

AGENDA

Board Meeting - Sauk Valley College
Library Conference Room
January 23, 1967 7:30 p.m.

A. Call to order by President Walder

B. Roll Call

C. Recommended actions:

1. Approval of minutes as submitted
2. Approval of treasurer's report
3. Approval of monthly statement of budgetary items
4. Approval of current payroll journal
5. Approval of current bills for payment

D. Old Business:

1. Instructional space for 1967-68
2. Loan for operation of bookstore
3. Billing for out-of-district students
4. Residency policies
5. Other old business

E. President Sabol's report:

1. Lighting of parking lot
2. New staff appointments
3. Status of building program

F. New Business:

1. Proposed new program--Licensed Practical Nursing
2. Proposed college insurance "package"
3. Other new business

G. Time of next meeting

H. Adjournment

MINUTES OF REGULAR MEETING

SAUK VALLEY COLLEGE BOARD

January 23, 1967

A regular meeting of the Sauk Valley College Board was called to order in the Library Conference Room by President Warren E. Walder on January 23, 1967, 7:30 P.M.

The secretary called the roll and found the following present: Peter W. Dillon, Catherine R. Perkins, Kenneth L. Reuter, Clayton R. Schuneman, Gerald S. Stuff and Warren E. Walder. Forrest L. Tabor was absent.

Mr. Schuneman moved to approve minutes as submitted. Mr. Dillon seconded the motion. The motion carried.

Mr. Schuneman moved to approve the attached treasurer's report. Mr. Dillon seconded the motion. The motion carried.

Mr. Stuff moved to approve the attached monthly statement of budgetary items. Mr. Reuter seconded the motion. The motion carried.

Mrs. Perkins moved to approve the current payroll journal in amount of \$43,552.62. Mr. Schuneman seconded the motion. The roll was called and the following voted "Aye": Peter W. Dillon, Catherine R. Perkins, Kenneth L. Reuter, Clayton R. Schuneman, Gerald S. Stuff and Warren E. Walder. None voted "Nay". The motion carried.

Mr. Reuter moved to approve for payment current bills as listed and attached in the following amounts: Educational Fund \$22,215.79, Building Fund \$2,362.76, Site and Construction Fund \$34,847.14. The motion was seconded by Mr. Dillon. The roll was called and the following voted "Aye": Peter W. Dillon, Catherine R. Perkins, Kenneth L. Reuter, Clayton R. Schuneman, Gerald S. Stuff and Warren E. Walder. None voted "Nay". The motion carried.

The need for additional space for instructional programs for 1967-68 in the vocational-technical curricula was further discussed and several proposals considered. The Board authorized Dr. Sabol to proceed with plans for the programs on a suggested budget of \$70,000, subject to later Board approval when all proposals have been completed and compared.

Mr. Dillon moved to authorize a loan for the bookstore operation in the amount of \$25,000 from the Building Fund. Mr. Reuter seconded the motion. The secretary called the roll and the following voted "Aye": Peter W. Dillon, Catherine R. Perkins, Kenneth L. Reuter, Clayton R. Schuneman, Gerald S. Stuff, and Warren E. Walder; none voted "Nay". The motion carried.

The Board discussed the amount of tuition out-of-district students should be charged in keeping with the legislation described in House Bill 1710, an excerpt of which is attached. After discussing current costs and state reimbursements, Mr. Stuff moved to bill out-of-

district students \$200 per semester for the current year with the understanding that the amount is subject to change in the future.*

Mr. Schuneman seconded the motion. The roll was called and the following voted "Aye": Peter W. Dillon, Catherine R. Perkins, Kenneth L. Reuter, Clayton R. Schuneman, Gerald S. Stuff, and Warren E. Walder. None voted "Nay". The motion carried.

Dean Kuhn discussed with the Board the many facets of residency requirements for the determination of attendance and tuition charges. After careful consideration, the Board requested Dean Kuhn to make a policy proposal for later approval incorporating the desired details.

Dr. Sabol reported that the temporary light in the parking area was installed by the contractor, Engel Electric, at no cost to the College. He also reported that the fixtures for permanent lights were to be shipped during February, according to the latest promise of the supplier.

Dr. Sabol reported that some staff appointments are pending but none are ready for approval.

The building program is at this point: Mr. Castendyck reported that the Illinois Building Authority had indicated at a recent meeting that they would require an appraisal of the area involved in Phase I, which would be turned over to the Authority as part of the College's share of the cost of Phase I; the remainder would be appraised at a later date when it is used.

To date, no emergency legislation for funds to complete Phase IB has been introduced in the legislature.

Dr. Sabol discussed the addition of the Licensed Practical Nursing program for the College. The program is now taught in Sterling and at the Dixon State School. Since the State Vocational Education Board recognizes that it is a program logically belonging in the Community College, the present training areas would prefer to have the administration responsibilities in the College program. Many problems, in addition to securing directors and staff, have to be solved, requiring considerable effort and time.

Mr. Dillon moved to tentatively approve the addition of the Licensed Practical Nursing program at the earliest possible date. Mr. Stuff seconded the motion. The roll was called, and the following voted "Aye": Peter W. Dillon, Catherine R. Perkins, Kenneth L. Reuter, Clayton R. Schuneman, Gerald S. Stuff, and Warren E. Walder. None voted "Nay". The motion carried.

The Board received the attached insurance report for study and future action.

J. P. Clark Associates submitted the attached proposal for utility contract, service, and billing examination - also for future action.

Resolutions for the Board election in April will be considered at the next meeting.

Mr. Dillon moved to adjourn to the regular meeting of February 8, 1967, 7:30 P.M.
Mr. Reuter seconded the motion. The meeting adjourned.

Catherine R. Perkins, Secretary

*Subsequently clarified to read: "Mr. Stuff moved to bill boards of out-of-district students \$200 per semester in addition to the \$100 fee paid by the student per semester, effective for the current year, etc.

FINANCIAL STATEMENT

Educational Fund

Balance on hand December 1, 1966	102,191.43
Receipts: none	
Total	102,191.43
Disbursements	<u>25,535.63</u>
Balance on hand January 1, 1967	48,822.48
 Cash Balance	74,358.11
Outstanding Checks	<u>25,535.63</u>
True Cash Balance	48,822.48

Building Fund

Balance on hand December 1, 1966	93,936.54
Receipts: none	
Total	93,936.54
Disbursements	<u>3,853.33</u>
Balance on hand January 1, 1967	90,083.21
 Cash Balance	92,505.36
Outstanding Checks	<u>2,422.15</u>
True Cash Balance	90,083.21

Site & Construction Fund-Dixon National Bank

Balance on hand December 1, 1966	2,332.06
Receipts Transferred from Harris Trust	
Total	255,289.56
Disbursements	<u>257,621.62</u>
Balance on hand January 1, 1967	127,435.02
 Cash Balance	198,262.92
Outstanding Checks	<u>68,076.32</u>
True Cash Balance	130,186.60

Site & Construction Fund-Harris Trust

Balance on hand December 1, 1966	100.00
Receipts U. S. Treasury Bills Sold	
Total	2,788,935.30
Interest	<u>66,064.70</u>
Disbursements	<u>2,855,000.00</u>
Balance on hand January 1, 1967	100.00

Bond and Interest

Balance on hand January 1, 1967

5,106.67

Funds Invested

U. S. Treasury Bills-from Rock Falls National Bank	66,712.38
U. S. Treasury Bills-from Harris Trust & Savings	2,599,710.44
Total Funds Invested	2,666,422.82

Student Activity Fund-Central National Bank

Balance on hand December 1, 1966	10,646.03
Receipts	7,017.08
Total	17,663.11

Disbursements:

