risk.

1. Are you involved in any of the following industries:
 - Education
 - Healthcare
 - Financial Services
 - Retail
2. Do you provide services to clients on your website?
3. Do you collect, receive, transmit or store personally identifiable information or personal health information? For example, Social Security numbers, driver's license numbers, email addresses, bank account numbers, credit/debit card numbers, etc.
4. Do you need to develop or update procedures to comply with privacy legislation? For Example, Health Insurance Portability and Accountability Act -- HIPPA, The Gramm-Leach Bliley Act or other legislation with respect to the protection of other confidential information?
5. Do your employees use laptops, cell phones, smart phones, or tablets?
6. Do you store sensitive data on your network in the cloud or even in paper files?
7. Do you manage the content of your website and/or host the infrastructure yourself instead of using a third party?
8. Do you have a Written Information Security Plan?

Your Score:

2 or less answered yes:

Your risk is low. However, Cyber Liability coverage is worth considering.

3 to 4 answered yes:

Your risk is great and obtaining Cyber Liability should be a priority

5 or more answered yes:

Your risk is significant! Without proper coverage afforded by Cyber Liability, the financial well being of your company is at risk!



for individuals and families

- Life Insurance
- Return of Premium Life Insurance
- Annuities
- Disability Income Protection
- Long-term Care
- Life Insurance Review and Audit Program
- Individual Mortgage Pay-off in Event of Death

for business owners

- Business Continuation Planning (Life and Disability Insurance)
- Key Person Coverage (Life and Disability Insurance)
- Debt Coverage or Life Insurance Required by Bank
- Estate Analysis - Legacy Trust
- Executive Owner Premier Audit Program
- Voluntary Products

As a client of Lighthouse, An Alera Group Company, you are eligible to take advantage of our Life Insurance Review & Audit Program free of charge. An evaluation of your personal and business life insurance policies can provide the reassurance your plans are set to meet your needs when and how you expect them to.

With more than 100 years of combined experience, our Life Insurance and Executive Benefits team will provide an in-depth and objective review of the life insurance you have in place today. With direct access to more than 30 insurance carriers, we will propose only the best alternatives directly in line with your goals and budget. Life insurance coverage can change over time, therefore we recommend policies be reviewed every three years.

Since over 80 percent of life insurance policies don't live up to client expectations due to overpriced premiums, incorrect design or early termination, this review is of tremendous value by providing peace of mind and protection for what matters most.

If you are interested in Lighthouse's life insurance services, contact your sales executive to get started.



Lighthouse's personalized and innovative approach to the ever-changing world of healthcare allows for your business to keep moving forward. By leveraging our extensive network of resources, we craft the plan you and your employees desire.

COMPLIANCE

- MyWave access and support
- Miller Johnson - Legal Firm
- Compliance Checklist
- Benchmarking
- SPD Review
- 5500 Assistance

TECHNOLOGY

- Benefit Admin - Employee Navigator
- Member Management
- Self-serve enrollment
- Variable Hour Tracking
- ACA Reporting - 1095 reporting

HR SUPPORT

- Employee Handbook Review
- Compensation Benchmarking
- Mock DOL Audit
- Training Resources
- On Staff HR Consultant

WELLNESS

- On Staff Resources
- Consulting/Design
- Implementation/Ongoing Assistance
- Reporting/Analysis/Vendors

MEDICARE/INDIVIDUALS

- Onsite Educational Meetings
- 1 on 1 Consultations
- Transition to Medicare
- Employee Separation Services
- Individual Plan Options

DATA ANALYTICS

- Underwriter on Staff
- Monthly Claims Reporting
- PA 152 Analysis
- Predictive Modeling
- 3-5 Year Strategic Plan
- Milliman Reporting Services

EMPLOYEE COMMUNICATION

- Benefits Booklets
- Custom Communications
- ACA Updates
- Electronic & Print



RESOLUTION NO.: 210573

PRESENTED: DEC - 8 2021

ADOPTED: _____

RESOLUTION TO AUTHORIZE FOR COVID PREMIUM PAY FOR PUBLIC SAFETY PERSONNEL

By the Mayor:

WHEREAS, The American Rescue Plan Act includes a provision for premium pay for essential workers performing work during the COVID-19 pandemic. The City of Flint defines this Premium Pay as COVID Premium Pay.

WHEREAS, The administration is recommending COVID Premium Pay compensation to qualifying public safety personnel. COVID Premium Pay will be paid to qualifying employees for hours worked during the period June 14, 2020 through June 12, 2021. Hours worked for overtime, standby, and paid leave time will not be eligible for COVID Premium Pay with the exception of qualifying leave time paid under Coronavirus Local Fiscal Recovery Funds (CLFRF) and ARPA COVID pay relief. COVID Premium Pay shall be based upon regular shift hours (not to exceed 2,080 hours) for the entire qualifying period. Payment will be issued within 30 (thirty) days after review and final sign off by the City of Flint's ARPA administration, compliance, and implementation firm. Employees must be actively employed by the City of Flint on the date of payment to qualify for COVID Premium Pay compensation. COVID Premium Pay shall not be counted for retirement purposes, nor shall it be included in an employee's FAC (final average compensation). Funding for COVID Premium Pay shall come from the general ledger account 287-171.716-702.000.

WHEREAS, COVID Premium Pay will be paid to qualifying Flint Police Department sworn officers and Flint Fire Department certified fire suppression personnel. Each employee within the identified group will receive an additional \$5.00 per hour worked (not to exceed the maximum of \$10,400.00) during the time period listed above.

WHEREAS, COVID Premium Pay will be paid to qualifying public safety civilian support personnel currently assigned to the Flint Police Department and Flint Fire Department. Each employee within the identified group will receive an additional \$2.50 per hour worked (not to exceed the maximum of \$5,200.00) during the time period listed above.

IT IS RESOLVED, that the appropriate City Officials are authorized to do all things necessary to compensate qualifying essential workers meeting the criteria outlined above. Before COVID Premium Pay compensation is distributed, the City of Flint's ARPA administration, compliance, and implementation firm shall be contracted with and in place to review and ensure compliance with the latest US Department of the Treasury Interim final rules. COVID Premium Pay to be paid from the American Rescue Plan Act fund (287).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Dec 2, 2021 13:13 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Dec 2, 2021 13:58 EST)

Robert J.F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

Sheldon A. Neeley
Mayor Sheldon A. Neeley

APPROVED BY CITY COUNCIL:

Eric B. Mays, City Council President

Signature: Jennifer Ryan
Jennifer Ryan (Dec 2, 2021 13:00 EST)

Email: jryan@cityofflint.com

Signature: Clyde D. Edwards
Clyde D. Edwards (Dec 2, 2021 13:18 EST)

Email: cedwards@cityofflint.com



RESOLUTION NO. 210574

PRESENTED: DEC - 8 2021

ADOPTED: _____

RESOLUTION TO AUTHORIZE FOR COVID PREMIUM PAY FOR 1600 AND 1799 ESSENTIAL WORKERS

By the Mayor:

WHEREAS, The American Rescue Plan Act includes a provision for premium pay for essential workers performing work during the COVID-19 pandemic. The City of Flint defines this Premium Pay as COVID Premium Pay.

WHEREAS, The administration is recommending COVID Premium Pay compensation to qualifying 1600 and 1799 essential workers. COVID Premium Pay will be paid to qualifying 1600 and 1799 personnel for hours worked during the period June 14, 2020 through June 12, 2021. Hours worked for overtime, standby, and paid leave time will not be eligible for COVID Premium Pay with the exception of qualifying leave time paid under Coronavirus Local Fiscal Recovery Funds (CLFRF) and ARPA COVID pay relief. COVID Premium Pay shall be based upon regular shift hours (not to exceed 2,080 hours) for the entire qualifying period. Payment will be issued within 60 (sixty) days after review and final sign off by the City of Flint's ARPA administration, compliance, and implementation firm. Employees must be actively employed by the City of Flint on the date of payment to qualify for COVID Premium Pay compensation. COVID Premium Pay shall not be counted for retirement purposes, nor shall it be included in an employee's FAC (final average compensation). Funding for COVID Premium Pay shall come from the general ledger account 287-171.716-702.000.

WHEREAS, COVID Premium Pay will be paid to qualifying 1600 and 1799 personnel. Each employee within the identified group will receive an additional \$3.00 per hour worked (not to exceed the maximum of \$6,240.00) during the time period listed above.

IT IS RESOLVED, that the appropriate City Officials are authorized to do all things necessary to compensate qualifying 1600 and 1799 essential workers meeting the criteria outlined above and within the U.S. Department of the Treasury Interim Final Rules. Before COVID Premium Pay compensation is distributed, the City of Flint's ARPA administration, compliance, and implementation firm shall be contracted with and in place to review and ensure compliance with the latest US Department of the Treasury Interim final rules. COVID Premium Pay to be paid from the American Rescue Plan Act fund (287).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Dec 2, 2021 13:16 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Dec 2, 2021 13:06 EST)

Robert J.F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

Sheldon A. Neeley
Mayor Sheldon A. Neeley

APPROVED BY CITY COUNCIL:

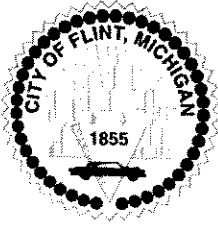
Eric B. Mays, City Council President

Signature: Jennifer Ryan
Jennifer Ryan (Dec 2, 2021 13:06 EST)

Email: jryan@cityofflint.com

Signature: CLYDE D EDWARDS
CLYDE D EDWARDS (Dec 2, 2021 13:19 EST)

Email: cedwards@cityofflint.com

RESOLUTION NO.: 210575PRESENTED: DEC - 8 2021

ADOPTED: _____

BY THE CITY ADMINISTRATOR:

RESOLUTION FOR PROFESSIONAL SERVICES AGREEMENT WITH INNOVATIVE SOFTWARE SERVICES, INC.

The City of Flint Customer Service Center uses Innovative Software for Income tax processing, collection of income taxes, account reconciliation, compliance programs and issuance of refund checks for the City of Flint, making it a sole source for the listed services. A Resolution was adopted in 2013 to enter into a professional services agreement with Innovative Software Services, Inc.

On July 1, 2021, Innovative Software Services, Inc., P.O. Box 70, Eaton Rapids, MI 48827 provided the city with an updated quote for the next three (3) years based on 2020 Calendar year tax data.

