

Renella Decl. Ex. 2



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

20-000186323

PF SUNSET VIEW, LLC DBA PLANET FITNESS,
PF RIVERVIEW, LLC AND ET AL

CASE #: 502020CA005643XXXXMB
COURT: CIRCUIT COURT
COUNTY: PALM BEACH
DFS-SOP #: 20-000186323

PLAINTIFF(S)

VS.

ATLANTIC SPECIALTY INSURANCE COMPANY

DEFENDANT(S)

SUMMONS, COMPLAINT, EXHIBIT

NOTICE OF SERVICE OF PROCESS

NOTICE IS HEREBY GIVEN of acceptance of Service of Process by the Chief Financial Officer of the State of Florida. Said process was received in my office by PROCESS SERVER on Thursday, May 28, 2020 and a copy was forwarded by ELECTRONIC DELIVERY on Thursday, July 9, 2020 to the designated agent for the named entity as shown below.

ATLANTIC SPECIALTY INSURANCE COMPANY
LYNETTE COLEMAN
1201 HAYS STREET
TALLAHASSEE, FL 32301

***Our office will only serve the initial process(Summons and Complaint) or Subpoena and is not responsible for transmittal of any subsequent filings, pleadings, or documents unless otherwise ordered by the Court pursuant to Florida Rules of Civil Procedure, Rule #1.080**

Jimmy Patronis
Chief Financial Officer

ADAM M BALKAN
SUITE 100
1877 S FEDERAL HIGHWAY
BOCA RATON, FL 33432

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HARDWARE, MEDIA AND ELECTRONIC DATA COVERAGES ENDORSEMENT

This endorsement modifies the insurance provided under the following forms as shown below:

- SPECIAL PROPERTY COVERAGE FORM
- SPECIAL PROPERTY PLUS COVERAGE FORM
- SPECIAL PROPERTY COVERAGE FORM (FLEX)
- SPECIAL PROPERTY PLUS COVERAGE FORM (FLEX)

A. Section A. **COVERAGES**, is amended as follows:

1. Paragraph 2. **Business Personal Property Coverage**, subparagraph b.(5) is replaced by the following:
 - (5) "Hardware" and "Media";
2. The following is added to the list of property not covered in paragraph 2. **Business Personal Property Coverage**, subparagraph c.:

"Electronic Data"
3. Paragraph 3. **Business Income and Extra Expense Coverage**, subparagraph c.(3)(c)(iii) is deleted.
4. Paragraph 5. **Loss Expense and Protection Coverages**, subparagraph b. is deleted and replaced by the following:
 - b. **Fire Extinguisher and Automatic Extinguishing System Recharge**

We will pay your expenses for recharge of your hand fire extinguishers when they are emptied while fighting fire.

We will also pay to recharge an automatic extinguishing system used exclusively to protect "Hardware", "Media" or "Electronic Data".
5. The following Additional Coverage is added:

Electronic Data Coverages

 - a. **Electronic Data Damage or Destruction**
 - (1) **From Cyber Vandalism**

We will pay the cost to replace or restore "electronic data" which has been destroyed or corrupted by the Cyber Vandalism Causes of Loss.
 - (2) **From Inland Marine Causes of Loss**

We will pay the cost to replace or restore "electronic data" which has been destroyed or corrupted by the Inland Marine Causes of Loss. The Inland Marine Causes of Loss are the same as those described under paragraph B. **CAUSES OF LOSS**.
 - b. **Electronic Data Loss of Income and Extra Expense**
 - (1) **From Cyber Vandalism**

We will pay for the actual loss of income you sustain and extra expense you incur when a "suspension" of "operations" results from destroyed or corrupted "electronic data" caused by the Cyber Vandalism Causes of Loss.
 - (2) **From Inland Marine Causes of Loss**

We will pay for the actual loss of income you sustain and extra expense you incur when a "suspension" of "operations" results from destroyed or corrupted "electronic data" caused by the Inland Marine Causes of Loss. The Inland Marine Causes of Loss are the same as those described under paragraph B. **CAUSES OF LOSS**.
 - c. **Denial of Service Coverage**

We will pay for the actual loss of income you sustain when the "suspension" of "operations" is caused by a "denial of service attack". This coverage does not apply to:

 - (1) Loss otherwise covered by the Cyber Vandalism Causes of Loss;
 - (2) Loss caused by or resulting from governmental action;

RECEIVED AS STATUTORY REGISTERED AGENT on 28 May, 2020 and served on defendant or named party on 09 July, 2020 by the Florida Department of Financial Services

- (5) In the event of damage to "Stock" you have two options when:
- (a) You do not want to sell your damaged "Stock" under your brand or label; or
 - (b) The owner of any damaged "Stock" in your care, custody or control does not want to sell that damaged "Stock" under the owner's brand or label even though the damaged stock has salvage value.

You may:

- (a) Remove the brand or label and then relabel the damaged "Stock" to comply with the law; or
- (b) Label the damaged "Stock" as SALVAGE, but, in doing so, cause no further damage to the "Stock".

In either case, the business personal property valuation will include the difference between:

- (a) The salvage value of the damaged "Stock" with the brand or label attached; and
- (b) The salvage of the damaged "Stock" with the brand or label removed.

- (6) Replacement Cost of "Stock" you have sold but not delivered means the selling price less discounts and expenses you otherwise would have had.
- (7) Replacement Cost of your "Stock" will include the reduction in value of the "Stock" due to consequential damage. Consequential damage means a part or parts of your product that are physically lost or damaged by a Covered Cause of Loss causing the part or parts that are not damaged to be unmarketable as a complete product.
- (8) Replacement Cost of a building or structure includes the necessary cost to tear out and replace any part of the building or structure to repair damage to a system or appliance caused by a covered loss in which water or other liquid, powder or molten material escapes.

Replacement Cost does not include the cost to repair any defect that caused the loss or damage, 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.

- (9) In case of loss to any pair or set we may:

- (a) Repair or replace any part to restore the pair or set to its value before the loss; or
- (b) Pay the difference between the value of the pair or set before and after the loss.

b. Functional Replacement Cost

- (1) Functional replacement cost means the cost to repair or replace property with available property that most closely duplicates the function of the damaged or replaced property at time of loss. The replacement property may perform additional functions if it is the available property that most closely duplicates the function of the damaged or replaced property.
- (2) Unless a different valuation basis is shown in the Declarations, the following property will be adjusted based on its functional replacement cost:
- (a) Buildings and structures, but only if the building or structure is identified as having functional replacement cost apply in the Declarations;
 - (b) "Hardware", "Software", "Media" and data;
 - (c) "Scientific and Professional Equipment"; and
 - (d) Other Business Personal Property, but only if that business personal property is identified as having Functional Replacement Cost apply in the Declarations.

INSPECTION SERVICES

Provided by THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

DO YOU NEED A CERTIFICATE INSPECTION?

Please contact our hotline @ (800) 333-INSP (4677)

Jurisdictional regulations which govern the inspections and certification of certain equipment can be complicated and confusing. Depending on the jurisdiction one or more of the following equipment may require a certificate:

- Power boilers, and high-pressure, high-temperature water boilers.
- Low-pressure steam or vapor heating boilers, hot-water heating, and hot-water supply boilers.
- Refrigeration Systems
- Pressure Vessels

For your convenience, our partner - Hartford Steam Boiler - has an Inspection Hotline to answer your questions and receive inspection requests. As part of your Equipment Breakdown coverage with OneBeacon, you can request jurisdictionally mandated inspections using the contact details below.

Ways to contact Hartford Steam Boiler:

Inspection Hotline: (800) 333-4677

7:00 A.M. – 7:00 P.M. EST

Email: NSCINSP_HOTLINE@hsb.com

Fax #: (484) 582-1811

When calling to schedule an inspection, we require the following information:

- Location Name
- Location Address
- Contact Name
- Contact Phone Number
- OneBeacon Policy Number
- State or Jurisdictional # associated with the equipment (if available)



Filing # 107859258 E-Filed 05/22/2020 12:45:51 PM

IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA

e

CASE NO:

PF SUNSET VIEW, LLC dba PLANET
FITNESS, PF RIVERVIEW, LLC dba
PLANET FITNESS, PF SKIPPER VIEW, LLC
dba PLANET FITNESS, and PF WATER
VIEW, LLC dba PLANET FITNESS individually
and on behalf of all others similarly situated,

*Ch 237
5/28/20
12.201*

Plaintiffs,

v.

ATLANTIC SPECIALTY INSURANCE COMPANY,

Defendant.

SUMMONS

THE STATE OF FLORIDA

To the Sheriff of the State:

YOU ARE HEREBY COMMANDED to serve this Summons, a copy of the Class
Action Complaint, in this action on the Defendant:

ATLANTIC SPECIALTY INSURANCE COMPANY

DEFENDANT TO BE SERVED CARE OF:

**FLORIDA CHIEF FINANCIAL OFFICER as RA
200 EAST GAINES STREET
TALLAHASSEE, FL 32399-0300**

Each Defendant is required to serve written defenses to the Complaint on the
Plaintiff's attorney, **ADAM M. BALKAN, ESQUIRE**, Balkan & Patterson LLP, located at
1877 South Federal Highway, Suite 100, Boca Raton, FL 33432,
adam@balkanpatterson.com; john@balkanpatterson.com; tiffany@balkanpatterson.com;
efile@balkanpatterson.com, and **TIMOTHY G. BLOOD, ESQUIRE, THOMAS J.**

O'REARDON II, ESQUIRE, Blood Hurst & O'reardon, LLP, located at 501 West Broadway, Suite 1490, San Diego, CA 92101, tblood@bholaw.com; toreardon@bholaw.com within twenty (20) days after service of this Summons on the Defendant, exclusive of the day of service, and to file the original of the defenses with the Clerk of this Court either before service on Plaintiffs' attorney or immediately thereafter. If a Defendant fails to do so, a default will be entered against that Defendant for the relief demanded in the complaint.

DATED this ____ day of May 27 2020, 2020.



SHARON R. BOCK
As Clerk of said Court

BY:

As Deputy Clerk
Dolly Garcia

BALKAN & PATTERSON, LLP
Attorneys for the Plaintiffs
1877 S. Federal Highway, Suite 100
Boca Raton, FL 33432
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efile@balkanpatterson.com

By: /s/ Adam M. Balkan
ADAM M. BALKAN
Fla Bar No.: 0044880

**IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA**

Case No.

**PF SUNSET VIEW, LLC dba PLANET
FITNESS, PF RIVERVIEW, LLC dba
PLANET FITNESS, PF SKIPPER VIEW,
LLC dba PLANET FITNESS, and PF
WATER VIEW, LLC dba PLANET
FITNESS individually and on behalf of all
others similarly situated,**

Plaintiffs,

v.

**ATLANTIC SPECIALTY INSURANCE
COMPANY,**

Defendant.

CLASS ACTION COMPLAINT

Plaintiffs PF Sunset View, LLC dba Planet Fitness, PF Riverview, LLC dba Planet Fitness, PF Skipper View, LLC dba Planet Fitness, and PF Water View, LLC dba Planet Fitness (“Plaintiffs”)¹ bring this class action complaint against Defendant Atlantic Specialty Insurance Company (“Defendant” or “Atlantic Specialty”), individually and on behalf of all others similarly situated, and allege upon personal knowledge as to their acts and experiences, and, as to all other matters, upon information and belief, as follows:

NATURE OF THE ACTION

1. Plaintiffs own and operate fitness club franchises operating as Planet Fitness gyms in Florida. By recent orders issued by the State of Florida, Plaintiffs’ businesses have been forced to cease their operations as part of the State’s efforts due to the COVID-19 global pandemic.

¹ Plaintiffs own and operate four Planet Fitness franchises in Florida. Although each of Plaintiffs’ four Planet Fitness locations have separate Atlantic Specialty policies and claim numbers, the policies and claims are materially identical as concerns this coverage dispute.

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2. To protect their businesses from situations like these, Plaintiffs obtained commercial property insurance from Atlantic Specialty. The Policy is a bilateral contract: Plaintiffs agreed to pay monthly premiums to Defendant in exchange for Defendant's promises of coverage for certain losses.

3. Among other types of coverage, the Policy protects Plaintiffs against a loss of business income due to a suspension of the fitness clubs' operations. This type of coverage is often referred to as business interruption coverage.

4. The Policy also provides "Extra Expense" coverage, under which Defendant promised to pay expenses incurred to minimize the suspension of business. Additionally, the Policy provides "Civil Authority" coverage, under which Defendant promised to pay for a loss of business income caused by the action of a civil authority prohibiting access to the fitness club.

5. Beginning in March 2020, Plaintiffs were forced to suspend business operations at their fitness clubs as a result of COVID-19 and government orders prohibiting access to the premises. This suspension has caused Plaintiffs to suffer significant losses.

6. Under the Policy, Defendant promised to cover these losses and expenses, and is obligated to pay for them. But in blatant breach of its contractual obligations, Defendant has failed to pay for these losses and expenses.

7. Upon information and belief, Defendant has failed to pay for similar business interruption losses and expenses by thousands of other insureds holding policies that are, in all material respects, identical to the Policy.

8. As a result, Plaintiffs now bring this action individually and on behalf of all similarly situated insured businesses against Atlantic Specialty for its failure to honor its obligations under commercial property insurance policies issued to Plaintiffs and Class members,

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which provide coverage for losses incurred due to a necessary suspension of operations, including when businesses are forced to close due to a government order. Plaintiffs seek a declaratory judgment that Plaintiffs and Class members' business income losses are covered losses under the Policy.

JURISDICTION AND VENUE

9. The amount at issue in this case is in excess of \$30,000.00, exclusive of interest, attorneys' fees and costs.

10. Venue is proper in this Circuit because the conduct at issue occurred in this County, Plaintiffs' causes of action accrued in this Circuit, and Defendant is present in this Circuit through its business activities.

PARTIES

11. Plaintiff PF Sunset View, LLC dba Planet Fitness is a Florida corporation located at 21322 Harrow Court, Boca Raton, Florida 33433. Plaintiff's members are Arthur Nudelman, Jacob Khotoveli, and Eric Gleit, citizens of Florida. PF Sunset View, LLC dba Planet Fitness owns and operates a Planet Fitness franchise located at 1883-1885 N Highland Ave., Clearwater, FL 33755. In 2019, Atlantic Specialty issued all-risk commercial property insurance policy no. 710-03-88-23-0001 to PF Sunset View, LLC dba Planet Fitness, with a policy period of April 17, 2019 – April 17, 2020. On or about April 17, 2020, Atlantic Specialty renewed this policy and issued all-risk commercial property insurance policy no. 710-03-88-23-0002 to PF Sunset View, LLC dba Planet Fitness with a policy period of April 17, 2020 – April 17, 2021. Copies of the aforementioned policies issued to Plaintiff PF Sunset View, LLC are attached hereto as Exhibits "A" and "B." On March 27, 2020, after Plaintiff ceased operations and shut its business by orders of the State of Florida and Pinellas County, it made a claim with Defendant under the

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Policy. On April 13, 2020, more than two weeks after the claim was made, Defendant finally acknowledged the claim and assigned it claim number 0AB284248. In its response, Defendant identified provisions of the Policy it believed may be applicable to the loss, and despite knowing all facts necessary to accept or deny the claim, refused to accept the claim and instead asserted a reservation of rights without basis. Plaintiff has followed up with Defendant and provided additional information about the claim. However, two months have passed and Defendant still has not notified Plaintiff of its coverage determination. Meanwhile, Plaintiff is in dire need of the insurance benefits to which Plaintiff is entitled.

12. Plaintiff PF Riverview, LLC dba Planet Fitness is a Florida corporation located at 21322 Harrow Court, Boca Raton, Florida 33433. Plaintiff's members are Arthur Nudelman, Jacob Khotoveli, and Eric Gleit, citizens of Florida. PF Riverview, LLC dba Planet Fitness owns and operates a Planet Fitness franchise located at 9822 US Highway 301 S., Riverview, FL 33578. In 2019, Atlantic Specialty issued all-risk commercial property insurance policy no. 710-03-90-50-0000 to PF Riverview, LLC dba Planet Fitness with a policy period of August 6, 2019 – April 17, 2020. On or about April 17, 2020, Atlantic Specialty renewed this policy and issued all-risk commercial property insurance policy no. 710-03-90-50-0001 to PF Riverview, LLC dba Planet Fitness with a policy period of April 17, 2020 – April 17, 2021. Copies of the aforementioned policies issued to Plaintiff PF Riverview, LLC are attached hereto as Exhibits "C" and "D." On March 27, 2020, after Plaintiff ceased operations and shut its business by orders of the State of Florida and Hillsborough County, it made a claim with Defendant under the Policy. On April 13, 2020, more than two weeks after the claim was made, Defendant finally acknowledged the claim and assigned it claim number 0AB284243. In its response, Defendant identified provisions of the Policy it believed may be applicable to the loss, and despite knowing

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all facts necessary to accept or deny the claim, refused to accept the claim and instead asserted a reservation of rights without basis. Plaintiff has followed up with Defendant and provided additional information about the claim. However, two months have passed and Defendant still has not notified Plaintiff of its coverage determination. Meanwhile, Plaintiff is in dire need of the insurance benefits to which Plaintiff is entitled.

13. Plaintiff PF Skipper View, LLC dba Planet Fitness is a Florida corporation located at 21322 Harrow Court, Boca Raton, Florida 33433. Plaintiff's members are Arthur Nudelman, Jacob Khotoveli, and Eric Gleit, citizens of Florida. PF Skipper View, LLC dba Planet Fitness owns and operates a Planet Fitness franchise located at 2546 E. Bearss Avenue, Tampa, FL 33613. In 2019, Atlantic Specialty issued all-risk commercial property insurance policy no. 710-03-84-17-0001 to PF Skipper View, LLC dba Planet Fitness, with a policy period of April 17, 2019 – April 17, 2020. On or about April 17, 2020, Atlantic Specialty renewed this policy and issued all-risk commercial property insurance policy no. 710-03-84-17-0002 to PF Skipper View, LLC dba Planet Fitness with a policy period of April 17, 2020 – April 17, 2021. Copies of the aforementioned policies issued to Plaintiff PF Skipper View, LLC are attached hereto as Exhibits "E" and "F." On March 27, 2020, after Plaintiff ceased operations and shut its business by orders of the State of Florida and Hillsborough County, it made a claim with Defendant under the Policy. On April 7, 2020, nearly two weeks after the claim was made, Defendant finally acknowledged the claim and assigned it claim number 0AB284250. In its response, Defendant identified provisions of the Policy it believed may be applicable to the loss, and despite knowing all facts necessary to accept or deny the claim, refused to accept the claim and instead asserted a reservation of rights without basis. Plaintiff has followed up with Defendant and provided additional information about the claim. However, two months have

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passed and Defendant still has not notified Plaintiff of its coverage determination. Meanwhile, Plaintiff is in dire need of the insurance benefits to which Plaintiff is entitled.

14. Plaintiff PF Water View, LLC dba Planet Fitness is a Florida corporation located at 21322 Harrow Court, Boca Raton, Florida 33433. Plaintiff's members are Arthur Nudelman, Jacob Khotoveli, and Eric Gleit, citizens of Florida. PF Water View, LLC dba Planet Fitness owns and operates a Planet Fitness franchise located at 210 W Waters Ave., Tampa, FL 33604. In 2019, Atlantic Specialty issued all-risk commercial property insurance policy no. 710-03-73-58-0002 to PF Water View, LLC dba Planet Fitness, with a policy period of April 17, 2019 – April 17, 2020. On or about April 17, 2020, Atlantic Specialty renewed this policy and issued all-risk commercial property insurance policy no. 710-03-73-58-0003 to PF Water View, LLC dba Planet Fitness with a policy period of April 17, 2020 – April 17, 2021. Copies of the aforementioned policies issued to Plaintiff PF Water View, LLC are attached hereto as Exhibits "G" and "H." On March 27, 2020, after Plaintiff ceased operations and shut its business by orders of the State of Florida and Hillsborough County, it made a claim with Defendant under the Policy. On April 13, 2020. In its response, Defendant identified provisions of the Policy it believed may be applicable to the loss, and despite knowing all facts necessary to accept or deny the claim, refused to accept the claim and instead asserted a reservation of rights without basis. Plaintiff has followed up with Defendant and provided additional information about the claim. However, two months have passed and Defendant still has not notified Plaintiff of its coverage determination. Meanwhile, Plaintiff is in dire need of the insurance benefits to which Plaintiff is entitled.

15. Atlantic Specialty Insurance Company ("Atlantic Specialty") is a New York corporation with its principal place of business at 605 Highway 169 North, Suite 800, Plymouth,

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Minnesota 55441. Atlantic Specialty is an insurance company authorized to do business in the State of Florida and elsewhere.

FACTUAL ALLEGATIONS

The Policy

16. Atlantic Specialty sold Plaintiffs and members of the Class commercial property insurance policies (the “Policy”) covering business income losses resulting from the necessary suspension of business operations at an insured location and business income losses caused by a government orders prohibiting access to the premises. Plaintiffs and members of the Class paid substantial premiums in exchange for the coverages of the Policy.

17. The Policy is an all-risk insurance policy. In an all-risk insurance policy, all risks of loss are covered unless they are specifically excluded.

18. Consistent with the all-risk nature of the Policy, Atlantic Specialty specifically agreed to pay for all losses caused by a “Covered Cause of Loss,” defined as “a cause of loss that would be covered under your policy for the type of property that has been lost or damaged.”

19. One type of coverage provided by the Policy is for loss of business income, often called business interruption insurance. This coverage is specifically provided for in a section of the Policy titled “Business Income and Extra Expense Coverage.”

20. Pursuant to the Policy’s “Business Income” coverage form, Atlantic Specialty promised it “will pay for the actual loss of Business Income you sustain due to the necessary suspension of your ‘Operations’ during the ‘Period of Restoration’.”

3. Business Income and Extra Expense Coverage

a. Business Income

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "Operations" during the "Period of Restoration". The suspension must be caused by direct physical loss of or damage to property at:
- (a) The described premises;
 - (b) Your new buildings while being built on or within 1000 feet of the described premises;
 - (c) 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 loss or damage must be caused by or result from a Covered Cause of Loss. If the damaged property is Covered Property under your Building or Business Personal Property Coverages, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to this Business Income Coverage. If the damaged property is not Covered Property under your Building or Business Personal Property Coverages, then the General Causes of Loss apply to this Business Income Coverage. With respect to loss of or damage to business personal property in the open or personal property in a vehicle, the described premises include the area within 1000 feet of the site at which the described premises are located. Your Business Income Coverage does not apply to any loss otherwise covered only under your Crime Coverages.

21. Each of the operative terms of this coverage provision is defined by the Policy as follows.

22. The term "Business Income" means the net income that would have been earned plus any normal operating expenses, including payroll.

(4) Throughout all of your Business Income and Extra Expense Coverages, the term Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses. Net Income includes "Rental Value" unless the phrase **Business Income Excluding Rental Value** appears in the Declarations; and
- (a) Continuing normal operating expenses incurred, including payroll.

23. The term "Operations" means "your business activities occurring at the described premises, including the tenantability of the described premises. If the phrase Business Income Excluding Rental Value appears in the Declarations, "Operations" does not include the tenantability of the described premises."

24. The phrase “Period of Restoration” means the time that begins with the date of loss or damage resulting from any covered cause of loss and ends on the date the property should be repaired.

13. “Period of Restoration” means the period of time that:
- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

25. Additionally, under the Policy, Defendant also promised to cover “Extended Business Income” during the “Extended Period of Indemnity.” This coverage requires Defendant to pay for loss of Business Income beyond the Period of Restoration under certain conditions.

26. Specifically, Defendant promised to pay for the actual loss of Business Income during the Extended Period of Indemnity that begins on the date that the insured property is repaired and Operations are resumed, and ends either 90 days thereafter or on the date when Operations are restored to the level which would generate Business Income to normal levels, whichever is earlier.

27. In addition to promising to pay for loss of Business Income, under the Policy, Defendant also promised to pay for certain necessary “Extra Expense[s].” Extra Expenses mean expenses that the policyholder incurs to, for example, minimize the suspension of business.

28. The Policy also provides “Civil Authority” coverage. Under this type of coverage, Defendant promised to pay for the loss of Business Income and Extra Expense that Plaintiffs sustained as a result of “action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.”

f. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This Coverage will apply for a period of up to 2 consecutive weeks from the date of that action.

29. This Civil Authority provision is an independent basis for business interruption coverage. That is, it can be triggered even when the standard business interruption coverage is not.

30. Parts of the Policy, including the “Business Income and Extra Expense Coverage” form, are standardized forms drafted by the Insurance Services Office (ISO). The ISO is a company that drafts standard policy language for use in insurance contracts.

31. In 2006, the ISO drafted a new endorsement, CP 01 40 07 06, acknowledging that claims for business interruption losses would be filed under existing policy language for losses resulting from the presence of disease-causing agents. Endorsement CP 01 40 07 06, which other insurers have since incorporated in policies, provides that the insurer “will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.” Significantly, Defendant chose to not include this endorsement in the Policy.

32. The Policy does not contain any exclusion which would apply to allow Defendant to deny coverage for losses caused by COVID-19 and related actions of civil authorities taken in response to COVID-19.

33. Accordingly, because the Policy is an all-risk policy and does not specifically exclude the losses that Plaintiffs have suffered, those losses are covered.

The COVID-19 Pandemic and Actions of Civil Authorities

34. In late 2019 and early 2020, an outbreak of respiratory illness caused by a novel coronavirus n/k/a COVID-19 started to infect humans across the globe. On March 11, 2020, the World Health Organization (“WHO”) declared the COVID-19 outbreak a pandemic (i.e. a global outbreak of disease).

35. Throughout March 2020, governments around the world, including the U.S. Government, State of Florida, and County officials throughout Florida (including in Hillsborough and County and Pinellas County) began ordering the shutdown of non-essential businesses, including fitness centers, movie theaters, bars and restaurants, and ordering citizens to stay at home in order to slow the spread of COVID-19 and reduce the health, property and economic impact of the pandemic.

36. On March 1, 2020, Florida Governor Ron DeSantis issued Executive Order 20-51, directing the State Health Officer and Surgeon General to declare a Public Health Emergency due to the discovery of COVID-19 in Florida.

37. On March 9, 2020, Governor DeSantis issued Executive Order Number 20-52 declaring a State of Emergency for the state of Florida in furtherance of efforts to respond to and mitigate the effects of COVID-19 throughout the State.

38. On March 12, 2020, the Hillsborough County Emergency Policy Group declared a state of local emergency in response to a County wide threat from COVID-19 for all of Hillsborough County.

39. On March 13, 2020, the Board of County Commissioners of Pinellas County, Florida passed Resolution 20-16 and declared a state of local emergency as of 3:00 p.m. on March 13, 2020, for all legal territory within Pinellas County.

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40. On March 17, 2020, Governor DeSantis issued Executive Order 20-68, which included an immediate order prohibiting certain access to bars, pubs, nightclubs, and restaurants for the entire State of Florida.

41. On March 19, 2020, the Hillsborough County Administrator issued Administrator Order Updating COVID-19 Limitations for Establishments and Gatherings. In addition to ordering compliance with all Executive Orders issued by the Governor of the State of Florida, the Order prohibited public and private gatherings that bring together more than 10 people in a single room, single space, or any other venue, at the same time. The Order included prohibiting gatherings of more than 10 people at fitness centers, health clubs, private clubs and theaters.

42. On March 20, 2020, Governor DeSantis issued Executive Order 20-71, stating in part that “the State Surgeon General has advised [] that gyms and fitness centers are establishments that attract gatherings of more than 10 people and are more susceptible for spreading COVID-19.” Pursuant to Executive Order 20-71, all licensed alcohol vendors were ordered to suspend sale of alcoholic beverages for on-premises consumption, restaurants and food establishments were ordered to suspend on-premises food consumption for customers, and gymnasiums and fitness centers within the State of Florida were ordered closed.

43. On March 20, 2020, the Hillsborough County Administrator issued Administrator Order Number 20-05. In addition to ordering compliance with all Executive Orders issued by the Governor of the State of Florida, Administrator Order Number 20-05 prohibited public and private gatherings that bring together more than 10 people in a single room, single space, or any other venue, at the same time.

44. On March 25, 2020, the Board of County Commissioners of Pinellas County, Florida issued Resolution 20-20, declaring that “there is reason to believe that COVID-19 is

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spread amongst the population by various means of exposure, including the propensity to spread person to person and the propensity to attach to surfaces for prolonged periods of time, thereby spreading from surface to person[.]” Among other things, this order required the closure of all non-essential businesses, including restaurants, bars and gyms. This order had “the force of law and may be enforced by any available legal process.” Resolution 20-20 was expressly issued in response to the propensity of COVID-19 causing increased infections to persons “and property loss and damage.”

45. On April 1, 2020, Governor DeSantis issued Executive Order 20-91 ordering “all persons in Florida shall limit their movements and personal interactions outside their home to only those necessary to obtain or provide essential services or conduct essential activities.” Executive Order 20-91 defined “essential services” to mean and encompass the list detailed by the U.S. Department of Homeland Security in its Guidance on the Essential Critical Infrastructure Workforce, v.2 (March 28, 2020) and any subsequent lists published, as well as those businesses and activities designated by Executive Order 20-89. Executive Order 20-91 also defined the “essential activities” that were not prohibited. Executive Order 20-91 expressly superseded any conflicting local orders that allowed any essential services or activities prohibited by Executive Order 20-91.

46. Executive Order 20-112, effective May 4, 2020, established the “Phase One Recovery” path to re-opening portions of business in Florida. Pursuant to Executive Order 20-112, operations of bars and restaurants continue to be limited by statewide order, and gyms and fitness centers closed by Executive Order 20-71 remain closed.

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47. Hillsborough County announced that bars, pubs, nightclubs, gyms and fitness center, and sports venues and movie theaters continue to remain closed under the first phase of Governor DeSantis' May 4, 2020, "Safe. Smart. Step-by-Step" plan.

48. In Florida, violations of an executive order issued by the Governor pursuant to the State Emergency Management Act are second-degree misdemeanors punishable by imprisonment.

Plaintiffs' Covered Losses

49. As of May 15, 2020, according to the Florida Department of Health, COVID-19 was present in all of Florida's 67 counties. As of May 15, 2020, the Florida Department of Health reported 44,138 confirmed cases of COVID-19, and 1,917 deaths in the state. As of May 15, 2020, Hillsborough County, where Tampa and Riverview are located, has had 1,530 confirmed cases of COVID-19, and 46 deaths. Pinellas County, where Clearwater is located, has had 962 confirmed cases of COVID-19 and 65 deaths.

50. Per the Centers for Disease Control and Prevention ("CDC"), there is no vaccine to protect against COVID-19 and no medications approved to treat it.

51. It may take up to 14 days for an infected person to have symptoms.

52. A large percentage of persons who tested positive for COVID-19 showed no symptoms prior to testing. In fact, the director of the CDC, Dr. Robert Redfield, stated that "we have pretty much confirmed [now is] that a significant number of individuals that are infected actually remain asymptomatic. That may be as many as 25%. That's important, because now you have individuals that may not have any symptoms that can contribute to transmission, and we have learned that in fact they do contribute to transmission".