Ck#126-Dick Eatinger(official,basketball)	15.00
Ck#127-Joe McDonald(official, basketball)	15.00
Ck#128-Champion Knitwear Co.(athletic supplies)	33.63
Ck#129-Jerry Mathis(travel expenses)	16.00
Ck#130-Gale Ward Athletic Goods(athletic uniforms)	1,064.10
Ck#131-void	
Ck#132-Champion Knitwear Co.(athletic dept. uniforms)	44.74
Ck#133-Wolverine Sports Supply(athletic supplies)	2.69
Ck#134-Gerald Johnson(tuition refund)	40.00
Ck#135-Frank Palumbo(athletic expenses)	61.00
Ck#136-Fred Nuernberg(refund-drama dept)	25.00
Ck#137-Bob Wolf(official,basketball)	15.00
Ck#138-Frank Cremiens(official,basketball)	15.00
Ck#139-Thomeway Lines(athletic transportation)	87.00
Ck#140-Marilea Maas(refund)	200.00
Ck#141-Champion Knitwear Co.(athletic supplies)	6.75
Ck#142-Dan Nelson(refund)	200.00
Ck#143-Allen Ogburn(music dept expenses)	10.00
Ck#144-Rock Valley Printers(athletic tickets)	20.95
Ck#145-Sterling Carter(refund)	50.00
Ck#146-Daniel Mabee(advance-athletic dept)	50.00
Ck#147-Robert Newlon(athletic dept expense)	5.00
Ck#148-Ronnie Ufkin(athletic dept expense)	5.00
Ck#149-Daniel Dorner(athletic dept expense)	5.00
Ck#150-Daniel Mabee(athletic dept meals)	25.19
Ck#151-Herb McDonnell(official,basketball)	15.00
Ck#152-Fran Thomas(official,basketball)	15.00
Total Disbursements	2,042.05
Balance on hand	15,621.06

Imprest Fund

Postmaster	Quarterly rent on box	45	6.00
Kenneth Reuter	Travel expenses	46	33.64
Forrest Tabor	Travel expenses	47	55.23
National Assoc. of College Stores	Membership	48	25.00
Sterling Rock Falls Jaycees	Booklets on Zip Code	49	2.50
Council of North Central Jr. Colleges	Dues	50	15.00
American Technical Educ. Assn., Inc.	Membership	51	<u>15.00</u>
			<u>152.37</u>

2,847.63 Balance in Account

152.37 Checks written

3,000.00 Total in fund

EDUCATIONAL FUND

AMERICAN COUNCIL ON EDUCATION	REPORT	872	4.00
AMERICAN SOCIETY ENGINEERING ED.	SUBSCRIPTION	873	2.00
AMERICAN MANAGEMENT ASSOC.	BOOKS	874	7.55
AMERICAN BUSINESS SYSTEMS	AL-2 FORMS	875	13.36
THE BAKER & TAYLOR COMPANY	BOOKS	876	3.440.09
JOHN BIRKHOLZ	TRAVEL EXPENSE	877	28.05
DICK BLICK	SLIDES	878	184.80
JUNIOR COLLEGE DIST #503	OUT OF DIST. TUITION	879	90.00
CLARK SUBSCRIPTION AGENCY	BOOKS	880	80.50
JUNIOR COLLEGE PLACEMENT COUNCIL	BOOK	881	2.50
LLIWER MACMILLIAN LIBR SERV	BOOKS	882	13.00
NOYER GEPPERT COMPANY	BOOKS	883	50.73
TER DILLON	TRAVEL EXPENSES	884	2050
ROBERT EDISON	TRAVEL EXPENSES	885	119.21
EDUCATIONAL AIDS SERVICE	SUPPLIES	886	202.25
EDUCATIONAL AIDS SERVICE	SUPPLIES	887	202.25
EDUCATIONAL MANAGEMENT CONSULT.	SERVICES	888	1.855.62
EUROPEAN PUBLIS. REPRESENTATIVES	SUBSCRIPTIONS	889	19.00
HARPER & ROW	BOOK	890	7.40
JOHN HINUEBER	SALARY	891	100.00
MOLT, RINEHART & WINSTON	BOOKS	892	50.99
HOUGHTON-MIFFLIN COMPANY	TESTING SUPPLIES	893	31.75
PAULINE HOWE	SALARY	894	25.00
BM, INC.	SUPPLIES	895	112.36
ILLINOIS LOCK COMPANY	MASTER KEYS	896	9.10
ILLINOIS MEDICAL BOOK COMPANY	BOOKS	897	22.05
INTERNATIONAL FILM BUREAU, INC.	SAMPLER KIT	898	9.86
INDUSTRIAL PRESS	BOOKS	899	6.20
JUNIOR COLLEGE DIST#204	OUT OF DIST TUITION	900	382.50
ELLSTEDT'S	SUPPLIES	901	9.54
THE LIBRARY OF CONGRESS	BOOKS	902	333.02
DORE BUSINESS FORMS	SUPPLIES	903	142.22
ORRISON TRAVEL INC.	TRAVEL EXPENSE	904	115.85
ATIONAL CASH REGISTER	SUPPLIES	905	18.52
RTHWESTERN MUTUAL LIFE INS CO	EMPLOYEE DED	906	60.00
RTHWESTERN MUTUAL LIFE INS CO	EMPLOYEE DED	907	125.00
RTHWESTERN NATIONAL LIFE INS	EMPLOYEE DED	908	30.00
J. NYSTROM & CO.	MAPS	909	134.34
LIZABETH HORTON	TRAVEL EXPENSE	910	11.70
EORIA SOUND SERVICE	TAPE	911	146.69
ATHERINE PERKINS	SALARY	912	50.00
ETTY CASH	MISC EXPENSES	913	14.18
INNEY PRINTING COMPANY	SUPPLIES	914	17.06
RE ICE HALL INC.	BOOK	915	8.96
SYCHOLOGICAL CORP.	BOOKLETS	916	8.10
J. BOYLE, ADJUTANT GENERAL	RENTAL OF ARMORY	917	45.00
VALLEY COLLEGE	OUT OF DIST. TUITION	918	333.00
RD SABOL	EXPENSES- TRAVEL	919	151.51
RD SABOL	EXPENSES- TRAVEL	920	150.00

010		VOID	921	.00
ENTRAL SCIENTIFIC COMPANY		COPPER FOIL	922	2.06
ERLING BUSINESS MACHINES		SUPPLIES	923	1.228.73
IMMING WORLD & JR. SWIMMER		SUBSCRIPTION	924	5.00
CLA STUDENT'S STORE		REPORTS	925	7.30
ROX		SUPPLIES	926	4.50
ARD'S NATURAL SCIENCE ESTABL.		SUPPLIES	927	405.36
RGINIA WHEELER		TRAVEL EXPENSES	928	11.40
HN WILEY & SONS		BOOKS	929	18.79
W. WILSON COMPANY		FICTION CATALOGS	930	11.00
LD BOOK ENCYCLOPEDIA		ATLAS	931	20.45
C A		POOL & GYM RENT	932	380.00
TE UNIV RETIREMENT SYSTEMS		COLLEGE CONTRIBUTION	933	3.572.19
MPREST FUND		EXPENSES	934	52.37
FEDERAL RESERVE BANK		EMPLOYEE DEDUCTIONS	935	4.921.10
ATE UNIV RETIREMENT SYSTEMS		EMPLOYEE'S DEDUCTIONS	936	2.478.23

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BUILDING FUND

BRECHT WELL DRILLERS		SERVICE CALL	88	15.00
E. BOGOTT & SONS, INC.		PLATFORM TRUCK	89	122.00
COMMONWEALTH EDISON COMPANY		ELECTRIC SERVICE	90	852.42
XON HOME TELEPHONE COMPANY		SERVICE	91	4374 install. 774.35
AIRFAX HARDWARE		SUPPLIES	92	25.05
SSOURI KANSAS CHEMICAL CO.		SUPPLIES	93	110.40
SSOURI KANSAS CHEMICAL CO.		SUPPLIES	94	84.00
ARS ROEBUCK & COMPANY		SUPPLIES	95	20.31
ITH & LOVELESS		SHEAVES	96	11.60
STERN UNION		SERVICE	97	5.21
ATE UNIV RETIREMENT SYSTEMS		COLLEGE CONTRIBUTION	98	68.20
ATE UNIV RETIREMENT SYSTEMS		EMPLOYEE DEDUCTIONS	99	47.32
FEDERAL RESERVE BANK		EMPLOYEE DEDUCTIONS	100	226.90

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TAL BUILDING FUND

SITE AND CONSTRUCTION FUND

		ck#	amount
Duain Claiborne	services	201	11.25
Bob Propheter Const. Co.	payment on contract	202	20,993.01
George F. Reitzel	payment on contract	203	6,442.32
Brodhead-Garrett Company	furniture	204	1,014.00
Demco Library Suppliers	furniture	205	95.95
Denoyer Geppert Company	equipment	206	1,917.00
F & E Check Protector Company	check signer	207	422.50
I B M, Inc.	typewriters	208	1,460.00
National Cash Register Company	2 bank tellers machines	209	1,575.00
Frederick Post Company	furniture	210	30.02
School Health Supply Company	equipment & furniture	211	577.00
Watland Incorporated	equipment	212	85.00
Wenger Music Equipment Co.	Risers	213	224.09
Total Site & Construction			34,847.14

