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*Applications for admission *pro hac vice* to be filed

13 Counsel for Plaintiffs and the Proposed Classes (*additional counsel appear on*
14 *signature page*)

15 UNITED STATES DISTRICT COURT
16 SOUTHERN DISTRICT OF CALIFORNIA

17 **UNMASKED MANAGEMENT,**
18 **INC., LUCHA LIBRE**
19 **GOURMET TACO SHOP #1**
20 **LP, LUCHA LIBRE**
21 **GOURMET TACO SHOP #2**
22 **LP, LUCHA LIBRE**
23 **GOURMET TACO SHOP #3**
24 **LP, individually and on behalf of**
25 **all others similarly situated,**

24 Plaintiffs,

25 v.

26 **CENTURY-NATIONAL**
27 **INSURANCE COMPANY,**

28 Defendant.

Case No. '20CV1129 H MDD

CLASS ACTION COMPLAINT
FOR:

- (1) BREACH OF CONTRACT; and
- (2) DECLARATORY JUDGMENT

DEMAND FOR JURY TRIAL

1 Plaintiffs Unmasked Management, Inc., Lucha Libre Gourmet Taco Shop #1
2 LP, Lucha Libre Gourmet Taco Shop #2 LP, and Lucha Libre Gourmet Taco Shop
3 #3 LP (collectively “Lucha Libre Plaintiffs” and “Plaintiffs”)¹, individually and on
4 behalf of the other members of the below-defined nationwide classes (collectively,
5 the “Class”), bring this class action against Defendant Century-National Insurance
6 Company (“Century-National”), and in support thereof state the following:

7 **I. NATURE OF THE ACTION**

8 1. Lucha Libre Plaintiffs own and operate Lucha Libre Gourmet Taco
9 Shops, located in San Diego and Carlsbad, California. Their existence, however, is
10 now threatened by COVID-19 (a.k.a. the “coronavirus” or “SARS-CoV-2”).

11 2. To protect their businesses in the event that they suddenly had to
12 suspend operations for reasons outside of their control, or if they had to act in order
13 to prevent further property damage, Plaintiffs purchased insurance coverage from
14 Century-National, including special property coverage, as set forth in Century-
15 National’s Businessowner’s Business Income (and Extra Expense) Coverage Form
16 (Form CP 00 30 04 02) (“Special Property Coverage Form”).

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20 ¹ Plaintiff and Named Insured Unmasked Management Inc. is the manager and
21 managing agent for Plaintiff Lucha Libre Gourmet Taco Shop #1 LP, Plaintiff Lucha
22 Libre Gourmet Taco Shop #2 LP, and Plaintiff Lucha Libre Gourmet Taco Shop #3
23 LP. Plaintiff Lucha Libre Gourmet Taco Shop #1 LP, Plaintiff Lucha Libre Gourmet
24 Taco Shop #2 LP, and Plaintiff Lucha Libre Gourmet Taco Shop #3 LP are the same
25 as the Named Insured’s D/B/A and are listed as insured premises on the subject
26 policy’s declarations. Plaintiff Unmasked Management Inc. has standing to bring
27 this claim against Century National on behalf of all of these Plaintiff Lucha Libre
28 Companies. Moreover, Century-National had notice of these other insured Lucha
Libre companies as evidenced by the inclusion of the D/B/A and insured premises
on the subject policy’s declarations. This was further clarified by their addition as
named insureds in an amendatory endorsement to the Policy, with an effective date
of May 26, 2020, during the subject policy period, which is attached as Exhibit B.

1 3. Century-National’s Special Property Coverage Form provides
2 “Business Income” coverage, which promises to pay for loss due to the necessary
3 suspension of operations following loss to property.

4 4. Century-National’s Special Property Coverage Form also provides
5 “Civil Authority” coverage, which promises to pay for loss caused by the action of
6 a civil authority that prohibits access to the insured premises.

7 5. Century-National’s Special Property Coverage Form also provides
8 “Extra Expense” coverage, which promises to pay the expense incurred to minimize
9 the suspension of business and to continue operations.

10 6. Century-National’s Special Property Coverage Form, under a section
11 entitled “Duties in the Event of Loss” mandates that Century-National’s insured
12 “must see that the following are done in the event of loss. . . [t]ake all reasonable
13 steps to protect the Covered Property from further damage and keep a record of your
14 expenses necessary to protect the Covered Property, for consideration in the
15 settlement of the claim.” This is commonly referred to as “Sue and Labor” coverage.

16 7. Unlike many policies that provide Business Income coverage (also
17 referred to as “business interruption” coverage), Century-National’s Special
18 Property Coverage Form does not include, and is not subject to, any exclusion for
19 losses caused by the spread of viruses or communicable diseases.

20 8. Plaintiffs were forced to suspend or reduce business at their restaurants
21 due to COVID-19 and the resultant closure orders issued by civil authorities in
22 California.

23 9. Upon information and belief, Century-National has, on a widescale and
24 uniform basis, refused to pay its insureds under its Business Income, Civil Authority,
25 Extra Expense, and Sue and Labor coverages for losses suffered due to COVID-19,
26 any orders by civil authorities that have required the necessary suspension of
27 business, and any efforts to prevent further property damage or to minimize the
28 suspension of business and continue operations.

1 **II. JURISDICTION AND VENUE**

2 10. This Court has jurisdiction over this action pursuant to 28 U.S.C. §
3 1332, because Defendant and at least one member of the Class are citizens of
4 different states and because: (a) the Class consists of at least 100 members; (b) the
5 amount in controversy exceeds \$5,000,000 exclusive of interest and costs; and (c)
6 no relevant exceptions apply to this claim.

7 11. Venue is proper in this District under 28 U.S.C. § 1391, because Lucha
8 Libre Plaintiffs reside in this District and a substantial portion of the acts and conduct
9 giving rise to the claims occurred within the District.

10 **III. THE PARTIES**

11 ***Plaintiff***

12 12. Lucha Libre Plaintiffs comprise several California corporations and
13 limited partnerships under common ownership, with their principal place of business
14 in San Diego, California. Plaintiffs own and operate Lucha Libre Gourmet Taco
15 Shops in San Diego and Carlsbad, California.

16 ***Defendant***

17 13. Defendant Century-National is an insurance company organized under
18 the laws of the State of California, with its principal place of business in Van Nuys,
19 California. It is authorized to write, sell, and issue insurance policies providing
20 property and business income coverage in California. At all times material hereto,
21 Century-National conducted and transacted business through the selling and issuing
22 of insurance policies within California, including, but not limited to, selling and
23 issuing property coverage to Plaintiffs.