53. The WHO states that COVID-19 can spread from person to person when a person

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with COVID-19 contaminates objects and surfaces, and other people touch these objects or surfaces and then touch their eyes, nose or mouth.

54. The CDC states that COVID-19 may remain viable for days on surfaces normally considered inhospitable to viruses, such as doorknobs, faucets, and other hard surfaces in buildings, and recommends the routine cleaning of all frequently touched surfaces and disinfection-level deep cleaning of surfaces thought to be contaminated.

55. The infectious particles of COVID-19 are invisible to the naked eye and it is not feasible to test every surface to determine if it has been contaminated. A surface that is touched by a person infected with COVID-19 is presumed to be contaminated.

56. Accordingly, the presence or danger of COVID-19 on property renders that property unusable and non-functioning until such time as the property is decontaminated.

57. After a room is occupied by a person with confirmed or suspected COVID-19, the CDC, in addition to ensuring sufficient time for enough air changes to remove potentially infectious particles, recommends cleaning and disinfecting environmental surfaces and shared equipment before a room is used by another person otherwise there is significant risk of re-contamination.

58. Property owned by Plaintiffs or others is capable of being contaminated by direct physical contact from an infected person(s) either knowingly or unwittingly. The property owner would be temporarily unable to use such property even though structurally unaltered until such property is sanitized or otherwise restored to its pre-COVID-19 condition.

59. Plaintiffs' customers come from all over and Plaintiffs have no reliable way of knowing whether any of their customers were infected by COVID-19.

60. Plaintiffs will incur extra expenses for cleaning and sanitizing their equipment

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and property.

61. As detailed above, the presence of COVID-19 and the public health emergency it has created have prompted actions by civil authorities throughout the United States (“Civil Authority Actions”), including but not limited to civil authorities with jurisdiction over Plaintiffs’ Planet Fitness gyms: Pinellas County, Hillsborough County, and the state of Florida. These Civil Authority Actions have restricted and prohibited access to the insured properties.

62. The presence of COVID-19 caused direct physical loss of and/or damage to the covered premises under the Policies by, among other things, damaging the properties, denying access to the properties, preventing customers from physically occupying the properties, causing the properties to be physically uninhabitable by customers, causing their functions to be nearly eliminated or destroyed, and/or causing a suspension of business operations on the premises.

63. The Civil Authority Actions prohibiting public access to the covered premises and the surrounding areas were issued in response to dangerous physical conditions and caused a suspension of business operations on the covered premises.

64. As a result of the presence of COVID-19, Plaintiffs’ Planet Fitness gyms have suffered a suspension of business operations and sustained losses of business income.

65. As a result of the Civil Authority Actions, Plaintiffs’ Planet Fitness gyms have suffered a suspension of business operations and sustained losses of business income.

66. These losses have continued through the date of filing of this action.

67. These losses are not excluded from coverage under the Policy. And because the Policy is an all-risk policy, and Plaintiffs have complied with their contractual obligations, Plaintiffs are entitled to payment for these losses.

68. Accordingly, Plaintiffs provided notice of their losses to Defendant, consistent

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with the terms and procedures of the Policy.

69. But contrary to the plain language of the Policy, and to Defendant's corresponding promises and contractual obligations, Defendant has refused to pay for Plaintiffs' losses.

CLASS DEFINITION AND ALLEGATIONS

70. Plaintiffs assert this action on behalf of the following class:

All persons and entities in Florida with Business Income, Civil Authority, or Extra Expense coverage under an insurance policy issued by Atlantic Specialty, who suffered loss of business income or incurred extra expenses due to a suspension of business related to COVID-19, and for which Atlantic Specialty denied a claim for the losses or has otherwise failed to acknowledge, accept as a covered loss, or pay for the covered loss.

71. Excluded from the Class is Defendant, its parents, subsidiaries, affiliates, officers, and directors, all persons who make a timely election to be excluded from the Class, the judge to whom this case is assigned and any immediate family members thereof.

72. Certification of Plaintiffs' claims for class wide treatment is appropriate because Plaintiffs can prove the elements of their claims on a class wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

73. **Numerosity.** The members of the Class are so numerous that individual joinder of all Class members is impracticable. There are, at a minimum, thousands of members of the proposed Class.

74. **Commonality and Predominance.** This action involves common questions of law and fact, which predominate over any questions affecting individual Class members. Defendant issued all-risk policies to all the members of each proposed Class in exchange for payment of premiums by the Class members. The questions of law and fact affecting all Class members include, without limitation, the following:

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a) Whether Plaintiffs and Class members suffered a Covered Cause of Loss under the common policies issued to the Class;

b) Whether Defendant wrongfully denied all claims based on COVID-19;

c) Whether Defendant's Business Income coverage applies to a suspension of business caused by COVID-19 and/or related actions of civil authorities taken in response to the presence or threat of COVID-19;

d) Whether Defendants' Civil Authority coverage applies to a loss of Business Income caused by the orders of local, municipal, city, county, and/or state governmental entities requiring the suspension of business during the outbreak of COVID-19 in the United States;

e) Whether Defendant's Extra Expense coverage applies to efforts to avoid or minimize a loss caused by COVID-19;

f) Whether Defendant has breached its contracts of insurance through a uniform and blanket denial of all claims for business losses related to COVID-19 and/or the related actions of civil authorities taken in response to the presence or threat of COVID-19;

g) Whether Plaintiffs and the Class members suffered damages as a result of Defendant's actions; and

h) Whether Plaintiffs and the Class members are entitled to an award of reasonable attorneys' fees, interest, and costs.

75. **Typicality.** Plaintiffs' claims are typical of the other Class members' claims because, among other things, all Class members were comparably injured through Defendant's uniform conduct described above.

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76. **Adequacy of Representation.** Plaintiffs are adequate representatives of the Class because Plaintiffs' interests do not conflict with the interests of the other Class members Plaintiffs seek to represent; Plaintiffs have retained counsel competent and experienced in complex commercial and class action litigation; and Plaintiffs intend to prosecute this action vigorously. The interests of the Class members will be fairly and adequately protected by Plaintiffs and their counsel.

77. **Superiority.** A class action is superior to any other available means for the fair and efficient adjudication of this controversy, and no unusual difficulties are likely to be encountered in the management of this class action. The damages or other financial detriment suffered by Plaintiffs and the other Class members are relatively small compared to the burden and expense that would be required to individually litigate their claims against Defendant, so it would be impracticable for Class members to individually seek redress for Defendant's wrongful conduct. Even if Class members could afford individual litigation, the court system could not. Individualized litigation creates a potential for inconsistent or contradictory judgments, and increases the delay and expense to all parties and the court system. By contrast, the class action device presents far fewer management difficulties, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

CLAIMS ALLEGED

COUNT I

Declaratory Judgment

78. Plaintiffs incorporate the preceding paragraphs as if fully set forth herein.

79. Plaintiffs bring this claim on behalf of themselves and the other members of the Class

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80. Florida Statute § 86.021 creates a right to declaratory judgment when a question of construction or validity arises under a contract.

81. The purpose of a declaratory judgment is to afford relief for a person's insecurity and uncertainty with respect to their rights, status, or other equitable or legal relations.

82. There is a bona fide, actual, present need for a declaratory judgment to determine this matter.

83. Plaintiffs' policies, as well as the policies of other Class members, are insurance contracts under which Defendant was paid premiums in exchange for promises to pay Class members' losses for claims covered by the policies.

84. Plaintiffs and the other Class members have complied with all applicable provisions of the Policy, including payment of premiums.

85. In the Policy, Defendant promised to pay for losses of business income sustained as a result of perils not excluded under the Policy. Specifically, Defendant promised to pay for losses of business income sustained as a result of a suspension of business operations during the Period of Restoration.

86. COVID-19 caused direct physical loss of and damage to Plaintiffs' Planet Fitness gyms and other Class members' insured premises, resulting in suspensions of business operations at these premises. These suspensions have caused Plaintiffs and Class members to suffer losses of business income.

87. These suspensions and losses triggered business income coverage under the Policy.

88. In the Policy, Defendant also promised to pay for losses of business income sustained and extra expenses incurred when action of civil authority prohibits access to the

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described premises due to direct physical loss of or damage to property near the described premises, caused by or resulting from any Covered Cause of Loss.

89. Plaintiffs and other Class members have suffered losses of business income and incurred expenses as a result of actions of civil authorities that prohibited access to insured premises under the Policy.

90. These losses also satisfied all requirements to trigger Civil Authority coverage under the Policy.

91. Defendant, without justification, disputes that the Policy provides coverage for these losses.

92. An actual case or controversy exists regarding Class members' rights and Defendant's obligations under the Policy to reimburse Class members for these business income losses and extra expenses. Accordingly, the declaratory judgment sought is justiciable.

93. Accordingly, Plaintiffs request that this Court enter a declaratory judgment declaring the following:

a) Losses of business income and extra expenses incurred by Plaintiffs and the other Class members in connection with the Civil Authority Actions and the necessary suspension of their businesses stemming from COVID-19 are insured losses under the Policy.

b) Atlantic Specialty is obligated to pay Plaintiffs and the other Class members for the full amount of their losses of business income and the extra expenses incurred because of the necessary suspension of their Operations during the Period of Restoration that was caused by or resulting from COVID-19.

c) Atlantic Specialty is obligated to pay Plaintiffs and the other Class members for the full amount of their losses of business income and the extra expenses incurred

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caused by the Civil Authority Actions prohibiting access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from COVID-19.

94. Plaintiffs also seek an order requiring Defendant to the notify the Class of the declaratory judgment entered by the Court, and to comply with the terms of that declaration.

95. A declaration and judgment regarding Defendant's obligation to reimburse Plaintiffs and Class members for the loss of business income and extra expenses they incurred as a result of COVID-19 and Civil Authority Actions will terminate the controversy and clarify the respective rights and obligations of the parties under the Policy.

COUNT II

BREACH OF CONTRACT

96. Plaintiffs incorporate the preceding paragraphs as if fully set forth herein.

97. Plaintiffs bring this claim on behalf of themselves and the other members of the Class.

98. Plaintiffs' policies, as well as the policies of other Class members, are insurance contracts under which Defendant was paid premiums in exchange for promises to pay Class members' losses for claims covered by the Policy.

99. In the Policy, Defendant promised to pay for losses of business income and extra expenses incurred as a result of perils not excluded under the Policy. Specifically, Defendant promised to pay for losses of business income sustained as a result of a suspension of business operations during the Period of Restoration and Extended Period of Indemnity.

100. COVID-19 caused direct physical loss of and damage to Plaintiffs' Planet Fitness gyms and other Class members' insured premises, resulting in suspensions of business operations

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at these premises. These suspensions have caused Class members to suffer losses of business income and to incur necessary extra expenses.

101. These suspensions and losses triggered business income coverage under the Policy.

102. In the Policy, Defendant also promised to pay for losses of business income sustained and extra expenses incurred when action of civil authority prohibits access to the described premises due to direct physical loss of or damage to property near the described premises, caused by or resulting from COVID-19.

103. Plaintiffs and other Class members have suffered losses and incurred expenses as a result of actions of civil authorities that prohibited access to insured premises under the Policy.

104. These losses satisfied all requirements to trigger Civil Authority coverage under the Policy.

105. Plaintiffs and the other Class members have complied with all applicable provisions of their respective policies, including payment of premiums.

106. Defendant, without justification, has refused performance under the Policy by denying coverage for these losses and expenses. Accordingly, Defendant is in breach of the Policy.

107. As a result of Defendant's breaches of the Policy, Plaintiffs and other Class members have suffered actual and substantial damages for which Defendant is liable.

JURY DEMAND

108. Plaintiffs demand a trial by jury of all claims in this Complaint so triable.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of the other members of the

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proposed Class, respectfully request that the Court enter judgment in Plaintiffs' favor and against Defendant as follows:

A. Declaring that this action is a proper class action, certifying the Class as requested herein, designating Plaintiff as Class Representative and appointing the undersigned counsel as Class Counsel;

B. Entering judgment in favor of Plaintiffs and against Atlantic Specialty;

C. Entering declaratory judgments in favor of Plaintiffs and members of the Class as requested herein;

D. Ordering Defendant to notify members of the Class of the declaration and judgment;

E. Entering an order that, among other things, prohibits Defendant from not complying with the declaration and enjoins Defendant to adjust claims in accordance with the declaration and otherwise comply with the terms of the declaration;

F. Awarding damages for breach of contract;

G. Ordering Defendant to pay attorneys' fees and litigation costs;

H. Ordering Defendant to pay both pre- and post-judgment interest on any amounts awarded; and

I. Ordering such other and further relief as may be just and proper.

Respectfully submitted,

Dated: May 22, 2020

By: /s/ Adam M. Balkan

Adam M. Balkan (Fla Bar No. 0044880)

John B. Patterson (Fla Bar No. 023930)

BALKAN & PATTERSON, LLP

1877 S. Federal Highway, Suite 100

Boca Raton, Florida 33432

Telephone: 561/750-9191

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Facsimile: 619/338-1101
tblood@bholaw.com
toreardon@bholaw.com

Attorneys for Plaintiffs

EXHIBIT A

POLICY NUMBER: 710-03-88-23-0001

Non-Policy Forms

The following forms were sent to you with your policy, but they are not part of your policy. They contain information which you may find useful about your policy, insurance in general, your premium payments, or other topics of interest. These forms do not give you insurance coverage. Refer to the forms that are part of your policy to determine if a loss is covered, and what we will pay, as well as your rights and duties.

| | |
|------------------|---|
| IL P 001 01 04 | U.S. TREASURY DEPT OFFICE OF FOREIGN ASSETS NOTICE |
| PHN 001 IL 01 15 | POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE |
| PHN 003 IL 01 15 | POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE |
| RC 180 10 07 | FL RISK CONTROL NOTICE |
| VGN 002 10 98 | SPECIAL PROPERTY PLUS COVG QUICK REFERENCE GUIDE |
| VGN 058 09 14 | INSPECTION SERVICES |
| VIM 102 10 14 | CLAIMS INFORMATION |
| VPN 100 04 14 | NOTICE - CLARIFICATION ON BUSINESS PERSONAL PROPERTY |

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

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.

Atlantic Specialty Insurance Company
A Stock Company Owned by the OneBeacon Insurance Group
150 Royall Street
Canton, MA 02021

FLORIDA INFORMATIONAL NOTICE

To obtain information or make a complaint:

You may call the Atlantic Specialty Insurance Company toll-free
telephone number for information or to make a complaint at:

1-800-662-0156

You may also write to Atlantic Specialty Insurance Company at:

150 Royall Street
Canton, MA 02021

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Florida Department of Financial Services, Division of Consumer Services.



Atlantic Specialty Insurance Company
150 Royall Street
Canton, MA 02021

Insured Name and Address:
PF SUNSET VIEW, LLC
DBA: PLANET FITNESS
21322 HARROW CT
BOCA RATON, FL 33433-7452

Policy Number: 710-03-88-23-0001

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act (the Act), as amended, 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 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.

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 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 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 TO BE 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.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

The prospective premium required for your terrorism coverage is: \$97.

If you wish to reject this offer of coverage, you should check the box below, sign this notice and send it to your agent. An **exclusion** of terrorism losses, as defined by the Act, will then be made part of your policy.

| | |
|--------------------------|--|
| <input type="checkbox"/> | I hereby reject the offer of terrorism coverage. I understand that I will have no coverage for losses arising from acts of terrorism, as defined in the act. |
|--------------------------|--|

If your policy includes Property Coverage in one or more of these states: CA, CT, GA, HI, IA, IL, MA, ME, MO, NC, NJ, NY, OR, RI, VA, WA, WI, or WV; the following statement applies:

The terrorism exclusion makes an exception for (and thereby continues your coverage for) property fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism - the coverage in your policy for such fire losses will continue. If such a loss occurs, and is certified under the Act, the loss will be reimbursed by the United States Government under the formula detailed above.

The portion of your policy premium attributable to terrorism (fire only) coverage in all of the states listed above, in which your policy provides property coverage, is \$0. This amount is included in your policy premium and cannot be rejected.

If your policy includes inland Marine Coverage in one or more of these states: CA, ME, MO, OR or WI, the following statement applies:

The terrorism exclusion makes an exception for (and thereby continues your coverage for) direct property damage fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to direct property damage fire losses resulting from an act of terrorism - the coverage in your policy for such fire losses will continue. If such a loss occurs, and is certified under the Act, the loss will be reimbursed by the United States under the formula detailed above.

In all of the states listed above in which your policy provides inland Marine Coverage, the portion of your inland Marine policy premium attributable to coverage for direct property damage from fire resulting from terrorism is \$0. This amount is included in your policy premium and cannot be rejected.

| | |
|------------------------------------|--------------------------------------|
| | Atlantic Specialty Insurance Company |
| Policyholder/Applicant's Signature | Insurance Company |
| | |
| Print Name | Date |

If you have any questions about this notice, please contact your agent.



Atlantic Specialty Insurance Company
150 Royall Street
Canton, MA 02021

Insured Name and Address:

Policy Number: 710-03-88-23-0001

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS
21322 HARROW CT
BOCA RATON, FL 33433-7452

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. 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 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.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. 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 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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 exceeds \$100 billion in any one calendar year. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your premium attributable to coverage for acts of terrorism is: \$97 _____, and does not include any charges for the portion of losses covered by the United States Government under the Act.

You need to take no action with respect to this notice. You will receive a bill for your policy premium which will include the above amount required for your terrorism coverage.

If you have any questions about this notice, please contact your agent.

INSPECTION SERVICES

Provided by THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

DO YOU NEED A CERTIFICATE INSPECTION?

Please contact our hotline @ (800) 333-INSP (4677)

Jurisdictional regulations which govern the inspections and certification of certain equipment can be complicated and confusing. Depending on the jurisdiction one or more of the following equipment may require a certificate:

- Power boilers, and high-pressure, high-temperature water boilers.
- Low-pressure steam or vapor heating boilers, hot-water heating, and hot-water supply boilers.
- Refrigeration Systems
- Pressure Vessels

For your convenience, our partner - Hartford Steam Boiler - has an Inspection Hotline to answer your questions and receive inspection requests. As part of your Equipment Breakdown coverage with OneBeacon, you can request jurisdictionally mandated inspections using the contact details below.

Ways to contact Hartford Steam Boiler:

Inspection Hotline: (800) 333-4677
7:00 A.M. – 7:00 P.M. EST

Email: NSCINSP_HOTLINE@hsb.com

Fax #: (484) 582-1811

When calling to schedule an inspection, we require the following information:

- Location Name
- Location Address
- Contact Name
- Contact Phone Number
- OneBeacon Policy Number
- State or Jurisdictional # associated with the equipment (if available)





CLAIMS INFORMATION

PREFACE

The following is useful information which will expedite the handling of claims and protect your rights under your policy of insurance.

It is important to bear in mind unique circumstances may, at times, require additional documentation activities or procedures. Any questions relating to claims can be directed to your producer or your assigned claims adjuster.

Important: In the event of loss or damage, you are obligated to take necessary steps to mitigate the claim. Expenses reasonably incurred in taking such action are reimbursable under policy terms and conditions. Failure to take necessary action can result in prejudice of your rights under your policy.

WHAT TO DO IN THE EVENT OF LOSS

You or your producer should notify OneBeacon of all claims for damage to Insured property as soon as the loss occurs. OneBeacon has 3 quick and efficient ways to report a claim, all available 24/7:

1. By Phone at (877) 248-3455

- Claims can be phoned into the OneBeacon Claims Call Center 24/7
- Between the hours of 8:30am to 5:00pm EST OneBeacon Claims Call Center representatives are available and will provide you with a claim number at the end of the call.
- During all other hours our vendor, Safelite, will take down the details of your claim and will provide you with a reference number.

2. By Email: claims@onebeacon.com

- When you wish to include attachments to accompany a claim, email reporting is ideal. To submit a claim via email, you'll need to include an ACORD First Notice of Loss Form.
- Remember to report only one claim per email. The sender's email confirmation will serve as the acknowledgement that we have received the claim.

3. By Fax to (866) 213-2802

- To submit a claim via Fax, you'll need to include an ACORD First Notice of Loss Form.
- Attachments supporting a claim can be included in the fax transmission
- Only one claim should be submitted per fax transmission. The sender's fax receipt will serve as confirmation that we have received the claim.

Claim Information Available via the OneBeacon Producer Portal

Claims reported before 5 p.m. EST will be immediately assigned a claim number. By the next business day, Producers can then go to the producer portal to view the claim. Here information is available on all new and existing claims including the claim number, the adjusters assigned, as well as to access the adjuster's file notes. In addition, the OneBeacon Producer Portal enables producers to communicate directly with adjusters by e-mail and review financial transactions on individual claims.

NOTICE OF CLAIMS TO RESPONSIBLE PARTIES

The premium you are charged for your insurance is ultimately influenced by your experience on your policy. It is therefore in your best interest to ensure losses are reduced by placing us in a position to recover all or part of our payment to you from any responsible third party. This is called subrogation and your cooperation in this regard is further reinforced by policy terms. Monies collected by us in subrogation are credited to your premium / loss experience. If a third party is responsible for loss or damage, written notice of claims should be promptly made directly against such party, as well as to OneBeacon.

POLICYHOLDER NOTICE

CLARIFICATION ON BUSINESS PERSONAL PROPERTY CAUSES OF LOSS

Your policy may include one or more pages titled **Commercial Property Coverage Part Declarations Location Level Limits of Insurance**.

Please note that wording has been added to the **Commercial Property Coverage Part Declarations Location Level Limits of Insurance** pages to clarify that when the term BUSINESS PERSONAL PROPERTY is shown in the Declarations as the Covered Property, all types of personal property covered by the applicable limit of insurance are subject to the General Causes of Loss



Atlantic Specialty Insurance Company

One Overton Park
3625 Cumberland Blvd. C#100
Atlanta, GA 30339

(678) 255-4400

TO OUR FLORIDA INSUREDS:

We offer a wide range of loss prevention services for our customers. The loss prevention services that are available to you are tailored to the operations of your business and to your past loss experience. We are firmly convinced that loss prevention pays.

We have developed Risk Management Guidelines to assist you in the development of a Risk Management Program for your company. These guidelines are tailored to specific operations and are designed to assist in the recognition of hazards which may exist.

The guidelines are divided into several sections, including: pollution and environmental hazards, disease hazards, fire hazards, fire prevention and detection, liability exposures from the course of business, slips and falls hazards, product liability exposures, and hazards unique to a particular operation or class of business.

We offer our consultation services as well as training in safety management techniques and safety management counseling services. If you would like assistance in loss prevention, or if you would like to obtain a complimentary copy of the Risk Management Guidelines, please contact us at the address or phone number shown above. Our Loss Control staff is ready to assist you in the establishment of an effective loss prevention program for your company.



Atlantic Specialty Insurance Company *
150 Royall Street
Canton, MA 02021
(781) 332-7000
* A Stock Company

Common Policy Declarations

Named Insured and Mailing Address

Policy Number 710-03-88-23-0001

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS
21322 HARROW CT
BOCA RATON, FL 33433-7452

In return for the payment of the premium, and subject to all terms of this policy, we agree with you to provide the insurance as stated in this policy.

Policy Period: from April 17, 2019 to April 17, 2020
at 12:01 A.M. Standard Time at your mailing address shown above.

The Named Insured is a(n): Limited Liability Company

Business Description: FITNESS

Producer

FITNESS INSURANCE LLC - GYM PROPERTY PROGRAM
2170 S. PARKER RD
SUITE 251
AURORA, CO 80231

Total Premium

At inception: \$4,986 + \$8.99 State Charges (See ASC 00 11 01 98, Schedule 2)

Forms applicable to all Coverage Parts:

See ASC 00 11 01 98, Schedule 1

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In witness whereof, we have issued this policy, signed by the President and Secretary, but it shall not be valid unless countersigned by our duly authorized representative.


Secretary


President

Countersigned

_____ Authorized Representative

_____ Date

SCHEDULE 1

Effective 04/17/2019 , this schedule forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM

by Atlantic Specialty Insurance Company

Common Policy Declarations, 4 VIL 100 10 98, Continued:

Forms Applicable to All Coverage Parts:

| | |
|------------------|--|
| 4 VIL 100 10 98 | COMMON POLICY DECLARATIONS |
| ASC 00 02 01 98 | PREMIUM STATEMENT |
| ASC 00 12A 09 18 | SCHEDULE OF LOCATIONS |
| VIL 001 10 98 | COMMON POLICY CONDITIONS- (N/A TO VA AUTO) |
| VIL 606 FL 12 07 | FL CHANGES - CANCELLATION AND NONRENEWAL |
| ASC 00 11 01 98 | Schedule 1 - LIST OF COMMON DEC FORMS |
| ASC 00 11 01 98 | Schedule 2 - STATE CHARGES |

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Policy Number: 710-03-88-23-0001

**COMMON POLICY DECLARATIONS
PREMIUM STATEMENT**

Named Insured:

PF SUNSET VIEW, LLC
 DBA: PLANET FITNESS
 21322 HARROW CT
 BOCA RATON, FL 33433-7452

Producer:

FITNESS INSURANCE LLC - GYM PROPERTY PROGRAM
 2170 S. PARKER RD
 SUITE 251
 AURORA, CO 80231

Premium Statement for the period from April 17, 2019 **to** April 17, 2020

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

| COVERAGE SECTION | PREMIUM | | |
|--|--------------|-----------------|-----------------|
| | At inception | 1st Anniversary | 2nd Anniversary |
| Property Coverages | \$4,889 | | |
| Terrorism Coverage | \$97 | | |
| Total Advanced Premium | \$4,986 | | |
| State Charges See ASC 00 11 01 98, Schedule 2 | \$8.99 | | |

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SCHEDULE 2

Effective 04/17/2019 , this schedule forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM
by Atlantic Specialty Insurance Company

State Charges

The State Charges shown with the Total Premium on the Common Policy Declarations are identified individually as follows:

| | | |
|---------------|--------|--|
| At inception: | \$4.00 | FLORIDA PROPERTY SURCHARGE |
| | \$4.99 | FLORIDA STATE FIRE MARSHAL REGULATORY SURCHARGE |

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SCHEDULE OF LOCATIONS

Effective 04/17/2019, this schedule forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC

DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM
by Atlantic Specialty Insurance Company

The following locations are identified by their corresponding numbers on the various coverage part declarations of this policy.

| Premises No. | Location Address Location Description Building Number and Description |
|---------------------|--|
| 1 | 1883-1885 N HIGHLAND AVE. CLEARWATER, FL 33755-2156 Bldg 1 |

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

COMMON POLICY CONDITIONS

All coverages of 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. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 45 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. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 45 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

C. 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.

D. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy 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 policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

E. 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.

F. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

G. Liberalization

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

H. Premiums

1. All Named Insureds shown in the Declarations are jointly and severally liable and responsible for the payment of all premiums.
2. The first Named Insured shown in the Declarations will be the payee of any return premiums we pay.

I. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

J. 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.

K. Unintentional Errors or Omissions

Your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy, provided such failure or omission is not intentional.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FLORIDA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE FORMS
COMMERCIAL INLAND MARINE COVERAGE FORMS

A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

2. Cancellation For Policies In Effect 90 Days Or Less

- a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a) A material misstatement or misrepresentation; or
 - (b) A failure to comply with underwriting requirements established by the insurer.
- b. We may not cancel:
 - (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - (2) On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - (3) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

B. Paragraph 5. of the Cancellation Common Policy Condition is replaced by the following:

- 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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

C. The following is added to the Cancellation Common Policy Condition:

7. Cancellation For Policies In Effect For More Than 90 Days

- a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) The policy was obtained by a material misstatement;

- (3) There has been a failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
 - (4) There has been a substantial change in the risk covered by the policy;
 - (5) The cancellation is for all insureds under such policies for a given class of insureds;
 - (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - (7) On the basis of filing of claims for partial loss caused by sinkhole damage, or on the basis of the risk associated with the occurrence of such a claim, if:
 - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or
 - (8) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or
 - (2) 45 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs 7.a.(2) through 7.a.(8) above; and
 - (b) This policy does not cover a residential structure or its contents; or
 - (3) 100 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs 7.a.(2) through 7.a.(8) above; and
 - (b) This policy covers a residential structure or its contents.

However, if cancellation is to become effective between June 1 and November 30, we will mail or deliver to the first Named Insured written notice of cancellation at least 100 days prior to the effective date of cancellation or by June 1, whichever is earlier. Therefore, when cancellation is to become effective between September 9 and November 30, we will mail or deliver to the first Named Insured written notice of cancellation by June 1.

D. Common Policy Condition **B. When We Do Not Renew** is replaced by the following:

NONRENEWAL

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
 - a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents; or
 - b. 100 days prior to the expiration of the policy if this policy covers a residential structure or its contents, unless c. applies
 - c. If this policy covers a residential structure or its contents and nonrenewal is to become effective between June 1 and November 30, we will mail or deliver to the first Named Insured written notice of nonrenewal at least 100 days prior to the effective date of nonrenewal or by June 1, whichever is earlier. Therefore, when nonrenewal is to become effective between September 9 and November 30, we will mail or deliver to the first Named Insured written notice of nonrenewal by June 1. If nonrenewal is due to a revision to this policy's coverage for sinkhole losses or catastrophic ground cover collapse pursuant to the 2007 changes in the Florida Insurance Laws concerning such coverage, then this subsection, c. does not apply.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may not refuse to renew this policy:
 - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

- b. On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:
 - (1) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- E. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property:**
- 1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
 - a. Except as provided in Paragraph **E.1.b.**, we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure or its contents have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 100 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.
 - b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents, for any of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misstatement or fraud related to the claim;
 - (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
 - (4) We have paid the policy limits.If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in Paragraph **b.(2)**, **b.(3)** or **b.(4)**, we will give you 45 days' notice.
 - 2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.
 - 3. With respect to Paragraph **E.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

SCHEDULE 3

Effective 04/17/2019, this schedule forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to
PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM

by Atlantic Specialty Insurance Company

Commercial Property Coverage Part Declarations, ASC 00 03 01 98,
Continued:

Forms Applicable to the Property Coverage Part:

| | |
|-------------------|--|
| ASC 00 03 01 98 | PROPERTY COV PART DEC - POLICY LEVEL LIMITS OF INSURANCE |
| ASC 00 13 01 98 | SUPPLEMENTAL PROPERTY DEC |
| IL 09 52 01 15 | CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM |
| VCP 001 10 98 | SPECIAL PROPERTY PLUS COVERAGE |
| VCP 003 10 98 | PROPERTY CONDITIONS |
| VCP 100 04 14 | COMMERCIAL PROPERTY DEC |
| VCP 101 02 99 | BUCKET LIMIT OF INSURANCE DEC |
| VCP 226 10 98 | LOSS PAYABLE PROVISIONS |
| VCP 234 05 99 | WINDSTORM OR HAIL EXCLUSION |
| VCP 283 05 99 | BASEMENT WATER EXCLUSION |
| VCP 285 05 99 | SURFACE WATER CAUSE OF LOSS |
| VCP 330 05 99 | MANDATORY PROPERTY ENDT |
| VCP 369 05 04 | HARDWARE, MEDIA & ELECTRONIC DATA COVERAGE ENDORSEMENT |
| VCP 603 FL 10 98 | FL CHANGES |
| VCP 606 FL 10 98 | FL CHANGES-LEGAL ACTION AGAINST US |
| VIM 025 GYM 07 05 | INSTALLATION COVERAGE |
| ASC 00 10 01 98 | Policy Change 1 - SPECIAL PROPERTY PLUS COVERAGE FORM |
| ASC 00 10 01 98 | Policy Change 2 - WINDSTORM OR HAIL EXCLUSION |
| ASC 00 10 01 98 | Policy Change 3 - VACANCY CONDITION |
| ASC 00 10 01 98 | Policy Change 4 - BLANKET COVERAGE |
| ASC 00 11 01 98 | Schedule 3 - PROPERTY FORMS LIST |
| ASC 00 11 01 98 | Schedule 4 - LOSS PAYABLE SCHEDULE |
| ASC 00 11 01 98 | Schedule 5 - PROPERTY EXCLUSIONS SCHEDULE |

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Policy Number 710-03-88-23-0001

**PROPERTY COVERAGE PART DECLARATIONS
POLICY LEVEL LIMITS OF INSURANCE**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

| | |
|---|--|
| Equipment Breakdown Portfolio | |
| Expediting Expenses | \$100,000 |
| Hazardous Substances | \$100,000 |
| Perishable Goods | \$100,000 |
| CFC Refrigerants | \$100,000 |
| Business Income or Extra Expense Stock in Transit | \$0 |
| Business Income or Extra Expense Stock at Any Other Location | \$0 |
| Transit Limit of Insurance | \$100,000 Per Occurrence \$1,000 Deductible |
| Other Location Limit of Insurance | \$100,000 Per Occurrence \$1,000 Deductible |
| Crime Limit of Insurance | \$50,000 Per Occurrence \$1,000 Deductible |
| Money and Securities | |
| Employee Dishonesty | |
| Money Orders and Counterfeit Paper | |
| Currency | |
| Forgery and Alteration | |
| ERISA Employee Dishonesty | \$50,000 Per Occurrence \$0 Deductible |
| Newly Acquired or Constructed Property | \$1,000 Deductible |
| Building | \$1,000,000 |
| Business Personal Property | \$1,000,000 |
| Claim Expense | \$50,000 Per Occurrence \$0 Deductible |
| Rewards | \$25,000 Per Occurrence \$0 Deductible |
| Contractual Penalties | \$25,000 Per Occurrence \$0 Deductible |

Forms Applicable to the Commercial Property Coverage Part:
See ASC 00 11 01 98, Schedule 3

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POLICY NUMBER: 710-03-88-23-0001

**COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
LOCATION LEVEL LIMITS OF INSURANCE**

Valuation (Val): RC = Replacement Cost
 ACV = Actual Cash Value
 SV = Stated Value
 FRC = Functional Replacement Cost

When the term BUSINESS PERSONAL PROPERTY is shown in the Declarations as the Covered Property, all types of personal property covered by the applicable limit of insurance are subject to the General Causes of Loss.