<u>SAUK VALLEY COLLEGE</u>	<u>DECEMBER 1966</u>	<u>Outstanding Purch Orders</u>	<u>TOTAL CHARGES</u>				<u>BALANCES</u>		
			<u>Total Expenditures</u>	<u>To Date</u>	<u>Previous Mo. To Date</u>	<u>This Month</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Unencumbered</u>
<u>EDUCATIONAL FUND</u>									
501.10	ADMIN. SALARIES		6,203.805	6,203.805	50,758.05	11,280.00	148,000.00	85,961.95	85,961.95
501.20	ADMIN. CONT SERV		835.762	835.762	7,420.02	937.60	12,000.00	3,642.33	3,642.33
501.30	ADMIN SUPPLIES		8,401.06	8,401.06	5,806.73	2,594.33	25,000.00	16,598.94	16,598.94
501.70	ADMIN TRAVEL		5,164.49	5,164.49	3,904.93	1,259.56	10,000.00	4,835.51	4,835.51
501.90	ADMIN OTHER		10,719.65	10,719.65	10,419.69	299.96	2,500.00	8,219.65 CR	8,219.65 CR
502.15	INST TEACHERS		108,192.82	108,192.82	82,357.82	25,835.00	310,000.00	201,807.18	201,807.18
502.18	INST SECRETARIES		2,928.50	2,928.50	2,368.50	560.00	16,000.00	13,071.50	13,071.50
502.19	INST OTHER SALARIES			.00		.00	5,000.00	5,000.00	5,000.00
502.31	LIBRARY REGULAR BKS		1,987.84	1,987.84		1,987.84		1,987.84 CR	1,987.84 CR
502.31	BOOKS-ARTS		9.31	9.31		9.31		9.31 CR	9.31 CR
502.31	BOOKS-HISTORY		34.10	34.10		34.10		34.10 CR	34.10 CR
502.32	LIBRARY & AUDIO VISUAL		25,832.95	25,882.95	24,157.11	1,725.84	50,000.00	24,117.05	24,117.05
502.39	INST OTHER SUPPLIES		9,188.43	9,188.43	9,126.02	62.41	20,000.00	10,811.57	10,811.57
502.39	SUPPLIES-HUMANITIES		130.33	130.33		130.33		130.33 CR	130.33 CR
502.39	SUPPLIES-EDUCATIONAL, INDUSTRIAL		24.70	24.70		24.70		24.70 CR	24.70 CR
502.39	SUPPLIES-MATH, SCIENCE		388.73	388.73		388.73		388.73 CR	388.73 CR
502.39	SUPPLIES-SOCIAL SCIENCE		177.74	177.74		177.74		177.74 CR	177.74 CR
502.70	INST TRAVEL		684.09	684.09	147.65	536.44	5,000.00	4,315.91	4,315.91
502.80	TUITION PAID		1,573.00	1,573.00	376.00	1,197.00	6,000.00	4,427.00	4,427.00
502.81	TUITION REFUNDED		1,359.05	1,359.05	1,359.05	.00		1,359.05 CR	1,359.05 CR
504.10	HEALTH SALARIES			.00		.00	2,500.00	2,500.00	2,500.00
504.20	HEALTH CONT SERVICES			.00		.00	500.00	500.00	500.00
504.30	HEALTH SUPPLIES		464.29	464.29	464.29	.00		464.29 CR	464.29 CR
508.40	FIXED CHARGES RETIREMT		12,628.13	12,628.13	9,087	3,417.31	55,000.00	42,371.82	42,371.82
508.50	FIXED CHARGES INSURANCE		3,270.00	3,270.00	3,270.00	.00	17,000.00	13,730.00	13,730.00
508.81	INTEREST ANTIC WARRANTS			.00		.00	8,000.00	8,000.00	8,000.00
511.10	ADULT EDUC SALARIES			.00		.00	40,000.00	40,000.00	40,000.00
511.30	ADULT EDUC MATERIALS & SUPPLIES			.00		.00	3,000.00	3,000.00	3,000.00
513.20	ATHLETICS CONT SERVICES		845.10	845.10		845.10	500.00	345.10 CR	345.10 CR
513.30	ATHLETICS MATERIALS & SUPPLIES		1,266.23	1,266.28	1,266.23	.00	7,000.00	5,733.72	5,733.72
513.70	ATHLETICS TRAVEL			.00		.00	2,500.00	2,500.00	2,500.00
563.00	EQUIPMENT		1,631.48	1,631.43	1,631.48	.00		1,631.43 CR	1,631.43 CR
590.00	CONTINGENCIES			.00		.00	3,340.00	3,340.00	3,340.00

<u>Description of Accounts</u>	<u>Outstanding Purchase Orders</u>	<u>Total Expenditures</u>	<u>To Date</u>	<u>Previous Mo. To Date</u>	<u>This Month</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Unencumbered</u>
<u>BUILDING FUND</u>								
506.40 OPERATION HEATING	78.42	78.42	78.42	.00	6,500.00	6,421.53	6,421.53	
506.50 OPERATION UTILITIES	3,260.60	3,260.60	3,049.63	210.92	10,500.00	7,239.40	7,239.40	
507.10 MAINT SALARIES	5,086.77	5,086.77	3,379.77	1,707.00	21,000.00	15,913.23	15,913.23	
507.20 MAINT CONT SERVICES	733.24	733.24	11.90	721.34	4,000.00	3,266.76	3,266.76	
507.30 MAINT SUPPLIES	2,753.83	2,753.83	1,807.94	945.89	4,000.00	1,246.17	1,246.17	
508.40 EMPL SHARE OF RETIREMENT	218.67	218.67	143.73	74.89	2,250.00	2,031.33	2,031.33	
508.81 INTEREST ON ANTIC WARRANTS	1,585.69	1,585.69	1,585.69	.00	2,500.00	914.31	914.31	
563.00 ADDITIONAL EQUIPMENT	2,160.56	2,160.56	1,889.30	271.26	111,428.00	109,267.44	109,267.44	
590.00 CONTINGENCIES		.00		.00	5,000.00	5,000.00	5,000.00	
TOTALS	.00 T	15,877.73 T	15,877.73 T	11,946.43 T	3,931.30 T	167,173.00 T	151,300.22 T	151,300.22 T

SITE AND CONSTRUCTION FUND

561.00 SITE ACQ AND IMP.	334,539.99	334,539.99	287,347.45	47,192.54	334,539.99 CR	334,539.99 C		
562.00 NEW BLDG AND IMP.	594,981.24	594,981.24	523,452.62	71,528.62	594,981.24 CR	594,981.24 C		
563.00 ADDITIONAL EQUIPMENT	136,230.57	136,230.57	127,516.71	8,713.86	136,230.57 CR	136,230.57 C		
TOTALS	.00 T	1,065,751.80 T	1,065,751.80 T	938,316.73 T	127,435.02 T	.00 T	1,065,751.80 CR	1,065,751.80 C

January 23, 1967

Memorandum

Dr. Sabol:

Re: Item for Board Consideration

The regulation concerning the invoicing of out-of-district students according to Section 6.2 of House Bill #1710 is as follows:

"Any graduate of a recognized high school or student otherwise qualified residing in a district maintaining grades 9 through 12 which does not operate a junior college who notifies the board of education of his district by July 1 of any year in which he thereafter expects to attend the junior college may attend any recognized junior college in the State of Illinois which he chooses, and the board of education of such district shall pay his tuition from the educational fund or the proceeds of a levy made under Section 6.1 of this Act. Such tuition may not exceed the per capita cost of maintaining the junior college attended less state aid grants and tuition paid by the student as provided in Sections 6.3 and 6.4 of this Act."

This would indicate that we could not theoretically bill out-of-district students on a cost basis until the audit period of a fiscal year.

This procedure would throw us in September 1967 for the 1966-67 billings of our out-of-district students. This policy will tend to inconvenience the districts which have given approval since it would also represent charges for one fiscal year which they would be required to pay in the succeeding fiscal year.

We have billed out-of-district students who did not receive approval from within their districts at the rate of \$200 for a full-time student, this being the additional cost which we had estimated on the basis of \$950 for full-time equivalency. I am certain that we will exceed this figure, although I would question the ethics of billing these districts at any rate which exceeds the charges we have made individually. This element, coupled with the delay in billing, causes me to recommend that the Board approve billing out-of-district students at this time at a base rate of \$200 for full-time equivalency.