24 **IV. FACTUAL BACKGROUND**

25 **A. *The Special Property Coverage Form***

26 14. In return for the payment of a premium, Century-National issued Policy
27 No. 77A4001353-03 to Plaintiffs for a policy period of July 14, 2019 to July 14,
28 2020, including a Businessowners Special Property Coverage Form. Policy No.

1 77A4001353-03 is attached hereto as Exhibit A. Plaintiffs have performed all of
2 their obligations under Policy No. 77A4001353-03, including the payment of
3 premiums. The Covered Properties, with respect to the Special Property Coverage
4 Form, are the Lucha Libre Gourmet Taco Shops at 1810 West Washington Street,
5 San Diego, California 92103; 3016 University Avenue, San Diego, California
6 92104; and 2525 El Camino Real, Suite 218-C, Carlsbad, California 92008.

7 15. In many parts of the world, property insurance is sold on a specific peril
8 basis. Such policies cover a risk of loss if that risk of loss is specifically listed (e.g.,
9 hurricane, earthquake, H1N1, etc.). Most property policies sold in the United States,
10 however, including those sold by Century-National, are all-risk property damage
11 policies. These types of policies cover all risks of loss except for risks that are
12 expressly and specifically excluded. Through its policy's Causes of Loss Form and
13 Special Property Coverage Form, Century-National agreed to pay for the risks of
14 direct physical loss to Covered Property unless the loss was excluded or limited by
15 the policy.

16 16. In the policy, Century-National did not exclude or limit the Business
17 Income, Civil Authority, Extra Expense, and Sue & Labor coverages for losses due
18 to virus. While the policy contains an exclusion for losses caused by "Fungus, Wet
19 Rot, Dry Rot, and Bacteria," it does not include exclude losses caused by virus.

20 17. Losses due to COVID-19 are a Covered Cause of Loss under Century-
21 National policies with the Special Property Coverage Form.

22 18. In the Special Property Coverage Form, Century-National agreed to pay
23 for its insureds' actual loss of Business Income sustained due to the necessary
24 suspension of its operations during the "period of restoration" caused by direct
25 physical loss or damage. A "slowdown or cessation" of business activities at the
26 Covered Property is a "suspension" under the policy, for which Century-National
27 agreed to pay for loss of Business Income during the "period of restoration" that
28 begins within 72 hours after the time of direct physical loss or damage.

1 19. “Business Income” means net income (or loss) before tax that Plaintiffs
2 and the other Class members would have earned “if no physical loss or damage had
3 occurred” as well as continuing normal operating expenses incurred.

4 20. The presence of virus or disease can constitute physical damage to
5 property, as the insurance industry has recognized since at least 2006. When
6 preparing so-called “virus” exclusions to be placed in some policies, but not others,
7 the insurance industry drafting arm, ISO, circulated a statement to state insurance
8 regulators that included the following:

9 Disease-causing agents may render a product impure
10 (change its quality or substance), or enable the spread of
11 disease by their presence on interior building surfaces or
12 the surfaces of personal property. When disease-causing
13 viral or bacterial contamination occurs, potential claims
14 involve the cost of replacement of property (for example,
15 the milk), cost of decontamination (for example, interior
16 building surfaces), and business interruption (time
17 element) losses. Although building and personal property
18 could arguably become contaminated (often temporarily)
19 by such viruses and bacteria, the nature of the property
20 itself would have a bearing on whether there is actual
21 property damage. An allegation of property damage may
22 be a point of disagreement in a particular case.

23 21. In the Special Property Coverage Form, Century-National also agreed
24 to pay necessary Extra Expense that its insureds incur during the “period of
25 restoration” that the insureds would not have incurred if there had been no direct
26 physical loss or damage to the Covered Property.

27 22. “Extra Expense” includes expenses to avoid or minimize the
28 suspension of business, continue operations, and to repair or replace property.

 23. Century-National also agreed to “pay for the actual loss of Business
Income” that Plaintiffs sustain “and any Extra Expense caused by action of civil
authority that prohibits access to” the Covered Property when a Covered Cause of
Loss causes damage to property near the Covered Property, the civil authority
prohibits access to property immediately surrounding the damaged property, the
Covered Property is within the prohibited area, and the civil authority action is taken

1 “in response to dangerous physical conditions.”

2 24. Century-National’s Special Property Coverage Form, under a section
3 entitled “Duties in the Event of Loss” mandates that Century-National’s insured
4 “must see that the following are done in the event of loss. . . [t]ake all reasonable
5 steps to protect the Covered Property from further damage and keep a record of your
6 expenses necessary to protect the Covered Property, for consideration in the
7 settlement of the claim.” This is commonly referred to as “Sue and Labor” coverage.

8 25. Losses caused by COVID-19 and the related orders issued by local,
9 state, and federal authorities triggered the Business Income, Extra Expense, Civil
10 Authority, and Sue and Labor provisions of the Century-National policy.

11 ***B. The Covered Cause of Loss***

12 26. The presence of COVID-19 has caused civil authorities throughout the
13 country to issue orders requiring the suspension of business at a wide range of
14 establishments, including civil authorities with jurisdiction over Plaintiffs’
15 businesses (the “Closure Orders”).

16 **1. The San Diego and California Closure Orders**

17 27. On March 4, 2020, California Governor Gavin Newsom issued
18 Executive Order N-45-20 (the “California Emergency Order”), which declared a
19 state of emergency in response to expected impacts arising from the COVID-19
20 pandemic. The California Emergency Order required citizens to heed orders and
21 guidance from the California Department of Health regarding limits on group size
22 and social distancing.

23 28. On March 16, 2020, San Diego County issued a civil authority order
24 requiring the closure of bars in San Diego County and banning dine-in eating in San
25 Diego County.

26 29. On or about March 19, 2020, California Governor Gavin Newsom
27 issued Executive Order N-33-20 (the “California Executive Order”) and “order[ed]
28 all individuals living in the State of California to stay home or at their place of

1 residence” save for those participating in economic sectors deemed “Essential
2 Critical Infrastructure.” Although restaurants and food service are deemed “Essential
3 Critical Infrastructure” under Governor Newsom’s Executive Order, Plaintiff was
4 forced to prohibit on-site dining, severely limiting the number of customers that
5 Plaintiffs could service and effectuating a disastrous evaporation of Plaintiffs’
6 business income.

7 30. The San Diego County and State of California Closure Orders were
8 issued in response to the rapid spread of COVID-19 throughout California.