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

| Loc | Bldg | Covered Property | Limit of Insurance | Deductible | Val | Infl Guard |
|-----|------|----------------------------|--------------------|------------|-----|------------|
| | | Blanket Coverage | \$2,700,000 | | | |
| 1 | 1 | Building | | \$1,000 | RC | |
| 1 | 1 | Business Personal Property | | \$1,000 | RC | |

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

When "Agreed Value" is shown, Coinsurance does not apply to that coverage at that location.

Business Income & Extra Expense

| | | | |
|-----|------|-----------|---|
| Loc | Bldg | Limit | Option(s) |
| 1 | 1 | \$400,000 | Including Rental Value Waiting Period - 72 hours |

Business Income Off Premises Power or Communication Failure

| | | | |
|-----|------|----------|---|
| Loc | Bldg | Limit | Option(s) |
| 1 | 1 | \$25,000 | Power (Not Including Overhead Transmission Lines), Communication (Not Including Overhead Transmission Lines) Waiting Period - 72 hours |

Contingent Business Premises

| | | | |
|-----|------|-----------|---------------------------|
| Loc | Bldg | Limit | Option(s) |
| 1 | 1 | \$100,000 | Waiting Period - 72 hours |

Pollutant Clean Up and Removal

| | | | | |
|-----|------|-----------|------------|-----------|
| Loc | Bldg | Limit | Deductible | Option(s) |
| 1 | 1 | \$100,000 | \$1,000 | |

Debris Removal

| | | | | |
|-----|------|-----------|------------|-----------|
| Loc | Bldg | Limit | Deductible | Option(s) |
| 1 | 1 | \$250,000 | \$1,000 | |

Building Ordinance

| | | | | |
|-----|------|-----------|------------|-----------|
| Loc | Bldg | Limit | Deductible | Option(s) |
| 1 | 1 | \$500,000 | \$0 | |

Special Theft Limits of Insurance

Furs, fur garments and garments trimmed with fur

| | | | |
|-----|------|----------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$10,000 | \$1,000 |

Jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion

| | | | |
|-----|------|----------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$10,000 | \$1,000 |

Gold, silver, platinum, and other precious alloys or metals

| | | | |
|-----|------|----------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$25,000 | \$1,000 |

Stamps, tickets, and letters of credit

| | | | |
|-----|------|---------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$1,000 | \$1,000 |

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POLICY NUMBER: 710-03-88-23-0001

BUCKET LIMIT OF INSURANCE DECLARATIONS

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Bucket Limit of Insurance \$500,000

Personal Effects

Valuable Information Property

Accounts Receivable

Outdoor Property

Fine Arts

Hardware, Software, Media and data

Fire Extinguisher and Automatic Extinguishing System Recharge

Fire Department Service Charge

Conditional Sales Agreement

Consequential Damage

Tenants Improvements & Betterments

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

SPECIAL PROPERTY PLUS COVERAGE FORM QUICK REFERENCE GUIDE

This guide is provided for your convenience as an aid to finding provisions of your Special Property Plus Coverage Form. IT IS NOT PART OF YOUR POLICY AND DOES NOT GIVE COVERAGE. Please refer to your policy provisions for a full description of your coverage, and any limitations, conditions or exclusions which may apply.

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SPECIAL PROPERTY PLUS COVERAGE FORM

This Coverage Part provides seven Coverages: Building Coverage, Business Personal Property Coverage, Business Income and Expense Coverage, Crime Coverage, Loss Expense and Protection Coverage, Pollutant Clean Up and Debris Removal Coverage, and Equipment Breakdown Additional Coverages.

Various provisions in this policy restrict coverage, so you should 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 **G. DEFINITIONS**.

A. COVERAGES

1. Building 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.

For this Coverage, Covered Property means:

- a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:
 - (1) Completed additions;
 - (2) Fixtures, including but not limited to outdoor fixtures, fences, exterior lighting fixtures or poles (whether freestanding or attached to the building) and yard fixtures;
 - (3) Permanently installed machinery and equipment, foundations of machinery, tanks and their component parts including all connections thereto which are below the under-surface of the lowest basement floor or, where there is no basement, below the surface of the ground;
 - (4) Glass that is part of a building or structure;
 - (5) All signs attached to or part of a building or structure or otherwise located at or within 1000 feet of the premises;
 - (6) Your personal property in apartments or rooms furnished by you as landlord;
 - (7) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
 - (e) Building supplies;all while at the premises described in the Declarations.
 - (8) If not covered by other insurance:
 - (a) Additions under construction;
 - (b) Alterations and repairs to buildings or structures; and
 - (c) Materials, equipment, supplies and temporary structures, on or within 1000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.
 - (9) Your new buildings while being built on or within 1000 feet of the described premises;
 - (10) Buildings you acquire at locations other than the described premises, intended for:
 - (a) similar use as the building described in the Declarations; or
 - (b) use as a warehouse.
 - (11) "Outdoor Property"; and
 - (12) Driveways, patios and walks.

b. Covered Property does not include:

- (1) Land (including land on which the Covered Property is located);
- (2) Water;
- (3) Growing crops;
- (4) The cost of excavations, grading, backfilling or filling;
- (5) Pilings, piers, wharves or docks;
- (6) Retaining walls that are not part of the building described in the Declarations;
- (7) Property more specifically covered under this or another form of this or any other policy, except as provided in the Property Conditions Other Insurance Clause;
- (8) Underground pipes, flues or drains, except as provided under paragraph 1.a.(3); or
- (9) Bridges or roadways.

2. Business Personal Property Coverage

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from any Covered Cause of Loss.

a. Covered Property may be located anywhere in the coverage territory, unless otherwise noted below.

b. For this Coverage, Covered Property means the following personal property:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Tenant improvements and betterments in or on the buildings at the described premises or in the open (or within a vehicle) within 1000 feet of the described premises. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own;
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property for which you have a contractual responsibility to insure;
- (5) "Hardware", "Software", "Media" and data;
- (6) Personal effects owned by you, your officers, your partners, or your employees;
- (7) "Valuable Information Property";
- (8) "Accounts Receivable";
- (9) "Scientific and Professional Equipment";
- (10) "Stock";
- (11) Personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers;
- (12) Glass that is not part of a building or structure;
- (13) "Installation Tools and Equipment Property";
- (14) Patterns, Molds and Dies;
- (15) Jewelry;
- (16) Furs;
- (17) "Fine Arts"; and
- (18) Business Personal Property that you acquire during the policy period.

- c. However, Covered Property does not include:
- (1) Automobiles held for sale;
 - (2) "Money";
 - (3) "Securities";
 - (4) Contraband, or property in the course of illegal transportation or trade;
 - (5) Vehicles or self-propelled machines (including automobiles, aircraft, or watercraft) that:
 - (a) Are licensed for use on public roads; or
 - (b) 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;
- (6) Property more specifically covered under this or another form of this or any other policy, except as provided in the Property Conditions Other Insurance Clause;
 - (7) Import shipments prior to discharge from an aircraft or import vessel or termination of the risk assumed by cargo underwriters; and
 - (8) Export shipments after either being loaded on aircraft or export vessel or having come under the protection of cargo insurance.

3. Business Income and Extra Expense Coverage

a. Business Income

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "Operations" during the "Period of Restoration". The suspension must be caused by direct physical loss of or damage to property at:
 - (a) The described premises;
 - (b) Your new buildings while being built on or within 1000 feet of the described premises;
 - (c) 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 loss or damage must be caused by or result from a Covered Cause of Loss. If the damaged property is Covered Property under your Building or Business Personal Property Coverages, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to this Business Income Coverage. If the damaged property is not Covered Property under your Building or Business Personal Property Coverages, then the General Causes of Loss apply to this Business Income Coverage. With respect to loss of or damage to business personal property in the open or personal property in a vehicle, the described premises include the area within 1000 feet of the site at which the described premises are located. Your Business Income Coverage does not apply to any loss otherwise covered only under your Crime Coverages.

- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:
 - (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises is located, if that area services or is used to gain access to the described premises.
- (3) If the phrase **Optional Off Premises Business** Income appears in the Declarations, then the suspension may also be caused by direct physical loss of or damage to property which you own or which is in your care, custody or control anywhere else in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.

- (4) Throughout all of your Business Income and Extra Expense Coverages, the term Business Income means the:
- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses. Net Income includes "Rental Value" unless the **phrase Business Income Excluding Rental Value** appears in the Declarations; and
 - (a) Continuing normal operating expenses incurred, including payroll.

b. Extended Business Income

If the necessary suspension of your "Operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the Extended Period of Indemnity. Extended Period of Indemnity means the period that:

- (1) Begins on the date property except finished "Stock" is actually repaired, rebuilt or replaced and "Operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "Operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - (b) 90 consecutive days after the date determined in (a) above. However, if an **Extended Period of Indemnity Term** is shown in the Declarations, the number 90 in this section (b) is replaced by the number shown in the Declarations for **Extended Period of Indemnity Term**.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at:

- (1) The described premises;
- (2) Your new buildings while being built on or within 1000 feet of the described premises;
- (3) Buildings you acquire at locations other than the described premises, intended for:
 - (a) Similar use as the building described in the Declarations; or
 - (b) Use as a warehouse;

caused by or resulting from any Covered Cause of Loss.

c. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "Period of Restoration" and the Extended Period of Indemnity that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 1000 feet, caused by or resulting from a Covered Cause of Loss.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
(b) Any area within the building or on the site at which the described premises is located, if that area services or is used to gain access to the described premises.

Your Extra Expense Coverage does not apply to any loss otherwise covered only under your Crime Coverage.

- (2) If the phrase **Optional Off Premises Extra Expense** appears in the Declarations, then the Extra Expenses may also be incurred by direct physical loss of or damage to property which you own or which is in your care, custody or control anywhere else in the coverage territory.

- (3) Extra Expense means expense incurred during the "Period of Restoration":

- (a) To avoid or minimize the suspension of business and to continue "Operations":

- (i) At the described premises; or
(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

- (b) To minimize the suspension of business if you cannot continue "Operations".

- (c) To:

- (i) Repair or replace any property;
(ii) Research, replace or restore the lost information on damaged "Valuable Information Property"; or
(iii) Research, replace or restore the lost data and "Software" ;

to the extent it reduces the amount of loss that otherwise would have been payable under your Coverage for Business Income and Extra Expense Loss.

d. Business Income Off Premises Power or Communication Failure

Your Business Income Coverage and your Extra Expense Coverage are extended to include loss or damage caused by a Covered Cause of Loss and resulting from damage to or destruction of:

- (1) Public utility plants;
(2) Telephone communications facilities;
(3) Any equipment used in (1) or (2);
(4) Transformers or switching stations; and
(5) Substations or transformers furnishing heat, light, power, gas or communication service to your premises;

But excluding loss caused by damage to or destruction of off-premises power transmission lines and overhead communication, transmission, and distribution equipment.

We will pay only for that part of a loss which occurs after the first 12 hours following damage or destruction.

We will not pay for such loss if the disruption of service is due to your failure to comply with the terms and conditions of any contract.

e. Contingent Business Premises

We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at "Contingent Business Premises" not described in the Declarations, caused by or resulting from any Covered Cause of Loss to property.

We will pay for each day's suspension of "Operations" due to loss arising from all "Contingent Business Premises" for a period not to exceed 90 days.

f. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This Coverage will apply for a period of up to 2 consecutive weeks from the date of that action.

4. Crime Coverage

a. "Money" and "Securities"

- (1) We will pay for loss of "Money" and "Securities" while such property is:
 - (a) Within the interior of the portion of a building which you occupy at the described premises;
 - (b) At a bank or savings institution;
 - (c) In the care and custody of an armored motored vehicle company outside the interior of the portion of a building which you occupy at the described premises. However, we will only pay for the amount of loss that you cannot recover:
 - (i) Under your contract with the armored motor vehicle company; or
 - (ii) From any insurance or indemnity carried by, or for the benefit of customers of the armored motor vehicle company; or
 - (d) In the care and custody of you, any of your partners, or any "Employee".
- (2) Loss must result directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (3) We will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Of property contained in any money-operated device unless a continuous recording instrument in the device records the amount of "Money" deposited;
 - (c) Resulting from fire;
 - (d) Resulting from the giving or surrendering of property in any exchange or purchase;
 - (e) From damage to the premises or its exterior or to containers of "Money" or "Securities" by vandalism or malicious mischief;
 - (f) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property; or
 - (g) Arising out of any of the causes of loss excluded under **B.1. General Causes of Loss**.

b. Employee Dishonesty

- (1) We will pay for direct loss of or damage to business personal property and "Money" and "Securities" resulting from dishonest acts committed by any of your "Employees" acting alone or in collusion with others, (except you or your partners), whether identified or not:
 - (a) While inside the coverage territory; or
 - (b) While temporarily outside the coverage Territory for a period of not more than 90 days; with the manifest intent to:
 - (a) Cause you to sustain loss or damage; and also
 - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (i) Any "Employee"; or
 - (ii) Any other person or organization.
- (2) We will not pay for loss or damage:
 - (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (b) The only proof of which as to its existence or amount is:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.
- (3) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (4) This Coverage does not apply to any "Employee" immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, officers or directors not in collusion with the "Employee"; of any dishonest act committed by that "Employee" before or after being hired by you.
- (5) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period, or from when the policy is cancelled or terminated.

c. ERISA Employee Dishonesty

ERISA – EMPLOYEE DISHONESTY DOES NOT PROVIDE FIDUCIARY LIABILITY INSURANCE

- (1) If you request, we will include along with you as a Named Insured under the Employee Dishonesty Coverage any:
 - (a) Employee Welfare Benefit Plan (hereafter called Plan), and/or
 - (b) Employee Pension Benefit Plan (hereafter called Plan)owned, controlled or operated by you which you provide solely for the benefit of your employees.
- (2) As used in ERISA Employee Dishonesty Coverage, "Employee" also includes any natural person who is:
 - (a) A trustee, an officer, "Employee", administrator or a manager, except an administrator or a manager who is an independent contractor, of any Plan insured under this Coverage, and
 - (b) Your director or trustee while that person is handling funds or other property of any Plan insured under this Coverage.
- (3) If this insurance covers:
 - (a) Two or more Plans; or
 - (b) Any Plan and you jointly;You or the Plan administrator must obtain under one or more policies an amount of insurance for each such Plan that is at least equal to that required if each Plan were separately insured.
- (4) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that entity for loss sustained by any Plan will be held by that entity for the use and benefit of the Plan(s) sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) Sustained by two or more Plans; or
 - (b) Of commingled funds or other property of two or more Plans,that arises out of one occurrence because of dishonest acts of "Employees", is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

d. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

- (1) Any U. S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
 - (2) Counterfeit United States or Canadian paper currency;
- in exchange for merchandise, "Money" or services or as part of a normal business transaction.

e. Forgery and Alteration

We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "Money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar or written promise of payment in "Money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

We will not pay for loss resulting from any dishonest or criminal act committed by any of your "Employees", directors, or trustees:

- (1) Whether acting alone or in collusion with other persons; or
- (2) Whether or not they are performing services for you.

f. Consolidation and Merger Coverage

If through consolidation or merger with, or purchase of assets of, some other entity:

- (1) Any additional persons become "Employees"; or
- (2) You acquire the use and control of any additional premises;

any Crime Coverage afforded for "Employees" or premises also applies to those additional "Employees" and premises, but only if you:

- (1) Give us written notice within 30 days thereafter; and
- (2) Pay us an additional premium.

g. General Crime Exclusions

The following exclusions apply to all of your Crime Coverages.

We will not pay for:

- (1) **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
- (2) **Acts of "Employees", Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "Employees", directors, trustees or authorized representatives:
 - (a) Acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.

This exclusion (2) of Acts of "Employees", Directors, Trustees or Representatives applies only to your "Money" and "Securities" Coverage.

- (3) **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.

- (4) Indirect Loss: Loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:
 - (a) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
 - (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- (5) Legal Expenses: Expenses related to any legal action.
- (6) Nuclear: Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- (7) War and Similar Actions: Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
- (8) Transfer or Surrender of Property:
 - (a) Loss of property after it has been transferred or surrendered to a person or place outside the interior of that portion of any building:
 - (i) you occupy in conducting your business; or
 - (ii) occupied by a banking institution or similar safe depositoryon the basis of unauthorized instructions or as a result of a threat to do bodily harm to any person or damage to any property.
 - (b) But, this exclusion does not apply if you:
 - (i) had no knowledge of any threat at the time the conveyance began; or
 - (ii) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

This exclusion (8) of Transfer or Surrender of Property applies only to your "Money" and "Securities" Coverage.

5. Loss Expense and Protection Coverages

a. 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 of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if loss or damage occurs within 90 days after the property is first moved.

b. Fire Extinguisher and Automatic Extinguishing System Recharge

We will pay your expenses for recharge of your hand fire extinguishers when they are emptied while fighting fire.

We will also pay to recharge an automatic extinguishing system used exclusively to protect "Hardware", "Software", "Media" or data.

c. Claims Expenses

(1) We will pay all reasonable claims expenses you incur :

- (a) At our request ; and
- (b) Arising out of a covered loss or damage.

(2) The claims expenses must be incurred to assist us in:

- (a) The investigation of a claim or suit;
- (b) The determination of the amount of loss; or
- (c) The determination of the extent of direct physical loss or damage to building or business personal property.

(3) We will not pay for:

- (a) Expenses to prove that loss or damage is covered;
- (b) Expenses incurred under the **Appraisal** section of **Property Conditions**;
- (c) Expenses incurred under your **Crime Coverages** in establishing either the existence or the amount of loss under this insurance.
- (d) Expenses incurred for examinations under oath, even if required by us; or
- (e) Expenses incurred for public adjusters or legal fees.

d. 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 for the fire department service charges assumed by contract or agreement prior to loss, or required by local ordinance.

e. Reward Coverage

We will make available to a law enforcement agency with proper jurisdiction an amount to be used through reward or other means to acquire information leading to the possible conviction of a person or persons responsible for a fire, theft, robbery or explosion loss that is covered under this policy. Such funds will remain in our possession until actually needed for immediate distribution by the law enforcement agency. All claims for payment under this Coverage must be made by the law enforcement agency to us within one year of the date of loss, unless another time is mutually agreed to by the law enforcement agency and us. Such claims must be accompanied by a statement indicating to whom the law enforcement agency will make payment, the information anticipated, and the person(s) who may be charged with the crime. In no event will we make any payment under this Coverage either directly to you or to anyone other than a law enforcement agency with proper jurisdiction. We will not fund any payment to anyone who directed, participated in, committed or caused to be committed the fire, theft, robbery or explosion in question nor to anyone who provides or obtains information as part of their regular duties of employment either by the insured or a law enforcement or fire department agency. However, within the provisions of this Coverage, we will reimburse the agencies themselves for extraordinary expenses related to obtaining information regarding a fire, theft, robbery or explosion covered under this policy. We will make no payment under this Coverage in excess of twice the loss payment we make for direct damage to property.

f. Building Ordinance Coverage

- (1) If a Covered Cause of Loss occurs to a covered building, we will pay:
- (a) For loss or damage caused by the enforcement of any law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (iii) Is in force at the time of loss.
 - (b) The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.
 - (c) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use law.

However, we will not pay under this Coverage for the costs associated with the enforcement of 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".

For the purposes of this Coverage, "Pollutants" includes asbestos.

- (2) We will not pay for increased construction costs under this Coverage:
- (a) Until the property is actually repaired or replaced, at the same premises or elsewhere; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 year period.

- (3) We will not pay more:
 - (a) If the property is repaired or replaced on the same premises, than the amount you actually spend to:
 - (i) Demolish and clear the site; and
 - (ii) Repair, rebuild or construct the property but not for more than property of the same height, floor area and style on the same premises.
 - (b) If the property is not repaired or replaced on the same premises, than:
 - (i) The amount you actually spend to demolish and clear the site of the described premises; and
 - (ii) The cost to replace, on the same premises, the damaged or destroyed property with other property:
 - (A) Of comparable material and quality;
 - (B) Of the same height, floor area and style; and
 - (C) Used for the same purpose.
- (4) The terms of this Coverage apply separately to each building to which this insurance applies.

g. Contractual Penalties

We will pay for contractual penalties you incur if you cannot meet your written contractual obligations because of a direct loss or damage to Covered Property by a Covered Cause of Loss. Such contract must be written and must have been executed prior to the date of the loss. This Coverage does not apply to loss or damage to:

- (1) A building or structure under construction; or
- (2) Property you are installing for a customer.

6. Pollutant Clean Up and Debris Removal Coverage

a. 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 earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

b. Debris Removal

- (1) 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 earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) This Coverage does not apply to costs to:
 - (a) Extract "Pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

7. Equipment Breakdown Additional Coverages

The following additional Coverages also apply to loss caused by or resulting from an "Accident" to "Covered Equipment".

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (3) Expedite permanent repairs or replacement.

b. Hazardous Substances Coverage

We will pay for the additional cost to repair or replace Covered Property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property.

Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Additional costs mean those beyond what would have been required had no hazardous substance been involved.

c. Perishable Goods Coverage

We will pay for:

- (1) Your loss of "Perishable Goods" due to spoilage;
- (2) Your loss of "Perishable Goods" due to contamination from the release of refrigerant, including but not limited to ammonia; and
- (3) Any necessary expenses you incur to reduce the amount of loss under this Coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage.

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 "Accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the **Property Valuation and Loss Payment** section of this policy.

We will not pay for loss or damage as a result of your failure to use all reasonable means to protect the "Perishable Goods" from damage following an "Accident" to "Covered Equipment".

d. CFC Refrigerants Coverage

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

B. CAUSES OF LOSS

Coverage **A.1. – Building Coverage**, Coverage **A.2. – Business Personal Property Coverage**, and Coverage **A.3. – Business Income and Extra Expense Coverage**, as well as certain other references in your policy, refer to Covered Causes of Loss. This section of your policy will tell you, for specific Coverages and types of property, what causes of loss are covered, what causes are excluded, and whether there are any special limitations on your Coverage. Be sure to refer to the Declarations to see if any of the Causes of Loss assigned in this section are amended. These Causes of Loss do not apply to your Crime Coverage except as specifically referenced in your "Money" and "Securities" Coverages. Otherwise, the Crime Coverages section contains all the information as to the types of loss they cover. Your Loss Expense and Protection Coverages are Coverages that provide additional or supplemental payments in the event of another covered loss under the policy. To the extent that a Covered Cause of Loss is required to trigger the primary loss, Causes of Loss can influence your Loss Expense and Protection Coverage.

There are three defined types of Causes of Loss in your policy, the General Causes of Loss, the Inland Marine Causes of Loss, and the Outdoor Property Causes of Loss. If a Coverage makes reference to a Covered Cause of Loss, it means a cause of loss that would be covered under your policy for the type of property that has been lost or damaged.

1. General Causes of Loss

- a. Unless otherwise shown in the Declarations, General Causes of Loss apply to the following Coverages:
 - (1) All Building Coverage, except Coverage for:
 - (a) Signs; and
 - (b) "Outdoor Property".
 - (2) All Business Personal Property Coverage, except Coverage for:
 - (a) "Hardware", "Software", "Media", and data;
 - (b) "Scientific and Professional Equipment";
 - (c) "Fine Arts";
 - (d) Patterns, molds and dies;
 - (e) Business personal property in transit;
 - (f) "Valuable Information Property";
 - (g) "Accounts Receivable"; and
 - (h) "Installation Tools and Equipment Property".
 - (3) All Business Income and Extra Expense Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss.
 - (4) All Loss Expense and Protection Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss.
 - (5) All Pollutant Clean Up and Debris Removal Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss.
 - (6) Any other Coverage where no Cause of Loss type is specified in this section.

b. Under General Causes of Loss, we will pay for direct physical loss of or damage to property, unless excluded below.

(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) Earth Movement

- (i) Any earth movement (other than "Sinkhole Collapse"), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (ii) 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:

- (i) Airborne volcanic blast or airborne shock waves;
- (ii) Ash, dust, or particulate matter; or
- (iii) Lava flow.

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 of or damage to Covered Property.

(b) 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 policy.

However, this exclusion will not apply to your Business Income and Extra Expense Coverage for **Civil Authority**.

(c) 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.

(d) Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. But, if failure of power 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.

This exclusion does not apply to losses under your **Business Income Off Premises Power Failure** Coverage.

(e) War and Military Action

- (i) War, including declared, undeclared or civil war;
- (ii) 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
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

(f) Water

- (i)** Flood, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (ii)** Mudslide or mudflow;
- (iii)** But if Water, as described in **(f)(i)** and **(f)(ii)** results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

However, if electrical "Covered Equipment" requires drying out as a result of losses described in **(f)(i)**, we will pay for the direct expenses of such drying out.

(g) Building Ordinance

The enforcement of any ordinance or law:

- (i)** Regulating the construction, use or repair of any property; or
- (ii)** Requiring the tearing down of any property, including the cost of removing its debris; except as provided in your Loss Expense and Protection Coverage for Building Ordinance.

(2) We will not pay for loss or damage caused by or resulting from any of the following:

(a) Electrical Apparatus

Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire or explosion, we will pay for the loss or damage caused by fire or explosion.

This exclusion does not apply to loss or damage arising out of an "Accident" to "Covered Equipment".

(b) Loss of Market

Delay, loss of use or loss of market.

(c) Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

(d) Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. This exclusion does not apply to loss or damage caused by or arising out of an "Accident" to "Covered Equipment". Also, 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.

(e) Frozen Plumbing

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:

- (i)** You do your best to maintain heat in the building or structure; or
- (ii)** You drain the equipment and shut off the supply if the heat is not maintained.

(f) Dishonesty

Dishonest or criminal acts by you, any of your partners, "Employees", directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- (i) Acting alone or in collusion with others; or
- (ii) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "Employees"; but theft by "Employees" is not covered.

(g) Exposed Property

Rain, snow, ice or sleet to business personal property in the open.

(h) Collapse

Collapse, if caused by earth movement or water.

As respects loss or damage arising out of or in any sequence with collapse, we will not pay for loss or damage to:

- (i) Outdoor radio or television antennas, including their lead-in wiring;
- (ii) Masts or towers;
- (iii) Awnings;
- (iv) Gutters and downspouts;
- (v) Yard fixtures;
- (vi) Outdoor swimming pools;
- (vii) Fences;
- (viii) Piers, wharves and docks;
- (ix) Beach or diving platforms or appurtenances;
- (x) Retaining walls; and
- (xi) Walks, roadways and other paved surfaces;

unless loss or damage is the direct result of building collapse and that building collapse does not result from earth movement or water.

We will not pay for loss or damage caused by settling, cracking, shrinkage, bulging or expansion.

(i) Pollutants

We will not pay for loss or damage caused by or resulting from the 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".

(j) Theft of Personal Effects or Salesman's Samples

We will not pay for loss or damage arising out of theft:

- (i) To property in the care, custody or control of a salesman from an unattended vehicle unless all compartments, doors, windows and other openings are closed and, where locks are available, locked; or
- (ii) Of personal effects.

(k) Other Types of Loss

- (i) Wear and tear;
- (ii) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (iii) Smog;
- (iv) Settling, cracking, shrinking or expansion;
- (v) Insects, birds, rodents or other animals;
- (vi) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any loss or damage caused by elevator collision. This exclusion also does not apply to loss or damage caused by or arising out of an "Accident" to "Covered Equipment".

But, if an excluded cause of loss that is listed in (k)(i) through (k)(vi) results in a "Specified Cause of Loss", an "Accident" to "Covered Equipment", or building glass breakage, we will pay for the loss or damage caused by that "Specified Cause of Loss," "Accident" to "Covered Equipment" or building glass breakage.

(l) Mistakes

Errors in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(m) Errors in System Programming

Errors in system programming or errors in instructions to a machine.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(n) Breakage and Leakage

Breakage, leakage, chipping, denting or bending, or by being spotted, discolored, rusted, frosted or steamed unless caused by fire, lightning, windstorm, hail, explosion or collision, riot and/or civil commotion, derailment or overturning of vehicle while on land or collision or crashing of aircraft while in flight, or by ferry, transfer or lighter being stranded, sunk or in collision while waterborne. This exclusion applies only to property in transit.

(o) Mysterious Disappearance

Disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss, nor does it apply to losses covered under your "Money" and "Securities" **Crime Coverage**.

- (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**
Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Section B.1.b.(1) to produce the loss or damage.
 - (b) **Acts or Decisions**
Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (c) **Negligent Work**
Faulty, inadequate, defective or negligent:
 - (i) Planning, zoning, development, surveying, siting;
 - (ii) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (iii) Materials used in repair, construction, renovation or remodeling; or
 - (iv) Maintenance;of part or all of any property on or off the described premises.
- (4) We will not pay for:
- (a) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (i) 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
 - (ii) 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".
 - (b) Any other consequential loss.