I am enclosing a summary of our students and their districts as well as the sums invoiced. Based on this data, I am recommending that the Board approve a policy that we invoice the districts for the 1966-67 year at the rate indicated, and also give consideration to sending a letter with the invoices to these districts indicating that these amounts are below our costs and will not necessarily be comparable to the cost rate which might be forthcoming in future years.

January 23, 1967

Out of District Students

District	Students	Amount	Total
Ashton	2 Full Time		
Ashton	2 Full Time	400.00	400.00
Oregon	3 Full Time	600.00	
	* 1 Part Time (3 Hours)	51.00	651.00
Milledgeville	6 Full Time	1200.00	
	2 Part Time (6 Hours)	102.00	1302.00
Lyndon	8 Full Time	1600.00	1600.00
Lee Center	3 Full Time	600.00	600.00
Rochelle	2 Full Time	400.00	
	1 Part Time (6 Hours)	102.00	502.00
Chadwick	2 Full Time	400.00	400.00
Manlius	1 Full Time	200.00	200.00
Neponset	1 Full Time	200.00	200.00
Erie	1 Full Time	200.00	200.00
Wheaton	1 Full Time	200.00	200.00
Totals	30 Full Time	\$ 6,000.00	
	4 Part Time at 15 Hours	255.00	
* \$17.00 per hour			<u>\$6,255.00</u>

INDUSTRIAL EDUCATION PROGRAM

ESTIMATED EXPENSES

FALL, 1967

(On a yearly basis)

Income

ASSETS (ASSUME ENROLLMENT OF 120 STUDENTS)

120 x \$200	\$24,000
120 x 30 x \$11.50	<u>41,400</u>
	\$65,400

LIABILITIES (DUSSLER BUILDING)

Rent	\$ 8,000
Renovation	13,500
Heat, Light & Water	11,000 <i>←</i>
Salaries {1/3 of total}	20,000
Supplies {1/3 of total}	3,000
Equipment	0
Office Equipment & Supplies	
including teacher's desks, etc	4,000
Janitorial Service	5,000
Secretary	4,800
	<hr/>
	\$69,300

Some of the janitorial and renovation costs may be absorbed by the work study program.

An alternate plan would be on a time and materials basis and this I feel would be more realistic although I do not feel that Mr. Dussler's proposal is unrealistic.

INSURANCE REPORT AND RECOMMENDATIONS

SAUK VALLEY COLLEGE
DISTRICT NO. 506

JANUARY, 1967



Submitted by
KARL WENTSEL COMPANY

In Behalf of
LEE COUNTY ASSOCIATION OF INSURANCE AGENTS
STERLING-ROCK FALLS INDEPENDENT INSURANCE AGENTS ASSOCIATION

I. INTRODUCTION

Several meetings having been held jointly between representatives of the Sterling-Rock Falls Independent Insurance Agents Association and the Lee County Insurance Agents Association, we are pleased to submit the following report and recommendations to the Sauk Valley College Board.

As you know, up until now, Karl Wentsel Company has been writing the Comprehensive General Liability and Workmen's Compensation coverages on behalf of the Sterling-Rock Falls Association, and Benoy Insurance Agency, Dixon, has been writing the fire insurance coverages on behalf of the Lee County Association.

Over the past few months, it has become obvious that in order to accomplish the best program for the college, it was necessary to have only one agent act as counselors for the college, and by mutual agreement of both associations, it was agreed that Karl Wentsel Company of Sterling would act in this capacity as chairman of a Sauk Valley College Committee of both associations. It was further agreed that the Westchester Fire Insurance Company would become the filing company and that the United States Fidelity and Guaranty Company would share equally in the writing of the fire insurance coverages. The spirit of cooperation on the part of both associations throughout this initial stage has been exceptional, and it was agreed upon from the very beginning that our only concern was to provide the Sauk Valley College with the best insurance program possible for the lowest premium dollar. We would also like to comment on the fine cooperation that has been afforded us by your business manager, Mr. Robert Edison, who met with our committee several times at our request.

Following is our proposal and recommendations. Please understand that the premiums quoted are for present enrollment figures and values now in existence. Naturally, these will increase with the growth of the school.

II. SPECIAL INSTITUTIONAL MULTI-PERIL PACKAGE POLICY

It is our opinion that this is the only policy that should be considered for the college in that it is a policy which has been designed specifically to meet the needs of your type of risk. It is a "package" policy which combines all of your fire insurance (building and contents) and liability insurance as well as several other areas of coverage in one policy at a rate which is discounted considerably over these same coverages when purchased separately.

A. BUILDING, CONTENTS, SEWAGE DISPOSAL PLANT

The fire insurance rate on your building published by the Illinois Inspection and Rating Bureau is exceptionally low which, of course, is good news to all concerned. The insurance company rating specialists have already met with your architects to review the plans of your proposed building from the standpoint of obtaining the lowest possible fire insurance rate. Such cooperation is indicative of the service that can be rendered by your independent insurance agent.

We recommend writing blanket insurance for 100% replacement cost on an "all risk" basis on your building, contents, and sewage disposal plant. This is the broadest form of protection available in that all losses are covered except those which are specifically excluded.

Deductible - Your attention is called to the fact that this form contains a mandatory \$100 deductible on all perils except fire and lightning. The inclusion of this deductible, eliminating the minor maintenance type of claims, results in greatly reduced insurance costs to you.

A copy of this form is included for your study.

Based on an amount of insurance of \$533,000. *The annual premium for this coverage is \$535.

*This amount is based on the following values:

- Building:	\$350,000
- Contents:	\$150,000
- Sewage Disposal Plant:	\$33,000

B. EXTRA EXPENSE INSURANCE

It is conceivable that your present building could be damaged by a catastrophic fire or windstorm or other peril insured against to the point that it could no longer be tenantable. This would mean that you would have to seek temporary quarters without delay in order to continue scheduled classes with as little lost time as possible. The cost of rent and other extra expenses incurred would be paid under this type of insurance. Amount of monthly recovery would be limited to 10% the first month, 80% in two months, and 100% in three months. It is impossible to know the exact amount you would need, but we would suggest that you give consideration to alternative amounts of \$25,000 and \$50,000.

Annual extra expense premium on \$25,000 is \$50.

Annual extra expense premium on \$50,000 is \$100.

C. LIABILITY INSURANCE

Your present policy is a Comprehensive General Liability policy which is the same form that we recommend under the package. The package policy will be rated on the number of daytime and nighttime students at the school.

It will include the "broad form" definition of "insured" as stated under House Bill 1481 signed into law on August 26, 1963. This definition is as follows:

"The unqualified word 'insured' also includes any member of the board of education or any agent, employee, teacher, officer, or member of the supervisory staff of the school district, but only while acting under the direction of the board of education

within the course or scope of his duties."

The following coverages should be included under the liability section:

1. PREMISES LIABILITY

To pay for damages arising out of the operation of the school for which the named insured shall become legally liable, including the cost of defense of any suit regardless of whether it is fraudulent or not.

Based on 371 day and 240 night and summer pupils, the annual premium is \$166.00.

2. INDEPENDENT CONTRACTORS COVERAGE

This section protects the school against claims being brought against it arising out of any new construction operations begun during the policy period.

Premium for this is a flat charge based on the contract amount regardless of the length of time the building is under construction. Based on our present knowledge of this project and assuming a contract price of \$9,000,000.00, the premium will be \$665.00.

3. PRODUCT LIABILITY

This coverage protects the school against possible claims arising out of the serving of food on the premises and also products that will be sold out of the college book store. The total annual premium is \$4.00.

4. TEACHERS LIABILITY AND CORPORAL PUNISHMENT

We highly recommend this coverage to protect the school board and teachers from possible suits arising out of bodily injury, alleged or otherwise, inflicted upon any student. Premium charge is based on the number of teachers.

Annual premium is \$64.00.

5. PERSONAL INJURY LIABILITY

A highly recommended coverage, affords payment on behalf of the insured for personal injury arising out of such offenses as false arrest, libel, slander, wrongful eviction, and several others. For your information, a copy of the form is attached.

The basic "personal injury" endorsement contains an exclusion which pertains to "personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the named insured." We feel that this exclusion should be removed by paying a small additional premium.

Cost of basic personal injury endorsement is \$34.00 per year.

Cost to remove employee exclusion is \$8.00 per year.