9 31. Violations of the San Diego County and State of California Closure
10 Orders are punishable by fine, imprisonment, or both.

11 **2. The Impact of COVID-19 and the Closure Orders**

12 32. The presence of COVID-19 caused direct physical loss of or damage to
13 the covered property under Plaintiffs’ policy, and the policy of the other Class
14 members, by denying use of and damaging the covered property, and by causing a
15 necessary suspension of operations during a period of restoration.

16 33. The Closure Orders, including the issuance of San Diego and California
17 Closure Orders, prohibited access to Plaintiffs and the other Class members’
18 Covered Property, and the area immediately surrounding Covered Property, in
19 response to dangerous physical conditions resulting from a Covered Cause of Loss.

20 34. As a result of the presence of COVID-19 and the Closure Orders,
21 Plaintiffs and the other Class members lost Business Income and incurred Extra
22 Expense.

23 35. Plaintiffs submitted a claim for loss to Century-National under its
24 policy due to the presence of COVID-19 and the Closure Orders, and Century-
25 National denied that claim.

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V. CLASS ACTION ALLEGATIONS

36. Plaintiffs bring this action pursuant to Rules 23(a), 23(b)(1), 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal Rules of Civil Procedure, individually and on behalf of all others similarly situated.

37. The Lucha Libre Plaintiffs seek to represent nationwide classes defined as:

- All persons and entities that: (a) had Business Income coverage under a property insurance policy issued by Century-National; (b) suffered a suspension of business related to COVID-19, at the premises covered by their Century-National property insurance policy; (c) made a claim under their property insurance policy issued by Century-National; and (d) were denied Business Income coverage by Century-National for the suspension of business resulting from the presence or threat of COVID-19 (the “Business Income Breach Class”).
- All persons and entities that: (a) had Civil Authority coverage under a property insurance policy issued by Century-National; (b) suffered loss of Business Income and/or Extra Expense caused by action of a civil authority; (c) made a claim under their property insurance policy issued by Century-National; and (d) were denied Civil Authority coverage by Century-National for the loss of Business Income and/or Extra Expense caused by a Closure Order (the “Civil Authority Breach Class”).
- All persons and entities that: (a) had Extra Expense coverage under a property insurance policy issued by Century-National; (b) sought to minimize the suspension of business in connection with COVID-19 at the premises covered by their Century-National property insurance policy; (c) made a claim under their property insurance policy issued by Century-National; and (d) were denied Extra Expense coverage by Century-National despite their efforts to minimize the suspension of business caused by COVID-19 (the “Extra Expense Breach Class”).

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- All persons and entities that: (a) had a Sue and Labor provision under a property insurance policy issued by Century-National; (b) sought to prevent property damage caused by COVID-19 by suspending or reducing business operations, at the premises covered by their Century-National property insurance policy; (c) made a claim under their property insurance policy issued by Century-National; and (d) were denied Sue and Labor coverage by Century-National in connection with the suspension of business caused by COVID-19 (the “Sue and Labor Breach Class”).

38. The Lucha Libre Plaintiffs seek to represent nationwide classes defined

as:

- All persons and entities with Business Income coverage under a property insurance policy issued by Century-National that suffered a suspension of business due to COVID-19 at the premises covered by the business income coverage (the “Business Income Declaratory Judgment Class”).
- All persons and entities with Civil Authority coverage under a property insurance policy issued by Century-National that suffered loss of Business Income and/or Extra Expense caused by a Closure Order (the “Civil Authority Declaratory Judgment Class”).
- All persons and entities with Extra Expense coverage under a property insurance policy issued by Century-National that sought to minimize the suspension of business in connection with COVID-19 at the premises covered by their Century-National property insurance policy (the “Extra Expense Declaratory Judgment Class”).
- All persons and entities with a Sue and Labor provision under a property insurance policy issued by Century-National that sought to prevent property damage caused by COVID-19 by suspending or reducing business operations, at the premises covered by their Century-National property insurance policy (the “Sue and Labor Declaratory Judgment Class”).

1 39. Excluded from each defined Class is Defendant and any of its members,
2 affiliates, parents, subsidiaries, officers, directors, employees, successors, or assigns;
3 governmental entities; and the Court staff assigned to this case and their immediate
4 family members. Plaintiffs reserve the right to modify or amend each of the Class
5 definitions, as appropriate, during the course of this litigation.

6 40. This action has been brought and may properly be maintained on behalf
7 of each Class proposed herein under the criteria of Rule 23 of the Federal Rules of
8 Civil Procedure.

9 41. **Numerosity—Federal Rule of Civil Procedure 23(a)(1).** The
10 members of each defined Class are so numerous that individual joinder of all Class
11 members is impracticable. While Plaintiffs are informed and believe that there are
12 thousands of members of each Class, the precise number of Class members is
13 unknown to Plaintiffs but may be ascertained from Defendant’s books and records.
14 Class members may be notified of the pendency of this action by recognized, Court-
15 approved notice dissemination methods, which may include U.S. Mail, electronic
16 mail, internet postings, and/or published notice.

17 42. **Commonality and Predominance—Federal Rule of Civil**
18 **Procedure 23(a)(2) and 23(b)(3).** This action involves common questions of law
19 and fact, which predominate over any questions affecting only individual Class
20 members, including, without limitation:

- 21 a. Century-National issued all-risk policies to the members of the Class
22 in exchange for payment of premiums by the Class members;
- 23 b. whether the Class suffered a covered loss based on the common
24 policies issued to members of the Class;
- 25 c. whether Century-National wrongfully denied all claims based on
26 COVID-19;
- 27 d. whether Century-National’s Business Income coverage applies to a
28 suspension of business caused by COVID-19;

- 1 e. whether Century-National’s Civil Authority coverage applies to a loss
- 2 of Business Income caused by the orders of state governors requiring
- 3 the suspension of business as a result of COVID-19;
- 4 f. whether Century-National’s Extra Expense coverage applies to efforts
- 5 to minimize a loss caused by COVID-19;
- 6 g. whether Century-National’s Sue and Labor provision applies to
- 7 require Century-National to pay for efforts to reduce damage caused
- 8 by COVID-19;
- 9 h. whether Century-National has breached its contracts of insurance
- 10 through a blanket denial of all claims based on business interruption,
- 11 income loss or closures related to COVID-19 and the related closures;
- 12 i. whether Plaintiff and the Class are entitled to an award of reasonable
- 13 attorney fees, interest and costs.

