

## ENDORSEMENT NO. 2

### WARRANTIES CLAUSE FOR WOOD FRAME CONSTRUCTION PROJECTS

ATTACHED TO AND FORMING PART OF THIS POLICY.

It is understood and agreed that, otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall indemnify the Insured for loss or damage directly or indirectly caused by fire, theft, vandalism or explosion, provided that:

1. **Video Surveillance/Watchman Warranty**

The Insured shall maintain a contract for the services of either:

- (i) a centrally monitored video surveillance system at the project location during the period from the commencement of framing of wood-framed structures until the insured project ceases to be the subject of this insurance. The provider is Sonitrol, and this service provider shall not be changed, nor the service provider's contract reduced in scope, without the prior written permission of HDI-Gerling Industrie Versicherung AG, Canada Branch; or
- (ii) a watchman patrol service employed by the Insured or contracted to patrol the construction site on a regular basis outside working hours upon commencement of framing activities until the project is completed or while at risk to the Insurers.

For the purpose of this insurance, the definition of Watchman means an employee / representative of the Insured or hired professional watchman.

This warranty applies to new construction over \$10,000,000.

2. **Open Flame Warranty**

Where a propane gas heater or open flame heating device is used, the device will be positioned on fire resistive drywall board, tied off to a wall or floor with not less than three (3) feet of clear space surrounding it.

3. **Fence Warranty**

The site is to be fenced and access controlled.

This warranty applies to new and unoccupied projects.

This warranty does not apply to Building Envelope Remediation projects below \$2,500,000. for entities financed by the British Columbia Housing Management Commission and to whom a certificate has been issued on behalf of the Insurers.

4. **Fire Hydrant Warranty**

All public fire hydrants adjacent to the project are operational prior to the start of framing activities.

5. **Hot Work Operations Warranty**

A "hot work" permit system is implemented for all contractors or Insured's employees engaged in "hot work operations" of any kind, such as but not limited to, and subject to:

(a) **Combustible Material:**

All portable combustible material must be removed a minimum of twenty (20) feet away from the working area and adjoining areas.

(b) **Flammable Liquids or Vapours:**

Drums, tanks or other containers of explosive liquids or vapours must be cleaned and cleared of flammable or explosive liquids or vapours before work is done on them.

(c) **Pre-Operation Precautions:**

When feasible, work area should be wetted down.

(d) **Spark Control:**

Sheet metal guards, asbestos blankets or similar protection must be provided to prevent hot metal and sparks from falling on combustible material which cannot be moved.

(e) **Fire Protection:**

If the area in which hot work operations are being performed is presently under operative sprinkler protection, the sprinklers in that area must be operative during welding or cutting operations. Suitable fire extinguishers or hand hose must be maintained near the operations. An extra person must be provided in the welding or cutting team whose sole responsibility is to watch for sparks and promptly use the extinguishing equipment.

(f) **Post-Operation Precautions:**

After work, a thorough check must be made for smouldering fire in out-of-the-way places, and guard patrol protection must be maintained for a minimum of two (2) hours.

"Hot Work Operations" means:

- (i) the process whereby one or more of the parts to be joined are heated near or above their melting point, and the heated surfaces are caused to flow together;
- (ii) the process of applying heat to bring to red heat the spot to be severed, gouged or pierced, and the metal is burned in a jet of oxygen;
- (iii) grinding operations that generate sparks;
- (iv) torch-on roofing operations;
- (v) roof tarring operations.

**FAILURE TO COMPLY WITH THIS WARRANTY THAT HAS A MATERIAL CONTRIBUTION TO ANY CLAIM SHALL RENDER ALL INSURANCE UNDER THIS POLICY NULL AND VOID.**