6. NON-OWNED AUTOMOBILE AND HIRED CAR

Protects the insured against claims arising out of the use of an employee's personally owned automobile while being used on Sauk Valley College business.

Hired automobiles would be written on an "if any" basis. Should the

exposure exist during the policy period, a charge would be made on audit at expiration.

Annual non-owned automobile premium is \$22.00.

The above liability limits are based on limits of liability of 100,000/300,000 bodily injury and \$25,000 property damage. You are presently written for limits of 100,000/1,000,000 and \$25,000 property damage. A little later on we shall explain our reasons for this.

D. EMPLOYEES BLANKET BOND

You presently have a blanket commercial bond in effect in the amount of \$25,000.00 written for a three year period with an inception date of September 9, 1966, and carrying a prepaid premium of \$46.00. This bond can be included in the package policy at a substantial discount. For this reason, it is our recommendation that the present bond be canceled. Though the cancellation would have to be effected on a short rate basis at a cost to you of \$21.00 over a pro-rata cancellation, the cancellation is still recommended in that the package policy bond written on the same basis would cost \$365.00 on a three-year prepaid basis, a net saving of \$57.00 in three years.

However, we would like to recommend that this bond be changed to a "Blanket Position Bond." The difference is that under the latter, the amount of the bond would

apply separately to any number of employees who might be working in collusion with each other, a very common occurrence. Under the present bond, the limit of the losses would be \$25,000.00 regardless of the number of people involved. Following is the premium for various amounts of Blanket Position Bonds. We feel that consideration should be given to the purchase of a larger bond than presently being carried:

\$25,000	3 year prepaid:	\$412.00
	Annually:	\$144.00
\$50,000	3 year prepaid:	\$724.00
	Annually:	\$253.00
\$100,000	3 year prepaid:	\$1,227.00
	Annually:	\$429.00

E. BROAD FORM MONEY AND SECURITIES

Though at the present time, you have a very limited amount of cash on hand (fifty dollars), we feel that this amount will be greater as soon as the bookstore is in full

operation.

We suggest that consideration be given to the purchase of money coverage in the amount of \$1,000.00 on a broad form basis. This policy covers both on and off premises and also includes coverage for damage to the premises.

Total annual premium is \$41.00.

You also have an exposure at enrollment periods that you should consider protecting. During the three days of enrollment in fall and spring, it is conceivable that you can have \$5,000 cash on hand and \$55,000 in checks. Summer school enrollment can also be included. The premium charge for each enrollment period is \$18.00. If you cover all three enrollment periods, the total annual premium would be \$54.00.

III. COMPREHENSIVE CATASTROPHE POLICY

Now we come back to our remark concerning the limits of liability under the comprehensive General Liability coverage.

This is the day and age of large suits, and more and more risks of all types and particularly municipalities and school districts are thinking in terms of \$1,000,000 excess limits and even higher. Popularly known as "umbrella" coverage, such a policy is written as excess over underlying limits of liability of 100,000/300,000 bodily injury and \$25,000 property damage and \$25,000 Employers Liability under Workmen's Compensation. This policy not only covers up to the \$1,000,000 limit over existing areas of coverage, but in areas where there is no coverage under basic policies, the umbrella policy covers such losses subject only to a net retention of \$10,000 by the insured. This basically works as a \$10,000 deductible. It is important to note that defense coverage is available to you from the first dollar regardless of whether it involves an uninsured area or not.

We strongly recommend the purchase of this coverage. It is the modern way to protect yourself in the best possible manner. The annual premium would be as follows:

\$1,000,000	Umbrella policy	\$350.00
\$5,000,000	Umbrella policy	\$700.00

It must be pointed out that by purchasing the umbrella coverage, you would be saving premium dollars which would normally be charged to give you the increased limits of 100,000/1,000,000 as you presently have. For example, the total annual liability premium for 100,000/300,000/25,000 is \$79.00 per year less than the charge for 100,000/1,000,000. This does not include premium for the excess limits charge for independent contractors' coverage which would be charged on your \$9,000,000 building project. This means that the actual cost of the \$1,000,000 excess policy will be approximately \$200.00 in additional premium dollars. We are sure that you will see the merit of this coverage.

IV. WORKMEN'S COMPENSATION

This policy will basically remain unchanged from the policy now in force. However, we are recommending a pro-rata cancellation and rewrite of the policy to coincide with the inception date of the package policy. Payrolls will be realistically adjusted at that time, and we know you will be pleased to learn that a 10% experience credit will be allowed on the new policy. As your situation grows, and as the loss experience warrants, this credit will be increased in subsequent years. Careful control of losses will keep bringing your net workmen's compensation rates down.

Estimated Payroll

Professional employees, teachers and clerical	\$300,000
All other employees	\$15,000
Total Estimated annual premium	\$633.15

V. FOR THE FUTURE

You are well aware that yours is a fast growing, fast changing situation and these changes will be reflected in your insurance program from now on. Our job will be to keep you on top of these changes and continue working very closely with the Business Manager.

In the spring, a Builder's Risk Endorsement will be required, there is a possibility that new temporary locations will have to be added, permanent lighting will be installed, etc. We, as your agents, promise to deliver the service to which you are entitled at the minimum cost possible.

For your convenience, on the following page is a premium and coverage summary sheet which can be checked to show coverages desired.

It is impossible to include all details in a written report such as this. Thus, we are looking forward to discussing your entire insurance program with you personally so that any questions you may have will be answered. We appreciate having been able to serve your insurance needs to date and look forward to an enduring mutually beneficial relationship in the future.

Sincerely,

Karl Wentsel Company
Sauk Valley College Committee
Lee County Insurance Agents Assn.
Sterling-Rock Falls Independent Insurance Agents Assn.

PREMIUM AND COVERAGE SUMMARY SHEET

ALL PREMIUMS ANNUAL

I. MULTI-PERIL PACKAGE POLICY

<input type="checkbox"/> A. Building & Contents -- \$533,000.	535.00	
<input type="checkbox"/> B. Extra Expense	<input type="checkbox"/> 25,000. or <input type="checkbox"/> 50,000.	50.00 100.00
<input type="checkbox"/> C. Liability		
1. Premises Liability	166.00	
2. Independent Contractors	665.00	
3. Product Liability	4.00	
4. Teachers Liability Including Corporal Punishment	22.00	
5. Personal Injury	34.00	
Eliminate Employee Exclusion	8.00	
6. Non Owned Automobiles	22.00	

II. EMPLOYEES BLANKET BOND

<input type="checkbox"/> 25,000. or <input type="checkbox"/> 50,000. or <input type="checkbox"/> 100,000.	144.00 253.00 429.00
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III. BROAD FORM MONEY & SECURITIES

<input type="checkbox"/> \$1,000. all times	41.00
<input type="checkbox"/> Peak 3 day enrollment periods 3 @ \$18.00	54.00

IV. COMPREHENSIVE CATASTROPHE POLICY

<input type="checkbox"/> \$1,000,000. Umbrella or <input type="checkbox"/> \$5,000,000. Umbrella	350.00 700.00
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V. WORKMEN'S COMPENSATION

Estimated annual premium	633.15
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IMPORTANT

This summary is prepared for your study and should be treated as a confidential item. A sound insurance program too widely advertised only invites claims. Liability coverage protects the School District only when it is legally liable and is not a voluntary plan. Because of the experience rating of premium, it is to the school's advantage to hold claims to a minimum.

NOTES AND MEMORANDUM

SECTION I — PROPERTY COVERAGE

With respect to **SECTION I—PROPERTY COVERAGE**, this form cancels and replaces any coverage on buildings or personal property provided under any other form made a part of the policy, but only with respect to such property to which this form is shown to be applicable.

I. INSURING AGREEMENT

This policy insures against all risks of direct physical loss to Coverage A—Building(s) and Coverage B—Personal Property, subject to the provisions and stipulations herein and in the policy of which this form is made a part.

II. PROPERTY COVERED

COVERAGE A — BUILDING(S): When the insurance under this policy covers buildings, such insurance shall include all additions and extensions attached thereto; all fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the building; materials and supplies intended for use in construction, alterations or repair of the buildings; yard fixtures; personal property of the insured as landlord used for the maintenance or service of the described buildings, and including fire extinguishing apparatus, floor coverings, refrigerating, ventilating, cooking, dish-washing and laundering equipment, shades and outdoor furniture (but not including other personal property in apartments or rooms furnished by the insured as landlord); all while at the described locations.