2. Inland Marine Causes of Loss

- a. Unless otherwise shown in the Declarations, Inland Marine Causes of Loss apply to the following Coverages:
- (1) Under your Building Coverage, Coverage for Outdoor signs.
 - (2) Under your Business Personal Property Coverage, Coverage for:
 - (a) "Hardware", "Software", "Media", and data;
 - (b) "Scientific and Professional Equipment";
 - (c) "Fine Arts";
 - (d) Business personal property in transit;
 - (e) "Valuable Information Property";
 - (f) "Accounts Receivable";
 - (g) "Installation Tools and Equipment Property"; and
 - (h) Patterns, molds and dies.
 - (3) Under your Business Income and Extra Expense Coverages, only where the damaged or lost property is described in item (1) or (2) above.
 - (4) Under your Loss Expense and Protection Coverages, only where the damaged or lost property is described in item (1) or (2) above.
 - (5) Under Pollution Clean Up and Debris Removal Coverages, only where the damaged or lost property is described in item (1) or (2) above.
- b. Under Inland Marine Causes of Loss, we will pay for direct physical loss of or damage to property, unless excluded below.
- (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) **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 policy.

However, this exclusion will not apply to your Business Income and Extra Expense Coverage for **Civil Authority**.

We will not cover expenses that you incur to buy or rent "Hardware", "Software", "Media" or data, except to the extent that it reduces a loss.
 - (b) **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.
 - (c) **War and Military Action**
 - (i) War, including undeclared or civil war;
 - (ii) 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
 - (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
 - (d) **Building Ordinance**

The enforcement of a code, ordinance or law that regulates the use, construction, repair or demolition of "Hardware" or a building or structure.

(2) We will not pay for loss or damage caused by or resulting from any of the following:

(a) Dishonesty

Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- (i) Acting alone or in collusion with others; or
- (ii) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees, but theft by employees is not covered.

(b) False Pretense

Voluntary parting with any business personal property in transit 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.

(c) Other Types of Loss

- (i) Wear and tear;
- (ii) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (iii) Mechanical breakdown.

But, this exclusion (iii) does not apply to an "Accident" to "Covered Equipment", or to "Hardware", "Software", "Media" or data;

But if an excluded cause of loss that is listed in (c)(i) through (c)(iii) results in a "Specified Cause of Loss", or an "Accident" to "Covered Equipment", we will pay for the loss or damage caused by that "Specified Cause of Loss", or an "Accident" to "Covered Equipment".

(d) Mistakes

Errors in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

However, this exclusion does not apply to:

- (i) Any ensuing loss or damage by a Covered Cause of Loss; or
- (ii) "Accounts Receivable", "Valuable Information Property" or "Fine Arts".

(e) Errors in System Programming

Errors in system programming or errors in instructions to a machine.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(f) Breakage and Leakage

Breakage, leakage, chipping, denting or bending, or by being spotted, discolored, rusted, frosted or steamed unless caused by fire, lightning, windstorm, hail, explosion or collision, riot and/or civil commotion, derailment or overturning of vehicle while on land or collision or crashing of aircraft while in flight, or by ferry, transfer or lighter being stranded, sunk or in collision while waterborne.

(g) Willful Acts

Any willful act intended to cause a loss committed by you or anyone else at your direction.

- (3) We will not pay for:
- (a) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (i) 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
 - (ii) 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".
 - (b) Any other consequential loss.

(4) **"Accounts Receivable" and "Valuable Information Property" Exclusions**

The following additional exclusions apply to "Accounts Receivable" and "Valuable Information Property" :

- (a) We will not pay for loss or damage caused by or arising from:
- (i) Electrical or magnetic injury, disturbance or erasure of electronic recordings;
 - (ii) Programming errors or faulty machine instructions;
 - (iii) Faulty installation or maintenance of data processing equipment or component parts;
 - (iv) An occurrence that took place more than 1000 feet from your premises; or
 - (v) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 1000 feet from your premises.

But we will pay for direct loss or damage caused by lightning.

- (b) We will not pay for loss or damage caused by or resulting from any of the following:

(i) **Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 2.b.(1) above to produce the loss or damage.

(ii) **Acts or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

(iii) **Negligent Work**

Faulty, inadequate, defective, or negligent:

- (A) Planning, zoning, development, surveying, siting;
- (B) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (C) Materials used in repair, construction, renovation or remodeling; or
- (D) Maintenance;

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

But if an excluded Cause of Loss that is listed above results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- (c) Applicable to "Valuable Information Property" only:

We will not pay for loss or damage caused by or resulting from any of the following:

- (i) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
- (ii) Wear and tear, gradual deterioration or latent defect.

(d) Applicable To "Accounts Receivable" only:

We will not pay for:

- (i) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of "Accounts Receivable" done to conceal the wrongful giving, taking or withholding of "Money", "Securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (ii) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (iii) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

(5) "Fine Arts" Exclusion

The following additional exclusion applies to "Fine Arts":

We will not pay for loss or damage caused by repair, restitution, or retouching.

(6) "Installation Tools and Equipment Property" Exclusions

The following additional exclusions apply to "Installation Tools and Equipment Property":

We will not pay for loss or damage arising out of:

(a) Overloading

The weight of a load exceeding the manufacturer's rated lifting capacity of the machine under the operating conditions at the time of loss.

(b) Testing

Testing, but we will pay for direct loss caused by resulting fire or explosion.

(c) Replacement of Defective Materials

The cost to make good or replace faulty or defective materials or workmanship.

(d) Faulty Design

A fault, defect, deficiency, error or omission in a plan, blueprint, design or specification.

(e) Mysterious Disappearance

Unexplained disappearance or shortage found upon taking inventory.

(f) Artificially Generated Electrical Current

Artificially generated current creating a short circuit or other electrical disturbance with an item of covered property.

(g) Pollutants

We will not pay for loss or damage caused by or resulting from the 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".

3. "Outdoor Property" Causes of Loss

Unless otherwise shown in the Declarations, "Outdoor Property" Causes of Loss apply only to "Outdoor Property".

Under your Business Income and Extra Expense Coverages, "Outdoor Property" Causes of Loss apply only where the damaged or lost property is "Outdoor Property" or other property to which "Outdoor Property" Causes of Loss apply in the Declarations.

Under your Loss Expense and Protection Coverages "Outdoor Property" Causes of Loss apply only where the damaged or lost property is "Outdoor Property" or other property to which "Outdoor Property" Causes of Loss apply in the Declarations.

Under Pollutant Clean Up and Debris Removal Coverages, "Outdoor Property" Causes of Loss apply only where the damaged or lost property is "Outdoor Property" or other property to which "Outdoor Property" Causes of Loss apply in the Declarations.

Under "Outdoor Property" Causes of Loss, we will pay for direct physical loss of or damage to property caused by or resulting from:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or Civil Commotion; or
- e. Aircraft.

C. PROPERTY VALUATION AND LOSS PAYMENT

1. In the event of loss or damage covered by this policy, at our option we will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property plus any reduction in the value of that property due to the repairs;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild or replace the property with other property of like kind and quality.We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We will not pay more than the least of the following amounts:
 - a. The Limit of Insurance under this policy that applies to the loss;
 - b. The value of the lost or damaged property; or
 - c. The amount that you actually spend that is necessary to repair or replace the lost or damaged property at:
 - (1) The same location; or
 - (2) Another location;for the same use and occupancy. This item c. does not apply to losses subject to the Transit Limit of Insurance or the Other Location Limit of Insurance.
4. We will determine the value of your property based on one of the following methods:
 - a. **Replacement Cost**
 - (1) Replacement Cost means the cost to repair, rebuild, or replace the lost or damaged property with other property:
 - (a) Of comparable material and quality;
 - (b) Used for the same purpose; and
 - (c) Without a deduction for depreciation.
 - (2) The following types of property will be adjusted based on their replacement cost:
 - (a) Buildings and structures, unless more specifically addressed on the Declarations or below;
 - (b) Business personal property, unless more specifically addressed on the Declarations or below.
 - (3) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. You may make a claim on an actual cash value basis for loss or damage covered by this insurance 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 on a replacement cost basis if:
 - (a) The lost or damaged property is actually repaired or replaced; and
 - (b) You notify us to do so within 180 days after the date of loss or damage or some other reasonable period on which we agree in writing.
 - (4) Replacement cost valuation of your Business Personal Property includes the cost of:
 - (a) Replacing labels, capsules, wrappers or containers from the damaged business personal property; or
 - (b) Identifying and reconditioning damaged business personal property.

- (5) In the event of damage to "Stock" you have two options when:
- (a) You do not want to sell your damaged "Stock" under your brand or label; or
 - (b) The owner of any damaged "Stock" in your care, custody or control does not want to sell that damaged "Stock" under the owner's brand or label even though the damaged stock has salvage value.

You may:

- (a) Remove the brand or label and then relabel the damaged "Stock" to comply with the law; or
- (b) Label the damaged "Stock" as SALVAGE, but, in doing so, cause no further damage to the "Stock".

In either case, the business personal property valuation will include the difference between:

- (a) The salvage value of the damaged "Stock" with the brand or label attached; and
- (b) The salvage of the damaged "Stock" with the brand or label removed.

- (6) Replacement Cost of "Stock" you have sold but not delivered means the selling price less discounts and expenses you otherwise would have had.
- (7) Replacement Cost of your "Stock" will include the reduction in value of the "Stock" due to consequential damage. Consequential damage means a part or parts of your product that are physically lost or damaged by a Covered Cause of Loss causing the part or parts that are not damaged to be unmarketable as a complete product.
- (8) Replacement Cost of a building or structure includes the necessary cost to tear out and replace any part of the building or structure to repair damage to a system or appliance caused by a covered loss in which water or other liquid, powder or molten material escapes.

Replacement Cost does not include the cost to repair any defect that caused the loss or damage, 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.

- (9) In case of loss to any pair or set we may:

- (a) Repair or replace any part to restore the pair or set to its value before the loss; or
- (b) Pay the difference between the value of the pair or set before and after the loss.

b. Functional Replacement Cost

- (1) Functional replacement cost means the cost to repair or replace property with available property that most closely duplicates the function of the damaged or replaced property at time of loss. The replacement property may perform additional functions if it is the available property that most closely duplicates the function of the damaged or replaced property.
- (2) Unless a different valuation basis is shown in the Declarations, the following property will be adjusted based on its functional replacement cost:
- (a) Buildings and structures, but only if the building or structure is identified as having functional replacement cost apply in the Declarations;
 - (b) "Hardware", "Software", "Media" and data;
 - (c) "Scientific and Professional Equipment"; and
 - (d) Other Business Personal Property, but only if that business personal property is identified as having Functional Replacement Cost apply in the Declarations.

c. Stated Value

- (1) Stated Value means that in a total loss we will pay the amount stated in the Declarations for the lost or damaged property.
- (2) For property to be covered on a stated value basis it must be specifically identified in the Declarations as having Stated Value apply. The Declarations must indicate Stated Value individually for each item.
- (3) If we determine that there has been a partial loss to property covered on a stated value basis, we will pay no more than the proportion that the value of the damaged part bears to the Stated Value in the Declarations.

d. Valuable Information Research and Replacement

- (1) Valuable Information Research and Replacement means we will pay based on the cost at time of loss of blank materials for reproducing the records plus the actual amount spent for labor and other expenses to research, transcribe or copy the records.
- (2) Valuable Information Research and Replacement applies to "Valuable Information Property" that are actually replaced or restored.

e. "Accounts Receivable"

- (1) If you cannot accurately establish the amount of "Accounts Receivable" outstanding as of the time of loss or damage:
 - (a) We will determine the total of the average monthly amounts of "Accounts Receivable" for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) We will adjust that total for any normal fluctuations in the amount of "Accounts Receivable" for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of "Accounts Receivable," however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

f. Glass

We will pay for all interior and exterior building glass based on the cost of replacement with like kind and quality. We will pay the cost of replacement with safety glazing material if safety glazing is required by law.

g. Actual Cash Value

- (1) Actual cash value means replacement cost, as defined in a. above, minus depreciation.
- (2) We will value the following property on an actual cash value basis:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Manuscripts;
 - (c) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;
 - (d) Any property that otherwise would be valued on a replacement cost basis, but for which repairs or replacements are not made as soon as reasonably possible; and
 - (e) Any other property specifically identified in the Declarations as having actual cash value apply.

h. Tenants' Improvements and Betterments

Unless another valuation method is shown in the Declarations, we will value Tenants' Improvements and Betterments as follows:

- (1) Replacement cost 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.

i. "Money"

"Money" will be valued based on:

- (1) The face value of United States or Canadian currency if the loss involves United States or Canadian currency; or
- (2) The United States dollar value of a foreign currency based on the free currency rate of exchange in effect on the day any loss involving foreign currency is discovered.

If the loss occurs before "Money" has been counted and recorded by you, the value of the "Money" will not exceed the amount that is reasonably estimated and satisfactory to us.

j. "Securities"

"Securities" will be valued up to and including their value at the close of business on the day the loss is discovered. We may, at our option:

- (1) Pay the value of such "Securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "Securities";
- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "Securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (a) Value of the "Securities" at the close of business on the day the loss was discovered; or
 - (b) Applicable Limit of Insurance.

k. Personal Property Sold By You Under A Conditional Sale Or Trust Agreement Or Any Installment Or Deferred Payment Plan After Delivery To Buyers

Personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers is valued based on the amount shown on your books as due from the buyer when a total loss occurs. When a partial loss occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payment coverage will be valued as follows:

- (1) If the realized value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
- (2) If the realized value of the repossessed property is less than the amount shown on the books as due from the buyer, we will pay the difference.

When a partial loss occurs and the buyer continues to pay you, there will be no loss payment.

5. Personal Property of Others

- a. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. 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.
- b. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- c. Personal property of others is valued on the same basis as your business personal property (subject to any exceptions in this Valuation and Loss Payment section). However, we will not pay more than the amount for which you are legally liable.
- d. Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

6. When We Will Pay

We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

7. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must 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.

8. Resumption of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "Operations", in whole or in part, by using damaged or undamaged property (including merchandise or "Stock") at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "Operations" to normal and discontinue such Extra Expense.

If you do not resume your "Operations", any loss determination will be based on the length of time it would have taken to resume "Operations" with reasonable speed.

D. LIMITS OF INSURANCE

The applicable Limit of Insurance is the most we will pay for loss or damage in any one occurrence. A Limit of Insurance will not be reduced by the payment of a claim. However, if an individual piece of business personal property covered under the Inland Marine Causes of Loss is scheduled with a specific limit and that item incurs a total loss, we will return the unearned premium. This section will tell you how Limits of Insurance apply to your policy.

1. Building and Business Personal Property Limits of Insurance

Unless a property or Coverage is more specifically addressed by one of the other Limits of Insurance in this section, it is subject to either a Building or Business Personal Property Limit of Insurance shown in the Declarations. If the property is a building or structure, it will be subject to the Building Limit of Insurance. If the property is personal property, it will be subject to the Business Personal Property Limit of Insurance.

The Limits of Insurance for Building or Business Personal Property will automatically increase by the annual percentage shown in the Declarations under **Automatic Increase in Limits**. At the time of loss or damage the amount of increase will be determined by multiplying the applicable Limit of Insurance shown in the Declarations by the percentage of annual increase applied on a pro rata basis.

Your Loss and Expense Protection Coverage for Preservation of Property is subject to the Business Personal Property Limit of Insurance applying to the location from which the property is moved.

2. Business Income and Extra Expense Coverage Limit of Insurance

Your Business Income and Extra Expense Coverage Limit of Insurance applies to all coverage under Coverage A.3. **Business Income and Extra Expense Coverage**. Unless otherwise stated in the Declarations, your Business Income and Extra Expense Coverage Limit of Insurance is the Actual Loss Sustained in 12 Months. This means we will pay your actual loss sustained, as defined in the Coverage, for a period of 12 months from the date of loss.

However, your Business Income and Extra Expense Coverage Limit of Insurance may be amended as follows:

A separate dollar Limit of Insurance may be shown in the Declarations for any of the following Business Income and Extra Expense Coverages:

- a. Business Income;
- b. Extra Expense;
- c. Business Income Off Premises Power or Communication Failure; or
- d. Contingent Business Premises.

A separate dollar Limit of Insurance may be shown in the Declarations for Business Income or Extra Expense loss arising out of loss or damage to any of the following types of property:

- a. "Stock" in transit; or
- b. "Stock" at any other location.

If a dollar Limit of Insurance appears in the Declarations for any one of these Coverages, that dollar limit applies instead of the 12 Month Actual Loss Sustained limitation. Any Coverage listed in (a) through (d) above, or any combination thereof, may be deleted and will not apply if so indicated in the Declarations.

3. Transit Limit of Insurance

- a. Your Transit Limit of Insurance applies to any covered Business Personal Property while it is in transit within the policy coverage territory. However, the Transit Limit of Insurance will not apply to any Business Personal Property located within 1000 feet of a scheduled premises.
- b. This Transit Limit of Insurance does not apply to losses covered under Part **A.4. Crime Coverage**.
- c. If this Transit Limit of Insurance applies to Business Personal Property which is also subject to the:
 - (1) Bucket Limit of Insurance;
 - (2) Newly Acquired Limit of Insurance;
 - (3) California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance;
 - (4) Pollutant Clean Up Limit of Insurance;
 - (5) Debris Removal Limit of Insurance;
 - (6) Ordinance or Law Limit of Insurance; or
 - (7) Special Theft Limit of Insurance;only the smallest of the two or more applicable limits will apply in a single occurrence. If the limits are equal, only one of the limits will be available to a single occurrence.
- d. Unless otherwise stated in the Declarations, your Transit Limit of Insurance is \$100,000 per occurrence.

4. Other Location Limit of Insurance

- a. Your Other Location Limit of Insurance applies to any covered Business Personal Property while it is at a location not listed in the Declarations while within the policy coverage territory. However, the Other Location Limit of Insurance will not apply to any Business Personal Property located within 1000 feet of a scheduled premises.
- b. This Other Location Limit of Insurance does not apply to losses covered under Part **A.4. Crime Coverage**.
- c. If this Other Location Limit of Insurance applies to Business Personal Property which is also subject to the:
 - (1) Bucket Limit of Insurance;
 - (2) Newly Acquired Limit of Insurance;
 - (3) California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance;
 - (4) Pollutant Clean Up Limit of Insurance;
 - (5) Debris Removal Limit of Insurance;
 - (6) Ordinance or Law Limit of Insurance; or
 - (7) Special Theft Limit of Insurance;only the smallest of the two or more applicable limits will apply to a single occurrence. If the limits are equal, only one of the limits will be available to a single occurrence.
- d. Unless otherwise stated in the Declarations, your Other Location Limit of Insurance is \$100,000 per occurrence.

5. Crime and ERISA Employee Dishonesty Limits of Insurance

- a. Your Crime Limit of Insurance applies to all losses covered under part **A.4. Crime Coverage** except **ERISA Employee Dishonesty**. However, any payments for legal expenses under your Forgery and Alteration Coverage are in addition to your Crime Limit of Insurance.
- b. Your **ERISA Employee Dishonesty** Limit of Insurance applies to all losses under that Coverage.
- c. As respects to your Crime Coverages, all loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- d. A separate dollar Limit of Insurance may be shown in the Declarations for any of the following Crime Coverages or combination thereof:
 - (1) "Money" and "Securities";
 - (2) Employee Dishonesty;
 - (3) Money Orders and Counterfeit Paper Currency; or
 - (4) Forgery and Alteration.

Any separate dollar Limit of Insurance established is the most we will pay for any one occurrence, and the Crime Limit of Insurance shall not apply to such Coverage(s).

Unless otherwise shown in the Declarations, your Crime Limit of Insurance is \$50,000 per occurrence and your ERISA Employee Dishonesty Limit of Insurance is \$50,000 per occurrence.

6. Newly Acquired or Constructed Property Limits of Insurance

- a. Your Newly Acquired Building or Constructed Property Limit of Insurance applies to:
 - (1) Your new buildings while being built; and
 - (2) Buildings you acquire.
- b. Your Business Personal Property Newly Acquired or Constructed Limit of Insurance applies to Business Personal Property at any location you acquire other than at fairs or exhibitions.
- c. Insurance for newly acquired or constructed buildings or newly acquired business personal property will end when any of the following occur:
 - (1) This policy expires;
 - (2) 180 days after you acquire or begin to construct the property; or
 - (3) You report the values of the property to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

- d. Unless otherwise shown in the Declarations, Newly Acquired or Constructed Property Limits of Insurance are:
 - (1) \$1,000,000 for Newly Acquired Buildings or Constructed Property; and
 - (2) \$1,000,000 for Business Personal Property Newly Acquired or Constructed Property.

7. Pollutant Clean Up Limit of Insurance

- a. Your Pollutant Clean Up Limit of Insurance applies to your Pollutant Clean Up and Removal Coverage. This is the most we will pay for any expenses arising during any twelve month period.
- b. Unless otherwise shown in the Declarations, your Pollutant Clean Up Limit of Insurance is \$100,000 per location.

8. Debris Removal Limit of Insurance

- a. Your Debris Removal Limit of Insurance applies to your Debris Removal Coverage, providing an excess Limit of Insurance.
- b. The most we will pay for debris removal is the lesser of:
 - (1) 25% of the covered direct physical loss or damage; or
 - (2) The remaining applicable Limit of Insurance for Building or Business Personal Property shown in the Declarations after payment of the covered direct physical loss or damage.
- c. If the amount in b. above is insufficient to pay the debris removal, we will pay the remaining debris removal. However, this additional amount we pay is subject to the Debris Removal Limit of Insurance.
- d. We will also pay up to \$1,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.
- e. Unless otherwise shown in the Declarations, your Debris Removal Limit of Insurance is \$250,000 per location.

9. Building Ordinance Limit of Insurance

- a. Your Building Ordinance Limit of Insurance applies per occurrence to losses under your Building Ordinance Coverage.
- b. Unless otherwise shown in the Declarations, your Building Ordinance Limit of Insurance is \$500,000.

10. Special Theft Limits of Insurance

- a. Your Special Theft Limits of Insurance apply to loss or damage arising out of theft or attempted theft of the following types of property:
 - (1) Furs, fur garments and garments trimmed with fur;
 - (2) Jewelry, watches (with a per item value greater than \$100), watch movements, jewels, pearls, precious and semi-precious stones, bullion;
 - (3) Gold, silver, platinum and other precious alloys or metals; or
 - (4) Stamps, tickets and letters of credit.
- b. Unless otherwise shown in the Declarations, your Special Theft Limits of Insurance are:
 - (1) \$10,000 for furs, fur garments and garments trimmed with fur;
 - (2) \$10,000 for jewelry, watches (with a per item value greater than \$100), watch movements, jewels, pearls, precious and semi-precious stones, bullion;
 - (3) \$25,000 for gold, silver, platinum and other precious alloys or metals; and
 - (4) \$ 1,000 for stamps, tickets and letters of credit.

The Limits of Insurance apply per occurrence.

11. Equipment Breakdown Additional Coverages Limit of Insurance

- a. Your Equipment Breakdown Additional Coverages Limit of Insurance applies per "Accident" to the following Coverages:
 - (1) Expediting Expense
 - (2) Hazardous Substances Coverage;
 - (3) Perishable Goods Coverage;
 - (4) CFC Refrigerants Coverage.
- b. Unless otherwise shown in the Declarations, your Limit of Insurance is \$25,000.

12. Claims Expenses Limit of Insurance

- a. Your Claims Expense Limit of Insurance applies per occurrence to losses under your Claims Expenses Coverage.
- b. Unless otherwise shown in the Declarations, your Claims Expense Limit of Insurance is \$50,000.

13. Reward Limit of Insurance

- a. Your Reward Coverage Limit of Insurance applies per occurrence to losses under your Reward Coverage.
- b. Unless otherwise shown in the Declarations, your Reward Coverage Limit of Insurance is \$25,000.

14. Contractual Penalties Limit of Insurance

- a. Your Contractual Penalties Limit of Insurance applies per occurrence to losses under your Contractual Penalties Coverage.
- b. Unless otherwise shown in the Declarations, your Contractual Penalties Limit of Insurance is \$25,000.

15. Specific Limits of Insurance

In addition to the Limits of Insurance identified in items 1. through 14., specific Limits of Insurance may be shown in the Declarations for any policy Coverage, or for any type of property covered under your Building or Business Personal Property Coverages. If a Specific Limit of Insurance applies, no other Limit of Insurance will apply to that property or Coverage, except as noted in the Bucket Limit of Insurance below.

16. Bucket Limit of Insurance

- a. Your Bucket Limit of Insurance applies to covered loss or damage to the following types of property, or Coverages:
 - (1) Personal Effects;
 - (2) "Valuable Information Property";
 - (3) "Accounts Receivable";
 - (4) "Outdoor Property";
 - (5) "Fine Arts";
 - (6) "Hardware", "Software", "Media" and data;
 - (7) Fire Extinguisher and Automatic Extinguishing System Recharge;
 - (8) Fire Department Service Charge;
 - (9) Personal Property Sold By You Under a Conditional Sale or Trust Agreement, or any Installment or Deferred Payment Plan;
 - (10) Coverage for the decreased value of "Stock" due to damage of another part or parts of "Stock"; and
 - (11) Tenants Improvements or Betterments.
- b. Your Bucket Limit of Insurance also applies per covered premises shown in the Declarations. The first Named Insured may choose which portion of the limit will apply to the property and Coverages listed above at the time of loss.
- c. If Specific Limits of Insurance are shown in the Declarations for any Coverages or property also subject to this Bucket Limit, then this Bucket Limit of Insurance will apply in excess of the Specific Limits of Insurance and any Deductible applying to them.
- d. The Bucket Limit of Insurance applies only when loss or damage occurs at a scheduled location.
- e. Unless otherwise shown in the Declarations, your Bucket Limit of Insurance is \$500,000.

17. California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance

- a. The California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) to "Hardware", "Software", "Media" and data occurring in the State of California when covered loss arises from earth movement (other than "Sinkhole Collapse"), or volcanic eruption. **NO OTHER LIMIT WILL APPLY IN EXCESS TO THIS TYPE OF LOSS.**
- b. All earth movement or volcanic eruption occurring in the same 168-hour period will be considered the same occurrence.
- c. Unless otherwise shown in the Declarations, your California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance is \$100,000 per occurrence.

E. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance. If no other Deductible is shown in the Declarations, your Deductible is \$500.
2. Unless otherwise shown in the Declarations, no deductible applies to the following:
 - a. Business Income and Extra Expense Coverages;
 - b. Loss Expense and Protection Coverages; or
 - c. Loss covered under your ERISA Employee Dishonesty Coverage sustained by any Employee Welfare Benefit Plan or Employee Pension Benefit Plan subject to ERISA.

F. CONDITIONS

This Coverage Form is subject to the Common Policy Conditions and the Property Conditions.

G. DEFINITIONS

1. "Accident" means:
 - a. Direct physical loss as follows:
 - (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
 - b. However, "Accident" does not include loss caused by or arising out of:
 - (1) The breakdown of any structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) The breakdown of any insulating or refractory material;
 - (3) The breakdown of any sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (4) The breakdown of any vehicle, dragline, excavation or construction equipment;
 - (5) The breakdown of any equipment manufactured by you for sale;
 - (6) 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.
2. "Accounts Receivable" means:
 - a. All amounts due from your customers that you are unable to collect;
 - b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - d. 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 Cause of Loss to your records of "Accounts Receivable".
3. "Contingent Business Premises" means premises operated by others whom you depend on to:
 - a. Deliver materials or services to you, or to others for your account (Contributing Locations);
 - b. Accept your products or services (Recipient Locations); or
 - c. Attract customers to your business (Leader Locations).
4. "Covered Equipment", unless otherwise specified in the Schedule or Declarations, is defined as follows:
 - a. If Comprehensive Coverage is indicated in the Declarations, "Covered Equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.
 - b. If Basic Coverage is indicated in the Declarations for your Systems Breakdown Coverage, "Covered Equipment" means Covered Property that is:
 - (1) A boiler, including attached steam, condensate and feedwater piping; and
 - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

5. "Employee" , as respects to your Crime Coverages, means:
- a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service); and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you; or
 - b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "Employee" does not mean any:

- a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b. Director or trustee except while performing acts coming within the scope of the usual duties of an employee.
6. "Fine Arts" means paintings, etchings, pictures, tapestries, other bona fide works of art, of rarity, historical value, or artistic merit such as valuable rugs, statuary, marbles, bronzes, antiques, furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac.
7. "Hardware" means a network of machine components including computer systems, telephone systems and electrical panels capable of accepting data, processing it through instruction by "Software", and producing the desired results.
8. "Installation Tools and Equipment Property" consists of any of the following property:
- a. Property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed.
 - b. Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction;
 - c. Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms;
- while:
- (1) At any job site you do not own, lease or operate;
 - (2) Awaiting and during installation, or awaiting acceptance by the purchaser;
 - (3) In transit; or
 - (4) At a "Temporary Storage Location".

But this property is not "Installation Tools and Equipment Property" 90 days after the project to be performed by you for the purchaser is completed (unless we specify a different date in writing) or when one of the following first occurs:

- (1) The property is accepted by the purchaser;
- (2) Your interest in the property ceases;
- (3) You abandon the project to be performed by you for the purchaser, with no intention to complete it.

Additionally, this property is not "Installation Tools and Equipment Property" if it is any of the following:

- (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
- (2) Property stored at a permanent warehouse or storage yard that you own;
- (3) A plan, blueprint, design or specification;
- (4) Trees, grass, sod, shrubbery or plants; or
- (5) Any property sold under an installation agreement where your insurance continues.

- d. Miscellaneous tools and equipment, including their:
- (1) Accessories, whether or not attached; and
 - (2) Spare parts that are specifically designed and intended for use in the maintenance and operation of other "Installation Tools and Equipment Property";
- that you own, or that you do not own but that are in your care, custody or control.
- However, this does not include:
- (1) Aircraft, watercraft, their equipment or parts; automobiles; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use; "Money" or "Securities";
 - (2) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
 - (3) Property you have loaned, rented or leased to others;
 - (4) Property that is or will become a permanent part of any building or structure; or
 - (5) Property held for sale.
9. "Media" means all forms of electronic, magnetic and optical tapes and discs, drums, cells, paper tapes and cards, or other storage devices, including the information recorded thereon.
10. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
11. "Operations" means your business activities occurring at the described premises, including the tenantability of the described premises. If the phrase **Business Income Excluding Rental Value** appears in the Declarations, "Operations" does not include the tenantability of the described premises.
12. "Outdoor Property" means:
- a. Trees;
 - b. Lawns;
 - c. Shrubs; and
 - d. Plants;
- excluding those held for sale.
13. "Period of Restoration" means the period of time that:
- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) 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".
- The expiration date of this policy will not cut short the "Period of Restoration".
14. "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
15. "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.

16. "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "Production Machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this Coverage Part, but may appear in a Schedule, the Declarations, or an Endorsement.

17. "Rental Value" means the:
- Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you;
 - Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - Fair rental value of any portion of the described premises which is occupied by you.