Whereas, The Customer Service Department requests that we continue the contract with Innovative Software Services at for the next three (3) Years. Amounts to come from accounts as show below:

Account Number	Account Name	Amount
101-253.201-801.000	Customer Service Income Tax- Professional Services	FY22 TOTAL \$611,287.25
101-253.201-801.000	Customer Service Income Tax- Professional Services	FY23 TOTAL \$672,415.98
101-253.201-801.000	Customer Service Income Tax- Professional Services	FY24 TOTAL \$739,657.58
	(3) YEAR GRAND TOTAL	\$2,023,360.81

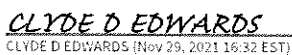
IT IS RESOLVED, that the appropriate city officials are to do all things necessary to extend their contract with Innovative Software Services Inc. for income tax processing, collection of income taxes, account reconciliation, compliance programs and issuance of refund checks for the City of Flint in the amount not-to-exceed \$611,287.00 for Fiscal Year 2022 (07/01/21-06/30/22), an amount not-to-exceed \$672,415.98 for Fiscal Year 2023 (07/01/22-06/30/23) pending budget adoption, and an amount not-to-exceed \$739,657.58 for Fiscal Year 2024 (07/01/23-06/30/24) pending budget adoption.

APPROVED AS TO FORM:


Angela Wheeler (Nov 29, 2021 11:24 EST)

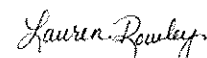
Angela Wheeler, Chief Legal Officer

FOR THE CITY OF FLINT:


CLYDE D. EDWARDS
CLYDE D. EDWARDS (Nov 29, 2021 16:32 EST)

Clyde Edwards, City Administrator

APPROVED AS TO PURCHASING:

Lauren Rowley
Purchasing Manager

APPROVED AS TO FINANCE:


Robert J.F. Widigan (Nov 29, 2021 10:40 EST)

Robert J.F. Widigan, Chief Financial Officer

APPROVED BY CITY COUNCIL:

Eric Mays, City Council President



CITY OF FLINT

RESOLUTION STAFF REVIEW FORM

TODAY'S DATE: 10/12/21

BID/PROPOSAL#

AGENDA ITEM TITLE: INCOME TAX PROCESSING FOR CITY OF FLINT

PREPARED BY: Patrice Ellison, Finance/Customer Service Center
(Please type name and Department)

VENDOR NAME: INNOVATIVE SOFTWARE

BACKGROUND/SUMMARY OF PROPOSED ACTION:

To continue to pay Innovative Software for processing and collection of income taxes, receipt of payments, account reconciliation, compliance programs and issue refund checks for the City of Flint. Innovative Software is compatible with our city income tax system and is set to our specifications making them a necessary sole source for the city's income tax processing needs.

FINANCIAL IMPLICATIONS: \$2,023,360.81

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
FY'22				
FIN/ CSC	CUSTOMER SERVICE INCOME TAX - PROFESSIONAL SERVICES	101.253-201.801.000		\$611,287.25
FY'23				
FIN/ CSC	CUSTOMER SERVICE INCOME TAX - PROFESSIONAL SERVICES	101.253-201.801.000		\$672,415.98
FY'24				
FIN/ CSC	CUSTOMER SERVICE INCOME TAX - PROFESSIONAL SERVICES	101.253-201.801.000		\$739,657.58
		GRAND TOTAL		\$2,023,360.81



CITY OF FLINT

PRE-ENCUMBERED? YES ☒ NO ☐ REQUISITION NO: 210004140

ACCOUNTING APPROVAL: _____ Date: _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☒ NO ☐
(If yes, please indicate how many years for the contract) Continuous Agreement 3 YEARS

WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal) ADD %10 MORE EACH YEAR

BUDGET YEAR 1 \$611,287.25

BUDGET YEAR 2 \$672,415.98

BUDGET YEAR 3 \$739,657.58

OTHER IMPLICATIONS (i.e., collective bargaining):

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ APPROVED ☐ NOT APPROVED

DEPARTMENT HEAD SIGNATURE: Amanda Trujillo
AMANDA TRUJILLO
CITY TREASURER



Innovative Software Services, Inc.

P.O. Box 70 Eaton Rapids, MI 48827 Phone (517) 663-5710 Fax (517) 663-6141

July 1, 2021

Mr. Sheldon Neeley
1101 S Saginaw St.
Flint, Michigan 48501

Dear Mr. Neeley:

I have prepared the estimate for continued income tax processing for the next three years. The estimate is based upon 2020 calendar year tax data.

Innovative Software Services, Inc. in working with City of Flint staff has resulted in an increase in collections over the years and we look forward to increasing collections even more. All cities are unique, but in one case we achieved revenue growth from 8 million in 2008 to over 17 million 2020 and we are still growing that revenue stream even larger today.

Innovative Software Services utilizes advanced Windows® technology in the development of software designed for state and local governments and private industry. Among our products is CityTax™, the most flexible and modern income tax processing software on the market today.

Enclosed you will find several CityTax Processing™ documents for your review:

1. Description of Service Options
2. Processing Proposal
3. Revised CityTax Service Agreement.
4. References

Please let me know your thoughts. If you have questions or concerns, please contact me at 517-663-5710.

Sincerely,

Rick Carpenter, President

Enclosures (2)



Innovative Software Services, Inc.

P.O. Box 70 Eaton Rapids, MI 48827 Phone (517) 663-5710 Fax (517) 663-6141

CityTax Processing City of Flint Description of Services

• • • • •
“The Local Income Tax Solution”

July 1, 2021

Introduction

The following is an outline that describes each function contained within the proposal that Innovative Software Services, Inc. will provide to the City of Flint.

Preface

If the City of Flint decides to retain staff of their own and to have the mail delivered directly to the City of Flint, then an average of two days each week a certified courier will pick up and deliver all documents received by the City of Flint. If it is agreed upon that all mailings will be delivered directly to a PO Box supplied by Innovative Software Services, Inc. the courier service will not take place and federal express will be used for minor mailing quantities, such as tax related documents dropped off directly to the City of Flint by taxpayers.

With exception of payments, all processing will be completed within two weeks of the date of delivery. Payments will be processed and deposited into the City of Flint's bank account within two days of receipt; except in very rare cases such as bank holidays, tax filing deadline day, withholding deadline day, etc.

Innovative Software Services, Inc. will not represent the City of Flint for disputes of tax payers who have appealed to board of review, tax tribunal, or state tax commission or any other municipal matters. Innovative Software Services, Inc. will supply all required documentation and aid in advising city personnel in these matters.

Innovative Software Services, Inc. will not respond to press inquiries concerning the income tax operation. Innovative Software Service, Inc. will supply all required documentation requested by the City of Flint.

The audit criteria used in all facets of income tax processing must be defined and provided by the City of Flint.

The City of Flint will be responsible for designing and distributing all tax forms. Innovative Software Services, Inc. will provided any data required for the printing process such as names, addresses, etc.

Entering Tax Returns

This process covers entry of all basic tax return form information and a general review of the returns. This process does include the opening of mail, sorting and batching of returns.

Auditing of Resident/Non Resident Tax Returns

This process covers all audit procedures for Resident and Non Resident Tax Returns as defined by the City of Flint.

Auditing of Corporate Tax Returns

This process covers all audit procedures for all Corporate, Partnership, and Business Tax Returns as defined by the City of Flint.

Refunds (All Types)

This process covers all refund processing for the City of Flint. This does include the actual printing of checks.

1099 Processing

This process covers all printing and electronic submission of 1099s.

Letters and Invoice Processing

This process covers all printing and mailing of the City of Flint defined letter and invoice procedures. This also includes the State tape process and any additional interface methods defined by the City of Flint.

Payment Processing

This procedure covers entry of all payments into the CityTax system. In addition, this covers the daily deposits.

W2 Posting

This process covers all posting of all W2 information as specified by the City of Flint received via Employers or Employees.

W3 Reconciliation

This process covers the reconciliation of Employer W3 submissions.

Annual Employee Staffing

If the City of Flint decides to outsource all functions of the Local Income Tax Processing and elects not to retain at least one (1) staff member qualified as a Tax Administrator, then an Annual staffing charge will be imposed.

Annual Administration Cost

The annual administration cost covers all hardware and software upgrades, telephone and administration. This fee is imposed if the City of Flint decides to outsource all facets of the Local Income Tax Processing operation including the scenario whereas the City of Flint retains an income tax administrator of their own.

Mailing Costs

All mailing costs shall be covered by the City of Flint and will be charged back to the City of Flint on an as incurred basis. An estimated mailing cost based upon all processes is outlined in this proposal.

Data Backups

Database snapshots are performed throughout the day and also a full backup is performed every business night. Backups are stored in a secure environment.

Duties/Issues that must be conducted by the City of Flint include

- Make the final determination concerning non-routine audit adjustments.
- Pursue the final stages of collections of amounts due.
- Waiver of penalty and interest.
- Conduct Board of Review Cases.
- Design and update tax forms.
- Determine all income tax policies.
- Answer all inquiries concerning income tax revenue.
- Approve payment plans not determined to be standard as defined by the City of Flint
- Make determination concerning accounts receivable write offs.

If the City of Flint elects to retain one (1) income tax employee with local tax administration qualifications the following duties will be conducted by that employee:

- Make the final determination concerning non-routine audit adjustments.
- Pursue the final stages of collections of amount due (including NSF replacement).
- Deal with taxpayer phone calls and visits.
- Reconcile payment information received daily from Innovative Software Services, Inc with Accounting/Treasury.
- Conduct annual compliance testing.
- Register new employers.
- Waive penalty and interest.
- Conduct Board of Review Cases.
- Design and update tax forms.

Annual Software Support

The Annual Software Support will be reduced by the amount shown in the proposal.