COVERAGE B — PERSONAL PROPERTY: When the insurance under this policy covers personal property, such

DEBRIS REMOVAL — COVERAGE A — BUILDING(S) OR COVERAGE B — PERSONAL PROPERTY: This policy covers expense incurred in the removal of debris of the property covered hereunder which may be occasioned by loss by a peril insured against. The total amount recoverable under this policy shall not exceed the limit of liability stipulated for each item. Cost of removal of debris shall not be considered in the determination of actual cash value when applying the Coinsurance Clause.

III. PROPERTY SUBJECT TO LIMITATIONS

The following property is subject to these additional limitations:

- A. Plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) are not covered against loss caused by or resulting from freezing while the described buildings are vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy.
- B. Steam boilers, steam pipes, steam turbines or steam engines are not covered against loss caused by any condition or occurrence within such boilers, pipes, turbines or engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom).
- C. Hot water boilers or other equipment for heating water are not covered against loss caused by any condition or occurrence within such boilers or equipment, other than an explosion.
- D. Glass is not covered against loss for more than \$50 per plate, pane, multiple plate, insulating unit, radiant heating panel, jalousie, louver or shutter; nor for more than \$250 in any one occurrence, unless caused by fire, lightning, windstorm, hail, aircraft, vehicles, discharge from fire protection or building service equipment, explosion, riot or civil commotion, and then the Company shall be liable only to the extent that such perils are insured against in this policy.
- E. Fences, pavements, outdoor swimming pools and related equipment, retaining walls, bulkheads, piers, wharves or docks, when covered under this policy, are not covered against loss caused by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.
- F. Metal smokestacks and, when outside of buildings, cloth awnings, radio or television antennas including

IV. PROPERTY NOT COVERED

In addition to the kinds of property which are otherwise excluded or limited under this policy, the following are also excluded from coverage under this form:

- A. Animals and pets; aircraft; watercraft, including motors, equipment and accessories (except rowboats

insurance shall cover only business personal property of the insured usual to the occupancy of the insured, including bullion, manuscripts, furniture, fixtures, equipment and supplies, not otherwise covered under this policy, and shall cover similar property held by the insured and belonging in whole or in part to others for not exceeding the amount for which the insured is liable; all while in or on the described buildings, or in the open (including within vehicles) on the described premises or within 100 feet thereof.

This coverage shall also include Tenant's Improvements and Betterments, meaning the insured's use interest in fixtures, alterations, installations or additions comprising a part of the buildings occupied but not owned by the insured and made or acquired at the expense of the insured exclusive of rent paid by the insured, but which are not legally subject to removal by the insured.

DEBRIS REMOVAL — COVERAGE A — BUILDING(S) OR COVERAGE B — PERSONAL PROPERTY: This policy covers expense incurred in the removal of debris of the property covered hereunder which may be occasioned by loss by a peril insured against. The total amount recoverable under this policy shall not exceed the limit of liability stipulated for each item. Cost of removal of debris shall not be considered in the determination of actual cash value when applying the Coinsurance Clause.

their lead-in wiring, masts or towers, are not covered against loss caused by ice, snow or sleet, nor by wind-storm or hail unless liability therefor is specifically assumed by endorsement.

- G. The interior of buildings is not covered against loss caused by rain, snow, sand or dust, whether driven by wind or not, unless (1) the buildings shall first sustain an actual damage to roof or walls by the direct action of wind or hail, and then the Company shall be liable for loss to the interior of the buildings as may be caused by rain, snow, sand or dust entering the buildings through openings in the roof or walls made by direct action of wind or hail; or (2) such loss results from fire, lightning, aircraft, vehicles, explosion, riot or civil commotion, vandalism or malicious mischief, to the extent that such perils are insured against in this policy.
- H. Buildings or structures in process of construction, including materials and supplies therefor, when covered under this policy, are not covered against loss unless caused by fire, lightning, windstorm, hail, aircraft, vehicles, smoke, explosion, riot or civil commotion, vandalism or malicious mischief, and then the Company shall be liable only to the extent that such perils are insured against in this policy.
- I. Property undergoing alterations, repairs, installations or servicing, including materials and supplies therefor, is not covered against loss if directly attributable to the operations or work being performed thereon, unless loss by a peril not excluded in this policy ensues, and then the Company shall be liable for only such ensuing loss.
- J. Glassware, statuary, marbles, bric-a-brac, porcelains and other articles of a fragile or brittle nature are covered against loss by breakage only if directly caused by fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, windstorm or hail to property contained in any building, vandalism and malicious mischief, leakage or accidental discharge from automatic sprinkler systems. This limitation shall not apply to lenses of photographic or scientific instruments.

COVERED

and canoes, while out of water and on the described premises); and automobiles, trailers, semi-trailers or any self-propelled vehicles or machines, except motorized equipment not licensed for use on public thoroughfares and operated principally on the premises of the insured.

This exclusion does not apply when the following types of property are held for sale or sold but not delivered and are specifically covered by endorsement:

1. Animals and pets.
2. Motorcycles and motor-scooters.
3. Trailers designed for use with private passenger vehicles for general utility purposes or carrying boats.
4. Watercraft while not afloat.

B. Outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls not constituting a part of building; walks, roadways and other paved surfaces; unless such items are specifically covered by endorsement.

C. The cost of excavations, grading or filling; foundations of buildings, machinery, boilers or engines which foundations are below the undersurface of the lowest basement floor, or where there is no basement, below

the surface of the ground; pilings, piers, pipes, flues and drains which are underground; pilings which are below the low water mark.

D. Outdoor signs, whether or not attached to a building, unless specifically covered by endorsement.

E. Household and personal effects contained in living quarters occupied by the insured, any officer, director, stockholder or partner of the insured or relatives of any of the foregoing, except as provided in the Extensions of Coverage or unless specifically covered by endorsement.

F. Growing crops and lawns.

G. Property of tenants or guests, except as provided in the Extensions of Coverage.

H. Trees, shrubs and plants, except when held for sale or sold but not delivered; or to the extent provided in the Extensions of Coverage.

I. Property which is more specifically covered in whole or in part under this or any other contract of insurance.

V: EXTENSIONS OF COVERAGE

When there is Contributing Insurance, the Company shall not be liable for more than its pro rata share of the limits set forth in the following Extensions of Coverage.

A. This policy is extended to provide additional amounts of insurance as follows:

1. **Newly Acquired Property:** The insured may apply up to 15%, but not exceeding \$100,000, of the sum of the limits of liability specified for Coverage A—Building(s) and Coverage B—Personal Property for loss in any one occurrence by a peril not otherwise excluded under this form to cover as follows:
 - a. When Coverage A — Building(s) is included:
 - (1) New additions, new buildings and new structures when constructed during the policy period. This coverage shall cease 30 days from the date construction begins or on the date the values of new construction are reported to the Company, whichever occurs first.
 - (2) Buildings acquired by the insured at any other location within the territorial limits of this policy and used by him for similar occupancies. This coverage shall cease 180 days from the date of such acquisition or on the date values of such acquisition are reported to the Company, whichever occurs first.
 - b. When Coverage B — Personal Property is included: Personal property acquired by the insured at any other location within the territorial limits of this policy. This additional coverage is limited to a period of 30 days from the date of such acquisition or on the date values of such acquisition are reported to the Company, whichever occurs first.

Additional premium shall be due and payable for values so reported from the date construction begins or the property is acquired.

2. **Off-Premises:** The insured may apply up to 2%, but not exceeding \$5,000, of the sum of the limits of liability specified for Coverage A — Building(s) and Coverage B — Personal Property at the location from which the property is removed for loss in any one occurrence by a peril not otherwise excluded to cover such property (other than merchandise or stock) while temporarily removed from the described premises for purposes of cleaning, repairing, reconstruction or restoration. This extension of coverage shall not apply to property in transit nor to property on any premises owned, leased, operated or controlled by the insured.

3. **Personal Effects:** The insured may apply up to 1%, but not exceeding \$5,000, of the sum of the limits of liability specified for Coverage A — Building(s) and Coverage B — Personal Property to cover against loss in any one occurrence, by a peril not otherwise excluded under this form with respect to Coverage B — Personal Property to personal effects while located on the described premises belonging to the insured, officers, partners or employees thereof, and limited to \$500 on personal effects owned by any one individual. This Extension of Coverage does not apply if the loss is covered by any other insurance, whether collectible or not, or

which would have been covered by such other insurance in the absence of this policy. At the option of the Company, losses to personal effects of others covered under this Extension of Coverage may be adjusted with and payable to the insured.