"Rental Value" does not include any premises vacant at the time of loss.

18. "Scientific and Professional Equipment" means medical, engineering, veterinary, measurement, recording, analyzing, or similar equipment or their components. "Scientific and Professional Equipment" does not include "Hardware", "Software" "Media" or data.
19. "Securities" means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes:
- Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "Money".

20. "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:
- The cost of filling sinkholes; or
 - Sinking or collapse of land into man-made underground cavities.

21. "Software" means a series of instructions in a machine readable format enabling a computer to perform a particular task.

22. "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"; sonic boom and elevator collision.

23. "Stock" means:

- Merchandise held in storage or for sale;
- Raw materials; or
- In process or finished goods;

including supplies used in their packing or shipping.

24. "Valuable Information Property" consists of properly stored, inscribed, printed, recorded or built:

- Information;
- Prototypes, meaning the first or original model of a new type of design scheduled as such in the Declarations, and
- Research and Development Documents meaning documents, plans and records which are directly associated with your research and development, are scheduled as such in the Declarations

but does not include "Stock", "Fine Arts", "Money", "Securities", or "Hardware".

"Valuable Information Property" is considered properly stored when it is kept in the receptacles (if any) scheduled in the Declarations whenever you are not open for business or are not actually using the items.

25. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

PROPERTY CONDITIONS

The Special Property Coverage Form and Special Property Plus Coverage Form are subject to the Common Policy Conditions, and the following Conditions. The breach of any condition of this Coverage Form 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.

A. CONTROL OF PROPERTY

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

B. MORTGAGEHOLDERS

1. The term mortgageholder includes trustee.
2. 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.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. 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:
 - a. Pays any premium due under this policy at our request if you have failed to do so;
 - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

5. 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 policy:
 - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. 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.

6. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - a. 15 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 45 days before the effective date of cancellation if we cancel for any other reason.
7. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 15 days before the expiration date of this policy.

C. POLICY PERIOD, COVERAGE TERRITORY

Under the Property Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory or, with respect to personal property in transit, while it is between points in the coverage territory.

2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

However, for

- a. Personal property which is not in transit, but is located at a premises not stated in the Declarations; or
- b. Loss of Business Income arising out of Contributing Locations and Recipient Locations covered under your Contingent Business Premises Coverage

the coverage territory is worldwide.

3. With respect to losses under your Crime Coverages:

- a. We will pay only for covered loss discovered no later than one year from the end of the policy period.
- b. If any or all your Crime Coverages are cancelled or terminated as to any insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.

D. SUSPENSION

When any "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the "covered equipment" is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

E. ABANDONMENT

There can be no abandonment of any property to us.

F. APPRAISAL

If we and you disagree on 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 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:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

G. PRIVILEGE TO ADJUST WITH OWNER

In the event of loss involving property of others in your care, custody or control, we have the right to:

1. Settle the loss with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

H. NO BENEFIT TO BAILEE

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

I. 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:
 - a. The date on which the direct physical loss or damage occurred, unless b., or c. below apply; or
 - b. The date you discover the loss, if the loss is covered by the Inland Marine Causes of Loss or your **Crime Coverages**; and
 - c. Until 90 days after you have filed proof of loss with us, if the loss is covered by your **Crime Coverages**.

J. DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. You must see that the following are done in the event of loss covered under this Coverage Part:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage, including a description of the property covered.
 - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - d. 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 unless such loss or damage is covered under your Loss Expense and Prevention Coverage for Preservation of Property. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - e. At our request, give us complete inventories of the damage and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
 - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 90 days after our request. If the loss is covered under your **Crime Coverages** you must do this within 120 days of the discovery of the loss. We will supply you with the necessary forms.
 - h. Cooperate with us in the investigation or settlement of the claim.
 - i. Resume all or part of your "operations" as quickly as possible.
 - j. Make no statement that will assume any obligation or admit any liability for any loss for which we may be liable without our consent.
2. 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 an event of an examination, an insured's answers must be signed.

K. CRIME JOINT INSURED:

As respects to your Crime Coverages:

1. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
2. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
3. An "employee" of any Insured is considered to be an "employee" of every Insured.
4. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

L. CRIME LOSS SUSTAINED DURING PRIOR INSURANCE

As respects to your Crime Coverages:

1. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - a. This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - b. The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
2. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
 - a. This insurance as of its effective date; or
 - b. The prior insurance had it remained in effect.

M. CRIME LOSS COVERED UNDER THIS INSURANCE AND PRIOR INSURANCE ISSUED BY US OR ANY AFFILIATE

As respects to your Crime Coverages, if any loss is covered:

1. Partly by this insurance; and
2. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

N. NON-CUMULATION OF LIMIT OF INSURANCE

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

O. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance provided under this Coverage Part. If you do, unless 2. below applies 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 you have either:
 - a. Other insurance covering the same loss or damage, but subject to different plan, terms, conditions and provisions as the insurance provided under this Coverage Part;
 - b. Other more specific insurance covering a loss to Business Personal Property subject to a loss covered under the Inland Marine Causes of Loss section of this Coverage Form; or
 - c. A loss is covered under your **Crime Coverages**;

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 it or not. We will not pay any amount representing the value of any deductible or similar loss sharing provision in the other insurance. We will not pay more than the applicable Limit of Insurance.

P. Transfer Of Rights Of Recovery Against Others To Us

1. If any person or organization to or for whom we make payment under this policy 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:
 - a. Prior to a loss to your Covered Property.
 - b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;

- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (c) Your tenant.

This will not restrict your insurance.

- 2. Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up. However, if a loss is covered under one of your Crime Coverages:
 - a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
 - b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

Q. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

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 which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

POLICY NUMBER: 710-03-88-23-0001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

PROPERTY CONDITIONS
SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE
CONDOMINIUM UNIT-OWNER'S COVERAGE

The following is added to Section **C. PROPERTY VALUATION AND LOSS PAYMENT** as shown in the Declarations or by "1," "2" or "3" in the Schedule:

1. Loss Payable

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- (a) Adjust losses with you; and
- (b) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

2. Lender's Loss Payable

(a) The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading; or
- (4) Financing statements.

(b) For Covered Property in which both you and a Loss Payee have an insurable interest:

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

All of the terms of this policy will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee 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:
 - (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- (c) If we cancel this policy, we will give written notice to the Loss Payee at least:
 - (1) 15 days before the effective date of cancellation if we cancel for your nonpayment of premium;
or
 - (2) 45 days before the effective date of cancellation if we cancel for any other reason.
- (d) If we elect not to renew this policy, we will give written notice to the Loss Payee at least 15 days before the expiration date of this policy.

3. Contract Of Sale

- (a) The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
- (b) For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - (1) Adjust losses with you; and
 - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

The following is added to the **PROPERTY CONDITIONS, O. Other Insurance**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

SCHEDULE

| Prem. No. | Bldg. No. | Description of Property | Loss Payee (Name & Address) | Provision Applicable |
|------------------|------------------|--------------------------------|--|-----------------------------|
|------------------|------------------|--------------------------------|--|-----------------------------|

See Schedule 4

SCHEDULE 4

Effective 04/17/2019 , this schedule forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM
by Atlantic Specialty Insurance Company

| Loc | Bldg | Property | Loss Payee | Provision |
|-----|------|----------------------------------|---|-----------------|
| 1 | 1 | Business Personal Property | FIRESTONE FINANCIAL, LLC 117 KENDRICK ST STE 200 NEEDHAM, MA 02494-2728 | Loss Payable |

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY PLUS COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM

1. Under **B. CAUSES OF LOSS**, Paragraph **1.b.(3)** is deleted and replaced by the following:
 - (3) We will not pay for loss or damage caused by or resulting from any of the following **(3)(a)** through **(3)(d)**. But, if an excluded cause of loss that is listed in **(3)(a)** through **(3)(d)** 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**
Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Section **B.1.b.(1)** to produce the loss or damage.
 - (b) **Acts or Decisions**
Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (c) **Negligent Work**
Faulty, inadequate, defective or negligent:
 - (i) Planning, zoning, development, surveying, siting;
 - (ii) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (iii) Materials used in repair, construction, renovation or remodeling; or
 - (iv) Maintenance;of part or all of any property on or off the described premises.
 - (d) **Windstorm Or Hail**
Windstorm or hail. This includes, but is not limited to loss or damage caused by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.
2. Under **G. DEFINITIONS**, windstorm or hail is deleted from "Specified Causes of Loss", but only with respect to property or loss subject to the **General Causes of Loss**.
3. Under **B.1.b.(2) (h) Collapse**, the first sentence of the exclusion is deleted and replaced by the following:

Collapse, if caused by earth movement, water, windstorm or hail. Windstorm or hail includes, but is not limited to loss or damage caused by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the windstorm or hail.

SCHEDULE 5

Effective 04/17/2019 , this schedule forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM
by Atlantic Specialty Insurance Company

Exclusions

| Loc | Bldg | Windstorm or Hail | Vandalism | Sprinkler Leakage |
|-----|------|----------------------|-----------|----------------------|
| 1 | 1 | X | | |

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BASEMENT WATER EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

The following exclusion is added to Section B. CAUSES OF LOSS, 1. General Causes of Loss, b.(1):

Basement Water

Seepage, leakage or influx of water from any source into basements, including backing up of sewers or drains into basements. But if fire, explosion or sprinkler leakage results, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SURFACE WATER OR BACK-UP EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

The following exclusion is added to Section **B. CAUSES OF LOSS, 1. General Causes of Loss, b.(1)**:

Surface Water or Back-up

Seepage, leakage or influx of surface water or backing up of sewers or drains. But if fire, explosion or sprinkler leakage results, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANDATORY PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY PLUS COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM

1. The following exclusion is added to **B.2. Inland Marine Causes of Loss**, Paragraph **b.(2)**:

Theft of Personal Effects or Salesman's Samples

We will not pay for loss or damage arising out of theft:

- (i) To property in the care, custody or control of a salesman from an unattended vehicle unless all compartments, doors, windows and other openings are closed and, where locks are available, locked; or
 - (ii) Of personal effects.
2. Under **A.3.b. Extended Business Income**, paragraph **(2)(b)** is deleted and replaced by the following:
 - (b) 90 consecutive days after the date determined in **(1)** above. However, if an **Extended Period of Indemnity Term** is shown in the Declarations, the number 90 in this section **(b)** is replaced by the number shown in the Declarations for **Extended Period of Indemnity Term**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HARDWARE, MEDIA AND ELECTRONIC DATA COVERAGES ENDORSEMENT

This endorsement modifies the insurance provided under the following forms as shown below:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM (FLEX)
SPECIAL PROPERTY PLUS COVERAGE FORM (FLEX)

A. Section A. **COVERAGES**, is amended as follows:

1. Paragraph 2. **Business Personal Property Coverage**, subparagraph b.(5) is replaced by the following:
(5) "Hardware" and "Media";
2. The following is added to the list of property not covered in paragraph 2. **Business Personal Property Coverage**, subparagraph c.:
"Electronic Data"
3. Paragraph 3. **Business Income and Extra Expense Coverage**, subparagraph c.(3)(c)(iii) is deleted.
4. Paragraph 5. **Loss Expense and Protection Coverages**, subparagraph b. is deleted and replaced by the following:
 - b. **Fire Extinguisher and Automatic Extinguishing System Recharge**
We will pay your expenses for recharge of your hand fire extinguishers when they are emptied while fighting fire.
We will also pay to recharge an automatic extinguishing system used exclusively to protect "Hardware", "Media" or "Electronic Data".
5. The following Additional Coverage is added:
Electronic Data Coverages
 - a. **Electronic Data Damage or Destruction**
 - (1) **From Cyber Vandalism**
We will pay the cost to replace or restore "electronic data" which has been destroyed or corrupted by the Cyber Vandalism Causes of Loss.
 - (2) **From Inland Marine Causes of Loss**
We will pay the cost to replace or restore "electronic data" which has been destroyed or corrupted by the Inland Marine Causes of Loss. The Inland Marine Causes of Loss are the same as those described under paragraph B. **CAUSES OF LOSS**.
 - b. **Electronic Data Loss of Income and Extra Expense**
 - (1) **From Cyber Vandalism**
We will pay for the actual loss of income you sustain and extra expense you incur when a "suspension" of "operations" results from destroyed or corrupted "electronic data" caused by the Cyber Vandalism Causes of Loss.
 - (2) **From Inland Marine Causes of Loss**
We will pay for the actual loss of income you sustain and extra expense you incur when a "suspension" of "operations" results from destroyed or corrupted "electronic data" caused by the Inland Marine Causes of Loss. The Inland Marine Causes of Loss are the same as those described under paragraph B. **CAUSES OF LOSS**.
 - c. **Denial of Service Coverage**
We will pay for the actual loss of income you sustain when the "suspension" of "operations" is caused by a "denial of service attack". This coverage does not apply to:
 - (1) Loss otherwise covered by the Cyber Vandalism Causes of Loss;
 - (2) Loss caused by or resulting from governmental action;

- (3) Nuclear hazard; or
- (4) War and military action.

B. Section B. CAUSES OF LOSS is amended as follows:

1. a. In the **Special Property** and **Special Property Plus** Coverage Forms the second paragraph under **B. CAUSES OF LOSS** is replaced by the following:

There are four defined types of Causes of Loss in your policy: the General Causes of Loss, the Inland Marine Causes of Loss, the Outdoor Property Causes of Loss and the Cyber Vandalism Causes of Loss. If a Coverage makes reference to a Covered Cause of Loss, it means a cause of loss that would be covered under your policy for the type of property that has been lost or damaged.

- b. In the **Special Property (Flex)** and **Special Property Plus (Flex)** Coverage Forms the second paragraph under **B. CAUSES OF LOSS** is replaced by the following:

There are five defined types of Causes of Loss in your policy: the General Causes of Loss, the Inland Marine Causes of Loss, the Outdoor Property Causes of Loss, the Named Causes of Loss and the Cyber Vandalism Causes of Loss. If a Coverage makes reference to a Covered Cause of Loss, it means a cause of loss that would be covered under your policy for the type of property that has been lost or damaged.

2. Paragraph 1. **General Causes of Loss** subparagraph a.(2)(a) is replaced by the following:

(a) "Hardware", "Media" or "Electronic Data";

3. Paragraph 1. **General Causes of Loss** subparagraph a.(3) is replaced by the following:

(3) All Business Income and Extra Expense Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss or the Cyber Vandalism Causes of Loss.

4. Paragraph 1. **General Causes of Loss** subparagraph a.(4) is replaced by the following:

(4) All Loss Expense and Protection Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss or the Cyber Vandalism Causes of Loss.

5. Paragraph 1. **General Causes of Loss** subparagraph a.(5) is replaced by the following:

(5) All Pollutant Cleanup and Debris Removal Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss or the Cyber Vandalism Causes of Loss.

6. Paragraph 2. **Inland Marine Causes of Loss** subparagraph a.(2)(a) is replaced by the following:

(a) "Hardware" and "Media";

7. Paragraph 2. **Inland Marine Causes of Loss** the last sentence of subparagraph b.(1)(a) is replaced by the following:

We will not cover the expenses that you incur to buy or rent "Hardware" or "Media", except to the extent that it reduces a loss.

8. Paragraph 2. **Inland Marine Causes of Loss** subparagraph b.(2)(c)(iii) is replaced by the following:

(iii) Mechanical Breakdown.

But, this exclusion (iii) does not apply to an "Accident" to "Covered Equipment", or to "Hardware", "Media" or "Electronic Data".

9. The following cause of loss is added:

Cyber Vandalism Causes of Loss

Under Cyber Vandalism Causes of Loss we will pay for loss caused by a virus, harmful code or similar instruction 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 to disrupt its normal operation. However, there is no coverage when the enactment or introduction is the result of an action, intentional or not, by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

C. Section C. PROPERTY VALUATION AND LOSS PAYMENT is amended as follows:

1. Paragraph 4., subparagraph b.(2)(b) is replaced by the following:

(b) "Hardware" and "Media";

2. The following provision is added:

Electronic Data Valuation

To the extent "electronic data" is not replaced, 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.

D. Section D. **LIMITS OF INSURANCE** is amended as follows:

1. Hardware and Media Limit of Insurance

Paragraph 14. in the **Special Property Plus (Flex) Coverage Form** (or paragraph 13. in the **Special Property (Flex) Coverage Form**) is deleted and replaced by the following:

Hardware and Media Limit of Insurance

- a. The Hardware and Media Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) to "hardware" and "media"; however, this Limit of Insurance does not apply to losses arising from earth movement or volcanic eruption in the State of California
- b. Unless otherwise shown in the Declarations, your Hardware and Media Limit of Insurance is \$25,000 per occurrence.

2. California Hardware, Media and Electronic Data Earthquake Limit of Insurance

Paragraph 15. in the **Special Property Plus (Flex) Coverage Form** (or Paragraph 14. in the **Special Property (Flex) Coverage Form**) is deleted and replaced by the following:

California Hardware, Media and Electronic Data Earthquake Limit of Insurance

- a. The California Hardware, Media and Electronic Data Earthquake Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) to "hardware", "media" and "electronic data" occurring in the State of California when covered loss arises from earth movement (other than "sinkhole collapse") or volcanic eruption. **NO OTHER LIMIT WILL APPLY IN EXCESS TO THIS TYPE OF LOSS.**
- b. All earth movement or volcanic eruption occurring in the same 168-hour period will be considered the same occurrence.
- c. Unless otherwise shown in the Declarations, your California Hardware, Media and Electronic Data Earthquake Limit of Insurance is equal to the combination of your Hardware and Media Limit of Insurance under item 14. (item 13. in the **Special Property (Flex) Coverage Form**) and your Electronic Data additional Limit of Insurance, or \$100,000, whichever is less.

3. In the Special Property Plus Coverage Form, paragraph 16. (or paragraph 15. in the Special Property Coverage Form) Bucket Limit of Insurance subparagraph (6) is replaced by the following:

(6) "Hardware" and "Media";

4. In the Special Property Plus Coverage Form, paragraph 17. (or paragraph 16. in the Special Property Coverage Form) is deleted and replaced by the following:

California Hardware, Media and Electronic Data Earthquake Limit of Insurance

- a. The California Hardware, and Media and Electronic Data Earthquake Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) to "hardware", and "media" and "electronic data" occurring in the State of California when covered loss arises from earth movement (other than "sinkhole collapse") or volcanic eruption. **NO OTHER LIMIT WILL APPLY IN EXCESS TO THIS TYPE OF LOSS.**
- b. All earth movement or volcanic eruption occurring in the same 168-hour period will be considered the same occurrence.
- c. Unless otherwise shown in the Declarations, your California Hardware, and Media and Electronic Data Earthquake Limit of Insurance is \$100,000 per occurrence.

5. The following limits of insurance are added:

Electronic Data Coverages Limits of Insurance

a. Electronic Data

(1) From Cyber Vandalism

Your Electronic Data Cyber Vandalism Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) and is the most we will pay for this coverage in any one policy year.

Unless otherwise shown in the Declarations, your Electronic Data Cyber Vandalism Limit of Insurance is \$5,000.

(2) From Inland Marine Causes of Loss

Your Electronic Data Inland Marine Causes of Loss Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) and is the most we will pay for this coverage in any one policy year.

Unless otherwise shown in the Declarations, your Electronic Data Inland Marine Causes of Loss Limit of Insurance is \$25,000.

b. Denial of Service

Your Denial of Service Limit of Insurance in the Declarations is the most we will pay for this coverage in any one policy year.

Unless otherwise shown in the Declarations, your Denial of Service Limit of Insurance is \$5,000.

With respect to each of the Electronic Data Coverages in this section the annual aggregate limit applies regardless of the number of occurrences, interruptions, premises, locations or computer systems involved. If loss payment on or relating to the first occurrence does not exhaust the applicable limit, then the balance is available for subsequent loss or damage sustained in but not after that policy year or for loss expense sustained or incurred as a result of subsequent occurrences in that policy year. With respect to any occurrence which begins in one policy year and continues or results in additional loss or damage or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the occurrence began.

E. Section G. DEFINITIONS is amended as follows:

1. The following is added to the "Accounts Receivable" definition:

"Accounts receivable" does not include "electronic data".

2. The definition of "Scientific and Professional Equipment" is replaced by the following:

"Scientific and Professional Equipment" means medical, engineering, veterinary measurement, recording, analyzing, or similar equipment or their components. "Scientific and Professional Equipment" does not include "Hardware", "Media" or "Electronic Data".

3. The definition of "Software" is deleted.

4. The definition of "Valuable Information Property" is replaced by the following:

"Valuable information property" consists of property stored, inscribed, printed, recorded or built:

- a. Information;
- b. Prototypes, meaning the first or original model of a new type of design scheduled as such in the Declarations; and
- c. Research and development documents meaning documents, plans and records which are directly associated with your research and development, scheduled as such in the declarations

"Valuable information property" does not include "electronic data", "fine arts", "hardware", "money", "securities", or "stock".

"Valuable information property" is considered properly stored when it is kept in the receptacles (if any) scheduled in the Declarations whenever you are not open for business or are not actually using the items.

5. The following definitions are added:

"Denial of service attack" means a type of attack designed to overload a computer or network system with useless traffic that denies or limits legitimate electronic mail or web site usage.

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs here means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This does not apply to your "stock" of prepackaged software.

6. The definition of "media" is replaced by the following:

"Media" means all forms of electronic, magnetic and optical tapes and discs, drums, cells, paper tapes and cards, or other storage devices.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

The following is added to Section **B. CAUSES OF LOSS, 1. General Causes of Loss, b.:**

If loss or damage to Covered Property is caused by or results from Windstorm, the following applies in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and
6. All the areas east of the west bank of the Intra-Coastal Waterway in the Counties of:
 - a. Indian River; and
 - b. St. Lucie.

Windstorm Exterior Paint and Waterproofing

1. Paint; or
 2. Waterproofing material;
- applied to the exterior of Buildings.

We will not include the value of paint or waterproofing material to determine the amount of the Windstorm or Hail Deductible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM
PROPERTY CONDITIONS

1. Section I. **LEGAL ACTION AGAINST US**, 2. the phrase "2 years" is deleted in its entirety and replaced by the phrase "5 years".
2. The following is added to Section C. **PROPERTY VALUATION AND LOSS PAYMENT**:

We will pay or make good any loss covered by this policy:

1. Within 20 days after we reach written agreement with you; or
2. Within 30 days after:
 - a. The entry of final judgment; or
 - b. The filing of an appraisal award.

We will not be liable for any part of a loss that has been paid or made good by others.

INSTALLATION COVERAGE FORM

Various provisions in this policy restrict coverage, so you should 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. The word **loss** means accidental loss or damage.

Other words and phrases that appear in **bold** and have "quotation marks" have special meaning. Refer to the **DEFINITIONS** section.

COVERAGE

We will pay for loss to Covered Property from any of the Covered Causes of Loss.

Covered Property

Covered Property means machinery, equipment, materials and supplies intended for installation at the site shown in this Coverage Form Declarations that is:

- a. Your property; and
- b. Property of others for which you may be liable.

The loss or damage must occur at the premises shown in the Declarations, or within 1,000 feet of the premises shown in the Declarations, unless otherwise stated.

Property Not Covered

Covered Property does not include:

- a. Buildings or structures.
But we will cover property installed by you.
- b. Contractors equipment, machinery, tools and similar property which will not become a permanent part of the building or structure.
- c. Trees, grass shrubs or plants.
- d. Property while located at your premises.
- e. Property while waterborne.
But we do cover such property while the transporting land conveyance is on a regular ferry operating on inland waterways.
- f. Contraband or property in the course of illegal transportation or trade.

Where And When Coverage Applies

Coverage applies:

- a. At the installation site shown in this Coverage Form Declarations.
- b. At temporary locations other than an installation site while awaiting installation; and
- c. In transit.

Coverage begins when the property is at your risk, but not before the inception date shown in the Declarations, and ends when one of the following first occurs;

- a. The owner or buyer accepts the property;
- b. Your interest ceases;
- c. 30 days after the completion of the project;
- d. You abandon the project with no intention to complete it; or
- e. This policy expires or is canceled,
- f. When covered property is installed

Covered Causes Of Loss

Covered Causes of Loss means Risks of Direct Physical Loss to Covered Property except those causes of loss listed in the exclusions.

Additional Coverages

Covered Property In Transit

We will pay for direct physical loss or damage to Covered Property while in transit, including shipments by registered mail, caused by or resulting from a Covered Cause of Loss that occurs during the policy period, not to exceed \$25,000.

This Additional Coverage also includes direct physical loss or damage to Covered Property while in transit which is caused by or results from fraud perpetrated by any person or persons who represent themselves to be the proper party or parties to receive goods for shipments or accept goods for delivery, not to exceed \$25,000.

This additional coverage does not apply to Covered Property:

- a. shipped by mail, unless shipped by registered mail;
- b. import shipments, within the Coverage Territory, until such time as ocean marine insurance has ceased to cover such property;
- c. export shipments once:
 - (1) loaded on board any steamer or other watercraft; or
 - (2) ocean marine insurance has begun to cover such property, whichever first occurs; or
- d. owned by others when you are acting as a carrier for hire.

Construction Documents

We will pay for your expenses to restore or reproduce your construction documents consisting of blueprints, plans, drawings, designs, specifications or similar documents which were damaged or destroyed at the project site or while in transit to or from the project site by any of the Covered Causes of Loss,

Your **Construction Documents Limit of Insurance** is the most we will pay for loss under this Additional Coverage. This Additional Coverage is in addition to the applicable Limits of insurance provided by this Coverage Form. Your **Construction Documents Limit of Insurance** is \$5,000.

Scaffolding and Construction Forms

We will pay for loss to scaffolding equipment and construction forms at the project site caused by or resulting from any of the Covered Causes of Loss.

Your **Scaffolding and Construction Forms Limit of Insurance** is the most we will pay for loss under this Additional Coverage. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form. Your **Scaffolding and Construction Forms Limit of Insurance** is \$5,000.

Debris Removal

1. 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 earlier of:
 - a. The date of direct physical loss or damage; or
 - b. The end of the policy period.
2. This Coverage does not apply to costs to:
 - a. Extract "**pollutants**" from land or water; or
 - b. Remove, restore or replace polluted land or water.
3. **Debris Removal Limit of Insurance**
 - a. Your **Debris Removal Limit of Insurance** applies to your Debris Removal Coverage, providing an excess Limit of Insurance.
 - b. The most we will pay for debris removal is the lesser of:
 - (1) 25% of the covered direct physical loss or damage; or
 - (2) The remaining applicable Limit of Insurance for Covered Property shown in the Declarations after payment of the covered direct physical loss or damage.
 - c. If the amount in b. above is insufficient to pay the debris removal, we will pay the remaining debris removal. However, this additional amount we pay is subject to the **Debris Removal Limit of Insurance** of \$5,000.

Pollutant Clean Up And Removal

1. We will pay your expense to extract "**pollutants**" from land or water 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 when the Covered Cause of Loss occurs.
2. This Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effect of "**pollutants**" from the land or water. But we will pay for testing which is performed in the course of extracting the "**pollutants**" from the land or water.
3. **Pollutant Clean Up Limit of Insurance**
 - a. Your **Pollutant Clean Up Limit of Insurance** applies to your Pollutant Clean Up and Removal Coverage. The aggregate liability of the Company shall not exceed this limit for all covered expenses arising during any single policy year. A policy year means the period from the inception or anniversary date to the expiration date or next anniversary date.
 - b. Your **Pollutant Clean Up Limit of Insurance** applies per location and is \$25,000.

Preservation of Property

If it is necessary to move Covered Property from a premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- a. While it is being moved to or while temporarily stored at another location; and
- b. Only if loss or damage occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limit of Insurance.

Preservation of Property – Expense Coverage

If it is necessary to move Covered Property from a premises to preserve it from further loss or damage by a Covered Cause of Loss, we will pay the actual expense to move the property to safety.

We will also pay any necessary rental fees for the temporary storage at premises of others for the period of 90 days after the property is first moved.

This is additional insurance. The applicable per-occurrence **Preservation of Property – Expense Coverage Limit of Insurance** is \$5,000.

EXCLUSIONS

Acts or Decisions

We will not pay for loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. But, if an excluded cause of loss results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Consequential Loss

We will not pay for loss or damage caused by or resulting from delay, loss of use, loss of market or any other consequential loss.

Contract Penalties

We will not pay for loss caused by or resulting from penalties for non-completion or non-compliance with contract conditions.

Dampness, Dryness, or Extremes of Temperature

We will not pay for loss or damage caused by or resulting from dampness, dryness, or extremes of temperature. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Decay or Deterioration

We will not pay for loss or damage caused by or resulting from decay or deterioration. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Dishonesty

We will not pay for loss or damage caused by or resulting from dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

Earth Movement

We will not pay for loss or damage caused directly or indirectly by:

1. Earthquake, including 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 1. through 4. above, results in fire or explosion, we will pay for the direct 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 direct loss or damage caused by that fire, building glass breakage or "**volcanic action**".

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

Electrical Arcing

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

But if artificially generated electrical current results in fire or explosion, we will pay for the direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

Flood

We will not pay for loss or damage caused directly or indirectly by "**flood**". 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 "**flood**", as described above, results in fire, explosion, sprinkler leakage or theft, we will pay for the direct loss or damage caused by that fire, explosion, sprinkler leakage or theft if these causes of loss would be covered under this Coverage Form.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

This exclusion does not apply to property in transit.

Governmental Action

We will not pay for loss or damage caused directly or indirectly by seizure or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

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 Form.

Hidden or Latent Defect

We will not pay for loss or damage caused by or resulting from hidden or latent defect or any quality in property that causes it to damage or destroy itself. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Insects, Vermin, or Animals

We will not pay for loss or damage caused by or resulting from insects, vermin, rodents, birds, or other animals. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Mechanical Breakdown

We will not pay for loss or damage caused by or resulting from mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any loss or damage caused by elevator collision.

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

Mysterious Disappearance

We will not pay for loss or damage caused by or resulting from disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

Negligent Work

We will not pay for loss or damage caused by or resulting from faulty, inadequate, defective or negligent:

- a. Planning, zoning, development, surveying, siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- c. Materials used in repair, construction, renovation or remodeling; or
- d. Maintenance;

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

But, if an excluded cause of loss results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by: any weapon employing atomic fission or fusion, nuclear reaction or radiation; or radioactive contamination; however caused. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

Pollutants

We will not pay for loss or damage caused by or resulting from the 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**".

Rust or Corrosion

We will not pay for loss or damage caused by or resulting from rust or other corrosion. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Testing

We will not pay for loss or damage caused by or resulting from testing other than hydrostatic, pneumatic or aerostatic testing. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

War and Military Action

We will not pay for loss or damage caused directly or indirectly by

- a. War, including undeclared or civil war;
- b. 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
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

Warranties

We will not pay for loss or damage caused by or resulting from loss or damage covered under any guarantee, warranty or other expressed or implied obligation of any contractor, manufacturer or supplier. The Exclusion applies whether or not such contractor, manufacturer or supplier is covered under this form.

Wear and Tear

We will not pay for loss or damage caused by or resulting from wear and tear, or depreciation. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Weather Conditions

We will not pay for loss or damage caused by or resulting from weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in the exclusions for Governmental Action, Nuclear Hazard, War And Military Action, Flood, or Earth Movement to produce the loss or damage.