CityTax Processing

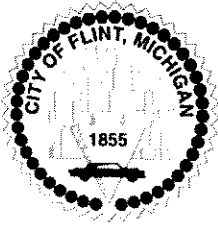
“The Local Income Tax Solution”

City of Flint

Proposal

Process	Quantity	Price	Discount	Extended Price
Entering Returns (All Types)	25,702	\$1.65	\$0.00	\$42,408.30
Auditing Resident / Non Resident Returns	42,960	\$1.30	\$0.00	\$55,848.00
Auditing Corporate Returns	1,468	\$3.35	\$0.00	\$4,917.80
Refunds (All Types)	9,000	\$0.60	\$0.00	\$5,400.00
1099 Processing	9,549	\$0.60	\$0.00	\$5,729.40
Letters and Bills Processing	50,000	\$0.60	\$0.00	\$30,000.00
Payment Processing	42,914	\$0.45	\$0.00	\$19,311.30
W2 Posting	99,829	\$0.45	\$0.00	\$44,923.05
Bad Address Changes	7,500	\$0.75	\$0.00	\$5,625.00
W3 Reconciliation	4,000	\$12.35	\$0.00	\$49,400.00
Imaging - 1040 and Corporate Forms per page	290,391	\$0.20	\$0.00	\$58,078.20
State Tape Processing	1	\$17,500.00	\$0.00	\$17,500.00
CityTax Annual Maintenance Costs	1	\$28,858.00	\$17,314.80	\$11,543.20
Annual Admin (Tel, Fax, Systems, Courier)	1	\$64,500.00	\$0.00	\$64,500.00
E-Filing	17,258	\$3.50	\$0.00	\$60,403.00
Estimated Processing Total				\$475,587.25
Annual Employee Staffing Cost	1	\$92,700.00	\$0.00	\$92,700.00
Printed Forms-1040 & 1099 & Refund Checks	1	\$9,500.00	\$0.00	\$9,500.00
Envelopes/Paper/Checks	1	\$3,500.00	\$0.00	\$3,500.00
Mailing Cost as Incurred	1	\$30,000.00	\$0.00	\$30,000.00
Total Estimate				\$611,287.25

*****Proposal valid for 60 days*****



RESOLUTION NO.: 210577

PRESENTED: DEC - 8 2021

ADOPTED: _____

BY THE CITY ADMINISTRATOR:

CHANGE ORDER RESOLUTION TO MODERN INDUSTRIES INC. FOR READY MIX CONCRETE

WHEREAS, City Council adopted Resolution #210358 on August 10, 2021 for the purchase of ready mix concrete and concrete supplies for FY2022, for an amount not to exceed \$182,300.00.

WHEREAS, The City of Flint Department of Transportation has performed an aggressive sidewalk replacement program this far in FY22. When the FY22 budget was originally prepared, sidewalk replacement decisions were not yet made or budgeted for.

WHEREAS, The City of Flint Department of Transportation is requesting additional monies in an amount not-to-exceed \$150,00.00 For FY22, for Modern Industries, Inc., G 3275 W Pasadena Ave. Flint, MI, 48504, to allow for the continuation of the sidewalk replacement program in the upcoming Spring. The additional requested funds will come from the following account:

Account Number	Account Name	Amount
203-449.200-752.000	Concrete	\$150,000.00

IT IS RESOLVED, that the appropriate City Officials are authorized to issue a Change Order to Modern Industries Inc. in an amount not-to-exceed \$150,000.00 for FY22 for the total aggregate Purchase Order amount not-to-exceed \$332,300.00 for Fiscal Year 2022 (07/01/21 - 06/30/22).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 30, 2021 16:30 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 30, 2021 16:17 EST)

Robert J.F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Dec 1, 2021 09:30 EST)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Eric Mays, City Council President

APPROVED AS TO PURCHASING:

Lauren Rowley

Lauren Rowley, Purchasing Manager



CITY OF FLINT

STAFF REVIEW FORM

TODAY'S DATE: November 29, 2021

BID/PROPOSAL#

AGENDA ITEM TITLE: Concrete

PREPARED BY Kathryn Neumann for John Daly, Director of Transportation

VENDOR NAME: Modern Concrete

BACKGROUND/SUMMARY OF PROPOSED ACTION:

The City of Flint performed an aggressive sidewalk replacement program – replacing sidewalks impacted by city owned trees in the right-of-way. When the budget was prepared almost a year ago, the decision for the City to replace sidewalks had not been made. Part of Act 51 monies (the state money that funds Street Maintenance) requires the City of Flint use a percentage of the money on non-motorized activities. One non-motorized activity is the replacement of sidewalks. This year, Street Maintenance had a crew that was dedicated to the replacement of sidewalk squares. Since July 1, 2021, approximately 700 squares were replaced. This additional money will allow the sidewalk program to continue in the spring of 2022.

FINANCIAL IMPLICATIONS: There is money in the accounts listed below

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
Streets	Concrete	203-449.200-752.000		\$ 150,000.00
FY22 GRAND TOTAL				\$ 150,000.00

PRE-ENCUMBERED? YES ☒ NO ☐ **REQUISITION NO:** 210005242

ACCOUNTING APPROVAL: _____ **Date:** _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☐ NO ☒

(If yes, please indicate how many years for the contract) _____ YEARS

OTHER IMPLICATIONS (i.e., collective bargaining): None

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ **APPROVED** ☐ **NOT APPROVED**

DEPARTMENT HEAD SIGNATURE: _____

John H. Daly III
John H. Daly III (Nov 29, 2021 12:55 EST)

(John Daly, Director of Transportation)



RESOLUTION NO.: 210358

PRESENTED: AUG - 4 2021

ADOPTED: AUG 10 2021

BY THE CITY ADMINISTRATOR:

RESOLUTION TO MODERN CONCRETE FOR READY MIX CONCRETE

WHEREAS, the Transportation Department awarded the bid for ready mix concrete to Modern Industries for FY2020 and FY2021. Modern Industries requested a price increase of five percent for FY2022. The Transportation Department discussed this proposed increase with Finance and Legal, and researched price changes in the industry. The Transportation Department recommends to extend the contract with Modern Industries, 3275 W Pasadena Ave, Flint, MI, for ready mix concrete for FY2022 for an amount not to exceed \$182,300.00, including a five percent increase to the 2020 pricing.

Account Number	Account Name	Amount
<u>Sidewalks, Street Cuts, Driveways</u>		
202-449.200-752.000	Supplies	\$ 2,700.00
203-449.200-752.000	Supplies	15,000.00
202-449.201-752.000	Supplies	32,000.00
203-449.201-752.000	Supplies	50,000.00
202-449.203-752.000	Supplies	6,000.00
203-449.203-752.000	Supplies	10,800.00
202-449.211-752.000	Supplies	12,800.00
203-449.211-752.000	Supplies	25,000.00
<u>Water Service Center</u>		
590-540.208-752.000	Supplies	28,000.00
	FY2022 GRAND TOTAL	\$ 182,300.00

IT IS RESOLVED, that the appropriate City Officials are authorized to do all things necessary to extend the contract with Modern Industries to provide ready mix concrete for FY2022 for the amount not to exceed \$182,300.00.

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Jul 29, 2021 17:21 EDT)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Shelbi Frayer
shelbi.frayer@flintmi.gov (Jul 29, 2021 16:34 EDT)

Shelbi Frayer, Chief Financial Officer

FOR THE CITY OF FLINT:

Clyde D Edwards
CLYDE D EDWARDS (Jul 29, 2021 17:46 EDT)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Kate Fields

Kate Fields, City Council President



CITY OF FLINT

RESOLUTION NO.: 210578

PRESENTED: DEC - 8 2021

ADOPTED: _____

Resolution Authorizing Change Order #2 to Contract 20-044 with Rowe, Inc. for Comprehensive Zoning Services to Extend the Contract until June 30, 2022 and add an additional \$60,000

BY THE CITY ADMINISTRATOR:

The City of Flint, through its Department of Planning and Development, Planning & Zoning Division, released an RFP in March 2020 inviting proposals from qualified firms to provide planning/zoning services to the City, including oversight and administration of the medical and recreational marijuana business licensing process. Applicants were required to demonstrate knowledge and experience with respect to all aspects of planning/zoning services required by a municipal entity.

The City selected ROWE Inc as the most responsive applicant and entered into an initial contract with ROWE in the amount of \$60,000 for comprehensive zoning services. That contract was extended through December 31, 2021 for an additional \$60,000.

The City desires to extend this contract for an additional 6 months and add \$60,000 to continue the services.

IT IS RESOLVED, that City Officials are authorized to do all things necessary to enter into Change Order #2 to Contract 20-044 with Rowe Inc until June 30, 2022 and add \$60,000 to continue their provision of comprehensive zoning services with funds in the amount of \$12,275 to be made available from account #101-271.220-801.000; funds in the amount of \$25,000 to be made available from account #101-371.209-801.000 and funds in the amount of \$22,725 to be made available from account #296-728.400-801.000, for a total new contract amount of \$180,000.



CITY OF FLINT

APPROVED AS TO FORM:

Angela Wheeler

Angela Wheeler (Nov 30, 2021 16:38 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE

Robert J.F. Widigan

Robert J.F. Widigan (Nov 30, 2021 16:49 EST)

Robert Widigan, Chief Financial Officer

ADMINISTRATION:

CLYDE D EDWARDS

CLYDE D EDWARDS (Dec 1, 2021 09:28 EST)

Clyde Edwards, City Administrator

CITY COUNCIL:

Eric Mays, Council President



CITY OF FLINT

REQUISITION STAFF REVIEW FORM

TODAY'S DATE: 11/26/21

BID/PROPOSAL# 20000569

AGENDA ITEM TITLE: Requisition to enter into a Change Order #2 to Contract 20-044 with ROWE, Inc for comprehensive zoning services in the amount of \$60,000 for approximately 6 months.

PREPARED BY Suzanne Wilcox, Director, Department of Planning and Development

VENDOR NAME: Rowe, Inc.

BACKGROUND/SUMMARY OF PROPOSED ACTION:

The City of Flint, through its Department of Planning and Development, Planning & Zoning Division, released an RFP in March 2020 inviting proposals from qualified firms to provide planning/zoning services to the City, including oversight and administration of the medical and recreational marijuana business licensing process. Applicants were required to demonstrate knowledge and experience with respect to all aspects of planning/zoning services required by a municipal entity.

The City received 2 responses, one from ROWE, Inc, and one from Fusco, Shaffer, and Pappas. Staff reviewed and evaluated both proposals. Rowe's proposal was the lowest bid and also scored highest per the evaluation criteria and the City entered into a contract with ROWE in the amount of \$60,000 for comprehensive zoning services. That contract expired April 30, 2021 and the City entered into Change Order #1 to extend the contract and add an additional \$60,000. That change order expires December 31, 2021, and funds are nearly exhausted. Due to the volume of work in planning/zone, services continue to be needed. This resolution extends the contract until June 30, 2022 and adds an additional \$60,000.

FINANCIAL IMPLICATIONS: Funding is available in the City's FY21 budget for these services.