4. Valuable Papers and Records: The insured may apply up to 1%, but not exceeding \$5,000, of the sum of the limits of liability specified for Coverage A — Building(s) and Coverage B — Personal Property for loss in any one occurrence by a peril not otherwise excluded under this form with respect to Coverage B — Personal Property to cover the cost of research and other expense necessarily incurred to reproduce, replace or restore books of account, abstracts, drawings, card index systems and other business records, including film, tape, wire or other recording media, all the property of the insured.

B. The liability of the Company for loss in any one occurrence, including loss under the following Extensions of Coverage, shall not exceed the limit of liability specified for the basic coverage being extended:

1. **Trees, Shrubs and Plants:** The insured may apply up to \$1,000 of the sum of the limits of liability specified for Coverage A — Building(s) and Coverage B — Personal Property to cover trees, shrubs and plants at the described locations against loss in any one occurrence by fire, lightning, explosion, riot, civil commotion or aircraft, not otherwise excluded, but the Company shall not be liable for more than \$250 on any one tree, shrub or plant, including expense incurred for removing debris thereof.

2. **Extra Expense:** The insured may apply up to \$1,000 of the limits of liability specified for Coverage A — Building(s) and Coverage B — Personal Property at the damaged locations to cover the necessary extra expense incurred by the insured in order to continue as nearly as practicable the normal operations of the insured's business immediately following damage by the perils not otherwise excluded under this form to the buildings or contents thereof situated at the described locations.

"Extra expense" means the excess of the total cost incurred during the period of restoration chargeable to the operation of the insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

"Period of restoration" means that period of time, commencing with the date of damage and not limited by the date of expiration of this policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of said buildings or contents thereof as may be damaged.

The Company shall not be liable for:

- a. loss of income.
- b. the cost of repairing or replacing any of the described property, or the cost of research or other expense necessary to replace or restore damaged books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing), that have been damaged by the perils not otherwise excluded, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing the total amount of extra expense. In no event shall such excess cost exceed the amount by which the total extra expense otherwise payable under this Extension of Coverage is reduced.
- c. any other consequential or remote loss.

3. **Replacement Cost Coverage:** In the event of loss to a building structure covered under this policy, when the full cost of repair or replacement is less than \$1,000, the coverage of this policy is extended to

The total amount recoverable under the Extensions of Coverage in this form and Extensions of Coverage in any other form made a part of this policy shall not exceed the largest amount recoverable under any single form made a part of this policy.

VI. EXCLUSIONS

This policy does not insure under this form against:

- A. Loss occasioned directly or indirectly by:
 1. enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures unless such liability is otherwise specifically assumed by endorsement;
 2. electrical currents artificially generated unless loss by fire or explosion not otherwise excluded ensues, and then the Company shall be liable for only such ensuing loss.
- B. Loss caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on premises where the property covered is located caused by a peril not otherwise excluded. Also, the Company shall not be liable under this clause for any loss resulting from riot, riot attending a strike, civil commotion, or vandalism and malicious mischief.
- C. Loss caused by, resulting from, contributed to or aggravated by any of the following:
 1. earth movement, including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting;
 2. flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;
 3. water which backs up through sewers or drains;
 4. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;unless loss by fire or explosion not otherwise excluded ensues, and then the Company shall be liable for only such ensuing loss.
- D. Loss caused by:
 1. Wear and tear, deterioration, rust or corrosion, mould, wet or dry rot; inherent or latent defect; smog; smoke, vapor or gas from agricultural or industrial operations; mechanical breakdown, including rupture or bursting caused by centrifugal force; settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings; animals, birds, vermin, termites or other insects; unless loss by a peril not otherwise excluded ensues and then the Company shall be liable for only such ensuing loss.
 2. Theft (including but not limited to burglary and robbery) of any property which at the time of loss is not an integral part of a building or structure

include the full cost of repair or replacement (without deduction for depreciation):

- a. This Extension of Coverage shall be applicable only to a building structure covered hereunder, but excluding floor coverings fastened to the floor or walls, mirrors, air conditioners, domestic appliances and outdoor equipment, all whether permanently attached to the building structure or not.
- b. The Company shall not be liable under this Extension of Coverage for any loss unless and until the damaged property is actually repaired or replaced on the same premises with due diligence and dispatch, and, in no event, unless repair or replacement is completed within a reasonable time after such loss.
- c. The Company shall not be liable under this Extension of Coverage for any loss unless the whole amount of insurance applicable to the building structure for which claim is made is equal to or in excess of the amount produced by multiplying the coinsurance percentage applicable (specified in this policy) by the actual cash value of such property at the time of the loss.

(except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then the Company shall be liable for only such ensuing loss.

3. Delay, loss of market, interruption of business, or consequential loss of any nature.
4. Vandalism, malicious mischief, theft or attempted theft, if the described building had been vacant or unoccupied beyond a period of 30 consecutive days immediately preceding the loss, unless loss by a peril not excluded in this policy ensues, and then the Company shall be liable for only such ensuing loss.
5. Leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) caused by or resulting from freezing while the described building is vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the building or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy.
6. Explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the insured, or for any ensuing loss except by fire or explosion not otherwise excluded in this policy, and then the Company shall be liable for only such ensuing loss.
7. Unexplained or mysterious disappearance of any property, or shortage as disclosed on taking inventory, or caused by any wilful or dishonest act or omission of the insured or any associate, employee or agent of any insured.
8. Inherent defect, failure, breakdown or derangement of machines or machinery; faulty materials or workmanship; unless loss by fire or explosion not otherwise excluded ensues, and then the Company shall be liable for only such ensuing loss.
9. Voluntary parting with title or possession of any property by the insured or others to whom the property may be entrusted (except by carriers for hire) if induced to do so by any fraudulent scheme, trick, device or false pretense.
10. Any fraudulent, dishonest or criminal act done by or at the instigation of any insured, partner or joint adventurer in or of any insured, an officer director or trustee of any insured; pilferage, appropriation or concealment of any property covered

due to any fraudulent, dishonest or criminal act of any employee while working or otherwise, or agent of any insured, or any person to whom the property covered may be entrusted, other than any carrier for hire.

VII. COINSURANCE CLAUSE

The Company shall not be liable for a greater proportion of any loss to the property covered hereunder than the limit of liability under this policy for such property to the amount produced by multiplying the coinsurance percentage applicable (specified in this policy) of the actual cash value of such property at the time of the loss.

In the event that the aggregate claim for any loss is both less than \$10,000 and less than 5% of the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory and appraisement of the undamaged property shall be

VIII. DEDUCTIBLE CLAUSE

The sum of \$100 shall be deducted from the amount of loss in any one occurrence resulting from any of the perils insured against, other than fire or lightning. This deductible shall apply separately to each building or structure (including its personal property) and separately to personal prop-

Subject to the provisions and stipulations of this policy, the following bases for valuation of property are established:

- A. Property of others** at the amount for which the insured is liable but in no event to exceed actual cash value.
- B. Tenant's Improvements and Betterments:**
 - 1. If repaired or replaced at the expense of the insured within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments.
 - 2. If not repaired or replaced within a reasonable time after loss, that proportion of the original cost at time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the dates such improvements or betterments were made to the expiration date of the lease.

X. CONDITIONS

A. Permits and Use: Except as otherwise provided herein, permission is hereby granted:

- 1. to make alterations and repairs;
- 2. for such unoccupancy as is usual or incidental to the described occupancy but vacancy is limited to the 60 day period permitted by the policy conditions;
- 3. in the event of loss hereunder, to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage, and provided further that the insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by any peril not otherwise excluded shall be included in determining the amount of loss hereunder. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and in particular the requirement that, in case loss occurs, the insured shall protect the property from further damage.

B. Loss Clause: Any loss hereunder shall not reduce the amount of this policy.

C. Mortgage Clause: Applicable to buildings only (this entire clause is void unless name of Mortgagees (or trustees) is inserted in the Declarations): Loss, if any, under this policy, shall be payable to the mortgagee (or trustee), named on the first page of this policy, as interest may appear under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee) in order of precedence of said mortgages, and this insurance as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any

11. Rain, snow, sleet or cold weather to property in the open (other than property in the custody of carriers for hire).

12. Any legal proceeding.

XI. VALUATION

erty in the open, but in no event shall the aggregate amount deducted from loss in any one occurrence exceed \$1,000. The Company shall be liable only for its proportion of loss in excess of the deductible, in accordance with the other insurance provisions of this policy.