But, if an excluded cause of loss results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

LIMITS OF INSURANCE

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

DEDUCTIBLES

We will not pay for loss or damage in any one occurrence until the amount of adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible up to the applicable Limit of Insurance. If no other Deductible is shown in the Declarations, your Deductible is \$500.

If more than one deductible applies in any one occurrence, the largest applicable deductible will be used.

CONDITIONS

This Coverage Form is subject to the Common Policy Conditions, the Commercial Inland Marine Conditions, and the following Additional Condition.

Impairment of Recovery Rights

If by any act or agreement after a loss you impair our right to recover from others liable for the loss, we will not pay you for that loss. In the event of any loss, you will immediately make claim in writing against any other party that had custody of the property.

DEFINITIONS

FLOOD

"Flood" means:

1. waves, tidal water or tidal waves;
2. rising or overflowing or breaking of any boundary, of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse, whether driven by wind or not; or
3. "inundation, back-up and mudflow".

INUNDATION, BACK-UP AND MUDFLOW

"Inundation, back-up and mudflow" means:

1. any general and temporary condition or partial or complete **inundation** of normally dry land areas from:
 - a. the unusual and rapid accumulation or runoff (including the seepage, leakage or influx) of surface waters from any source; or
 - b. mudslides or mudflows which are caused by the unusual and rapid accumulation or runoff of surface waters from any source and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current;
2. any collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in the rising or overflowing or breaking of any boundary of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse, whether driven by wind or not;
3. water that backs up or overflows from a sewer, drain or sump; 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.

POLLUTANTS

"**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.

SINKHOLE COLLAPSE

"**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:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

SPECIFIED CAUSES OF LOSS

"**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**"; sonic boom and elevator collision.

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.

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

WATER DAMAGE

"**Water damage**" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

POLICY CHANGE 1

Effective 04/17/2019, this endorsement forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM

by Atlantic Specialty Insurance Company

This endorsement amends the coverage form. Please read it carefully:

SPECIAL PROPERTY PLUS COVERAGE FORM

It is hereby understood and agreed that Special Property Plus Coverage Form, VCP 001 is amended as follows:

Personal Effect **3.b.(6)** is amended as follows:

Personal Effects of Officers, Partners, and Employees will have a limit breakout as follows: Special condition one - "\$25,000 max per owner, \$5,000 max per employee, gym members are excluded."

Tenants Improvements and Betterments **C.i.2.a.b.** is amended as follows:

Items **2.a.b.** are completely deleted from this coverage form.

Backup of Sewers & Drains limit is set at \$25,000 in lieu of policy limit.

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

POLICY CHANGE 2

Effective 04/17/2019, this endorsement forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM
by Atlantic Specialty Insurance Company

This endorsement amends the coverage form. Please read it carefully.

WINDSTORM OR HAIL EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

1. Under Section **B. CAUSES OF LOSS**, paragraph 1. **General Causes of Loss**, subparagraph **b.(3)** is deleted and replaced by the following:

(3) We will not pay for loss or damage caused by or resulting from any of the following **(3)(a)** through **(3)(d)**. But if an excluded cause of loss that is listed in **(3)(a)** through **(3)(d)** 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

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Section **B.1.b.(1)** to produce the loss or damage.

(b) Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

(c) Negligent Work

Faulty, inadequate, defective or negligent:

(i) Planning, zoning, development, surveying, siting;

(ii) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(iii) Materials used in repair, construction, renovation or remodeling; or

(iv) Maintenance; of part or all of any property on or off the described premises.

(d) Windstorm Or Hail

Windstorm or hail. This includes, but is not limited to loss or damage caused by rain, snow, water, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

POLICY CHANGE 2

Effective 04/17/2019, this endorsement forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM

by Atlantic Specialty Insurance Company

2. Under Section **G. DEFINITIONS**, windstorm or hail is deleted from "Specified Causes of Loss", but only with respect to property or loss subject to the General Causes of Loss.
3. Under Section **B. CAUSES OF LOSS**, paragraph 1. **General Causes of Loss**, subparagraph **b.(2)(h) Collapse**, the first sentence of the exclusion is deleted and replaced by the following:
Collapse, if caused by earth movement, water, windstorm or hail. Windstorm or hail includes, but is not limited to loss or damage caused by rain, snow, water, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the windstorm or hail.

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

POLICY CHANGE 3

Effective 04/17/2019, this endorsement forms a part of Policy No. 710-03-88-23-0001

(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM

by Atlantic Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VACANCY CONDITION

This endorsement modifies the insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

A. The following is added to Section F. – Conditions:

1. Vacancy Condition

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;

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

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E-INSURED

POLICY CHANGE
Page 1 of 2

POLICY CHANGE 3

Effective 04/17/2019 , this endorsement forms a part of Policy No. 710-03-88-23-0001

(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC

DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM

by Atlantic Specialty Insurance Company

(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%.

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

POLICY CHANGE 4

Effective 04/17/2019, this endorsement forms a part of Policy No. 710-03-88-23-0001
(At the time stated in the policy)

issued to
PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: FITNESS INSURANCE LLC - GYM PROPERTY
PROGRAM
by Atlantic Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET COVERAGE

PLEASE BE ADVISED THAT BLANKET COVERAGE APPLIES ONLY TO TENANTS
IMPROVEMENTS AND BETTERMENTS AND BUSINESS PERSONAL PROPERTY.

3 5-93-0195 04/24/2019 MEL CPW PR 1.000

EXHIBIT B

POLICY NUMBER: 710-03-88-23-0002

Non-Policy Forms

The following forms were sent to you with your policy, but they are not part of your policy. They contain information which you may find useful about your policy, insurance in general, your premium payments, or other topics of interest. These forms do not give you insurance coverage. Refer to the forms that are part of your policy to determine if a loss is covered, and what we will pay, as well as your rights and duties.

| | |
|------------------|---|
| IL P 001 01 04 | U.S. TREASURY DEPT OFFICE OF FOREIGN ASSETS NOTICE (OFAC) |
| PHN 001 IL 01 15 | POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE |
| PHN 003 IL 01 15 | POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE |
| RC 180 10 07 | FL RISK CONTROL NOTICE |
| VGN 002 10 98 | SPECIAL PROPERTY PLUS COVG QUICK REFERENCE GUIDE |
| VGN 058 09 14 | INSPECTION SERVICES |
| VIM 102 10 14 | CLAIMS INFORMATION |
| VPN 100 04 14 | NOTICE - CLARIFICATION ON BUSINESS PERSONAL PROPERTY |

3 5-93-0195 04/22/2020 MEL CPW PR 1.000

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.

Atlantic Specialty Insurance Company
A Stock Company Owned by the OneBeacon Insurance Group
605 Highway 169 North, Suite 800
Plymouth, MN 55441

FLORIDA INFORMATIONAL NOTICE

To obtain information or make a complaint:

You may call the Atlantic Specialty Insurance Company toll-free
telephone number for information or to make a complaint at:

1-800-662-0156

You may also write to Atlantic Specialty Insurance Company at:

605 Highway 169 North, Suite 800
Plymouth, MN 55441

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Florida Department of Financial Services, Division of Consumer Services.



Atlantic Specialty Insurance Company
605 Highway 169 North, Suite 800
Plymouth, MN 55441

Insured Name and Address:
PF SUNSET VIEW, LLC
DBA: PLANET FITNESS
21322 HARROW CT
BOCA RATON, FL 33433-7452

Policy Number: 710-03-88-23-0002

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act (the Act), as amended, 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 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.

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 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 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 TO BE 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.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

The prospective premium required for your terrorism coverage is: \$217.

If you wish to reject this offer of coverage, you should check the box below, sign this notice and send it to your agent. An **exclusion** of terrorism losses, as defined by the Act, will then be made part of your policy.

| | |
|--------------------------|--|
| <input type="checkbox"/> | I hereby reject the offer of terrorism coverage. I understand that I will have no coverage for losses arising from acts of terrorism, as defined in the act. |
|--------------------------|--|

If your policy includes Property Coverage in one or more of these states: CA, CT, GA, HI, IA, IL, MA, ME, MO, NC, NJ, NY, OR, RI, VA, WA, WI, or WV; the following statement applies:

The terrorism exclusion makes an exception for (and thereby continues your coverage for) property fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism - the coverage in your policy for such fire losses will continue. If such a loss occurs, and is certified under the Act, the loss will be reimbursed by the United States Government under the formula detailed above.

The portion of your policy premium attributable to terrorism (fire only) coverage in all of the states listed above, in which your policy provides property coverage, is \$0. This amount is included in your policy premium and cannot be rejected.

If your policy includes inland Marine Coverage in one or more of these states: CA, ME, MO, OR or WI, the following statement applies:

The terrorism exclusion makes an exception for (and thereby continues your coverage for) direct property damage fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to direct property damage fire losses resulting from an act of terrorism - the coverage in your policy for such fire losses will continue. If such a loss occurs, and is certified under the Act, the loss will be reimbursed by the United States under the formula detailed above.

In all of the states listed above in which your policy provides inland Marine Coverage, the portion of your inland Marine policy premium attributable to coverage for direct property damage from fire resulting from terrorism is \$0. This amount is included in your policy premium and cannot be rejected.

| | |
|------------------------------------|--------------------------------------|
| | Atlantic Specialty Insurance Company |
| Policyholder/Applicant's Signature | Insurance Company |
| | |
| Print Name | Date |

If you have any questions about this notice, please contact your agent.



Atlantic Specialty Insurance Company
605 Highway 169 North, Suite 800
Plymouth, MN 55441

Insured Name and Address:

Policy Number: 710-03-88-23-0002

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS
21322 HARROW CT
BOCA RATON, FL 33433-7452

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. 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 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.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. 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 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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 exceeds \$100 billion in any one calendar year. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your premium attributable to coverage for acts of terrorism is: \$217 _____, and does not include any charges for the portion of losses covered by the United States Government under the Act.

You need to take no action with respect to this notice. You will receive a bill for your policy premium which will include the above amount required for your terrorism coverage.

If you have any questions about this notice, please contact your agent.

INSPECTION SERVICES

Provided by THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

DO YOU NEED A CERTIFICATE INSPECTION?

Please contact our hotline @ (800) 333-INSP (4677)

Jurisdictional regulations which govern the inspections and certification of certain equipment can be complicated and confusing. Depending on the jurisdiction one or more of the following equipment may require a certificate:

- Power boilers, and high-pressure, high-temperature water boilers.
- Low-pressure steam or vapor heating boilers, hot-water heating, and hot-water supply boilers.
- Refrigeration Systems
- Pressure Vessels

For your convenience, our partner - Hartford Steam Boiler - has an Inspection Hotline to answer your questions and receive inspection requests. As part of your Equipment Breakdown coverage with OneBeacon, you can request jurisdictionally mandated inspections using the contact details below.

Ways to contact Hartford Steam Boiler:

Inspection Hotline: (800) 333-4677

7:00 A.M. – 7:00 P.M. EST

Email: NSCINSP_HOTLINE@hsb.com

Fax #: (484) 582-1811

When calling to schedule an inspection, we require the following information:

- Location Name
- Location Address
- Contact Name
- Contact Phone Number
- OneBeacon Policy Number
- State or Jurisdictional # associated with the equipment (if available)



OneBeacon
INSURANCE GROUP



CLAIMS INFORMATION

PREFACE

The following is useful information which will expedite the handling of claims and protect your rights under your policy of insurance.

It is important to bear in mind unique circumstances may, at times, require additional documentation activities or procedures. Any questions relating to claims can be directed to your producer or your assigned claims adjuster.

Important: In the event of loss or damage, you are obligated to take necessary steps to mitigate the claim. Expenses reasonably incurred in taking such action are reimbursable under policy terms and conditions. Failure to take necessary action can result in prejudice of your rights under your policy.

WHAT TO DO IN THE EVENT OF LOSS

You or your producer should notify OneBeacon of all claims for damage to Insured property as soon as the loss occurs. OneBeacon has 3 quick and efficient ways to report a claim, all available 24/7:

1. By Phone at (877) 248-3455

- Claims can be phoned into the OneBeacon Claims Call Center 24/7
- Between the hours of 8:30am to 5:00pm EST OneBeacon Claims Call Center representatives are available and will provide you with a claim number at the end of the call.
- During all other hours our vendor, Safelite, will take down the details of your claim and will provide you with a reference number.

2. By Email: claims@onebeacon.com

- When you wish to include attachments to accompany a claim, email reporting is ideal. To submit a claim via email, you'll need to include an ACORD First Notice of Loss Form.
- Remember to report only one claim per email. The sender's email confirmation will serve as the acknowledgement that we have received the claim.

3. By Fax to (866) 213-2802

- To submit a claim via Fax, you'll need to include an ACORD First Notice of Loss Form.
- Attachments supporting a claim can be included in the fax transmission
- Only one claim should be submitted per fax transmission. The sender's fax receipt will serve as confirmation that we have received the claim.

Claim Information Available via the OneBeacon Producer Portal

Claims reported before 5 p.m. EST will be immediately assigned a claim number. By the next business day, Producers can then go to the producer portal to view the claim. Here information is available on all new and existing claims including the claim number, the adjusters assigned, as well as to access the adjuster's file notes. In addition, the OneBeacon Producer Portal enables producers to communicate directly with adjusters by e-mail and review financial transactions on individual claims.

NOTICE OF CLAIMS TO RESPONSIBLE PARTIES

The premium you are charged for your insurance is ultimately influenced by your experience on your policy. It is therefore in your best interest to ensure losses are reduced by placing us in a position to recover all or part of our payment to you from any responsible third party. This is called subrogation and your cooperation in this regard is further reinforced by policy terms. Monies collected by us in subrogation are credited to your premium / loss experience. If a third party is responsible for loss or damage, written notice of claims should be promptly made directly against such party, as well as to OneBeacon.

POLICYHOLDER NOTICE

CLARIFICATION ON BUSINESS PERSONAL PROPERTY CAUSES OF LOSS

Your policy may include one or more pages titled **Commercial Property Coverage Part Declarations Location Level Limits of Insurance**.

Please note that wording has been added to the **Commercial Property Coverage Part Declarations Location Level Limits of Insurance** pages to clarify that when the term BUSINESS PERSONAL PROPERTY is shown in the Declarations as the Covered Property, all types of personal property covered by the applicable limit of insurance are subject to the General Causes of Loss



Atlantic Specialty Insurance Company

One Overton Park
3625 Cumberland Blvd. C#100
Atlanta, GA 30339

(678) 255-4400

TO OUR FLORIDA INSUREDS:

We offer a wide range of loss prevention services for our customers. The loss prevention services that are available to you are tailored to the operations of your business and to your past loss experience. We are firmly convinced that loss prevention pays.

We have developed Risk Management Guidelines to assist you in the development of a Risk Management Program for your company. These guidelines are tailored to specific operations and are designed to assist in the recognition of hazards which may exist.

The guidelines are divided into several sections, including: pollution and environmental hazards, disease hazards, fire hazards, fire prevention and detection, liability exposures from the course of business, slips and falls hazards, product liability exposures, and hazards unique to a particular operation or class of business.

We offer our consultation services as well as training in safety management techniques and safety management counseling services. If you would like assistance in loss prevention, or if you would like to obtain a complimentary copy of the Risk Management Guidelines, please contact us at the address or phone number shown above. Our Loss Control staff is ready to assist you in the establishment of an effective loss prevention program for your company.



Atlantic Specialty Insurance Company
605 Highway 169 North, Suite 800
Plymouth, MN 55441

(800) 662-0156
* A Stock Company

Common Policy Declarations

Named Insured and Mailing Address

Policy Number 710-03-88-23-0002

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS
21322 HARROW CT
BOCA RATON, FL 33433-7452

In return for the payment of the premium, and subject to all terms of this policy, we agree with you to provide the insurance as stated in this policy.

Policy Period: from April 17, 2020 to April 17, 2021
at 12:01 A.M. Standard Time at your mailing address shown above.

The Named Insured is a(n): Limited Liability Company

Business Description: FITNESS

Producer

BROWN & BROWN OF COLORADO, INC. - GYM
PROPERTY PROGRAM
2170 S. PARKER ROAD, SUITE 251
AURORA, CO 80231

Total Premium

At inception: \$5,415 + \$9.41 State Charges (See ASC 00 11 01 98, Schedule 2)

Forms applicable to all Coverage Parts:

See ASC 00 11 01 98, Schedule 1

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In witness whereof, we have issued this policy, signed by the President and Secretary, but it shall not be valid unless countersigned by our duly authorized representative.


Secretary


President

Countersigned

Authorized Representative

Date

SCHEDULE 1

Effective 04/17/2020 , this schedule forms a part of Policy No. 710-03-88-23-0002
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: BROWN & BROWN OF COLORADO, INC. - GYM
PROPERTY PROGRAM
by Atlantic Specialty Insurance Company

Common Policy Declarations, 4 VIL 100 10 98, Continued:

Forms Applicable to All Coverage Parts:

| | |
|------------------|--|
| 4 VIL 100 10 98 | COMMON POLICY DECLARATIONS |
| ASC 00 02 01 98 | PREMIUM STATEMENT |
| ASC 00 12A 09 18 | SCHEDULE OF LOCATIONS |
| VIL 001 10 98 | COMMON POLICY CONDITIONS- (N/A TO VA AUTO) |
| VIL 606 FL 12 07 | FL CHANGES - CANCELLATION AND NONRENEWAL |
| ASC 00 11 01 98 | Schedule 1 - LIST OF COMMON DEC FORMS |
| ASC 00 11 01 98 | Schedule 2 - STATE CHARGES |

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Policy Number: 710-03-88-23-0002

**COMMON POLICY DECLARATIONS
PREMIUM STATEMENT**

Named Insured:

PF SUNSET VIEW, LLC
 DBA: PLANET FITNESS
 21322 HARROW CT
 BOCA RATON, FL 33433-7452

Producer:

BROWN & BROWN OF COLORADO, INC. - GYM
 PROPERTY PROGRAM
 2170 S. PARKER ROAD, SUITE 251
 AURORA, CO 80231

Premium Statement for the period from April 17, 2020 **to** April 17, 2021

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

| COVERAGE SECTION | PREMIUM | | |
|--|--------------|-----------------|-----------------|
| | At inception | 1st Anniversary | 2nd Anniversary |
| Property Coverages | \$5,198 | | |
| Terrorism Coverage | \$217 | | |
| Total Advanced Premium | \$5,415 | | |
| State Charges See ASC 00 11 01 98, Schedule 2 | \$9.41 | | |
| Property Agency Fee | \$1,354.00 | | |

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SCHEDULE 2

Effective 04/17/2020 , this schedule forms a part of Policy No. 710-03-88-23-0002
(At the time stated in the policy)

issued to

PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: BROWN & BROWN OF COLORADO, INC. - GYM
PROPERTY PROGRAM
by Atlantic Specialty Insurance Company

State Charges

The State Charges shown with the Total Premium on the Common Policy Declarations are identified individually as follows:

| | | |
|---------------|--------|--|
| At inception: | \$4.00 | FLORIDA PROPERTY SURCHARGE |
| | \$5.41 | FLORIDA STATE FIRE MARSHAL REGULATORY SURCHARGE |

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SCHEDULE OF LOCATIONS

Effective 04/17/2020, this schedule forms a part of Policy No. 710-03-88-23-0002
(At the time stated in the policy)

issued to
PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: BROWN & BROWN OF COLORADO, INC. - GYM
PROPERTY PROGRAM
by Atlantic Specialty Insurance Company

The following locations are identified by their corresponding numbers on the various coverage part declarations of this policy.

| Premises No. | Location Address Location Description Building Number and Description |
|---------------------|--|
| 1 | 1883-1885 N HIGHLAND AVE. CLEARWATER, FL 33755-2156 Bldg 1 |

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COMMON POLICY CONDITIONS

All coverages of 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. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 45 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. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 45 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

C. 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.

D. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy 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 policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

E. 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.

F. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

G. Liberalization

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

H. Premiums

1. All Named Insureds shown in the Declarations are jointly and severally liable and responsible for the payment of all premiums.
2. The first Named Insured shown in the Declarations will be the payee of any return premiums we pay.

I. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

J. 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.

K. Unintentional Errors or Omissions

Your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy, provided such failure or omission is not intentional.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FLORIDA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE FORMS
COMMERCIAL INLAND MARINE COVERAGE FORMS

A. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation For Policies In Effect 90 Days Or Less

- a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a) A material misstatement or misrepresentation; or
 - (b) A failure to comply with underwriting requirements established by the insurer.
- b. We may not cancel:
 - (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - (2) On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - (3) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

B. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:

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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

C. The following is added to the **Cancellation** Common Policy Condition:

7. Cancellation For Policies In Effect For More Than 90 Days

- a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) The policy was obtained by a material misstatement;

- (3) There has been a failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
 - (4) There has been a substantial change in the risk covered by the policy;
 - (5) The cancellation is for all insureds under such policies for a given class of insureds;
 - (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - (7) On the basis of filing of claims for partial loss caused by sinkhole damage, or on the basis of the risk associated with the occurrence of such a claim, if:
 - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or
 - (8) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or
 - (2) 45 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs 7.a.(2) through 7.a.(8) above; and
 - (b) This policy does not cover a residential structure or its contents; or
 - (3) 100 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs 7.a.(2) through 7.a.(8) above; and
 - (b) This policy covers a residential structure or its contents.

However, if cancellation is to become effective between June 1 and November 30, we will mail or deliver to the first Named Insured written notice of cancellation at least 100 days prior to the effective date of cancellation or by June 1, whichever is earlier. Therefore, when cancellation is to become effective between September 9 and November 30, we will mail or deliver to the first Named Insured written notice of cancellation by June 1.

D. Common Policy Condition B. When We Do Not Renew is replaced by the following:

NONRENEWAL

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
 - a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents; or
 - b. 100 days prior to the expiration of the policy if this policy covers a residential structure or its contents, unless c. applies
 - c. If this policy covers a residential structure or its contents and nonrenewal is to become effective between June 1 and November 30, we will mail or deliver to the first Named Insured written notice of nonrenewal at least 100 days prior to the effective date of nonrenewal or by June 1, whichever is earlier. Therefore, when nonrenewal is to become effective between September 9 and November 30, we will mail or deliver to the first Named Insured written notice of nonrenewal by June 1. If nonrenewal is due to a revision to this policy's coverage for sinkhole losses or catastrophic ground cover collapse pursuant to the 2007 changes in the Florida Insurance Laws concerning such coverage, then this subsection, c. does not apply.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may not refuse to renew this policy:
 - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

- b. On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:
 - (1) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- E. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property:**
- 1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
 - a. Except as provided in Paragraph **E.1.b.**, we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure or its contents have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 100 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.
 - b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents, for any of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misstatement or fraud related to the claim;
 - (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
 - (4) We have paid the policy limits.If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in Paragraph **b.(2)**, **b.(3)** or **b.(4)**, we will give you 45 days' notice.
 - 2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.
 - 3. With respect to Paragraph **E.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

SCHEDULE 3

Effective 04/17/2020, this schedule forms a part of Policy No. 710-03-88-23-0002
(At the time stated in the policy)

issued to
PF SUNSET VIEW, LLC
DBA: PLANET FITNESS

Producer: BROWN & BROWN OF COLORADO, INC. - GYM
PROPERTY PROGRAM
by Atlantic Specialty Insurance Company

Commercial Property Coverage Part Declarations, ASC 00 03 01 98,
Continued:

Forms Applicable to the Property Coverage Part:

| | |
|-------------------|--|
| ASC 00 03 01 98 | PROPERTY COV PART DEC - POLICY LEVEL LIMITS OF INSURANCE |
| ASC 00 13 01 98 | SUPPLEMENTAL PROPERTY DEC |
| IL 09 52 01 15 | CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM |
| VCP 001 10 98 | SPECIAL PROPERTY PLUS COVERAGE |
| VCP 003 10 98 | PROPERTY CONDITIONS |
| VCP 100 04 14 | COMMERCIAL PROPERTY DEC |
| VCP 101 02 99 | BUCKET LIMIT OF INSURANCE DEC |
| VCP 283 05 99 | BASEMENT WATER EXCLUSION |
| VCP 285 05 99 | SURFACE WATER CAUSE OF LOSS |
| VCP 330 05 99 | MANDATORY PROPERTY ENDT |
| VCP 369 05 04 | HARDWARE, MEDIA & ELECTRONIC DATA COVERAGE ENDORSEMENT |
| VCP 603 FL 10 98 | FL CHANGES |
| VCP 606 FL 10 98 | FL CHANGES-LEGAL ACTION AGAINST US |
| VIM 025 GYM 07 05 | INSTALLATION COVERAGE |
| ASC 00 10 01 98 | Policy Change 1 - SPECIAL PROPERTY PLUS COVERAGE FORM |
| ASC 00 10 01 98 | Policy Change 2 - WINDSTORM OR HAIL EXCLUSION |
| ASC 00 10 01 98 | Policy Change 3 - VACANCY CONDITION |
| ASC 00 10 01 98 | Policy Change 4 - BLANKET COVERAGE |
| ASC 00 11 01 98 | Schedule 3 - PROPERTY FORMS LIST |

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Policy Number 710-03-88-23-0002

**PROPERTY COVERAGE PART DECLARATIONS
POLICY LEVEL LIMITS OF INSURANCE**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

| | |
|---|--|
| Equipment Breakdown Portfolio | |
| Expediting Expenses | \$100,000 |
| Hazardous Substances | \$100,000 |
| Perishable Goods | \$100,000 |
| CFC Refrigerants | \$100,000 |
| Business Income or Extra Expense Stock in Transit | \$0 |
| Business Income or Extra Expense Stock at Any Other Location | \$0 |
| Transit Limit of Insurance | \$100,000 Per Occurrence \$1,000 Deductible |
| Other Location Limit of Insurance | \$100,000 Per Occurrence \$1,000 Deductible |
| Crime Limit of Insurance | \$50,000 Per Occurrence \$1,000 Deductible |
| Money and Securities | |
| Employee Dishonesty | |
| Money Orders and Counterfeit Paper | |
| Currency | |
| Forgery and Alteration | |
| ERISA Employee Dishonesty | \$50,000 Per Occurrence \$0 Deductible |
| Newly Acquired or Constructed Property | \$1,000 Deductible |
| Building | \$1,000,000 |
| Business Personal Property | \$1,000,000 |
| Claim Expense | \$50,000 Per Occurrence \$0 Deductible |
| Rewards | \$25,000 Per Occurrence \$0 Deductible |
| Contractual Penalties | \$25,000 Per Occurrence \$0 Deductible |

Forms Applicable to the Commercial Property Coverage Part:

See ASC 00 11 01 98, Schedule 3

3 5-93-0195 04/22/2020 MEL CPW PR 1.000

| |
|--|
| COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS LOCATION LEVEL LIMITS OF INSURANCE |
|--|

Valuation (Val): RC = Replacement Cost **When the term BUSINESS PERSONAL PROPERTY is**
 ACV = Actual Cash Value **shown in the Declarations as the Covered Property, all**
 SV = Stated Value **types of personal property covered by the applicable limit**
 FRC = Functional Replacement Cost **of insurance are subject to the General Causes of Loss.**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

| Loc | Bldg | Covered Property | Limit of Insurance | Deductible | Val | Infl Guard |
|-----|------|----------------------------|--------------------|------------|-----|------------|
| | | Blanket Coverage | \$2,700,000 | | | |
| 1 | 1 | Building | | \$1,000 | RC | |
| 1 | 1 | Business Personal Property | | \$1,000 | RC | |

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

When "Agreed Value" is shown, Coinsurance does not apply to that coverage at that location.

Business Income & Extra Expense

| | | | |
|-----|------|-----------|---|
| Loc | Bldg | Limit | Option(s) |
| 1 | 1 | \$500,000 | Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours |

Business Income Off Premises Power or Communication Failure

| | | | |
|-----|------|----------|---|
| Loc | Bldg | Limit | Option(s) |
| 1 | 1 | \$25,000 | Power (Not Including Overhead Transmission Lines), Communication (Not Including Overhead Transmission Lines) Waiting Period - 72 hours |

Contingent Business Premises

| | | | |
|-----|------|-----------|---|
| Loc | Bldg | Limit | Option(s) |
| 1 | 1 | \$100,000 | Extended Period of Indemnity 90 days Waiting Period - 72 hours |

Pollutant Clean Up and Removal

| | | | | |
|-----|------|-----------|------------|-----------|
| Loc | Bldg | Limit | Deductible | Option(s) |
| 1 | 1 | \$100,000 | \$1,000 | |

Debris Removal

| | | | | |
|-----|------|-----------|------------|-----------|
| Loc | Bldg | Limit | Deductible | Option(s) |
| 1 | 1 | \$250,000 | \$1,000 | |

Building Ordinance

| | | | | |
|-----|------|-----------|------------|-----------|
| Loc | Bldg | Limit | Deductible | Option(s) |
| 1 | 1 | \$500,000 | \$0 | |

Special Theft Limits of Insurance

Furs, fur garments and garments trimmed with fur

| | | | |
|-----|------|----------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$10,000 | \$1,000 |

Jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion

| | | | |
|-----|------|----------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$10,000 | \$1,000 |

Gold, silver, platinum, and other precious alloys or metals

| | | | |
|-----|------|----------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$25,000 | \$1,000 |

Stamps, tickets, and letters of credit

| | | | |
|-----|------|---------|------------|
| Loc | Bldg | Limit | Deductible |
| 1 | 1 | \$1,000 | \$1,000 |

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POLICY NUMBER: 710-03-88-23-0002

BUCKET LIMIT OF INSURANCE DECLARATIONS

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Bucket Limit of Insurance \$500,000

Personal Effects

Valuable Information Property

Accounts Receivable

Outdoor Property

Fine Arts

Hardware, Software, Media and data

Fire Extinguisher and Automatic Extinguishing System Recharge

Fire Department Service Charge

Conditional Sales Agreement

Consequential Damage

Tenants Improvements & Betterments

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SPECIAL PROPERTY PLUS COVERAGE FORM QUICK REFERENCE GUIDE

This guide is provided for your convenience as an aid to finding provisions of your Special Property Plus Coverage Form. IT IS NOT PART OF YOUR POLICY AND DOES NOT GIVE COVERAGE. Please refer to your policy provisions for a full description of your coverage, and any limitations, conditions or exclusions which may apply.

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| | |
|---|---------------|
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SPECIAL PROPERTY PLUS COVERAGE FORM

This Coverage Part provides seven Coverages: Building Coverage, Business Personal Property Coverage, Business Income and Expense Coverage, Crime Coverage, Loss Expense and Protection Coverage, Pollutant Clean Up and Debris Removal Coverage, and Equipment Breakdown Additional Coverages.

Various provisions in this policy restrict coverage, so you should 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 **G. DEFINITIONS**.