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
P & D Medical Marijuana Compliance	Professional Services	101-371.220-801.000	N/A	\$12,275.00
Planning & Zoning General Fund	Professional Services	101-371.209-801.000	N/A	\$25,000.00
Kellogg Econ. & Comm. Dev. Grant	Professional Services	296-728.400-801.000	LKE::18-E&CD	\$22,725.00
FY21/22 GRAND TOTAL				\$60,000.00



CITY OF FLINT

PRE-ENCUMBERED? YES ☒ NO ☐ REQUISITION NO: 220005247

ACCOUNTING APPROVAL: Mary Jarvis Date: 11/30/2021 Martita Moffett-Page
Martita Moffett-Page (Title: SC, 2021 10/29 EST)

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☒ NO ☐
(If yes, please indicate how many years for the contract) YEARS

WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal) n/a

BUDGET YEAR 1

BUDGET YEAR 2

BUDGET YEAR 3

OTHER IMPLICATIONS (i.e., collective bargaining): This is a short-term contract. Services are needed due to the volume of work in Planning/Zoning.

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ APPROVED ☐ NOT APPROVED

DEPARTMENT HEAD SIGNATURE: Suzanne Wilcox
(PLEASE TYPE NAME, TITLE)

RESOLUTION NO.: 210579PRESENTED: DEC - 8 2021

ADOPTED: _____

BY THE CITY ADMINISTRATOR:

RESOLUTION AUTHORIZING APPROPRIATE CITY OFFICIALS TO DO ALL THINGS NECESSARY TO
PROCESS A BUDGET AMENDMENT TO TRANSFER FUNDS WITHIN THE DPW - TRANSPORTATION
DIVISION FOR SHORTAGES IN THE LOCAL STREET FUNDS

To maintain a balanced departmental budget, it is necessary that appropriated funding be increased and adjusted within the Department of Public Works, Transportation Division budget in the amount of \$1,000,000.00 to cover Local Street Fund (203) funds into the following account number:

Dept.	Name of Account	Account Number	Grant Code	Amount
203	Asphalt	449.201-782.000	N/A	850,000.00
203	Supplies – Sidewalks	449.200-782.000	N/A	150,000.00
FY21/22 GRAND TOTAL				\$1,000,000.00

Per Public Act 51, Major and Local Street Funds are restricted funds. Use of Major and Local Street Funds are limited to transportation purposes. The failure to use these funds will result in the reduction of future funds that the City may have been entitled to for the period of one year. The FY2020 audited fund balance for these funds is \$21,004,481.

In accordance with Budget Ordinance #3856 adopted 1-25-15, budget amendments in excess of \$25,000 shall be submitted to City Council for its approval;

IT IS RESOLVED, that the appropriate city officials are hereby authorized to do all things necessary to amend the 2021-2022 budget of the City of Flint to reflect the changes requested above to the City's DPW – Transportation Local Street Fund (203) for a total change of \$1,000,000.00.

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 23, 2021 20:00 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 23, 2021 16:10 EST)

Robert J. F. Widigan, Chief Financial Officer

APPROVED FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Nov 29, 2021 10:01 EST)

Clyde Edwards, City Administrator

CITY COUNCIL:

Eric Mays, Council President

FY22 - KRN

RESOLUTION STAFF REVIEW FORM

TODAY'S DATE: November 17, 2021

BID/PROPOSAL# N/A

AGENDA ITEM TITLE: Budget amendment

PREPARED BY Kathryn Neumann for Michael J. Brown, Director of Public Works

BACKGROUND/SUMMARY OF PROPOSED ACTION:

The Department of Public Works is requesting a Budget Amendment to request additional funding for DPW – Street Maintenance Division asphalt and concrete accounts. This is to cover all necessary requisitions in the P.O. System and to complete local asphalt paving and local sidewalks per ACT51 State Requirements. The City has performed an aggressive paving schedule this year, paving approximately 21 miles of local roads. Per ACT51, a percentage of the money the City receives from the State of Michigan must be used for non-motorized activities. This year, the City had a crew dedicated to the replacement of sidewalk squares that have been impacted by City trees and therefore, more concrete was used. Since the City hadn't had a dedicated sidewalk crew in many years, an exact amount of concrete needed was unknown. The City replaced approximately 700 sidewalk squares this calendar year.

FINANCIAL IMPLICATIONS:

BUDGETED EXPENDITURE? YES ☐ NO ☒ **IF NO, PLEASE EXPLAIN:**

Dept.	Name of Account	Account Number	Grant Code	Amount
203	Local Street Fund	449.201-782.000		\$ 850,000.00
203	Local Street Fund	449.200-782.000		\$ 150,000.00
FY22 GRAND TOTAL				\$1,000,000.00

PRE-ENCUMBERED? YES ☐ NO ☐ **REQUISITION NO:**

ACCOUNTING APPROVAL: _____ **Date:** _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☐ NO ☐

(If yes, please indicate how many years for the contract)

OTHER IMPLICATIONS (i.e., collective bargaining): None

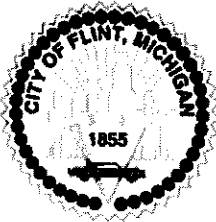
STAFF RECOMMENDATION: (PLEASE SELECT): ☒ **APPROVED** ☐ **NOT APPROVED**

DEPARTMENT HEAD SIGNATURE:

Michael JV Brown

Michael JV Brown (Nov 17, 2021 09:12 EST)

Michael J. Brown, Director of Public Works



PROPOSAL# 21-572

RESOLUTION NO.: 210580

PRESENTED: DEC - 8 2021

ADOPTED: _____

BY THE CITY ADMINISTRATOR:

**RESOLUTION TO SORENSON GROSS FOR CHANGE ORDER #1 FOR DORT PUMP STATION
REHABILITATION**

On March 3, 2021, Flint City Council approved Resolution #210103 to enter into an agreement with Sorenson Gross to complete rehabilitation work on the Dort Pump Station at the Water Treatment Plant in an amount not-to-exceed \$3,649,397.00.

Whereas, completion of the work at the Dort Pump Station is requiring additional services to the rehabilitation project including secondary water interconnect, isolate pumps, sandblasting and repainting, electrical materials, reinforcing steel material and masonry repairs at an additional cost of \$420,547.47.

Whereas, the Water Treatment Plant is requesting an authorization to enter into Change Order #1 with Sorenson Gross, 3407 Torrey Rd., Flint, MI., 48507 to come from the following WINN account:

Account Number	Account Name	Grant Code	Amount
496-552.000-801.076	Dort -Cedar Pump Station	FEPA18WIIN-1	\$420,547.47
		FY22 GRAND TOTAL	\$420,547.47

IT IS RESOLVED, that the Appropriate City Officials are to do all things necessary to enter into Change Order #1 with Sorenson Gross for the Dort Pump Station Rehabilitation project, in a Change Order amount for additional services not-to-exceed \$420,547.47, with a total contract amount not-to-exceed \$4,069,944.47 for FY22 (07/01/21-06/30/22).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 29, 2021 11:28 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 29, 2021 10:40 EST)

Robert J.F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Nov 29, 2021 16:24 EST)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Eric Mays, City Council President

APPROVED AS TO PURCHASING:

Lauren Rowley

**Lauren Rowley
Purchasing Manager**



CITY OF FLINT

RESOLUTION STAFF REVIEW FORM

TODAY'S DATE: November 11, 2021

BID/PROPOSAL#

AGENDA ITEM TITLE: Resolution Authorizing Appropriate City Officials to Enter Into a Change Order#1 Contract with Sorensen Gross for the Dort Pump Station Rehabilitation

PREPARED BY: Yolanda Gray, Department of Public Works Accounting Supervisor

VENDOR NAME: Sorensen Gross

BACKGROUND/SUMMARY OF PROPOSED ACTION:

On March 3, 2021, Flint City Council approved Resolution #210103 to enter into an agreement with Sorensen Gross to complete rehabilitation work on the Dort Pump Station at the Water Treatment Plant in an amount not to exceed \$3,649,397.00. In order to complete the rehabilitation additional services are required: secondary water interconnect, isolate pumps, sandblasting and repainting, electrical material, reinforcing steel material, and masonry repairs. These additional services are not to exceed \$420,547.47 with a total contract price not to exceed \$4,069,944.47. Funding is available in WIIN account 496-552.000-801.076 FEPA18 WIIN-1

FINANCIAL IMPLICATIONS:

BUDGETED EXPENDITURE? YES ☐ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
496	Dort-Cedar Pump	496-552.000-801.076	FEPA18WIIN-1	\$420,547.47
	Station	FY22 GRAND TOTAL		\$420,547.47

PRE-ENCUMBERED? YES ☒ NO ☐ **REQUISITION NO:** 220005196

ACCOUNTING APPROVAL: Yolanda Gray **Date:** 11/11/21

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☒ NO ☐
(If yes, please indicate how many years for the contract) YEARS change order services should be complete by 6/30/22

WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal)

BUDGET YEAR 1



CITY OF FLINT

BUDGET YEAR 2

BUDGET YEAR 3

OTHER IMPLICATIONS (*i.e., collective bargaining*):

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ APPROVED ☐ NOT APPROVED

DEPARTMENT HEAD SIGNATURE: _____

Scott Dungee

11/11/2021

(PLEASE TYPE NAME, TITLE)

CHANGE ORDER NO.: 1

Owner:	City of Flint	Owner's Project No.:	21000572
Engineer:	DLZ	Engineer's Project No.:	1949-018800
Contractor:	Sorensen Gross	Contractor's Project No.:	88101
Project:	Dort Pump Station Rehabilitation		
Contract Name:	Dort Pump Station Rehabilitation		
Date Issued:	11/9/21	Effective Date of Directive:	11/9/21

The Contract is modified as follows upon execution of this Change Order:

Description:

This Change Order includes cost for Field Bulletin #1, Field Bulletin #2, and increases in costs for electrical materials due to the COVID-19 pandemic from Bid time until Contract Award. The following is a breakdown of each cost:

1. Field Bulletin #1 – Additional scope for the Secondary Water Interconnect at the 36" PCCP water main. Changes include:
 - a. The removal of the 36"x36"x24" tapping sleeve
 - b. Addition of a 36"x36"x24" FLxFLxFL tee
 - c. Revise connection including PCCP to DIP adaptor on both sides of the 36" solid sleeve couple to the west of the tee
 - d. And a 36" AWWA butterfly valve added to the east of the tee
 - e. Total increase in cost equals **\$80,836.00**.
2. Field Bulletin #2 – Additional scope to isolate pumps #7 & #8 on the discharge header due to the existing butterfly valve in the yard not existing or being incased in concrete. Changes include:
 - a. The removal of existing concrete, hatch, and stairs at entrance to dry well
 - b. Installation of line-stop with restraint on the 42" discharge header in dry well
 - c. Installation of new 42" butterfly valve upstream of line-stop
 - d. Installation of small ladder inside dry well between levels
 - e. Installation of concrete lid for dry well, installation of ladder with fall arrest system and access hatch, and replacement of stairs at entrance door.
 - f. Total increase in cost equals **\$223,151.00**.
3. Field Bulletin #3 – Additional scope for sandblasting and repainting the 42" discharge header for pumps #1 & #2 in the dry well north of the main building. Changes include:
 - a. Sandblast and cleanup of discharge header
 - b. Painting of discharge header at all sandblasted areas
 - c. Replacement of corroded nipples and fittings connected to the discharge header
 - d. Replacement of corroded bolts and nuts on the butterfly valve for the interconnect.
 - e. Total increase in cost equals **\$50,722.00**.
4. Electrical material cost increases (see attached breakdown in backup.zip). Material costs for all industries vary from week to week or month to month. There were significant cost increases for electrical materials from the time of bid to when the project commenced.
 - a. Total increase in cost equals **\$46,722.47**.
5. Reinforcing steel material cost increases.
 - a. Total increase in cost equals **\$9,169.00**.
6. Masonry repairs additional scope. The masons (DC Byers) requested a review of the scope of work on the project as they found additional brick mortar joint repair, limestone panel joint repair, and patching of limestone at the top of the walls. DLZ concurred with their extra

EJCDC® C-941, Change Order.