If insurance under Section I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

The value of property covered under Extensions of Coverage, and the cost of the removal of debris, shall not be considered in the determination of actual cash value when applying the Coinsurance Clause.

IX. DEDUCTIBLE CLAUSE

erty in the open, but in no event shall the aggregate amount deducted from loss in any one occurrence exceed \$1,000. The Company shall be liable only for its proportion of loss in excess of the deductible, in accordance with the other insurance provisions of this policy.

X. CONDITIONS

- 3. If repaired or replaced at the expense of others for the use of the insured, there shall be no liability thereunder.
- C. Books of account, manuscripts, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing), for not exceeding the cost of blank books, cards or other blank material.**
- D. Film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing for not exceeding the cost of such media in unexposed or blank form, wire or other recording media for not exceeding the cost of unexposed or blank film, tape, wire or other recording media.**
- E. All other property at actual cash value.**

change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy: provided, that in the case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same. Provided also, that the mortgagee (or trustee) shall notify the Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof, otherwise this policy shall be null and void. The Company reserves the right to cancel this policy at any time as provided by its terms, but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and the Company shall have the right, on like notice to cancel this agreement.

Whenever the Company shall pay the mortgagee (or trustee) any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, the Company shall to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may at its option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage, with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

NOTE—Inspections by the Insured: This insurance contemplates not less than two inspections per year of the described property made by the insured for the purpose of fire prevention and fire safety.



PERSONAL INJURY LIABILITY INSURANCE ENDORSEMENT

Form MLB-220
(Ed. 10-66)

In consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part hereof and subject to all of the terms of this endorsement, the Company agrees with the named insured as follows:

SCHEDULE

The insurance afforded is only with respect to personal injury arising out of an offense included within such of the following groups of offenses as are indicated by specific premium charge or charges:

Groups of Offenses	Provisional Premium
A. False Arrest, Detention or Imprisonment, or Malicious Prosecution	\$
B. Libel, Slander, Defamation or Violation of Right of Privacy	\$
C. Wrongful Entry or Eviction or other Invasion of Right of Private Occupancy	\$
Minimum Premium \$	Total Provisional Premium \$

Limits of Liability: \$ _____ each person aggregate; \$ _____ general aggregate.
Insured's participation _____ %

I. COVERAGE—PERSONAL INJURY LIABILITY

The Company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of injury (herein called "personal injury") sustained by any person or organization and arising out of one or more of the following offenses:

Group A — false arrest, detention or imprisonment, or malicious prosecution;

Group B — the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named insured;

Group C — wrongful entry or eviction, or other invasion of the right of private occupancy;

if such offense is committed during the policy period within the United States of America, its territories or possessions, or Canada, and the Company shall have the right and duty to defend any suit against the insured seeking damages on account of such personal injury even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgment or settlements.

This Endorsement must be attached to Change Endorsement MLB-20 when issued after the Policy is written.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement;
- (b) to personal injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured;
- (c) to personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the named insured;
- (d) to personal injury arising out of any publication or utterance described in Group B, if the first injurious publications or utterance of the name or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;
- (e) to personal injury arising out of a publication or utterance described in Group B concerning any person, organization or business enterprise, or his or its products or services, made by or at the direction of any insured with knowledge of the falsity thereof.

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the named insured is designated in the Declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;
- (b) if the named insured is designated in the Declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the named insured is designated in the Declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

III. LIMITS OF LIABILITY—INSURED'S PARTICIPATION

Regardless of the number of (1) insureds under this endorsement, (2) persons or organizations who sustain personal injury, or (3) claims made or suits brought on account of personal injury, the total liability of the Company for all damages because of all personal injury to which this insurance applies, sustained by any one person or organization, shall not exceed the limit of personal injury liability stated in the schedule as "each person aggregate."

Subject to the above provision respecting "each person aggregate," the total limit of the Company's liability under this insurance for all damages shall not exceed the limit of personal injury liability stated in the schedule as "general aggregate."

If a participation percentage is stated in the schedule for the insured, the Company shall not be liable for a greater proportion of any loss than the difference between such percentage and one hundred percent, and the balance of the loss shall be borne by the insured; provided, the Company may pay the insured's portion of a loss to effect settlement of the loss, and, upon notification of the action taken, the named insured shall promptly reimburse the Company therefor.

IV. AMENDED DEFINITION

When used in reference to this insurance:

"damages" means only those damages which are payable because of personal injury arising out of an offense to which this insurance applies.

V. OTHER PROVISIONS APPLICABLE TO THIS ENDORSEMENT

- A. The following provisions applicable to Sections I and II of the policy are applicable to this endorsement: Inspection and Audit; Cancellation; and Subrogation.
- B. The following terms and provisions applicable only to Section II are applicable to this endorsement: Supplementary Payments; Modification of Terms; Insured's Duties in the Event of Occurrence, Claim or Suit; Action Against the Company; Other Insurance; Nuclear Exclusion; and Definitions — Section II, other than the definition "damages".

Guarantee

WE GUARANTEE TO PERFORM THE FOLLOWING SERVICES

Make a technical audit of your electric, gas, ~~steam and water~~ and furnish you a report on any over-charges or discrepancies.

Advise you if there are available to you any rate schedules—published, secret or special—or riders, concessions or supplementary provisions . . . any of which will reduce your utility costs . . . and instruct you how to benefit from them.

Render full consultation and advisory service during any negotiations with utility companies on rates, new schedules or any matters pertaining to your utility costs.

Analyze your operations and advise you whenever power factor or load factor characteristics may be controlled or regulated by you to bring about a reduction in your utility costs without interfering with your operations.

We will keep confidential the work we do for you and we will not communicate with your utility companies or negotiate with them without your written authorization.

OUR GUARANTEE TO YOU

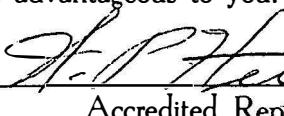
We guarantee to advise you, during the period of this agreement, of the following:

- any overcharges in your current utility billing.
- the lowest cost producing rate applicable to your business.
- any incorrect billing methods.
- any erroneous interpretation of your contracts.
- any misapplication of rate schedules.
- any improper metering methods.

To assist us in rendering the above services and to enable us to fulfill our guarantee, you agree to:

- Furnish us any utility contracts, correspondence which you have as we may require.
- Submit to us immediately any new proposals regarding your utility rates or operations.
- Notify us of any contemplated or actual operational changes.
- Forward your utility bills to us each month to be audited.

You have the privilege of submitting to us your utility bills for one year from date and for as long thereafter as this agreement shall continue . . . we will audit and analyze these bills and advise you if variations in your consumption or usage (or the filing of any new or revised rate schedules by your utility companies) will make additional changes advantageous to you.

Signed by 
Accredited Representative of

J. P. Clark Associates, Inc.

this _____ day of _____ 19_____.

Copy.

J. P. Clark Associates, Inc.

204 South Ervay Street
Dallas, Texas

Electric
 Gas
 Water
 Steam

Date _____

Gentlemen:

To be assured of obtaining our Utility Services at the Lowest Possible Cost, we employ you as our Utility Rate Auditors and Power Cost Consultants. It is understood that—

**YOUR TECHNICAL ANALYSIS AND AUDIT REPORT
GUARANTEES US THE LOWEST RATES
APPLICABLE TO OUR BUSINESS**

— by —

1. Analyzing our CURRENT BILLS, to determine if lower rates, published or special, or concessions, riders, or supplementary provisions could be applied to reduce our present costs.
2. Auditing and analyzing our PAST PAID BILLS for a period up to 5 years, if available, and giving all possible advice and assistance in securing refunds, where any overcharges have been made.
3. Completing your technical analysis and furnishing us an AUDIT REPORT of the above within a period of 4 months, based on the utility bills and contracts we furnish you.
4. Continuing to audit and analyze our FUTURE BILLS for a period of one year, and acting as our consultants during this time in negotiations with our Utility Companies, if new rates, concessions and riders or changes in our consumption or usage entitled us to lower rates.

Your total fee for all of the above services is \$ 525 00

At client's option this Agreement may be renewed for successive annual periods at a fee of one-fourth the original fee \$ 135 00.

FIRM NAME _____

Accepted for

By _____ TITLE _____

ADDRESS _____

CITY _____ STATE _____

Business Classification _____

J. P. Clark Associates, Inc.

By *J. P. Clark*