14 43. **Typicality—Federal Rule of Civil Procedure 23(a)(3).** Plaintiffs’
15 claims are typical of the other Class members’ claims because Plaintiffs and the
16 other Class members are all similarly affected by Defendant’s refusal to pay under
17 its Business Income, Civil Authority, Extra Expense, and Sue and Labor coverages.
18 Plaintiffs’ claims are based upon the same legal theories as those of the other Class
19 members. Plaintiffs and the other Class members sustained damages as a direct and
20 proximate result of the same wrongful practices in which Defendant engaged.

21 44. **Adequacy of Representation—Federal Rule of Civil Procedure**
22 **23(a)(4).** Plaintiffs are adequate Class representatives because their interests do not
23 conflict with the interests of the other Class members who they seek to represent,
24 Plaintiffs have retained counsel competent and experienced in complex class action
25 litigation, including successfully litigating class action cases similar to this one,
26 where insurers breached contracts with insureds by failing to pay the amounts owed
27 under their policies, and Plaintiffs intend to prosecute this action vigorously. The

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1 interests of the above-defined Classes will be fairly and adequately protected by
2 Plaintiffs and their counsel.

3 **45. Inconsistent or Varying Adjudications and the Risk of**
4 **Impediments to Other Class Members’ Interests—Federal Rule of Civil**
5 **Procedure 23(b)(1).** Plaintiffs seek class-wide adjudication as to the interpretation,
6 and resultant scope, of Defendant’s Business Income, Civil Authority, Extra
7 Expense, and Sue and Labor coverages. The prosecution of separate actions by
8 individual members of the Classes would create an immediate risk of inconsistent or
9 varying adjudications that would establish incompatible standards of conduct for the
10 Defendant. Moreover, the adjudications sought by Plaintiffs could, as a practical
11 matter, substantially impair or impede the ability of other Class members, who are
12 not parties to this action, to protect their interests.

13 **46. Declaratory and Injunctive Relief—Federal Rule of Civil**
14 **Procedure 23(b)(2).** Defendant acted or refused to act on grounds generally
15 applicable to Plaintiffs and the other Class members, thereby making appropriate
16 final injunctive relief and declaratory relief, as described below, with respect to the
17 Class members.

18 **47. Superiority—Federal Rule of Civil Procedure 23(b)(3).** A class
19 action is superior to any other available means for the fair and efficient adjudication
20 of this controversy, and no unusual difficulties are likely to be encountered in the
21 management of this class action. Individualized litigation creates a potential for
22 inconsistent or contradictory judgments and increases the delay and expense to all
23 parties and the court system. By contrast, the class action device presents far fewer
24 management difficulties, and provides the benefits of single adjudication, economy
25 of scale, and comprehensive supervision by a single court.

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1 **VI. CLAIMS FOR RELIEF**

2 **COUNT I**

3 **BREACH OF CONTRACT -- BUSINESS INCOME COVERAGE**

4 **(Claim Brought on Behalf of the Business Income Breach Class)**

5 48. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
6 and reallege Paragraphs 1-47 as if fully set forth herein.

7 49. Plaintiffs bring this Count individually and on behalf of the other
8 members of the Business Income Breach Class.

9 50. Plaintiffs’ Century-National policy, as well as those of the other
10 Business Income Breach Class members, are contracts under which Century-
11 National was paid premiums in exchange for its promise to pay Plaintiffs and the
12 other Business Income Breach Class members’ losses for claims covered by the
13 policy.

14 51. In the Special Property Coverage Form, Century-National agreed to pay
15 for its insureds’ actual loss of Business Income sustained due to the necessary
16 suspension of its operations during the “period of restoration.”

17 52. A “slowdown or cessation” of business activities at the Covered
18 Property is a “suspension” under the policy, for which Century-National agreed to
19 pay for loss of Business Income during the “period of restoration” that begins within
20 72 hours after the time of direct physical loss or damage.

21 53. “Business Income” means net income (or loss) before tax that Plaintiffs
22 and the other Business Income Breach Class members would have earned “if no
23 physical loss or damage had occurred” as well as continuing normal operating
24 expenses incurred.

25 54. COVID-19 caused direct physical loss and damage to Plaintiffs’ and
26 the other Business Income Breach Class members’ Covered Properties, requiring
27 suspension of operations at the Covered Properties. Losses caused by COVID-19

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1 thus triggered the Business Income provision of Plaintiffs’ and the other Business
2 Income Breach Class members’ Century-National policies.

3 55. Plaintiffs and the other Business Income Breach Class members have
4 complied with all applicable provisions of their policies and/or those provisions have
5 been waived by Century-National or Century-National is estopped from asserting
6 them, and yet Century-National has abrogated its insurance coverage obligations
7 pursuant to the policies’ clear and unambiguous terms.

8 56. By denying coverage for any Business Income losses incurred by
9 Plaintiffs and the other Business Income Breach Class members in connection with
10 the COVID-19 pandemic, Century-National has breached its coverage obligations
11 under the policies.

12 57. As a result of Century-National’s breaches of the policies, Plaintiffs and
13 the other Business Income Breach Class members have sustained substantial
14 damages for which Century-National is liable, in an amount to be established at trial.

15 **COUNT II**
16 **BREACH OF CONTRACT – CIVIL AUTHORITY COVERAGE**

17 **(Claim Brought on Behalf of the Civil Authority Breach Class)**

18 58. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
19 and reallege Paragraphs 1-47 as if fully set forth herein.

20 59. Plaintiffs brings this Count individually and on behalf of the other
21 members of the Civil Authority Breach Class.

22 60. Plaintiffs’ Century-National insurance policy, as well as those of the
23 other Civil Authority Breach Class members, are contracts under which Century-
24 National was paid premiums in exchange for its promise to pay Plaintiffs’ and the
25 other Civil Authority Breach Class members’ losses for claims covered by the
26 policy.

27 61. Century-National agreed to “pay for the actual loss of Business
28 Income” that Plaintiffs sustain “and any Extra Expense caused by action of civil

1 authority that prohibits access to” the Covered Property when a Covered Cause of
2 Loss causes damage to property near the Covered Property, the civil authority
3 prohibits access to property immediately surrounding the damaged property, the
4 Covered Property is within the prohibited area, and the civil authority action is taken
5 “in response to dangerous physical conditions.”

6 62. The Closure Orders triggered the Civil Authority provision under
7 Plaintiffs’ and the other members of the Civil Authority Breach Class’s Century-
8 National insurance policies.

9 63. Plaintiffs and the other members of the Civil Authority Breach Class
10 have complied with all applicable provisions of the policies, and/or those provisions
11 have been waived by Century-National, or Century-National is estopped from
12 asserting them, and yet Century-National has abrogated its insurance coverage
13 obligations pursuant to the Policies’ clear and unambiguous terms.