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a. Total increase in cost equals \$9,947.00.

Attachments:

Change in Contract Times
[State Contract Times as either a specific date or a
number of days]

Change in Contract Price		Contract Times as either a specific date or a number of days	
Original Contract Price:		Original Contract Times:	
\$ 3,649,397.00		Phase I Substantial Completion:	11/9/2021
		Phase II Substantial Completion:	3/6/2022
		Ready for final payment:	4/6/2022
No previously approved Directives:		Increase/Decrease from previously approved Directives:	
\$ 0		Phase I Substantial Completion:	31 Working Days
		Phase II Substantial Completion:	31 Working Days
		Ready for final payment:	29 Working Days
Contract Price prior to this Directive:		Contract Times prior to this Directive:	
\$ 3,649,397.00		Phase I Substantial Completion:	12/28/2021
		Phase II Substantial Completion:	4/19/2022
		Ready for final payment:	5/17/2022
Increase this Directive:		Increase/Decrease this Directive:	
\$ 420,547.47		Phase I Substantial Completion:	0
		Phase II Substantial Completion:	0
		Ready for final payment:	0
Contract Price incorporating this Directive:		Contract Times with all approved Directive:	
\$ 4,069,944.47.47		Phase I Substantial Completion:	12/28/2021
		Phase II Substantial Completion:	4/19/2022
		Ready for final payment:	5/17/2022

Authorized by Owner

Authorized by Owner

Date: _____

Approved by Funding Agency (if applicable)



CITY OF FLINT

210103

PROPOSAL #21000572

RESOLUTION NO: _____

PRESENTED: MAR - 3 2021

ADOPTED: MAR 15 2021

BY THE CITY ADMINISTRATOR:

**RESOLUTION TO SORENSEN GROSS COMPANY FOR THE
DORT PUMP STATION REHABILITATION**

The Finance Department - Division of Purchases and Supplies solicited proposals for the Dort Pump Station Rehabilitation, a project for the Water System Infrastructure Improvements for the Nation (WIIN); and

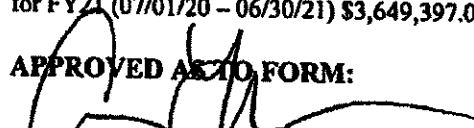
Sorensen Gross Company, 3407 Torrey Road, Flint, Michigan 48507, was the low bidder from twenty (20) solicitations for said requirements based on highest score and lowest price.

Funding for said services are available in the following account for FY21 (07/01/20 - 06/30/21):

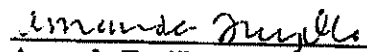
Account Number	Account Name	Amount
496-552.000-801.076 FEPA18WIIN1	Dort Pumping Station	\$ 3,649,397.00
FY21 (07/01/20 - 06/30/21) Total		\$ 3,649,397.00

IT IS RESOLVED that the appropriate City officials are authorized to do all things necessary to issue a contract to Sorensen Gross Company for Dort Pump Station Rehabilitation in the amount not to exceed for FY21 (07/01/20 - 06/30/21) \$3,649,397.00.

APPROVED AS TO FORM:


Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:


Amanda Trujillo, Acting Chief Financial Officer

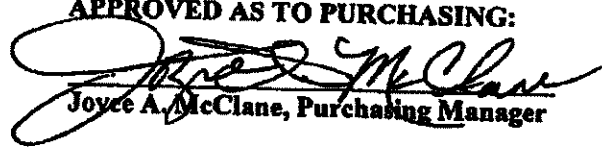
FOR THE CITY OF FLINT:


Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:


Kate Fields, City Council President

APPROVED AS TO PURCHASING:


Joyce A. McClane, Purchasing Manager



PROPOSAL# 22-509

RESOLUTION NO.: 210581
PRESENTED: DEC - 8 2021
ADOPTED: _____

BY THE CITY ADMINISTRATOR:

RESOLUTION TO SPAULDING DEDECKER FOR MILLER RD. CONSTRUCTION ENGINEERING SERVICES

The Finance Department- Division of Purchases & Supplies solicited proposals for qualified engineers for the Construction Engineering services to rehabilitate Miller Road from Hammerburg to Ballenger Highway. This will include the resurfacing of the road along with sidewalk replacements.

Spaulding DeDecker, 905 South Blvd, Rochester, Michigan, 48307 was selected as the lowest responsive bidder from the three (3) solicitations received.

Whereas, The City of Flint Department of Transportation is requesting a contract be awarded to Spaulding DeDecker for construction engineering services in an amount not-to-exceed \$276,591.00 for FY22 (07/01/21-06/30/22). Funding for said services will come from the following account:

Account Number	Account Name	Amount
202-441.702-801.000	Major Street Fund	\$ 276,591.00
	FY22 GRAND TOTAL	\$276,591.00

IT IS RESOLVED, that the appropriate city officials are to do all things necessary to enter into a contract with Spaulding DeDecker for construction engineering services, for Miller Road rehabilitation in the amount not-to-exceed \$276,591.00 for FY22 (07/01/21-06/30/22).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 29, 2021 11:26 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 29, 2021 10:40 EST)

Robert J.F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Nov 29, 2021 16:31 EST)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Eric Mays
Eric Mays, City Council President

APPROVED AS TO PURCHASING:

Lauren Rowley

Lauren Rowley
Purchasing Manager

**RESOLUTION STAFF REVIEW FORM**

TODAY'S DATE November 10, 2021

BID/PROPOSAL# 22-509

AGENDA ITEM TITLE: CE Services Miller Rd.

PREPARED BY Mark Adas, City Engineer, for John Daly, Director of Transportation

VENDOR NAME: Spalding DeDecker

BACKGROUND/SUMMARY OF PROPOSED ACTION:

The purpose of this resolution is to award a contract to Spalding DeDecker for the Construction Engineering (CE) services to rehabilitate Miller Rd. from Hammerberg to Ballenger Hwy. Miller Rd. will be resurfaced, along with sidewalk replacements.

FINANCIAL IMPLICATIONS:

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
202	Major Street Fund	441.702-801.000		\$276,591.00
		FY22 GRAND TOTAL		\$ 276,591.00

PRE-ENCUMBERED? YES ☒ NO ☐ **REQUISITION NO:** 220005186

ACCOUNTING APPROVAL: _____ **Date:** _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☒ NO ☐

(If yes, please indicate how many years for the contract) YEARS

OTHER IMPLICATIONS (i.e., collective bargaining):

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ **APPROVED** ☐ **NOT APPROVED**

DEPARTMENT HEAD SIGNATURE:

John H. Daly III
John H. Daly III (Nov 10, 2021 09:28 EST)

(John H. Daly, III, Transportation Director)



Sheldon Neeley
Mayor


CITY OF FLINT, MICHIGAN Department of Public Works

Clyde Edwards
City Administrator

Michael J Brown
Director

November 10, 2021

TO: Lauren Rowley
Purchasing Manager

FROM: Mark Adas 
City Engineer

SUBJECT: RECOMMENDATION –CE SERVICES FOR MILLER RD. REHABILITATION,
PROPOSAL #22-509

A committee carefully reviewed the bids received for the CE Services for Miller Rd. Rehabilitation. I am recommending the lowest responsive bidder with the highest score – Spalding DeDecker, in the amount not to exceed \$276,591.00. I have attached a copy of the staff review to requisition #220005186.

If you have any questions or concerns, feel free to give me a call at ext. 2801.

/km



SEALED PROPOSALS RECEIVED IN THE DIVISION OF PURCHASES & SUPPLIES
MILLER ROAD CONSTRUCTION ENGINEERING
PROPOSAL# 22000509

Bidder #1: Spaulding DeDecker Rochester Hills, MI.

Grand Total	\$276,591.00
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*Tabulations done by City of Flint Purchasing Department

Bidder #2: Wade Trim, Inc. Flint, MI.

Grand Total	(Fixed Fee Estimates) \$338,000.00
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*Tabulations done by City of Flint Purchasing Department

Bidder #3: DLZ Lansing, MI

Grand Total	\$271,642.60
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*Tabulations done by City of Flint Purchasing Department

A SPECIAL NOTE FROM THE PURCHASING DIVISION

Bid results posted are before evaluation team review and award recommendation.

❖ EXHIBIT A - SUBMITTAL WITH DETAILED SUMMARY OF PRICING**PROPOSAL NO.22000509
MILLER ROAD-CONSTRUCTION ENGINEERING****SECTION I****1.1 INTRODUCTION**

The City of Flint has procured the Miller Road Rehabilitation project through MDOT's Local Agency Program (LAP). The project limits are Miller Road from Ballenger Highway to Hammerberg Road. The project is an MDOT 3R roadway rehabilitation project including curb and gutter replacement, HMA resurfacing, ADA sidewalk ramps and storm catch basin and storm sewer replacement. The project is planned for an August (October) bid opening with fall and spring construction.