A. COVERAGES

1. Building 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.

For this Coverage, Covered Property means:

- a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:
 - (1) Completed additions;
 - (2) Fixtures, including but not limited to outdoor fixtures, fences, exterior lighting fixtures or poles (whether freestanding or attached to the building) and yard fixtures;
 - (3) Permanently installed machinery and equipment, foundations of machinery, tanks and their component parts including all connections thereto which are below the under-surface of the lowest basement floor or, where there is no basement, below the surface of the ground;
 - (4) Glass that is part of a building or structure;
 - (5) All signs attached to or part of a building or structure or otherwise located at or within 1000 feet of the premises;
 - (6) Your personal property in apartments or rooms furnished by you as landlord;
 - (7) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
 - (e) Building supplies;all while at the premises described in the Declarations.
 - (8) If not covered by other insurance:
 - (a) Additions under construction;
 - (b) Alterations and repairs to buildings or structures; and
 - (c) Materials, equipment, supplies and temporary structures, on or within 1000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.
 - (9) Your new buildings while being built on or within 1000 feet of the described premises;
 - (10) Buildings you acquire at locations other than the described premises, intended for:
 - (a) similar use as the building described in the Declarations; or
 - (b) use as a warehouse.
 - (11) "Outdoor Property"; and
 - (12) Driveways, patios and walks.

b. Covered Property does not include:

- (1) Land (including land on which the Covered Property is located);
- (2) Water;
- (3) Growing crops;
- (4) The cost of excavations, grading, backfilling or filling;
- (5) Pilings, piers, wharves or docks;
- (6) Retaining walls that are not part of the building described in the Declarations;
- (7) Property more specifically covered under this or another form of this or any other policy, except as provided in the Property Conditions Other Insurance Clause;
- (8) Underground pipes, flues or drains, except as provided under paragraph 1.a.(3); or
- (9) Bridges or roadways.

2. Business Personal Property Coverage

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from any Covered Cause of Loss.

a. Covered Property may be located anywhere in the coverage territory, unless otherwise noted below.

b. For this Coverage, Covered Property means the following personal property:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Tenant improvements and betterments in or on the buildings at the described premises or in the open (or within a vehicle) within 1000 feet of the described premises. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own;
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property for which you have a contractual responsibility to insure;
- (5) "Hardware", "Software", "Media" and data;
- (6) Personal effects owned by you, your officers, your partners, or your employees;
- (7) "Valuable Information Property";
- (8) "Accounts Receivable";
- (9) "Scientific and Professional Equipment";
- (10) "Stock";
- (11) Personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers;
- (12) Glass that is not part of a building or structure;
- (13) "Installation Tools and Equipment Property";
- (14) Patterns, Molds and Dies;
- (15) Jewelry;
- (16) Furs;
- (17) "Fine Arts"; and
- (18) Business Personal Property that you acquire during the policy period.

- c. However, Covered Property does not include:
- (1) Automobiles held for sale;
 - (2) "Money";
 - (3) "Securities";
 - (4) Contraband, or property in the course of illegal transportation or trade;
 - (5) Vehicles or self-propelled machines (including automobiles, aircraft, or watercraft) that:
 - (a) Are licensed for use on public roads; or
 - (b) 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;
- (6) Property more specifically covered under this or another form of this or any other policy, except as provided in the Property Conditions Other Insurance Clause;
 - (7) Import shipments prior to discharge from an aircraft or import vessel or termination of the risk assumed by cargo underwriters; and
 - (8) Export shipments after either being loaded on aircraft or export vessel or having come under the protection of cargo insurance.

3. Business Income and Extra Expense Coverage

a. Business Income

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "Operations" during the "Period of Restoration". The suspension must be caused by direct physical loss of or damage to property at:
 - (a) The described premises;
 - (b) Your new buildings while being built on or within 1000 feet of the described premises;
 - (c) 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 loss or damage must be caused by or result from a Covered Cause of Loss. If the damaged property is Covered Property under your Building or Business Personal Property Coverages, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to this Business Income Coverage. If the damaged property is not Covered Property under your Building or Business Personal Property Coverages, then the General Causes of Loss apply to this Business Income Coverage. With respect to loss of or damage to business personal property in the open or personal property in a vehicle, the described premises include the area within 1000 feet of the site at which the described premises are located. Your Business Income Coverage does not apply to any loss otherwise covered only under your Crime Coverages.

- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:
 - (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises is located, if that area services or is used to gain access to the described premises.
- (3) If the phrase **Optional Off Premises Business** Income appears in the Declarations, then the suspension may also be caused by direct physical loss of or damage to property which you own or which is in your care, custody or control anywhere else in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.

(4) Throughout all of your Business Income and Extra Expense Coverages, the term Business Income means the:

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses. Net Income includes "Rental Value" unless the phrase **Business Income Excluding Rental Value** appears in the Declarations; and

(a) Continuing normal operating expenses incurred, including payroll.

b. Extended Business Income

If the necessary suspension of your "Operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the Extended Period of Indemnity. Extended Period of Indemnity means the period that:

(1) Begins on the date property except finished "Stock" is actually repaired, rebuilt or replaced and "Operations" are resumed; and

(2) Ends on the earlier of:

(a) The date you could restore your "Operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

(b) 90 consecutive days after the date determined in (a) above. However, if an **Extended Period of Indemnity Term** is shown in the Declarations, the number 90 in this section (b) is replaced by the number shown in the Declarations for **Extended Period of Indemnity Term**.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at:

(1) The described premises;

(2) Your new buildings while being built on or within 1000 feet of the described premises;

(3) Buildings you acquire at locations other than the described premises, intended for:

(a) Similar use as the building described in the Declarations; or

(b) Use as a warehouse;

caused by or resulting from any Covered Cause of Loss.

c. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "Period of Restoration" and the Extended Period of Indemnity that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 1000 feet, caused by or resulting from a Covered Cause of Loss.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
(b) Any area within the building or on the site at which the described premises is located, if that area services or is used to gain access to the described premises.

Your Extra Expense Coverage does not apply to any loss otherwise covered only under your Crime Coverage.

- (2) If the phrase **Optional Off Premises Extra Expense** appears in the Declarations, then the Extra Expenses may also be incurred by direct physical loss of or damage to property which you own or which is in your care, custody or control anywhere else in the coverage territory.

- (3) Extra Expense means expense incurred during the "Period of Restoration":

- (a) To avoid or minimize the suspension of business and to continue "Operations":

- (i) At the described premises; or
(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

- (b) To minimize the suspension of business if you cannot continue "Operations".

- (c) To:

- (i) Repair or replace any property;
(ii) Research, replace or restore the lost information on damaged "Valuable Information Property"; or
(iii) Research, replace or restore the lost data and "Software" ;

to the extent it reduces the amount of loss that otherwise would have been payable under your Coverage for Business Income and Extra Expense Loss.

d. Business Income Off Premises Power or Communication Failure

Your Business Income Coverage and your Extra Expense Coverage are extended to include loss or damage caused by a Covered Cause of Loss and resulting from damage to or destruction of:

- (1) Public utility plants;
(2) Telephone communications facilities;
(3) Any equipment used in (1) or (2);
(4) Transformers or switching stations; and
(5) Substations or transformers furnishing heat, light, power, gas or communication service to your premises;

But excluding loss caused by damage to or destruction of off-premises power transmission lines and overhead communication, transmission, and distribution equipment.

We will pay only for that part of a loss which occurs after the first 12 hours following damage or destruction.

We will not pay for such loss if the disruption of service is due to your failure to comply with the terms and conditions of any contract.

e. Contingent Business Premises

We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at "Contingent Business Premises" not described in the Declarations, caused by or resulting from any Covered Cause of Loss to property.

We will pay for each day's suspension of "Operations" due to loss arising from all "Contingent Business Premises" for a period not to exceed 90 days.

f. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This Coverage will apply for a period of up to 2 consecutive weeks from the date of that action.

4. Crime Coverage

a. "Money" and "Securities"

- (1) We will pay for loss of "Money" and "Securities" while such property is:
- (a) Within the interior of the portion of a building which you occupy at the described premises;
 - (b) At a bank or savings institution;
 - (c) In the care and custody of an armored motored vehicle company outside the interior of the portion of a building which you occupy at the described premises. However, we will only pay for the amount of loss that you cannot recover:
 - (i) Under your contract with the armored motor vehicle company; or
 - (ii) From any insurance or indemnity carried by, or for the benefit of customers of the armored motor vehicle company; or
 - (d) In the care and custody of you, any of your partners, or any "Employee".
- (2) Loss must result directly from:
- (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (3) We will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Of property contained in any money-operated device unless a continuous recording instrument in the device records the amount of "Money" deposited;
 - (c) Resulting from fire;
 - (d) Resulting from the giving or surrendering of property in any exchange or purchase;
 - (e) From damage to the premises or its exterior or to containers of "Money" or "Securities" by vandalism or malicious mischief;
 - (f) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property; or
 - (g) Arising out of any of the causes of loss excluded under **B.1. General Causes of Loss**.

b. Employee Dishonesty

- (1) We will pay for direct loss of or damage to business personal property and "Money" and "Securities" resulting from dishonest acts committed by any of your "Employees" acting alone or in collusion with others, (except you or your partners), whether identified or not:
 - (a) While inside the coverage territory; or
 - (b) While temporarily outside the coverage Territory for a period of not more than 90 days; with the manifest intent to:
 - (a) Cause you to sustain loss or damage; and also
 - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (i) Any "Employee"; or
 - (ii) Any other person or organization.
- (2) We will not pay for loss or damage:
 - (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (b) The only proof of which as to its existence or amount is:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.
- (3) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (4) This Coverage does not apply to any "Employee" immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, officers or directors not in collusion with the "Employee";of any dishonest act committed by that "Employee" before or after being hired by you.
- (5) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period, or from when the policy is cancelled or terminated.

c. ERISA Employee Dishonesty

ERISA – EMPLOYEE DISHONESTY DOES NOT PROVIDE FIDUCIARY LIABILITY INSURANCE

- (1) If you request, we will include along with you as a Named Insured under the Employee Dishonesty Coverage any:
 - (a) Employee Welfare Benefit Plan (hereafter called Plan), and/or
 - (b) Employee Pension Benefit Plan (hereafter called Plan)owned, controlled or operated by you which you provide solely for the benefit of your employees.
- (2) As used in ERISA Employee Dishonesty Coverage, "Employee" also includes any natural person who is:
 - (a) A trustee, an officer, "Employee", administrator or a manager, except an administrator or a manager who is an independent contractor, of any Plan insured under this Coverage, and
 - (b) Your director or trustee while that person is handling funds or other property of any Plan insured under this Coverage.
- (3) If this insurance covers:
 - (a) Two or more Plans; or
 - (b) Any Plan and you jointly;You or the Plan administrator must obtain under one or more policies an amount of insurance for each such Plan that is at least equal to that required if each Plan were separately insured.
- (4) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that entity for loss sustained by any Plan will be held by that entity for the use and benefit of the Plan(s) sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) Sustained by two or more Plans; or
 - (b) Of commingled funds or other property of two or more Plans,that arises out of one occurrence because of dishonest acts of "Employees", is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

d. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

- (1) Any U. S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
 - (2) Counterfeit United States or Canadian paper currency;
- in exchange for merchandise, "Money" or services or as part of a normal business transaction.

e. Forgery and Alteration

We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "Money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar or written promise of payment in "Money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

We will not pay for loss resulting from any dishonest or criminal act committed by any of your "Employees", directors, or trustees:

- (1) Whether acting alone or in collusion with other persons; or
- (2) Whether or not they are performing services for you.

f. Consolidation and Merger Coverage

If through consolidation or merger with, or purchase of assets of, some other entity:

- (1) Any additional persons become "Employees"; or
- (2) You acquire the use and control of any additional premises;

any Crime Coverage afforded for "Employees" or premises also applies to those additional "Employees" and premises, but only if you:

- (1) Give us written notice within 30 days thereafter; and
- (2) Pay us an additional premium.

g. General Crime Exclusions

The following exclusions apply to all of your Crime Coverages.

We will not pay for:

- (1) Acts Committed by You or Your Partners: Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
- (2) Acts of "Employees", Directors, Trustees or Representatives: Loss resulting from any dishonest or criminal act committed by any of your "Employees", directors, trustees or authorized representatives:
 - (a) Acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.This exclusion (2) of Acts of "Employees", Directors, Trustees or Representatives applies only to your "Money" and "Securities" Coverage.
- (3) Governmental Action: Loss resulting from seizure or destruction of property by order of governmental authority.

- (4) Indirect Loss: Loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:
 - (a) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
 - (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- (5) Legal Expenses: Expenses related to any legal action.
- (6) Nuclear: Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- (7) War and Similar Actions: Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
- (8) Transfer or Surrender of Property:
 - (a) Loss of property after it has been transferred or surrendered to a person or place outside the interior of that portion of any building:
 - (i) you occupy in conducting your business; or
 - (ii) occupied by a banking institution or similar safe depositoryon the basis of unauthorized instructions or as a result of a threat to do bodily harm to any person or damage to any property.
 - (b) But, this exclusion does not apply if you:
 - (i) had no knowledge of any threat at the time the conveyance began; or
 - (ii) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

This exclusion (8) of Transfer or Surrender of Property applies only to your "Money" and "Securities" Coverage.

5. Loss Expense and Protection Coverages

a. 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 of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if loss or damage occurs within 90 days after the property is first moved.

b. Fire Extinguisher and Automatic Extinguishing System Recharge

We will pay your expenses for recharge of your hand fire extinguishers when they are emptied while fighting fire.

We will also pay to recharge an automatic extinguishing system used exclusively to protect "Hardware", "Software", "Media" or data.

c. Claims Expenses

(1) We will pay all reasonable claims expenses you incur :

- (a) At our request ; and
- (b) Arising out of a covered loss or damage.

(2) The claims expenses must be incurred to assist us in:

- (a) The investigation of a claim or suit;
- (b) The determination of the amount of loss; or
- (c) The determination of the extent of direct physical loss or damage to building or business personal property.

(3) We will not pay for:

- (a) Expenses to prove that loss or damage is covered;
- (b) Expenses incurred under the **Appraisal** section of **Property Conditions**;
- (c) Expenses incurred under your **Crime Coverages** in establishing either the existence or the amount of loss under this insurance.
- (d) Expenses incurred for examinations under oath, even if required by us; or
- (e) Expenses incurred for public adjusters or legal fees.

d. 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 for the fire department service charges assumed by contract or agreement prior to loss, or required by local ordinance.

e. Reward Coverage

We will make available to a law enforcement agency with proper jurisdiction an amount to be used through reward or other means to acquire information leading to the possible conviction of a person or persons responsible for a fire, theft, robbery or explosion loss that is covered under this policy. Such funds will remain in our possession until actually needed for immediate distribution by the law enforcement agency. All claims for payment under this Coverage must be made by the law enforcement agency to us within one year of the date of loss, unless another time is mutually agreed to by the law enforcement agency and us. Such claims must be accompanied by a statement indicating to whom the law enforcement agency will make payment, the information anticipated, and the person(s) who may be charged with the crime. In no event will we make any payment under this Coverage either directly to you or to anyone other than a law enforcement agency with proper jurisdiction. We will not fund any payment to anyone who directed, participated in, committed or caused to be committed the fire, theft, robbery or explosion in question nor to anyone who provides or obtains information as part of their regular duties of employment either by the insured or a law enforcement or fire department agency. However, within the provisions of this Coverage, we will reimburse the agencies themselves for extraordinary expenses related to obtaining information regarding a fire, theft, robbery or explosion covered under this policy. We will make no payment under this Coverage in excess of twice the loss payment we make for direct damage to property.

f. Building Ordinance Coverage

- (1) If a Covered Cause of Loss occurs to a covered building, we will pay:
- (a) For loss or damage caused by the enforcement of any law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (iii) Is in force at the time of loss.
 - (b) The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.
 - (c) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use law.

However, we will not pay under this Coverage for the costs associated with the enforcement of 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".

For the purposes of this Coverage, "Pollutants" includes asbestos.

- (2) We will not pay for increased construction costs under this Coverage:
- (a) Until the property is actually repaired or replaced, at the same premises or elsewhere; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 year period.

- (3) We will not pay more:
 - (a) If the property is repaired or replaced on the same premises, than the amount you actually spend to:
 - (i) Demolish and clear the site; and
 - (ii) Repair, rebuild or construct the property but not for more than property of the same height, floor area and style on the same premises.
 - (b) If the property is not repaired or replaced on the same premises, than:
 - (i) The amount you actually spend to demolish and clear the site of the described premises; and
 - (ii) The cost to replace, on the same premises, the damaged or destroyed property with other property:
 - (A) Of comparable material and quality;
 - (B) Of the same height, floor area and style; and
 - (C) Used for the same purpose.
- (4) The terms of this Coverage apply separately to each building to which this insurance applies.

g. Contractual Penalties

We will pay for contractual penalties you incur if you cannot meet your written contractual obligations because of a direct loss or damage to Covered Property by a Covered Cause of Loss. Such contract must be written and must have been executed prior to the date of the loss. This Coverage does not apply to loss or damage to:

- (1) A building or structure under construction; or
- (2) Property you are installing for a customer.

6. Pollutant Clean Up and Debris Removal Coverage

a. 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 earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

b. Debris Removal

- (1) 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 earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) This Coverage does not apply to costs to:
 - (a) Extract "Pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

7. Equipment Breakdown Additional Coverages

The following additional Coverages also apply to loss caused by or resulting from an "Accident" to "Covered Equipment".

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (3) Expedite permanent repairs or replacement.

b. Hazardous Substances Coverage

We will pay for the additional cost to repair or replace Covered Property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property.

Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Additional costs mean those beyond what would have been required had no hazardous substance been involved.

c. Perishable Goods Coverage

We will pay for:

- (1) Your loss of "Perishable Goods" due to spoilage;
- (2) Your loss of "Perishable Goods" due to contamination from the release of refrigerant, including but not limited to ammonia; and
- (3) Any necessary expenses you incur to reduce the amount of loss under this Coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage.

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 "Accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the **Property Valuation and Loss Payment** section of this policy.

We will not pay for loss or damage as a result of your failure to use all reasonable means to protect the "Perishable Goods" from damage following an "Accident" to "Covered Equipment".

d. CFC Refrigerants Coverage

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

B. CAUSES OF LOSS

Coverage **A.1. – Building Coverage**, Coverage **A.2. – Business Personal Property Coverage**, and Coverage **A.3. – Business Income and Extra Expense Coverage**, as well as certain other references in your policy, refer to Covered Causes of Loss. This section of your policy will tell you, for specific Coverages and types of property, what causes of loss are covered, what causes are excluded, and whether there are any special limitations on your Coverage. Be sure to refer to the Declarations to see if any of the Causes of Loss assigned in this section are amended. These Causes of Loss do not apply to your Crime Coverage except as specifically referenced in your "Money" and "Securities" Coverages. Otherwise, the Crime Coverages section contains all the information as to the types of loss they cover. Your Loss Expense and Protection Coverages are Coverages that provide additional or supplemental payments in the event of another covered loss under the policy. To the extent that a Covered Cause of Loss is required to trigger the primary loss, Causes of Loss can influence your Loss Expense and Protection Coverage.

There are three defined types of Causes of Loss in your policy, the General Causes of Loss, the Inland Marine Causes of Loss, and the Outdoor Property Causes of Loss. If a Coverage makes reference to a Covered Cause of Loss, it means a cause of loss that would be covered under your policy for the type of property that has been lost or damaged.

1. General Causes of Loss

- a. Unless otherwise shown in the Declarations, General Causes of Loss apply to the following Coverages:
 - (1) All Building Coverage, except Coverage for:
 - (a) Signs; and
 - (b) "Outdoor Property".
 - (2) All Business Personal Property Coverage, except Coverage for:
 - (a) "Hardware", "Software", "Media", and data;
 - (b) "Scientific and Professional Equipment";
 - (c) "Fine Arts";
 - (d) Patterns, molds and dies;
 - (e) Business personal property in transit;
 - (f) "Valuable Information Property";
 - (g) "Accounts Receivable"; and
 - (h) "Installation Tools and Equipment Property".
 - (3) All Business Income and Extra Expense Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss.
 - (4) All Loss Expense and Protection Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss.
 - (5) All Pollutant Clean Up and Debris Removal Coverages, except where the damaged or lost property is covered by the Inland Marine Causes of Loss.
 - (6) Any other Coverage where no Cause of Loss type is specified in this section.

b. Under General Causes of Loss, we will pay for direct physical loss of or damage to property, unless excluded below.

(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) Earth Movement

- (i) Any earth movement (other than "Sinkhole Collapse"), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (ii) 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:

- (i) Airborne volcanic blast or airborne shock waves;
- (ii) Ash, dust, or particulate matter; or
- (iii) Lava flow.

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 of or damage to Covered Property.

(b) 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 policy.

However, this exclusion will not apply to your Business Income and Extra Expense Coverage for **Civil Authority**.

(c) 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.

(d) Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. But, if failure of power 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.

This exclusion does not apply to losses under your **Business Income Off Premises Power Failure** Coverage.

(e) War and Military Action

- (i) War, including declared, undeclared or civil war;
- (ii) 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
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

(f) Water

- (i) Flood, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (ii) Mudslide or mudflow;
- (iii) But if Water, as described in (f)(i) and (f)(ii) results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

However, if electrical "Covered Equipment" requires drying out as a result of losses described in (f)(i), we will pay for the direct expenses of such drying out.

(g) Building Ordinance

The enforcement of any ordinance or law:

- (i) Regulating the construction, use or repair of any property; or
- (ii) Requiring the tearing down of any property, including the cost of removing its debris; except as provided in your Loss Expense and Protection Coverage for Building Ordinance.

(2) We will not pay for loss or damage caused by or resulting from any of the following:

(a) Electrical Apparatus

Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire or explosion, we will pay for the loss or damage caused by fire or explosion.

This exclusion does not apply to loss or damage arising out of an "Accident" to "Covered Equipment".

(b) Loss of Market

Delay, loss of use or loss of market.

(c) Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

(d) Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. This exclusion does not apply to loss or damage caused by or arising out of an "Accident" to "Covered Equipment". Also, 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.

(e) Frozen Plumbing

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:

- (i) You do your best to maintain heat in the building or structure; or
- (ii) You drain the equipment and shut off the supply if the heat is not maintained.

(f) Dishonesty

Dishonest or criminal acts by you, any of your partners, "Employees", directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- (i) Acting alone or in collusion with others; or
- (ii) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "Employees"; but theft by "Employees" is not covered.

(g) Exposed Property

Rain, snow, ice or sleet to business personal property in the open.

(h) Collapse

Collapse, if caused by earth movement or water.

As respects loss or damage arising out of or in any sequence with collapse, we will not pay for loss or damage to:

- (i) Outdoor radio or television antennas, including their lead-in wiring;
- (ii) Masts or towers;
- (iii) Awnings;
- (iv) Gutters and downspouts;
- (v) Yard fixtures;
- (vi) Outdoor swimming pools;
- (vii) Fences;
- (viii) Piers, wharves and docks;
- (ix) Beach or diving platforms or appurtenances;
- (x) Retaining walls; and
- (xi) Walks, roadways and other paved surfaces;

unless loss or damage is the direct result of building collapse and that building collapse does not result from earth movement or water.

We will not pay for loss or damage caused by settling, cracking, shrinkage, bulging or expansion.

(i) Pollutants

We will not pay for loss or damage caused by or resulting from the 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".

(j) Theft of Personal Effects or Salesman's Samples

We will not pay for loss or damage arising out of theft:

- (i) To property in the care, custody or control of a salesman from an unattended vehicle unless all compartments, doors, windows and other openings are closed and, where locks are available, locked; or
- (ii) Of personal effects.

(k) Other Types of Loss

- (i) Wear and tear;
- (ii) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (iii) Smog;
- (iv) Settling, cracking, shrinking or expansion;
- (v) Insects, birds, rodents or other animals;
- (vi) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any loss or damage caused by elevator collision. This exclusion also does not apply to loss or damage caused by or arising out of an "Accident" to "Covered Equipment".

But, if an excluded cause of loss that is listed in **(k)(i)** through **(k)(vi)** results in a "Specified Cause of Loss", an "Accident" to "Covered Equipment", or building glass breakage, we will pay for the loss or damage caused by that "Specified Cause of Loss," "Accident" to "Covered Equipment" or building glass breakage.

(l) Mistakes

Errors in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(m) Errors in System Programming

Errors in system programming or errors in instructions to a machine.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(n) Breakage and Leakage

Breakage, leakage, chipping, denting or bending, or by being spotted, discolored, rusted, frosted or steamed unless caused by fire, lightning, windstorm, hail, explosion or collision, riot and/or civil commotion, derailment or overturning of vehicle while on land or collision or crashing of aircraft while in flight, or by ferry, transfer or lighter being stranded, sunk or in collision while waterborne. This exclusion applies only to property in transit.

(o) Mysterious Disappearance

Disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss, nor does it apply to losses covered under your "Money" and "Securities" **Crime Coverage**.

(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**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Section **B.1.b.(1)** to produce the loss or damage.

(b) **Acts or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

(c) **Negligent Work**

Faulty, inadequate, defective or negligent:

(i) Planning, zoning, development, surveying, siting;

(ii) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(iii) Materials used in repair, construction, renovation or remodeling; or

(iv) Maintenance;

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

(4) We will not pay for:

(a) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(i) 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

(ii) 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".

(b) Any other consequential loss.

2. Inland Marine Causes of Loss

- a. Unless otherwise shown in the Declarations, Inland Marine Causes of Loss apply to the following Coverages:
- (1) Under your Building Coverage, Coverage for Outdoor signs.
 - (2) Under your Business Personal Property Coverage, Coverage for:
 - (a) "Hardware", "Software", "Media", and data;
 - (b) "Scientific and Professional Equipment";
 - (c) "Fine Arts";
 - (d) Business personal property in transit;
 - (e) "Valuable Information Property";
 - (f) "Accounts Receivable";
 - (g) "Installation Tools and Equipment Property"; and
 - (h) Patterns, molds and dies.
 - (3) Under your Business Income and Extra Expense Coverages, only where the damaged or lost property is described in item (1) or (2) above.
 - (4) Under your Loss Expense and Protection Coverages, only where the damaged or lost property is described in item (1) or (2) above.
 - (5) Under Pollution Clean Up and Debris Removal Coverages, only where the damaged or lost property is described in item (1) or (2) above.
- b. Under Inland Marine Causes of Loss, we will pay for direct physical loss of or damage to property, unless excluded below.
- (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) **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 policy.

However, this exclusion will not apply to your Business Income and Extra Expense Coverage for **Civil Authority**.

We will not cover expenses that you incur to buy or rent "Hardware", "Software", "Media" or data, except to the extent that it reduces a loss.
 - (b) **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.
 - (c) **War and Military Action**
 - (i) War, including undeclared or civil war;
 - (ii) 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
 - (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
 - (d) **Building Ordinance**

The enforcement of a code, ordinance or law that regulates the use, construction, repair or demolition of "Hardware" or a building or structure.

(2) We will not pay for loss or damage caused by or resulting from any of the following:

(a) Dishonesty

Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- (i) Acting alone or in collusion with others; or
- (ii) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees, but theft by employees is not covered.

(b) False Pretense

Voluntary parting with any business personal property in transit 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.

(c) Other Types of Loss

- (i) Wear and tear;
- (ii) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (iii) Mechanical breakdown.

But, this exclusion (iii) does not apply to an "Accident" to "Covered Equipment", or to "Hardware", "Software", "Media" or data;

But if an excluded cause of loss that is listed in (c)(i) through (c)(iii) results in a "Specified Cause of Loss", or an "Accident" to "Covered Equipment", we will pay for the loss or damage caused by that "Specified Cause of Loss", or an "Accident" to "Covered Equipment".

(d) Mistakes

Errors in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

However, this exclusion does not apply to:

- (i) Any ensuing loss or damage by a Covered Cause of Loss; or
- (ii) "Accounts Receivable", "Valuable Information Property" or "Fine Arts".

(e) Errors in System Programming

Errors in system programming or errors in instructions to a machine.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(f) Breakage and Leakage

Breakage, leakage, chipping, denting or bending, or by being spotted, discolored, rusted, frosted or steamed unless caused by fire, lightning, windstorm, hail, explosion or collision, riot and/or civil commotion, derailment or overturning of vehicle while on land or collision or crashing of aircraft while in flight, or by ferry, transfer or lighter being stranded, sunk or in collision while waterborne.

(g) Willful Acts

Any willful act intended to cause a loss committed by you or anyone else at your direction.

- (3) We will not pay for:
- (a) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (i) 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
 - (ii) 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".
 - (b) Any other consequential loss.

(4) **"Accounts Receivable" and "Valuable Information Property" Exclusions**

The following additional exclusions apply to "Accounts Receivable" and "Valuable Information Property" :

- (a) We will not pay for loss or damage caused by or arising from:
 - (i) Electrical or magnetic injury, disturbance or erasure of electronic recordings;
 - (ii) Programming errors or faulty machine instructions;
 - (iii) Faulty installation or maintenance of data processing equipment or component parts;
 - (iv) An occurrence that took place more than 1000 feet from your premises; or
 - (v) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 1000 feet from your premises.

But we will pay for direct loss or damage caused by lightning.

- (b) We will not pay for loss or damage caused by or resulting from any of the following:
 - (i) **Weather Conditions**
Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph **2.b.(1)** above to produce the loss or damage.
 - (ii) **Acts or Decisions**
Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (iii) **Negligent Work**
Faulty, inadequate, defective, or negligent:
 - (A) Planning, zoning, development, surveying, siting;
 - (B) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (C) Materials used in repair, construction, renovation or remodeling; or
 - (D) Maintenance;of part or all of any property on or off the described premises.

But if an excluded Cause of Loss that is listed above results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- (c) Applicable to "Valuable Information Property" only:
We will not pay for loss or damage caused by or resulting from any of the following:
 - (i) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
 - (ii) Wear and tear, gradual deterioration or latent defect.

(d) Applicable To "Accounts Receivable" only:

We will not pay for:

- (i) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of "Accounts Receivable" done to conceal the wrongful giving, taking or withholding of "Money", "Securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (ii) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (iii) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

(5) **"Fine Arts" Exclusion**

The following additional exclusion applies to "Fine Arts":

We will not pay for loss or damage caused by repair, restitution, or retouching.

(6) **"Installation Tools and Equipment Property" Exclusions**

The following additional exclusions apply to "Installation Tools and Equipment Property":

We will not pay for loss or damage arising out of:

(a) **Overloading**

The weight of a load exceeding the manufacturer's rated lifting capacity of the machine under the operating conditions at the time of loss.

(b) **Testing**

Testing, but we will pay for direct loss caused by resulting fire or explosion.

(c) **Replacement of Defective Materials**

The cost to make good or replace faulty or defective materials or workmanship.

(d) **Faulty Design**

A fault, defect, deficiency, error or omission in a plan, blueprint, design or specification.

(e) **Mysterious Disappearance**

Unexplained disappearance or shortage found upon taking inventory.

(f) **Artificially Generated Electrical Current**

Artificially generated current creating a short circuit or other electrical disturbance with an item of covered property.

(g) **Pollutants**

We will not pay for loss or damage caused by or resulting from the 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".

3. "Outdoor Property" Causes of Loss

Unless otherwise shown in the Declarations, "Outdoor Property" Causes of Loss apply only to "Outdoor Property".

Under your Business Income and Extra Expense Coverages, "Outdoor Property" Causes of Loss apply only where the damaged or lost property is "Outdoor Property" or other property to which "Outdoor Property" Causes of Loss apply in the Declarations.

Under your Loss Expense and Protection Coverages "Outdoor Property" Causes of Loss apply only where the damaged or lost property is "Outdoor Property" or other property to which "Outdoor Property" Causes of Loss apply in the Declarations.