14 64. By denying coverage for any business losses incurred by Plaintiffs and
15 other members of the Civil Authority Breach Class in connection with the Closure
16 Orders and the COVID-19 pandemic, Century-National has breached its coverage
17 obligations under the policies.

18 65. As a result of Century-National’s breaches of the policies, Plaintiffs and
19 the other members of the Civil Authority Breach Class have sustained substantial
20 damages for which Century-National is liable, in an amount to be established at trial.

21 **COUNT III**
22 **BREACH OF CONTRACT – EXTRA EXPENSE COVERAGE**

23 **(Claim Brought on Behalf of the Extra Expense Breach Class)**

24 66. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
25 and reallege Paragraphs 1-47 as if fully set forth herein.

26 67. Plaintiffs brings this Count individually and on behalf of the other
27 members of the Extra Expense Breach Class.

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1 68. Plaintiffs' Century-National insurance policy, as well as those of the
2 other Extra Expense Breach Class members, are contracts under which Century-
3 National insurance was paid premiums in exchange for its promise to pay Plaintiffs'
4 and the other Extra Expense Breach Class members' losses for claims covered by
5 the policy.

6 69. In the Special Property Coverage Form, Century-National also agreed
7 to pay necessary Extra Expense that its insureds incur during the "period of
8 restoration" that the insureds would not have incurred if there had been no direct
9 physical loss or damage to the Covered Property.

10 70. "Extra Expense" includes expenses to avoid or minimize the
11 suspension of business, continue operations, and to repair or replace property.

12 71. Due to COVID-19 and the Closure Orders, Plaintiffs and the other
13 members of the Extra Expense Breach Class incurred Extra Expense at Covered
14 Property.

15 72. Plaintiffs and the other members of the Extra Expense Breach Class
16 have complied with all applicable provisions of the policies and/or those provisions
17 have been waived by Century-National or Century-National is estopped from
18 asserting them, and yet Century-National has abrogated its insurance coverage
19 obligations pursuant to the policies' clear and unambiguous terms.

20 73. By denying coverage for any business losses incurred by Plaintiffs and
21 the other members of the Extra Expense Breach Class in connection with the Closure
22 Orders and the COVID-19 pandemic, Century-National has breached its coverage
23 obligations under the policies.

24 74. As a result of Century-National's breaches of the policies, Plaintiffs and
25 the other members of the Extra Expense Breach Class have sustained substantial
26 damages for which Century-National is liable, in an amount to be established at trial.

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COUNT IV
BREACH OF CONTRACT – SUE AND LABOR COVERAGE
(Claim Brought on Behalf of the Sue and Labor Breach Class)

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3 75. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
4 and reallege Paragraphs 1-47 as if fully set forth herein.

5 76. Plaintiffs brings this Count individually and on behalf of the other
6 members of the Sue and Labor Breach Class.

7 77. Plaintiffs’ Century-National policy, as well as those of the other Sue
8 and Labor Breach Class members, are contracts under which Century-National was
9 paid premiums in exchange for its promise to pay Plaintiffs and the other Sue and
10 Labor Breach Class members’ losses for claims covered by the policy.

11 78. In the Special Property Coverage Form, Century-National agreed to
12 give due consideration in settlement of a claim to expenses incurred in taking all
13 reasonable steps to protect Covered Property from further damage.

14 79. In complying with the Closure Orders and otherwise suspending or
15 limiting operations, Plaintiffs and other members of the Sue and Labor Breach Class
16 incurred expenses in connection with reasonable steps to protect Covered Property.

17 80. Plaintiffs and the other members of the Sue and Labor Breach Class
18 have complied with all applicable provisions of the policy and/or those provisions
19 have been waived by Century-National, or Century-National is estopped from
20 asserting them, and yet Century-National has abrogated its insurance coverage
21 obligations pursuant to the policies’ clear and unambiguous terms.

22 81. By denying coverage for any Sue and Labor expenses incurred by
23 Plaintiffs and the other members of the Sue and Labor Breach Class in connection
24 with the Closure Orders and the COVID-19 pandemic, Century-National has
25 breached its coverage obligations under the policies.

26 82. As a result of Century-National’s breaches of the policies, Plaintiffs and
27 the other members of the Sue and Labor Breach Class have sustained substantial
28 damages for which Century-National is liable, in an amount to be established at trial.

COUNT V

DECLARATORY JUDGMENT – BUSINESS INCOME COVERAGE

(Claim Brought on Behalf of the Business Income Declaratory Judgment Class)

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4 83. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
5 and reallege Paragraphs 1-47 as if fully set forth herein.

6 84. Plaintiffs brings this Count individually and on behalf of the other
7 members of the Business Income Declaratory Judgment Class.

8 85. Plaintiffs’ Century-National policy, as well as those of the other
9 Business Income Declaratory Judgment Class members, are contracts under which
10 Century-National was paid premiums in exchange for its promise to pay Plaintiffs’
11 and the other Business Income Declaratory Judgment Class members’ losses for
12 claims covered by the policy.

13 86. Plaintiffs and the other Business Income Declaratory Judgment Class
14 members have complied with all applicable provisions of the policies and/or those
15 provisions have been waived by Century-National, or Century-National is estopped
16 from asserting them, and yet Century-National has abrogated its insurance coverage
17 obligations pursuant to the policies’ clear and unambiguous terms and has
18 wrongfully and illegally refused to provide coverage to which Plaintiffs and the other
19 Business Income Declaratory Judgment Class members are entitled.

20 87. Century-National has denied claims related to COVID-19 on a uniform
21 and class wide basis, without individual bases or investigations, such that the Court
22 can render declaratory judgment irrespective of whether members of the Class have
23 filed a claim.

24 88. An actual case or controversy exists regarding Plaintiffs and the other
25 Business Income Declaratory Judgment Class members’ rights and Century-
26 National’s obligations under the policies to reimburse Plaintiffs for the full amount
27 of Business Income losses incurred by Plaintiffs and the other Business Income

28 ///

1 Declaratory Judgment Class members in connection with suspension of their
2 businesses stemming from the COVID-19 pandemic.