1.2 SCOPE OF WORK

Consultant should provide all work necessary to administer a construction contract through MDOT'S LAP program guidelines including the following:

Provide construction surveying and layout

- Curb and gutter stakes every fifty (50) feet or less.
- Curb and gutters high and low points to be staked
- Storm Sewer Structure offset stakes
- Storm Sewer Pipe grade stakes as needed.
- Sidewalk stakes every fifty (50) feet or less.
- All changes in sidewalk grades shall be staked.
- Driveway stakes if needed.
- ADA sidewalk ramp stakes.
- All additional grade staking required for Construction of the project.
- All underground structures or utilities uncovered during construction will be surveyed (X, Y and Z at the point of location).

Construction Administration Services in accordance with MDOT requirements for Federal Aid including, but not Limited to, the following:

- Bi-weekly pay estimates
- Contract modifications
- Shop drawings review
- Material source list review
- Prevailing wage rate interviews and wage rate reviews
- All MDOT reports for this project
- Verify that contractor has all permits needed before starting, including Genesee County SESC Permits.

- Coordinate, lead and provide meeting minutes for the pre-construction meeting as well as bi-weekly progress meetings onsite.
- The engineering firm will inspect, keep records and notify Contractor and City of Flint of any issues with the SESC.

Comprehensive Photographic documentation with the following:

- Pre-construction digital photographic documentation of the construction site and at selected milestones
- Documentation inclusive of electronic indexing, navigation, hosting, storage, and remote access, as applicable, throughout construction;
- Security of information

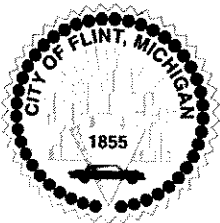
Construction Inspection Services

- Full-time inspection based on a 30-week construction duration
- Inspection based on 60 hours per week on-site
- Mileage shall be included in the hourly rates for the Construction Engineering for this project including inspection
- Inspector will ensure construction plans and specifications are followed unless changes are approved by City Engineer
- Construction materials testing in accordance with MDOT frequency guidelines
All testing results will be reported to the City Engineer within a week of receiving test results including the location of the test

As-built Record Documentation

- GPS accuracy shall be within 4 cm
- All sanitary sewer covers, storm cover, water main valve boxes/vaults covers and private utility covers disturbed within the project limits shall be identified and surveyed or GPS in X & Y coordinates to the center of the cover and noted on as-builts
- Storm sewer inverts, location, and length to be GPS in X, Y, & Z coordinates
- All changes from original plans must be noted on the as-builts
- Contractors names, addresses, and type of work done shall be added within the first three sheets with the starting date and the date of completion
- Listing of all GPS points and identification shall be digitally submitted to the City in a form that is compatible with ArcGIS
- As-built records and drawings shall be sent in hard copy and digital form that is compatible with the City Works program
- As-built records shall be given to City within thirty (30) days of completion of the Project
- Consulting Construction Engineer will verify that As-builts records are accurate
- Electronic copies of all digital photos from the project shall be indexed with time and location and sent to the City within thirty (30) days of completion of the project.

***PLEASE CAREFULLY REVIEW AND INSPECT THE DOCUMENTATION IMMEDIATELY FOLLOWING THIS RFP INCLUDING PROJECT SPECS, MAPS, SCORING GUIDELINE, BID SHEETS AND PLANS PROVIDED.**



RESOLUTION NO.: 210582

PRESENTED: DEC - 8 2021

ADOPTED: _____

PROPOSAL# 21-514

BY THE CITY ADMINISTRATOR:

CHANGE ORDER RESOLUTION TO ACE SAGINAW PAVING COMPANY FOR ASPHALT PAVING MATERIALS

WHEREAS, The City of Flint Department of Purchases & Supplies solicited bids for the City of Flint Department of Transportation and Water Service Center for asphalt paving materials in 2020 and Ace Paving, 115 S. Averill Ave. Flint MI, was the awarded as the responsive bidder for a two-year agreement. This year, City Council adopted resolution #210448 to proceed into year (2) of said contract for FY22 in an amount not-to-exceed \$560,000.00.

WHEREAS, The Department of Public Works, Transportation Division, has performed an aggressive FY22 paving schedule in response to lead line replacement projects and resurfacing of local roads. When the FY22 budget was prepared, the decision for the city to complete paving of local roads was not yet decided on or budgeted for.

WHEREAS, The Transportation Department is requesting additional monies for FY22, in an amount not-to-exceed \$850,000.00, for paving materials in response to the substantial FY22 paving schedule. The additional monies to Ace Saginaw Paving Company for asphalt paving materials for FY22 will come from the following accounts:

Account Number	Account Name	Amount
203-449.201-782.000	Asphalt	850,000.00

IT IS RESOLVED, that the appropriate City Officials are authorized to issue a Change Order to Ace Saginaw Paving Company for asphalt materials, in an amount not-to-exceed \$850,000.00 for FY22 for the total aggregate Purchase Order amount not-to-exceed \$1,410,000.00 for FY22 (07/01/21 - 06/30/22).

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 30, 2021 16:29 EST)

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan (Nov 30, 2021 16:17 EST)

Robert J.F. Widigan, Chief Financial Officer

FOR THE CITY OF FLINT:

CLYDE D EDWARDS
CLYDE D EDWARDS (Nov 30, 2021 16:47 EST)

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Eric Mays, City Council President

APPROVED AS TO PURCHASING:

Lauren Rowley

Lauren Rowley
Purchasing Manager



CITY OF FLINT

STAFF REVIEW FORM

TODAY'S DATE: November 24, 2021

BID/PROPOSAL# 21-514

AGENDA ITEM TITLE: Asphalt

PREPARED BY Kathryn Neumann for John Daly, Director of Transportation

VENDOR NAME: Ace Asphalt

BACKGROUND/SUMMARY OF PROPOSED ACTION:

The City of Flint performed an aggressive paving schedule this year, resurfacing approximately 21 miles of local roads and provided extensive support to the lead line restoration program. When the budget was prepared almost a year ago, the decision for the City to pave local roads had not been made. The City of Flint had not resurfaced local roads in several years. This amount of asphalt will allow the paving to continue in the spring of 2022.

FINANCIAL IMPLICATIONS: There is money in the accounts listed below

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
Streets	Asphalt	203-449.201-782.000		\$ 850,000.00
FY22 GRAND TOTAL				\$ 850,000.00

PRE-ENCUMBERED? YES ☒ NO ☐ **REQUISITION NO:** 210005241

ACCOUNTING APPROVAL: _____ **Date:** _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☐ NO ☒
(If yes, please indicate how many years for the contract) _____ YEARS

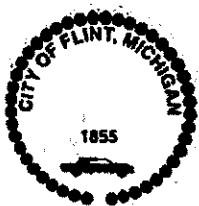
OTHER IMPLICATIONS (i.e., collective bargaining): None

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ **APPROVED** ☐ **NOT APPROVED**

DEPARTMENT HEAD SIGNATURE: _____

John H. Daly III
John H. Daly III (Nov 24, 2021 15:30 EST)

(John Daly, Director of Transportation)



RESOLUTION NO.: 210448
PRESENTED: SEP 22 2021
ADOPTED: SEP 28 2021

PROPOSAL# 21-514

BY THE CITY ADMINISTRATOR:

RESOLUTION TO ACE SAGINAW PAVING COMPANY FOR ASPHALT PAVING MATERIALS

The City of Flint Department of Purchases & Supplies solicited bids for the City of Flint Department of Transportation and Water Service Center for asphalt paving materials in 2020.

Whereas, Ace Paving Saginaw, 115 S. Averill Ave. Flint, MI was the responsive bidder rewarded for the two (2) year proposal. Resolution #200375 was adopted to proceed into this contract on September 14, 2020. Ace Saginaw Paving Co. is also the sole local vendor for asphalt paving supplies.

Whereas, The Department of Public Works and Water Service Center is requesting to enter into year (2) of a two-year bid contract with Ace Saginaw Paving Company for asphalt paving materials for the City of Flint, to be taken out of the following accounts:

Account Number	Account Name	Amount
202-449.201-782.000	Asphalt	\$95,000.00
203-449.201-782.000		\$358,500.00
202-449.203-782.000		\$13,500.00
203-449.203-782.000		\$12,000.00
203-449.211-782.000		\$9,000.00
203-449.211-782.000		\$12,000.00
590-540.208-782.000		\$30,000.00
591-540.202-782.000		\$30,000.00
FY22 GRAND TOTAL		\$560,000.00

IT IS RESOLVED, that the appropriate city officials are to do all things necessary to continue the current contract with Ace Saginaw Paving, Company, Flint MI, for asphalt paving materials for FY22 (07/01/21-06/30/22) in an amount not-to-exceed \$560,000.00.

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler, Secretary

Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J. F. Widigan

Robert Widigan, Interim Chief Financial Officer

FOR THE CITY OF FLINT:

Clyde D. Edwards
CLYDE EDWARDS, City Administrator

Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Kate Fields

Kate Fields, City Council President

APPROVED AS TO PURCHASING:

Lauren Rowley

Lauren Rowley
Purchasing Manager

RESOLUTION NO.:

210583

PRESENTED:

DEC - 8 2021

ADOPTED:

**RESOLUTION AUTHORIZING A CHANGE ORDER TO EXTEND AND INCREASE
CONTRACT 18-087 WITH THE CLARK COMMONS LDHA LLC BY \$275,005.00 FOR
ENVIRONMENTAL REMEDIATION ACTIVITIES AT CLARK COMMONS PHASE I FOR A
REVISED TOTAL CONTRACT OF \$7,415,000.00**

BY THE CITY ADMINISTRATOR :

WHEREAS, Resolution 190147 adopted April 22, 2019 authorized the acceptance of \$499,995 from the Michigan Department of Environmental Quality (now EGLE) for the purpose of environmental remediation within Choice Neighborhoods Phase I housing development under grant code SDEQ-19-BRDP; and

WHEREAS, Resolution 190253 adopted August 8, 2019 authorized entry into contract #18-087 using \$600,000.00 of HOME, \$6,040,000 of Choice, and \$499,995 of EGLE funds; and

WHEREAS, Resolution 200390 adopted September 14, 2020 authorized the acceptance of additional EGLE grant funds for an increase of \$400,000.00 and total award of \$1,400,000.00 under grant code SDEQ-19-BRDP; and

WHEREAS, Contract #18-087 has expired as of June 30, 2021; and

WHEREAS, City of Flint Planning & Development staff wish to extend contract 18-087 thru June 30, 2022 and increase the SDEQ-19-BRDP amount by \$275,005; and

WHEREAS, funding for this change order to the existing contract is available in the below accounts.