Under Pollutant Clean Up and Debris Removal Coverages, "Outdoor Property" Causes of Loss apply only where the damaged or lost property is "Outdoor Property" or other property to which "Outdoor Property" Causes of Loss apply in the Declarations.

Under "Outdoor Property" Causes of Loss, we will pay for direct physical loss of or damage to property caused by or resulting from:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or Civil Commotion; or
- e. Aircraft.

C. PROPERTY VALUATION AND LOSS PAYMENT

1. In the event of loss or damage covered by this policy, at our option we will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property plus any reduction in the value of that property due to the repairs;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild or replace the property with other property of like kind and quality.

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

2. We will not pay you more than your financial interest in the Covered Property.
3. We will not pay more than the least of the following amounts:
 - a. The Limit of Insurance under this policy that applies to the loss;
 - b. The value of the lost or damaged property; or
 - c. The amount that you actually spend that is necessary to repair or replace the lost or damaged property at:

(1) The same location; or

(2) Another location;

for the same use and occupancy. This item c. does not apply to losses subject to the Transit Limit of Insurance or the Other Location Limit of Insurance.

4. We will determine the value of your property based on one of the following methods:

a. Replacement Cost

(1) Replacement Cost means the cost to repair, rebuild, or replace the lost or damaged property with other property:

(a) Of comparable material and quality;

(b) Used for the same purpose; and

(c) Without a deduction for depreciation.

(2) The following types of property will be adjusted based on their replacement cost:

(a) Buildings and structures, unless more specifically addressed on the Declarations or below;

(b) Business personal property, unless more specifically addressed on the Declarations or below.

(3) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. You may make a claim on an actual cash value basis for loss or damage covered by this insurance 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 on a replacement cost basis if:

(a) The lost or damaged property is actually repaired or replaced; and

(b) You notify us to do so within 180 days after the date of loss or damage or some other reasonable period on which we agree in writing.

(4) Replacement cost valuation of your Business Personal Property includes the cost of:

(a) Replacing labels, capsules, wrappers or containers from the damaged business personal property; or

(b) Identifying and reconditioning damaged business personal property.

- (5) In the event of damage to "Stock" you have two options when:
- (a) You do not want to sell your damaged "Stock" under your brand or label; or
 - (b) The owner of any damaged "Stock" in your care, custody or control does not want to sell that damaged "Stock" under the owner's brand or label even though the damaged stock has salvage value.

You may:

- (a) Remove the brand or label and then relabel the damaged "Stock" to comply with the law; or
- (b) Label the damaged "Stock" as SALVAGE, but, in doing so, cause no further damage to the "Stock".

In either case, the business personal property valuation will include the difference between:

- (a) The salvage value of the damaged "Stock" with the brand or label attached; and
- (b) The salvage of the damaged "Stock" with the brand or label removed.

- (6) Replacement Cost of "Stock" you have sold but not delivered means the selling price less discounts and expenses you otherwise would have had.
- (7) Replacement Cost of your "Stock" will include the reduction in value of the "Stock" due to consequential damage. Consequential damage means a part or parts of your product that are physically lost or damaged by a Covered Cause of Loss causing the part or parts that are not damaged to be unmarketable as a complete product.
- (8) Replacement Cost of a building or structure includes the necessary cost to tear out and replace any part of the building or structure to repair damage to a system or appliance caused by a covered loss in which water or other liquid, powder or molten material escapes.

Replacement Cost does not include the cost to repair any defect that caused the loss or damage, 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.

- (9) In case of loss to any pair or set we may:
- (a) Repair or replace any part to restore the pair or set to its value before the loss; or
 - (b) Pay the difference between the value of the pair or set before and after the loss.

b. Functional Replacement Cost

- (1) Functional replacement cost means the cost to repair or replace property with available property that most closely duplicates the function of the damaged or replaced property at time of loss. The replacement property may perform additional functions if it is the available property that most closely duplicates the function of the damaged or replaced property.
- (2) Unless a different valuation basis is shown in the Declarations, the following property will be adjusted based on its functional replacement cost:
- (a) Buildings and structures, but only if the building or structure is identified as having functional replacement cost apply in the Declarations;
 - (b) "Hardware", "Software", "Media" and data;
 - (c) "Scientific and Professional Equipment"; and
 - (d) Other Business Personal Property, but only if that business personal property is identified as having Functional Replacement Cost apply in the Declarations.

c. Stated Value

- (1) Stated Value means that in a total loss we will pay the amount stated in the Declarations for the lost or damaged property.
- (2) For property to be covered on a stated value basis it must be specifically identified in the Declarations as having Stated Value apply. The Declarations must indicate Stated Value individually for each item.
- (3) If we determine that there has been a partial loss to property covered on a stated value basis, we will pay no more than the proportion that the value of the damaged part bears to the Stated Value in the Declarations.

d. Valuable Information Research and Replacement

- (1) Valuable Information Research and Replacement means we will pay based on the cost at time of loss of blank materials for reproducing the records plus the actual amount spent for labor and other expenses to research, transcribe or copy the records.
- (2) Valuable Information Research and Replacement applies to "Valuable Information Property" that are actually replaced or restored.

e. "Accounts Receivable"

- (1) If you cannot accurately establish the amount of "Accounts Receivable" outstanding as of the time of loss or damage:
 - (a) We will determine the total of the average monthly amounts of "Accounts Receivable" for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) We will adjust that total for any normal fluctuations in the amount of "Accounts Receivable" for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of "Accounts Receivable," however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

f. Glass

We will pay for all interior and exterior building glass based on the cost of replacement with like kind and quality. We will pay the cost of replacement with safety glazing material if safety glazing is required by law.

g. Actual Cash Value

- (1) Actual cash value means replacement cost, as defined in a. above, minus depreciation.
- (2) We will value the following property on an actual cash value basis:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Manuscripts;
 - (c) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;
 - (d) Any property that otherwise would be valued on a replacement cost basis, but for which repairs or replacements are not made as soon as reasonably possible; and
 - (e) Any other property specifically identified in the Declarations as having actual cash value apply.

h. Tenants' Improvements and Betterments

Unless another valuation method is shown in the Declarations, we will value Tenants' Improvements and Betterments as follows:

- (1) Replacement cost 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.

i. "Money"

"Money" will be valued based on:

- (1) The face value of United States or Canadian currency if the loss involves United States or Canadian currency; or
- (2) The United States dollar value of a foreign currency based on the free currency rate of exchange in effect on the day any loss involving foreign currency is discovered.

If the loss occurs before "Money" has been counted and recorded by you, the value of the "Money" will not exceed the amount that is reasonably estimated and satisfactory to us.

j. "Securities"

"Securities" will be valued up to and including their value at the close of business on the day the loss is discovered. We may, at our option:

- (1) Pay the value of such "Securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "Securities";
- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "Securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (a) Value of the "Securities" at the close of business on the day the loss was discovered; or
 - (b) Applicable Limit of Insurance.

k. Personal Property Sold By You Under A Conditional Sale Or Trust Agreement Or Any Installment Or Deferred Payment Plan After Delivery To Buyers

Personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers is valued based on the amount shown on your books as due from the buyer when a total loss occurs. When a partial loss occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payment coverage will be valued as follows:

- (1) If the realized value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
- (2) If the realized value of the repossessed property is less than the amount shown on the books as due from the buyer, we will pay the difference.

When a partial loss occurs and the buyer continues to pay you, there will be no loss payment.

5. Personal Property of Others

- a. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. 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.
- b. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- c. Personal property of others is valued on the same basis as your business personal property (subject to any exceptions in this Valuation and Loss Payment section). However, we will not pay more than the amount for which you are legally liable.
- d. Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

6. When We Will Pay

We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

7. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must 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.

8. Resumption of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "Operations", in whole or in part, by using damaged or undamaged property (including merchandise or "Stock") at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "Operations" to normal and discontinue such Extra Expense.

If you do not resume your "Operations", any loss determination will be based on the length of time it would have taken to resume "Operations" with reasonable speed.

D. LIMITS OF INSURANCE

The applicable Limit of Insurance is the most we will pay for loss or damage in any one occurrence. A Limit of Insurance will not be reduced by the payment of a claim. However, if an individual piece of business personal property covered under the Inland Marine Causes of Loss is scheduled with a specific limit and that item incurs a total loss, we will return the unearned premium. This section will tell you how Limits of Insurance apply to your policy.

1. Building and Business Personal Property Limits of Insurance

Unless a property or Coverage is more specifically addressed by one of the other Limits of Insurance in this section, it is subject to either a Building or Business Personal Property Limit of Insurance shown in the Declarations. If the property is a building or structure, it will be subject to the Building Limit of Insurance. If the property is personal property, it will be subject to the Business Personal Property Limit of Insurance.

The Limits of Insurance for Building or Business Personal Property will automatically increase by the annual percentage shown in the Declarations under **Automatic Increase in Limits**. At the time of loss or damage the amount of increase will be determined by multiplying the applicable Limit of Insurance shown in the Declarations by the percentage of annual increase applied on a pro rata basis.

Your Loss and Expense Protection Coverage for Preservation of Property is subject to the Business Personal Property Limit of Insurance applying to the location from which the property is moved.

2. Business Income and Extra Expense Coverage Limit of Insurance

Your Business Income and Extra Expense Coverage Limit of Insurance applies to all coverage under Coverage **A.3. Business Income and Extra Expense Coverage**. Unless otherwise stated in the Declarations, your Business Income and Extra Expense Coverage Limit of Insurance is the Actual Loss Sustained in 12 Months. This means we will pay your actual loss sustained, as defined in the Coverage, for a period of 12 months from the date of loss.

However, your Business Income and Extra Expense Coverage Limit of Insurance may be amended as follows:

A separate dollar Limit of Insurance may be shown in the Declarations for any of the following Business Income and Extra Expense Coverages:

- a. Business Income;
- b. Extra Expense;
- c. Business Income Off Premises Power or Communication Failure; or
- d. Contingent Business Premises.

A separate dollar Limit of Insurance may be shown in the Declarations for Business Income or Extra Expense loss arising out of loss or damage to any of the following types of property:

- a. "Stock" in transit; or
- b. "Stock" at any other location.

If a dollar Limit of Insurance appears in the Declarations for any one of these Coverages, that dollar limit applies instead of the 12 Month Actual Loss Sustained limitation. Any Coverage listed in (a) through (d) above, or any combination thereof, may be deleted and will not apply if so indicated in the Declarations.

3. Transit Limit of Insurance

- a. Your Transit Limit of Insurance applies to any covered Business Personal Property while it is in transit within the policy coverage territory. However, the Transit Limit of Insurance will not apply to any Business Personal Property located within 1000 feet of a scheduled premises.
- b. This Transit Limit of Insurance does not apply to losses covered under Part **A.4. Crime Coverage**.
- c. If this Transit Limit of Insurance applies to Business Personal Property which is also subject to the:
 - (1) Bucket Limit of Insurance;
 - (2) Newly Acquired Limit of Insurance;
 - (3) California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance;
 - (4) Pollutant Clean Up Limit of Insurance;
 - (5) Debris Removal Limit of Insurance;
 - (6) Ordinance or Law Limit of Insurance; or
 - (7) Special Theft Limit of Insurance;only the smallest of the two or more applicable limits will apply in a single occurrence. If the limits are equal, only one of the limits will be available to a single occurrence.
- d. Unless otherwise stated in the Declarations, your Transit Limit of Insurance is \$100,000 per occurrence.

4. Other Location Limit of Insurance

- a. Your Other Location Limit of Insurance applies to any covered Business Personal Property while it is at a location not listed in the Declarations while within the policy coverage territory. However, the Other Location Limit of Insurance will not apply to any Business Personal Property located within 1000 feet of a scheduled premises.
- b. This Other Location Limit of Insurance does not apply to losses covered under Part **A.4. Crime Coverage**.
- c. If this Other Location Limit of Insurance applies to Business Personal Property which is also subject to the:
 - (1) Bucket Limit of Insurance;
 - (2) Newly Acquired Limit of Insurance;
 - (3) California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance;
 - (4) Pollutant Clean Up Limit of Insurance;
 - (5) Debris Removal Limit of Insurance;
 - (6) Ordinance or Law Limit of Insurance; or
 - (7) Special Theft Limit of Insurance;only the smallest of the two or more applicable limits will apply to a single occurrence. If the limits are equal, only one of the limits will be available to a single occurrence.
- d. Unless otherwise stated in the Declarations, your Other Location Limit of Insurance is \$100,000 per occurrence.

5. Crime and ERISA Employee Dishonesty Limits of Insurance

- a. Your Crime Limit of Insurance applies to all losses covered under part **A.4. Crime Coverage** except **ERISA Employee Dishonesty**. However, any payments for legal expenses under your Forgery and Alteration Coverage are in addition to your Crime Limit of Insurance.
- b. Your **ERISA Employee Dishonesty** Limit of Insurance applies to all losses under that Coverage.
- c. As respects to your Crime Coverages, all loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- d. A separate dollar Limit of Insurance may be shown in the Declarations for any of the following Crime Coverages or combination thereof:
 - (1) "Money" and "Securities";
 - (2) Employee Dishonesty;
 - (3) Money Orders and Counterfeit Paper Currency; or
 - (4) Forgery and Alteration.

Any separate dollar Limit of Insurance established is the most we will pay for any one occurrence, and the Crime Limit of Insurance shall not apply to such Coverage(s).

Unless otherwise shown in the Declarations, your Crime Limit of Insurance is \$50,000 per occurrence and your ERISA Employee Dishonesty Limit of Insurance is \$50,000 per occurrence.

6. Newly Acquired or Constructed Property Limits of Insurance

- a. Your Newly Acquired Building or Constructed Property Limit of Insurance applies to:
 - (1) Your new buildings while being built; and
 - (2) Buildings you acquire.
- b. Your Business Personal Property Newly Acquired or Constructed Limit of Insurance applies to Business Personal Property at any location you acquire other than at fairs or exhibitions.
- c. Insurance for newly acquired or constructed buildings or newly acquired business personal property will end when any of the following occur:
 - (1) This policy expires;
 - (2) 180 days after you acquire or begin to construct the property; or
 - (3) You report the values of the property to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

- d. Unless otherwise shown in the Declarations, Newly Acquired or Constructed Property Limits of Insurance are:
 - (1) \$1,000,000 for Newly Acquired Buildings or Constructed Property; and
 - (2) \$1,000,000 for Business Personal Property Newly Acquired or Constructed Property.

7. Pollutant Clean Up Limit of Insurance

- a. Your Pollutant Clean Up Limit of Insurance applies to your Pollutant Clean Up and Removal Coverage. This is the most we will pay for any expenses arising during any twelve month period.
- b. Unless otherwise shown in the Declarations, your Pollutant Clean Up Limit of Insurance is \$100,000 per location.

8. Debris Removal Limit of Insurance

- a. Your Debris Removal Limit of Insurance applies to your Debris Removal Coverage, providing an excess Limit of Insurance.
- b. The most we will pay for debris removal is the lesser of:
 - (1) 25% of the covered direct physical loss or damage; or
 - (2) The remaining applicable Limit of Insurance for Building or Business Personal Property shown in the Declarations after payment of the covered direct physical loss or damage.
- c. If the amount in b. above is insufficient to pay the debris removal, we will pay the remaining debris removal. However, this additional amount we pay is subject to the Debris Removal Limit of Insurance.
- d. We will also pay up to \$1,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.
- e. Unless otherwise shown in the Declarations, your Debris Removal Limit of Insurance is \$250,000 per location.

9. Building Ordinance Limit of Insurance

- a. Your Building Ordinance Limit of Insurance applies per occurrence to losses under your Building Ordinance Coverage.
- b. Unless otherwise shown in the Declarations, your Building Ordinance Limit of Insurance is \$500,000.

10. Special Theft Limits of Insurance

- a. Your Special Theft Limits of Insurance apply to loss or damage arising out of theft or attempted theft of the following types of property:
 - (1) Furs, fur garments and garments trimmed with fur;
 - (2) Jewelry, watches (with a per item value greater than \$100), watch movements, jewels, pearls, precious and semi-precious stones, bullion;
 - (3) Gold, silver, platinum and other precious alloys or metals; or
 - (4) Stamps, tickets and letters of credit.
- b. Unless otherwise shown in the Declarations, your Special Theft Limits of Insurance are:
 - (1) \$10,000 for furs, fur garments and garments trimmed with fur;
 - (2) \$10,000 for jewelry, watches (with a per item value greater than \$100), watch movements, jewels, pearls, precious and semi-precious stones, bullion;
 - (3) \$25,000 for gold, silver, platinum and other precious alloys or metals; and
 - (4) \$ 1,000 for stamps, tickets and letters of credit.

The Limits of Insurance apply per occurrence.

11. Equipment Breakdown Additional Coverages Limit of Insurance

- a. Your Equipment Breakdown Additional Coverages Limit of Insurance applies per "Accident" to the following Coverages:
 - (1) Expediting Expense
 - (2) Hazardous Substances Coverage;
 - (3) Perishable Goods Coverage;
 - (4) CFC Refrigerants Coverage.
- b. Unless otherwise shown in the Declarations, your Limit of Insurance is \$25,000.

12. Claims Expenses Limit of Insurance

- a. Your Claims Expense Limit of Insurance applies per occurrence to losses under your Claims Expenses Coverage.
- b. Unless otherwise shown in the Declarations, your Claims Expense Limit of Insurance is \$50,000.

13. Reward Limit of Insurance

- a. Your Reward Coverage Limit of Insurance applies per occurrence to losses under your Reward Coverage.
- b. Unless otherwise shown in the Declarations, your Reward Coverage Limit of Insurance is \$25,000.

14. Contractual Penalties Limit of Insurance

- a. Your Contractual Penalties Limit of Insurance applies per occurrence to losses under your Contractual Penalties Coverage.
- b. Unless otherwise shown in the Declarations, your Contractual Penalties Limit of Insurance is \$25,000.

15. Specific Limits of Insurance

In addition to the Limits of Insurance identified in items 1. through 14., specific Limits of Insurance may be shown in the Declarations for any policy Coverage, or for any type of property covered under your Building or Business Personal Property Coverages. If a Specific Limit of Insurance applies, no other Limit of Insurance will apply to that property or Coverage, except as noted in the Bucket Limit of Insurance below.

16. Bucket Limit of Insurance

- a. Your Bucket Limit of Insurance applies to covered loss or damage to the following types of property, or Coverages:
 - (1) Personal Effects;
 - (2) "Valuable Information Property";
 - (3) "Accounts Receivable";
 - (4) "Outdoor Property";
 - (5) "Fine Arts";
 - (6) "Hardware", "Software", "Media" and data;
 - (7) Fire Extinguisher and Automatic Extinguishing System Recharge;
 - (8) Fire Department Service Charge;
 - (9) Personal Property Sold By You Under a Conditional Sale or Trust Agreement, or any Installment or Deferred Payment Plan;
 - (10) Coverage for the decreased value of "Stock" due to damage of another part or parts of "Stock"; and
 - (11) Tenants Improvements or Betterments.
- b. Your Bucket Limit of Insurance also applies per covered premises shown in the Declarations. The first Named Insured may choose which portion of the limit will apply to the property and Coverages listed above at the time of loss.
- c. If Specific Limits of Insurance are shown in the Declarations for any Coverages or property also subject to this Bucket Limit, then this Bucket Limit of Insurance will apply in excess of the Specific Limits of Insurance and any Deductible applying to them.
- d. The Bucket Limit of Insurance applies only when loss or damage occurs at a scheduled location.
- e. Unless otherwise shown in the Declarations, your Bucket Limit of Insurance is \$500,000.

17. California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance

- a. The California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance applies to all covered direct and consequential losses (including your Business Income and Extra Expense Coverages) to "Hardware", "Software", "Media" and data occurring in the State of California when covered loss arises from earth movement (other than "Sinkhole Collapse"), or volcanic eruption. **NO OTHER LIMIT WILL APPLY IN EXCESS TO THIS TYPE OF LOSS.**
- b. All earth movement or volcanic eruption occurring in the same 168-hour period will be considered the same occurrence.
- c. Unless otherwise shown in the Declarations, your California "Hardware", "Software", "Media" and Data Earthquake Limit of Insurance is \$100,000 per occurrence.

E. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance. If no other Deductible is shown in the Declarations, your Deductible is \$500.
2. Unless otherwise shown in the Declarations, no deductible applies to the following:
 - a. Business Income and Extra Expense Coverages;
 - b. Loss Expense and Protection Coverages; or
 - c. Loss covered under your ERISA Employee Dishonesty Coverage sustained by any Employee Welfare Benefit Plan or Employee Pension Benefit Plan subject to ERISA.

F. CONDITIONS

This Coverage Form is subject to the Common Policy Conditions and the Property Conditions.

G. DEFINITIONS

1. "Accident" means:
 - a. Direct physical loss as follows:
 - (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
 - b. However, "Accident" does not include loss caused by or arising out of:
 - (1) The breakdown of any structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) The breakdown of any insulating or refractory material;
 - (3) The breakdown of any sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (4) The breakdown of any vehicle, dragline, excavation or construction equipment;
 - (5) The breakdown of any equipment manufactured by you for sale;
 - (6) 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.
2. "Accounts Receivable" means:
 - a. All amounts due from your customers that you are unable to collect;
 - b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - d. 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 Cause of Loss to your records of "Accounts Receivable".
3. "Contingent Business Premises" means premises operated by others whom you depend on to:
 - a. Deliver materials or services to you, or to others for your account (Contributing Locations);
 - b. Accept your products or services (Recipient Locations); or
 - c. Attract customers to your business (Leader Locations).
4. "Covered Equipment", unless otherwise specified in the Schedule or Declarations, is defined as follows:
 - a. If Comprehensive Coverage is indicated in the Declarations, "Covered Equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.
 - b. If Basic Coverage is indicated in the Declarations for your Systems Breakdown Coverage, "Covered Equipment" means Covered Property that is:
 - (1) A boiler, including attached steam, condensate and feedwater piping; and
 - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

5. "Employee" , as respects to your Crime Coverages, means:
- a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service); and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you; or
 - b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "Employee" does not mean any:

- a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b. Director or trustee except while performing acts coming within the scope of the usual duties of an employee.
6. "Fine Arts" means paintings, etchings, pictures, tapestries, other bona fide works of art, of rarity, historical value, or artistic merit such as valuable rugs, statuary, marbles, bronzes, antiques, furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac.
7. "Hardware" means a network of machine components including computer systems, telephone systems and electrical panels capable of accepting data, processing it through instruction by "Software", and producing the desired results.
8. "Installation Tools and Equipment Property" consists of any of the following property:
- a. Property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed.
 - b. Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction;
 - c. Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms;
- while:
- (1) At any job site you do not own, lease or operate;
 - (2) Awaiting and during installation, or awaiting acceptance by the purchaser;
 - (3) In transit; or
 - (4) At a "Temporary Storage Location".

But this property is not "Installation Tools and Equipment Property" 90 days after the project to be performed by you for the purchaser is completed (unless we specify a different date in writing) or when one of the following first occurs:

- (1) The property is accepted by the purchaser;
- (2) Your interest in the property ceases;
- (3) You abandon the project to be performed by you for the purchaser, with no intention to complete it.

Additionally, this property is not "Installation Tools and Equipment Property" if it is any of the following:

- (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
- (2) Property stored at a permanent warehouse or storage yard that you own;
- (3) A plan, blueprint, design or specification;
- (4) Trees, grass, sod, shrubbery or plants; or
- (5) Any property sold under an installation agreement where your insurance continues.

- d. Miscellaneous tools and equipment, including their:
- (1) Accessories, whether or not attached; and
 - (2) Spare parts that are specifically designed and intended for use in the maintenance and operation of other "Installation Tools and Equipment Property";
- that you own, or that you do not own but that are in your care, custody or control.
- However, this does not include:
- (1) Aircraft, watercraft, their equipment or parts; automobiles; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use; "Money" or "Securities";
 - (2) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
 - (3) Property you have loaned, rented or leased to others;
 - (4) Property that is or will become a permanent part of any building or structure; or
 - (5) Property held for sale.
9. "Media" means all forms of electronic, magnetic and optical tapes and discs, drums, cells, paper tapes and cards, or other storage devices, including the information recorded thereon.
10. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
11. "Operations" means your business activities occurring at the described premises, including the tenantability of the described premises. If the phrase **Business Income Excluding Rental Value** appears in the Declarations, "Operations" does not include the tenantability of the described premises.
12. "Outdoor Property" means:
- a. Trees;
 - b. Lawns;
 - c. Shrubs; and
 - d. Plants;
- excluding those held for sale.
13. "Period of Restoration" means the period of time that:
- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) 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".
- The expiration date of this policy will not cut short the "Period of Restoration".
14. "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
15. "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.

16. "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "Production Machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this Coverage Part, but may appear in a Schedule, the Declarations, or an Endorsement.

17. "Rental Value" means the:
- Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you;
 - Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - Fair rental value of any portion of the described premises which is occupied by you.

"Rental Value" does not include any premises vacant at the time of loss.

18. "Scientific and Professional Equipment" means medical, engineering, veterinary, measurement, recording, analyzing, or similar equipment or their components. "Scientific and Professional Equipment" does not include "Hardware", "Software" "Media" or data.

19. "Securities" means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes:

- Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "Money".

20. "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:

- The cost of filling sinkholes; or
- Sinking or collapse of land into man-made underground cavities.

21. "Software" means a series of instructions in a machine readable format enabling a computer to perform a particular task.

22. "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"; sonic boom and elevator collision.

23. "Stock" means:

- Merchandise held in storage or for sale;
 - Raw materials; or
 - In process or finished goods;
- including supplies used in their packing or shipping.

24. "Valuable Information Property" consists of properly stored, inscribed, printed, recorded or built:

- Information;
- Prototypes, meaning the first or original model of a new type of design scheduled as such in the Declarations, and
- Research and Development Documents meaning documents, plans and records which are directly associated with your research and development, are scheduled as such in the Declarations

but does not include "Stock", "Fine Arts", "Money", "Securities", or "Hardware".

"Valuable Information Property" is considered properly stored when it is kept in the receptacles (if any) scheduled in the Declarations whenever you are not open for business or are not actually using the items.

25. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

PROPERTY CONDITIONS

The Special Property Coverage Form and Special Property Plus Coverage Form are subject to the Common Policy Conditions, and the following Conditions. The breach of any condition of this Coverage Form 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.

A. CONTROL OF PROPERTY

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

B. MORTGAGEHOLDERS

1. The term mortgageholder includes trustee.
2. 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.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. 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:
 - a. Pays any premium due under this policy at our request if you have failed to do so;
 - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

5. 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 policy:
 - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. 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.

6. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - a. 15 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 45 days before the effective date of cancellation if we cancel for any other reason.
7. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 15 days before the expiration date of this policy.

C. POLICY PERIOD, COVERAGE TERRITORY

Under the Property Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory or, with respect to personal property in transit, while it is between points in the coverage territory.

2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

However, for

- a. Personal property which is not in transit, but is located at a premises not stated in the Declarations; or
- b. Loss of Business Income arising out of Contributing Locations and Recipient Locations covered under your Contingent Business Premises Coverage

the coverage territory is worldwide.

3. With respect to losses under your Crime Coverages:
 - a. We will pay only for covered loss discovered no later than one year from the end of the policy period.
 - b. If any or all your Crime Coverages are cancelled or terminated as to any insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.

D. SUSPENSION

When any "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the "covered equipment" is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

E. ABANDONMENT

There can be no abandonment of any property to us.

F. APPRAISAL

If we and you disagree on 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 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:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

G. PRIVILEGE TO ADJUST WITH OWNER

In the event of loss involving property of others in your care, custody or control, we have the right to:

1. Settle the loss with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

H. NO BENEFIT TO BAILEE

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

I. 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:
 - a. The date on which the direct physical loss or damage occurred, unless **b.**, or **c.** below apply; or
 - b. The date you discover the loss, if the loss is covered by the Inland Marine Causes of Loss or your **Crime Coverages**; and
 - c. Until 90 days after you have filed proof of loss with us, if the loss is covered by your **Crime Coverages**.

J. DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. You must see that the following are done in the event of loss covered under this Coverage Part:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage, including a description of the property covered.
 - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - d. 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 unless such loss or damage is covered under your Loss Expense and Prevention Coverage for Preservation of Property. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - e. At our request, give us complete inventories of the damage and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
 - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 90 days after our request. If the loss is covered under your **Crime Coverages** you must do this within 120 days of the discovery of the loss. We will supply you with the necessary forms.
 - h. Cooperate with us in the investigation or settlement of the claim.
 - i. Resume all or part of your "operations" as quickly as possible.
 - j. Make no statement that will assume any obligation or admit any liability for any loss for which we may be liable without our consent.
2. 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 an event of an examination, an insured's answers must be signed.

K. CRIME JOINT INSURED:

As respects to your Crime Coverages:

1. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
2. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
3. An "employee" of any Insured is considered to be an "employee" of every Insured.
4. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

L. CRIME LOSS SUSTAINED DURING PRIOR INSURANCE

As respects to your Crime Coverages:

1. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - a. This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - b. The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
2. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
 - a. This insurance as of its effective date; or
 - b. The prior insurance had it remained in effect.

M. CRIME LOSS COVERED UNDER THIS INSURANCE AND PRIOR INSURANCE ISSUED BY US OR ANY AFFILIATE

As respects to your Crime Coverages, if any loss is covered:

1. Partly by this insurance; and
2. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

N. NON-CUMULATION OF LIMIT OF INSURANCE

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

O. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance provided under this Coverage Part. If you do, unless 2. below applies 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 you have either:
 - a. Other insurance covering the same loss or damage, but subject to different plan, terms, conditions and provisions as the insurance provided under this Coverage Part;
 - b. Other more specific insurance covering a loss to Business Personal Property subject to a loss covered under the Inland Marine Causes of Loss section of this Coverage Form; or
 - c. A loss is covered under your **Crime Coverages**;

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 it or not. We will not pay any amount representing the value of any deductible or similar loss sharing provision in the other insurance. We will not pay more than the applicable Limit of Insurance.

P. Transfer Of Rights Of Recovery Against Others To Us

1. If any person or organization to or for whom we make payment under this policy 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:
 - a. Prior to a loss to your Covered Property.
 - b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;

- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (c) Your tenant.

This will not restrict your insurance.

- 2. Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up. However, if a loss is covered under one of your Crime Coverages:
 - a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
 - b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

Q. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

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 which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BASEMENT WATER EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

The following exclusion is added to Section **B. CAUSES OF LOSS, 1. General Causes of Loss, b.(1)**:

Basement Water

Seepage, leakage or influx of water from any source into basements, including backing up of sewers or drains into basements. But if fire, explosion or sprinkler leakage results, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SURFACE WATER OR BACK-UP EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
SPECIAL PROPERTY PLUS COVERAGE FORM

The following exclusion is added to Section **B. CAUSES OF LOSS, 1. General Causes of Loss, b.(1)**:

Surface Water or Back-up

Seepage, leakage or influx of surface water or backing up of sewers or drains. But if fire, explosion or sprinkler leakage results, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Planet Fitness Gyms Sue Atlantic Specialty Insurance Co. Over Alleged Refusal to Pay COVID-19-Related Loss Claims](#)