3 89. Pursuant to 28 U.S.C. § 2201, Plaintiffs and the other Business Income
4 Declaratory Judgment Class members seek a declaratory judgment from this Court
5 declaring the following:

- 6 i. Plaintiffs and the other Business Income Declaratory Judgment Class
7 members' Business Income losses incurred in connection with the
8 Closure Orders and the necessary interruption of their businesses
9 stemming from the COVID-19 pandemic are insured losses under their
10 policies; and
11 ii. Century-National is obligated to pay Plaintiffs and the other Business
12 Income Declaratory Judgment Class members for the full amount of the
13 Business Income losses incurred and to be incurred in connection with
14 the Closure Orders during the period of restoration and the necessary
15 interruption of their businesses stemming from the COVID-19
16 pandemic.

17 **COUNT VI**

18 **DECLARATORY JUDGMENT – CIVIL AUTHORITY COVERAGE**

19 **(Claim Brought on Behalf of the Civil Authority Declaratory Judgment Class)**

20 90. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
21 and reallege Paragraphs 1-47 as if fully set forth herein.

22 91. Plaintiffs bring this Count individually and on behalf of the other
23 members of the Civil Authority Declaratory Judgment Class.

24 92. Plaintiffs' Century-National insurance policy, as well as those of the
25 other Civil Authority Declaratory Judgment Class members, are contracts under
26 which Century-National was paid premiums in exchange for its promise to pay
27 Plaintiffs and the other Civil Authority Declaratory Judgment Class members' losses
28 for claims covered by the policy.

1 93. Plaintiffs and the other Civil Authority Declaratory Judgment Class
2 members have complied with all applicable provisions of the policies and/or those
3 provisions have been waived by Century-National, or Century-National is estopped
4 from asserting them, and yet Century-National has abrogated its insurance coverage
5 obligations pursuant to the policies' clear and unambiguous terms and has
6 wrongfully and illegally refused to provide coverage to which Plaintiffs and the other
7 Class members are entitled.

8 94. Century-National has denied claims related to COVID-19 on a uniform
9 and class wide basis, without individual bases or investigations, such that the Court
10 can render declaratory judgment irrespective of whether members of the Class have
11 filed a claim.

12 95. An actual case or controversy exists regarding Plaintiffs' and the other
13 Civil Authority Declaratory Judgment Class members' rights and Century-
14 National's obligations under the policies to reimburse Plaintiffs and the other Civil
15 Authority Declaratory Judgment Class members for the full amount of covered Civil
16 Authority losses incurred by Plaintiffs and the other Civil Authority Declaratory
17 Judgment Class members in connection with Closure Orders and the necessary
18 interruption of their businesses stemming from the COVID-19 pandemic.

19 96. Pursuant to 28 U.S.C. § 2201, Plaintiffs and the other Civil Authority
20 Declaratory Judgment Class members seek a declaratory judgment from this
21 Court declaring the following:

- 22 i. Plaintiffs and the other Civil Authority Declaratory Judgment Class
23 members' Civil Authority losses incurred in connection with the
24 Closure Orders and the necessary interruption of their businesses
25 stemming from the COVID-19 pandemic are insured losses under their
26 policies; and
27 ii. Century-National is obligated to pay Plaintiffs and the other Civil
28 Authority Declaratory Judgment Class members the full amount of the

1 Civil Authority losses incurred and to be incurred in connection with
2 the covered losses related to the Closure Orders and the necessary
3 interruption of their businesses stemming from the COVID-19
4 pandemic.

5
6 **COUNT VII**
7 **DECLARATORY JUDGMENT – EXTRA EXPENSE COVERAGE**

8 **(Claim Brought on Behalf of the Extra Expense Declaratory Judgment Class)**

9 97. Lucha Libre Plaintiffs (“Plaintiffs” for the purpose of this claim) repeat
10 and reallege Paragraphs 1-47 as if fully set forth herein.

11 98. Plaintiffs brings this Count individually and on behalf of the other
12 members of the Extra Expense Declaratory Judgment Class.

13 99. Plaintiffs’ Century-National insurance policy, as well as those of the
14 other Extra Expense Declaratory Judgment Class members, are contracts under
15 which Century-National was paid premiums in exchange for its promise to pay
16 Plaintiffs and the other Extra Expense Declaratory Judgment Class members’ losses
17 for claims covered by the policy.

18 100. Plaintiffs and the other Extra Expense Declaratory Judgment Class
19 members have complied with all applicable provisions of the policies and/or those
20 provisions have been waived by Century-National, or Century-National is estopped
21 from asserting them, and yet Century-National has abrogated its insurance coverage
22 obligations pursuant to the policies clear and unambiguous terms and has wrongfully
23 and illegally refused to provide coverage to which Plaintiffs and the other Class
24 members are entitled.

25 101. Century-National has denied claims related to COVID-19 on a uniform
26 and class wide basis, without individual bases or investigations, such that the Court
27 can render declaratory judgment irrespective of whether members of the Class have
28 filed a claim.

///

1 106. Plaintiffs' Century-National insurance policy, as well as those of the
2 other Sue and Labor Declaratory Judgment Class members, are contracts under
3 which Century-National was paid premiums in exchange for its promise to pay
4 Plaintiffs and the other Sue and Labor Declaratory Judgment Class members'
5 reasonably incurred expenses to protect Covered Property.

6 107. Plaintiffs and the other Sue and Labor Declaratory Judgment Class
7 members have complied with all applicable provisions of the policies and/or those
8 provisions have been waived by Century-National, or Century-National is estopped
9 from asserting them, and yet Century-National has abrogated its insurance coverage
10 obligations pursuant to the policies' clear and unambiguous terms and has
11 wrongfully and illegally refused to provide coverage to which Plaintiffs are entitled.

12 108. Century-National has denied claims related to COVID-19 on a uniform
13 and class wide basis, without individual bases or investigations, such that the Court
14 can render declaratory judgment irrespective of whether members of the Class have
15 filed a claim.

16 109. An actual case or controversy exists regarding Plaintiffs' and the other
17 Sue and Labor Declaratory Judgment Class members' rights and Century-National's
18 obligations under the policies to reimburse Plaintiffs and the other Sue and Labor
19 Declaratory Judgment Class members for the full amount Plaintiffs and the other
20 members of the Sue and Labor Declaratory Judgment Class reasonably incurred to
21 protect Covered Property from further damage by COVID-19.