Account Number	Grant Code	Account Name	Amount
296-721.200-539.000	SDEQ-19-BRDP	Environmental Remediation (Revenue)	\$275,005.00
296-721.200-801.000	SDEQ-19-BRDP	Environmental Remediation (Expense)	\$275,005.00

IT IS RESOLVED that appropriate City Officials are authorized to do all things necessary to process a change order to increase and extend contract 18-087 with Clark Commons LDHA, LLC by \$275,005.00 in environmental remediation funds and extend through June 30, 2022 for a total Phase I contract of \$7,415,000.00.

(Signatures on Next Page)

APPROVED AS TO FINANCE:

Robert J.F. Widigan, CFO
Robert J.F. Widigan, CFO (Nov 30, 2021 10:58 EST)

Robert Widigan
Chief Financial Officer

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 29, 2021 10:51 EST)

Angela Wheeler
Chief Legal Officer

ADMINISTRATION:

CLYDE D EDWARDS
CLYDE D EDWARDS (Dec 1, 2021 12:39 EST)

Clyde Edwards
City Administrator

CITY COUNCIL:

Eric Mays
City Council President

RESOLUTION REVIEW FORM

FROM: PLANNING & ZONING
Division

DATE
NO.

November 24, 2021

Law Office Login #

RESOLUTION NAME:

RESOLUTION AUTHORIZING CHANGES TO THE CLARK COMMONS LDHA LLC, EXTENDING AND INCREASING CONTRACT #18-087A BY \$275,005.00 FOR ENVIRONMENTAL REMEDIATION ACTIVITIES AT CLARK COMMONS PHASE I.

Date In:

1. RESOLUTION REVIEW - DEPT OF PLANNING AND DEV DIRECTOR

The attached RESOLUTION is approved by the DPD Director. By signing, the DPD Director approved this resolution to be processed for signatures.

By: Suzanne Wilcox *Suzanne Wilcox*
Director

DATE: 11/29/21
(Date)

Date In:

2. RESOLUTION REVIEW - LEGAL

The attached RESOLUTION is submitted to the Legal Department for Approval as to FORM ONLY:

The Legal Department has reviewed the RESOLUTION as to Form on _____, and by signing this form approves as to FORM ONLY. (Date)

By: Angela Wheeler *Angela Wheeler*
Chief Legal Officer

DATE: 11-29-2021

Date In:

3. RESOLUTION REVIEW - FINANCE

The attached RESOLUTION is submitted to the FINANCE Department for approval as to FINANCE COMPLIANCE:

The Finance Department reviewed this RESOLUTION, on _____ and by signing this form approves as to FINANCE COMPLIANCE. (Date)

By: Robert R. Widigan *Robert J.F. Widigan, CFO*
Finance Director

DATE: 11/30/2021

BUDGET AMENDMENT STAFF REVIEW FORM

DATE: November 24, 2021

Agenda Item Title: RESOLUTION AUTHORIZING A CHANGE ORDER TO EXTEND AND INCREASE CONTRACT 18-087 WITH THE CLARK COMMONS LDHA LLC BY \$275,005.00 FOR ENVIRONMENTAL REMEDIATION ACTIVITIES AT CLARK COMMONS PHASE I FOR A REVISED TOTAL CONTRACT OF \$7,415,000.00

Prepared By: CED on behalf of Planning for Suzanne Wilcox, Director

Background/Summary of Proposed Action:

In July 2018, the City received \$30,000,000.00 of grant funding from the U.S. Department of Housing and Urban Development (HUD) to implement the Transformation Plan created through the South Flint Choice Neighborhoods Initiative. The program is being led by the Planning Division and in collaboration with the Flint Housing Commission (FHC), Mott Community College (Mott), and Norstar Development to allow the City to move forward with the relocation of Atherton East Townhomes and implement the projects outlined in the vision of the South Flint Community Plan.

The City received \$1,400,000 of EGLE Brownfield Redevelopment (SDEQ-19-BRDP) grant funds. Clark Commons LDHA is allocated \$499,995 for Phase I environmental remediation but requires an additional \$275,005.00 to complete the remediation. The total Phase I environmental remediation activities will be \$775,000. In addition, contract 18-087 expired June 30, 2021 and needs to be extended through June 30, 2022.

The total contract amount including these changes will be \$7,415,000.00.

Financial Implications: This grant leverages existing funds throughout the community, and delivers no impact to the City's General Fund accounts.

Budgeted Expenditure: Yes ___ No X Please explain, if no:

Pre-encumbered: Yes X No ___ **Requisition:** 220005182

Account No.:

Account Number	Grant Code	Account Name	Amount
296-721.200-539.000	SDEQ-19-BRDP	Environmental Remediation (Revenue)	\$275,000.00
296-721.200-801.000	SDEQ-19-BRDP	Environmental Remediation (Expense)	\$275,000.00

(Signatures on Next Page)

Staff Recommendations: The Accounting Supervisor for Department of Planning and Development recommends approval of this budget amendment and the accounts listed herein.

Carissa Dotson

Carissa Dotson (Nov 24, 2021 09:14 EST)

Carissa Dotson, Accounting Supervisor

Martita Moffett-Page

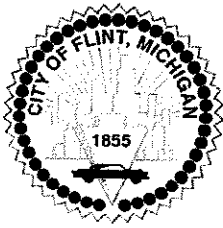
Martita Moffett-Page (Nov 23, 2021 09:51 EST)

Martitta Moffett-Page, Grants Administrator

The Director of Department of Planning and Development recommends approval of this budget amendment.

Suzanne Wilcox

Suzanne Wilcox, Director of Planning and Development



210584

RESOLUTION NO.: _____

PRESENTED: DEC - 8 2021

ADOPTED: _____

RESOLUTION AUTHORIZING AN INCREASE TO PHASE II OF THE CHOICE NEIGHBORHOODS CLARK COMMONS PROJECT PHASE II AMOUNT BY \$725,420.00 IN CHOICE FUNDS AND BY \$475,000.00 IN EGLE FUNDS AND TO ENTER INTO AN AGREEMENT WITH CLARK COMMONS II LDHA FOR THE PHASE II TOTAL AMOUNT OF \$4,976,419.50

BY THE CITY ADMINISTRATOR

WHEREAS, Resolution 180620 adopted 12/18/18 authorized City officials to enter into contract with Norstar in the amount of \$18,325,000.00 under FHUD18CHOICE; and

WHEREAS, Resolution 210060 adopted 2/8/21 authorized City officials to enter into contract with Clark Commons II LDHA, LLC for \$3,374,580.00 of FHUD18CHOICE and \$401,419.50 of FHUD-HOME20; and

WHEREAS, an additional \$725,420.00 of FHUD18CHOICE funds are required for Clark Commons phase 2 housing development; and

WHEREAS, Resolution 200390 adopted 9/14/20 authorized the acceptance of additional EGLE grant funds for an increase of \$400,000.00 and total award of \$1,400,000.00 under grant code SDEQ-19-BRDP; and

WHEREAS, Phase 2 of Clark Commons housing development requires \$475,000.00 of environmental remediation funds; and

WHEREAS, funding for this contract is available in the below accounts;

Account Number	Grant Code	Account Name	Amount
296-691.403-801.000	FHUD18CHOICE	Professional Services	\$4,100,000.00
274-749.447-805.276	FHUD-HOME20	Construction of Housing	\$401,419.50
296-721.200-801.000	SDEQ-19-BRDP	Environmental remediation	\$475,000.00

IT IS RESOLVED that appropriate City Officials are authorized to do all things necessary to increase the Phase II Clark Commons agreement with Clark Commons II LDHA, LLC by \$725,420.00 in FHUD18CHOICE funds and \$475,000.00 in SDEQ-19-BRDP funds for a total Phase II contract amount of \$4,976,419.50

(Signatures on Next Page)

APPROVED AS TO FINANCE:

Robert J.E. Widigan, CFO
Robert J.E. Widigan, CFO (Nov 29, 2021 10:41 EST)

Robert Widigan
Chief Financial Officer

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 29, 2021 10:39 EST)

Angela Wheeler
Chief Legal Officer

ADMINISTRATION:

Elyde Edwards
Elyde Edwards

Elyde Edwards
City Administrator

CITY COUNCIL:

Eric Mays
Eric Mays

Eric Mays
City Council President

BUDGET AMENDMENT STAFF REVIEW FORM

DATE: November 24, 2021

Agenda Item Title: RESOLUTION AUTHORIZING AN INCREASE TO PHASE II OF THE CHOICE NEIGHBORHOODS CLARK COMMONS PROJECT PHASE II AMOUNT BY \$725,420 IN CHOICE FUNDS AND BY \$475,000 IN EGLE FUNDS AND TO ENTER INTO AN AGREEMENT WITH CLARK COMMONS II LDHA FOR THE PHASE II TOTAL AMOUNT OF \$4,976,419.50

Prepared By: CED on behalf of Planning/CHOICE for Suzanne Wilcox, Director

Background/Summary of Proposed Action:

In July 2018, the City received \$30,000,000.00 of grant funding from the U.S. Department of Housing and Urban Development (HUD) to implement the Transformation Plan created through the South Flint Choice Neighborhoods Initiative. The program is led by the Planning Division and in collaboration with the Flint Housing Commission (FHC), Mott Community College (Mott), and Norstar Development to allow the City to move forward with the relocation of Atherton East Townhomes and implement the projects outlined in the vision of the South Flint Community Plan.

This City is entering into a contract and loan agreement with Clark Commons II LDHA, LLC (Norstar affiliate) in order to complete phase 2 of the Choice Neighborhoods housing development plan. Choice neighborhoods funds required for this phase total \$4,100,000.00 (an increase of \$725,420.00 from what was approved in Resolution No. 210060) and \$475,000 of EGLE Brownfield Redevelopment (SDEQ-19-BRDP) grant funds.

The contract and loan agreements for phase two also include HOME Investment Partnership funds in the amount of \$401,419.50 as approved in Resolution No. 210060.

Financial Implications: This grant leverages existing funds throughout the community, and delivers no impact to the City's General Fund accounts.

Budgeted Expenditure: Yes ☒ No ☐ Please explain, if no:

Pre-encumbered: Yes ☒ No ☐ **Regulation:** 220003491

Account No.:

Account Number	Grant Code	Account Name	Amount
296-691.403-801.000	FHUD18CHOICE	Professional Services	\$4,100,000.00
274-749.447-805.276	FHUD-HOOME20	Construction of Housing	\$401,419.50
296-721.200-801.000	SDEQ-19-BRDP	Environmental remediation	\$475,000.00

(Signatures on Next Page)

Staff Recommendations: The Accounting Supervisor for Department of Planning and Development recommends approval of this budget amendment and the accounts listed herein.