22 110. Pursuant to 28 U.S.C. § 2201, Plaintiffs and the other Sue and Labor
23 Declaratory Judgment Class members seek a declaratory judgment from this Court
24 declaring the following:

- 25 i. Plaintiffs and the other Sue and Labor Declaratory Judgment Class
26 members reasonably incurred expenses to protect Covered Property
27 from further damage by COVID-19 are insured losses under their
28 policies; and

- 1 i. Business Income, Civil Authority, Extra Expense, and Sue and
2 Labor losses incurred in connection with the Closure Orders and the
3 necessary interruption of their businesses stemming from the
4 COVID-19 pandemic are insured losses under their policies; and
5 ii. Century-National is obligated to pay for the full amount of the
6 Business Income, Civil Authority, Extra Expense, and Sue and
7 Labor losses incurred and to be incurred related to COVID-19, the
8 Closure Orders and the necessary interruption of their businesses
9 stemming from the COVID-19 pandemic;
- 10 f. Ordering Defendant to pay both pre- and post-judgment interest on any
11 amounts awarded;
- 12 g. Ordering Defendant to pay attorneys' fees and costs of suit; and
13 h. Ordering such other and further relief as may be just and proper.

14 **VIII. JURY DEMAND**

15 Plaintiff hereby demands a trial by jury on all claims so triable.

16
17 Dated: June 19, 2020

Respectfully submitted,

18 /s/ Charles S. LiMandri

19 Charles S. Limandri (Bar No. 110841)

20 Paul M. Jonna (Bar No. 265389)

LIMANDRI & JONNA LLP

21 P.O. Box 9120

Rancho Santa Fe, California 92067

22 Telephone: 858-759-9930

23 climandri@limandri.com

24 pjonna@limandri.com

25 Adam J. Levitt*

26 Amy E. Keller*

Daniel R. Ferri*

27 Mark Hamill*

Laura E. Reasons*

28 **DICELLO LEVITT GUTZLER LLC**

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mhamill@dicellolevitt.com
lreasons@dicellolevitt.com

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fbowen@bbblawllp.com

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Douglas Daniels*
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Telephone: 713-917-0024
douglas.daniels@dtlawyers.com

*Counsel for Plaintiff
and the Proposed Classes*

*Applications for admission *pro hac vice* to be filed

JS 44 (Rev. 06/17)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS Unmasked Management, Inc., Lucha Libre Gourmet Taco Shop #1 LP, Lucha Libre Gourmet, Taco Shop #2 LP, and Lucha Libre Gourmet Taco Shop #3 LP

(b) County of Residence of First Listed Plaintiff San Diego, California
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Charles S. LiMandri, SBN 110841
LiMandri & Jonna LLP
P.O. Box 9120, Rancho Santa Fe, CA 92067

DEFENDANTS

Century-National Insurance Company

County of Residence of First Listed Defendant Los Angeles, California
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

'20CV1129 H MDD

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|---------------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input checked="" type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input checked="" type="checkbox"/> 4 | <input checked="" type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input checked="" type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation - Transfer
- 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332
 Brief description of cause: Breach of Contract and Declaratory Judgment

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ _____ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE _____ DOCKET NUMBER _____

DATE June 19, 2020 SIGNATURE OF ATTORNEY OF RECORD

Charles S. LiMandri, Esq.

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

Exhibit A



www.snappassociates.com
Service@Snappins.com
438 Camino Del Rio, South, Suite 112
San Diego, CA 92108
Phone: 619.908.3100
Facsimile: 619.908.3110
California License #0B03623

Unmasked Management Inc DBA Lucha Libre Gourmet Taco Shop
1702 Winder Street
San Diego, CA 92103

Re: Commercial Package
Policy #: 77A4001353-03
Effective Date: 7/14/2019

Dear Yvette Samaniego:

I am pleased to enclose the above referenced policy. This renewal insurance contract was developed based on information that you provided. We have reviewed your policy for accuracy, and it appears to be in order. Please take a moment to thoroughly review the coverages, conditions, and exclusions. Due to the increase in construction costs, real estate, etc., we strongly recommend that you review all limits and coverages to make sure the coverage on your policy will suffice. Also, please note that this policy may be auditable. It is your responsibility to make sure the policy is based on the correct figures. If any changes are required, let us know as soon as possible.

A surge in lawsuits throughout the United States leads us to stress that *your policy excludes coverage for "Employment Practices Liability"*. This exclusion will deny you coverage in the event that an employee sues you for wrongful termination, age discrimination, emotional distress, sexual harassment and other such instances. This is a standard exclusion, but it can be acquired. Please call if you would like a quote on this coverage.

All financed and direct bill policy payments need to be made directly to the billing company. The finance company or insurance carrier will send invoices, intent to cancel, late payment and cancellation notices directly to you. If the policy should cancel, some companies will not reinstate. If the policy has to be reinstated or rewritten because of nonpayment, there will be a fee for doing so. It is the responsibility of the policyholder to pay all premiums due in a timely manner. We do not undertake the responsibility of notifying you when your premium is due.

Thank you for renewing with Snapp & Associates. We appreciate your business, and should you have any questions, please do not hesitate to call or send a fax, or for a faster response, please email me at the above address.

Best Regards,
Chantel Shryock
Customer Service Rep

Enclosure



UCA GENERAL INSURANCE SERVICES
"Service Is Our Strength"SM

Information Sheet

****PLEASE NOTE – This sheet must be included when the policy is delivered to the insured.**

Named Insured: Unmasked Management, Inc.
DBA: DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3
Effective Date: 07/14/2019 12:01 A.M. Standard Time to 07/14/2020 12:01 A.M. Standard Time
Policy #: 77A4001353-03

Mailing Address: 1702 Winder St
San Diego, CA 92103

Agency: Snapp & Associates Insurance Services, Inc.
438 Camino Del Rio South
San Diego CA 92108

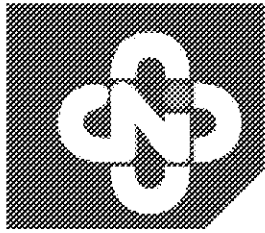
Phone #:
Email: valeriR@snappins.com

Certified Acts of Terrorism Premium:	\$	Excluded
Policy Premium:	\$	15,245.00
CIGA Fees:	\$	0.00
Total Premium Including State Fees:	\$	15,245.00
Fee:	\$	800.00
Total Amount Due:	\$	16,045.00
FEE IS FULLY EARNED		

This is a summary of the policy premium and fees charged by UCA General Insurance Services Inc. This information is provided by UCA General Insurance Services, Inc. as a courtesy to our clients and is not a part of your insurance policy. You will need to refer to your policy for all terms, conditions, limitations and exclusions.