Carissa Dotson

Carissa Dotson (Nov 24, 2021 08:07 EST)

Carissa Dotson, Accounting Supervisor

Martita Moffett-Page

Martita Moffett-Page (Nov 29, 2021 09:41 EST)

Martita Moffett-Page, Grants Administrator

The Director of Department of Planning and Development recommends approval of this budget amendment.

Suzanne Wilcox

Suzanne Wilcox, Director of Planning and Development



RESOLUTION NO.: 210585
PRESENTED: DEC - 8 2021
ADOPTED: _____

Resolution of Support for FY2023-2025 Transportation Improvement Program (TIP) Projects to Secure Funding for Improvements to Federal Aid Eligible Roads within the City of Flint's Jurisdiction

BY THE CITY ADMINISTRATOR:

The Genesee County Metropolitan Alliance, along with staff from the Genesee County Metropolitan Planning Commission (GCMPC) issued a call for projects to be submitted for funding consideration under the FY2023-2025 Genesee County Transportation Improvement Program (TIP).

The City of Flint, Transportation Division, submitted three (3) applications that were included in the Draft List of Prioritized Projects.

The Department of Public Works, Transportation Division, is requesting that this resolution be adopted to attest the city's support for the following projects and certifies that it will provide the estimated local match dollars. The requested projects are: the reconstruction of Welch Blvd, from M. L. King to 80 ft. west of Dupont St.; the reconstruction of Welch Blvd 80 ft. west of Dupont St. to Ballenger Hwy and the reconstruction of Welch Blvd. from Ballenger Hwy. to Clio Rd. for a total estimated cost of \$16,617,414.00.

IT IS RESOLVED, That this resolution is adopted to attest the City's support for the Draft List of Prioritized Projects for the FY2023-2025 Transportation Improvement Program (TIP) call for projects to secure funding for improvements to Federal-aid eligible roads within the City of Flint's jurisdiction. The City of Flint's estimated local match is in the amount of \$8,363,524.00

IT IS FURTHER RESOLVED, That this resolution attests the City's commitment to providing local funding for its share of projects selected for inclusion in the FY2023-2026 Transportation Improvement Program.

APPROVED AS TO FINANCE:

Robert J. F. Widigan
Robert J.F. Widigan (Nov 30, 2021 12:03 EST)

Robert J. F. Widigan, Chief Financial Officer
Chief Financial Officer

APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler (Nov 30, 2021 13:23 EST)

Angela Wheeler
Chief Legal Officer

CLYDE D EDWARDS

CLYDE D EDWARDS (Dec 1, 2021 13:36 EST)

Clyde Edwards, City Administrator

CITY COUNCIL:

Eric Mays, Council President

FY21 – KRN

RESOLUTION STAFF REVIEW

DATE: November 29, 2021

Agenda Item Title: Resolution of Support for FY2023-2026 Transportation Improvement program (TIP) Projects to Secure Funding for Improvements to Federal Aid Eligible Roads within the City of Flint's Jurisdiction

Prepared By: Kathryn Neumann/Mark Adas, City Engineer for John Daly

Background/Summary of Proposed Action:

Pursuant to Federal law, monies have been provided for the performance of certain improvements on public roads. Proposed road projects that will be paid with the use of Federal funds must be programmed with the Federal Highway Administration (FHWA) for implementation with the use of Federal funds under Federal programs.

Federal law requires that a Metropolitan Planning Organizations (MPO) be designed for each metropolitan urbanized area. The MPO is responsible for overseeing transportation projects and the processes that make them happen. The Genesee County Metropolitan Planning Commission (GCMPC) is the Metropolitan Planning Organization (MPO) for the region that includes the City of Flint. The Genesee County Metropolitan Alliance, along with staff from the Genesee County Metropolitan Planning Commission (GCMPC) issued a call for projects to be submitted for Federal funding consideration under the FY2023-2026 Genesee County Transportation Improvement Program (TIP). The City of Flint, Department of Transportation, has submitted three applications in response to the call for projects. All three project included the reconstruction of Welch Blvd, from M. L. King to 80 ft. west of Dupont St.; the reconstruction of Welch Blvd from 80 ft. west of Dupont St. to Ballenger Hwy and the reconstruction of Welch Blvd. from Ballenger Hwy. to Clio Rd. These projects were researched and picked by the City Engineer, Mark Adas.

The Department of Public Works, Transportation Division, is requesting that this resolution be adopted to attest the City's support for the Draft List of Prioritized Projects for the FY2023-2026 Transportation Improvement Program (TIP) call for projects to secure funding for improvements to Federal-aid eligible roads within the City of Flint's jurisdiction.

Financial Implications: Millions of dollars in Federal funds have been secured for various road projects and these three projects were requested to be included on behalf of the City of Flint to be included in the TIP for FY2023-2026.

Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:

Account No.: 202-441.702-801.000

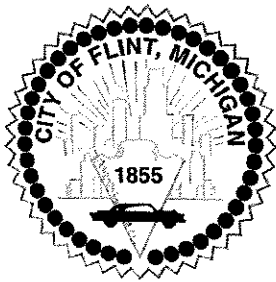
Pre-encumbered? Yes ☐ No ☒ Requisition #

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person: John H. Daly III
John H. Daly III (Nov 30, 2021 09:36 EST)

John Daly, Director of Transportation



RESOLUTION NO.: 210586

PRESENTED: DEC - 8 2021

ADOPTED: _____

**RESOLUTION TO APPROVE PARTIAL SETTLEMENT OF IN RE: NATIONAL
PRESCRIPTION OPIATE LITIGATION MCL NO. 2804 (CITY OF FLINT V.
ACTATIVS PHARMA, INC, F/K/A WATSON PHARMA, INC, ET AL.**

BY THE CITY ADMINISTRATOR:

Executive Session was requested in this matter on December 8, 2021; and

WHEREAS numerous lawsuits have been filed nationally, arising out of the improper and illegal distribution and marketing of opioids by pharmaceutical manufacturers and distributors of Opioids. This has resulted in residents being victimized as a result of opioid related drug overdoses, crime, and even death; and

WHEREAS the City, on or about February 18, 2019, filed a lawsuit against those manufacturers and distributions who are most culpable to deal with the crisis by recoup taxpayer dollars spent to responding to the crisis, including but not limited to law enforcement and fire; and

WHEREAS this \$26 billion settlement was reached with defendant distributors, Cardinal, McKesson and AmerisourceBergen and with manufacturer Janssen, a subsidiary of Johnson and Johnson. The City would receive approximately \$8.8 million based on the City's population, number of opioid related deaths, and volume of prescription opioid use.

WHEARAS the terms of this settlement require the approval from numerous political subdivisions and the State of Michigan, of which the State has already approved its settlement, and would be only a partial settlement against the aforementioned manufacturer and distributors; and

WHEREAS, the Law Department recommends approving the partial settlement of these matters; and

WHEREAS City Administrator Clyde Edwards recommends entering into a partial settlement;

THEREFORE, BE IT RESOLVED that the Flint City Council approves and consents to the City partially settling the National Prescription Opiate Litigation and authorizes the City Administrator to do all things necessary to partially settle the National Prescription Opiate Litigation matters on terms and conditions acceptable to the City.



APPROVED AS TO FORM:

Angela Wheeler
Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:

Robert J.F. Widigan
Robert J.F. Widigan Chief Financial
Officer

FOR THE CITY OF FLINT:

Clyde Edwards
Clyde Edwards, City Administrator

APPROVED BY CITY COUNCIL:

Eric B. Mays, City Council President



CITY OF FLINT

RESOLUTION STAFF REVIEW FORM

TODAY'S DATE: 11/30/2021

BID/PROPOSAL# NA

AGENDA ITEM TITLE: RESOLUTION TO APPROVE PARTIAL SETTLEMENT OF IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION MCL NO. 2804 (CITY OF FLINT V. ACTAVIS PHARMA, INC, F/K/A WATSON PHARMA, INC, ET AL.

PREPARED BY Victoria Cooper, *Legal Department*

VENDOR NAME: N/A

BACKGROUND/SUMMARY OF PROPOSED ACTION:

Numerous lawsuits have been filed nationally, arising out of the improper and illegal distribution and marketing of opioids by pharmaceutical manufacturers and distributors of Opioids. This has resulted in residents being victimized as a result of opioid related drug overdoses, crime, and even death; and As a result, the City, on or about February 19, 2019, filed a lawsuit against those manufacturers and distributors who are most culpable to deal with the crisis by recoup taxpayer dollars spent to responding to the crisis, including but not limited to law enforcement and fire; and this \$26 billion settlement was reached with defendant distributors, Cardinal, McKesson and Amerisource and with manufacturer Jansen, a subsidiary of Johnson and Johnson. The City would receive approximately \$8.8 million based on the City's population, number of opioid related deaths, and volume of prescription opioid use. The terms of this settlement require the approval from numerous political subdivisions and the State of Michigan, of which the State has already approved its settlement, and would be only a partial settlement against the aforementioned manufacturer and distributors; and The Law Department recommends approving the partial settlement of these matters.

FINANCIAL IMPLICATIONS: City to received approximately \$8.8 million

BUDGETED EXPENDITURE? YES ☒ NO ☐ IF NO, PLEASE EXPLAIN: The City would receive the funds as Plaintiff and settling party in the litigation.

Dept.	Name of Account	Account Number	Grant Code	Amount
Law	Litigation and Suits	677-266.200-956.300		



CITY OF FLINT

		FY20/21 GRAND TOTAL		

PRE-ENCUMBERED? YES ☐ NO ☒ REQUISITION NO:

ACCOUNTING APPROVAL: _____ Date: _____

WILL YOUR DEPARTMENT NEED A CONTRACT? YES ☐ NO ☒

(If yes, please indicate how many years for the contract) _____ YEARS

WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal)

BUDGET YEAR 1 NA

BUDGET YEAR 2 NA

BUDGET YEAR 3 NA

OTHER IMPLICATIONS (i.e., collective bargaining): NA

STAFF RECOMMENDATION: (PLEASE SELECT): ☒ APPROVED ☐ NOT APPROVED

DEPARTMENT HEAD SIGNATURE: _____

Angela Wheeler

(PLEASE TYPE NAME, TITLE)