INSURED COPY

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CENTURY-NATIONAL

A NATIONAL GENERAL COMPANY

COMMON POLICY DECLARATIONS

Policy Number: 77A4001353-03

Renewal of: 77A4001353-02

Named Insured: Unmasked Management, Inc.
DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3
Address: 1702 Winder St
San Diego CA 92103

Policy Period: From 07/14/2019 12:01 A.M. Standard Time To 07/14/2020 12:01 A.M. Standard Time

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

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

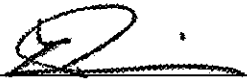
Section I Coverages	Included
Section II Coverages	Included
Section III Coverages	Included
Section IV Coverages	Included
Section V Coverages	Excluded
Certified Acts of Terrorism Premium	\$ Excluded
Policy Premium	\$ 15,245.00
CIGA Fee	\$ 0.00
Total Amount:	\$ 15,245.00

Form of Business: Corporation

Forms applicable to all Coverage Parts: See Attached Schedule of Forms and Endorsements.

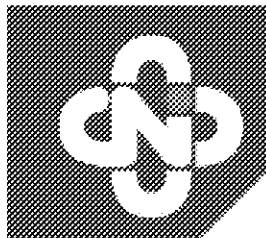
Producer Name and Address:
Snapp & Associates Insurance Services, Inc.
438 Camino Del Rio South
San Diego CA 92108

Date: 08/02/2019


Authorized Representative or Countersignature
(in states where applicable)

POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



CENTURY-NATIONAL

A NATIONAL GENERAL COMPANY

ADDITIONAL INSURED

Named Insured:	Unmasked Management, Inc. DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3		
Address:	1702 Winder St San Diego CA 92103		
Policy Period:	From 07/14/2019 12:01 A.M. Standard Time To 07/14/2020 12:01 A.M. Standard Time		
LossPayee	Five Star Bank, ISAOA P.O. Box 20270 Long Beach, CA 90801 Insurance Tracking Services, Inc.	Loc # 1	Bld # 1
Additional Insured	Ascentium Capital LLC, ISAOA P.O. Box 979059 Miami, FL 33197-9059 c/o Insurance Service Center	Loc # 1	Bld # 1
LossPayee	Ascentium Capital LLC, ISAOA P.O. Box 979059 Miami, FL 33197-9059 c/o Insurance Service Center	Loc # 1	Bld # 1
Additional Insured	Tab Bank 4185 Harrison Blvd. Ogden, UT 84403	Loc # 1	Bld # 1
Additional Insured	30th & University LLC 3855 Avocado Blvd., Suite 150 La Mesa, CA 91941	Loc # 2	Bld # 1
LossPayee	Five Star Bank, ISAOA P.O. Box 20270 Long Beach, CA 90801 Insurance Tracking Services, Inc.	Loc # 2	Bld # 1
Additional Insured	Ascentium Capital LLC, ISAOA P.O. Box 979059 Miami, FL 33197-9059 c/o Insurance Service Center	Loc # 2	Bld # 1
LossPayee	Ascentium Capital LLC, ISAOA P.O. Box 979059 Miami, FL 33197-9059 c/o Insurance Service Center	Loc # 2	Bld # 1

ADDITIONAL INSURED (Cont'd)

Additional Insured	Tab Bank 4185 Harrison Blvd. Ogden, UT 84403	Loc # 2	Bld # 1
Additional Insured	Five Star Bank, ISAOA P.O. Box 20270 Long Beach, CA 90801 Insurance Tracking Services, Inc.	Loc # 3	Bld # 1
LossPayee	Five Star Bank, ISAOA P.O. Box 20270 Long Beach, CA 90801 Insurance Tracking Services, Inc.	Loc # 3	Bld # 1
LossPayee	Targeted Lease Capital LLC and/or its assigns 5500 Main Street, Suite 300 Williamsville, NY 14221	Loc # 3	Bld # 1
Additional Insured	Targeted Lease Capital LLC and/or its assigns 5500 Main Street, Suite 300 Williamsville, NY 14221	Loc # 3	Bld # 1
Additional Insured	Ascentium Capital LLC, ISAOA P.O. Box 979059 Miami, FL 33197-9059 c/o Insurance Service Center	Loc # 3	Bld # 1
LossPayee	Ascentium Capital LLC, ISAOA P.O. Box 979059 Miami, FL 33197-9059 c/o Insurance Service Center	Loc # 3	Bld # 1
Additional Insured	Tab Bank 4185 Harrison Blvd. Ogden, UT 84403	Loc # 3	Bld # 1

ADDITIONAL INSURED (Cont'd)

Additional Insured	RPI Carlsbad L.P. Per GE-1 2525 El Camino Real, Suite 137 Carlsbad, CA 92008	Loc # 3	Bld # 1
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Loc #	Bld #
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Loc #	Bld #
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Loc #	Bld #
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Loc #	Bld #
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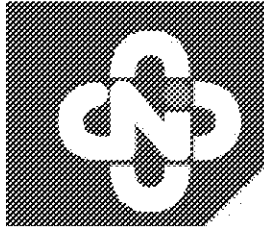
Loc #	Bld #
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Loc #	Bld #
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Loc #	Bld #
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POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



CENTURY-NATIONAL
A NATIONAL GENERAL COMPANY

**ADVISORY STATEMENT
COMMERCIAL PROPERTY COVERAGE PART**

Named Insured: Unmasked Management, Inc.
DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3

Address: 1702 Winder St
San Diego CA 92103

Policy Period: From 07/14/2019 12:01 A.M. Standard Time To 07/14/2020 12:01 A.M. Standard Time

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Description of Premises: Dinner Restaurant

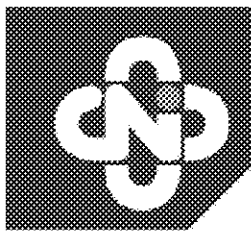
Loc#	Bld#	Location/Construction/Occupancy
1	1	1810 W Washington St San Diego, CA 92103
2	1	3016 University Ave San Diego, CA 92104
3	1	2525 El Camino Real, Suite 218-C Carlsbad, CA 92008
4	1	100 Park Blvd. Stands 119, 120, 229 San Diego, CA 92101

SEE NEXT PAGE

Policy Page: 1

POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



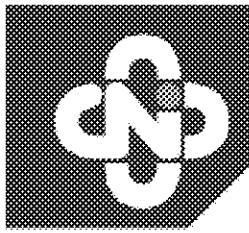
CENTURY-NATIONAL
 INSURANCE COMPANY
ADVISORY STATEMENT
COMMERCIAL PROPERTY COVERAGE PART
 (Continued)

Coverages Provided (insurance at the described premises applies only for coverages for which a limit of insurance is shown)

Loc #	Bld#	Coverage	Limit	Deductible	Co-ins %
1	1	Business Personal Property-Special Form-Rep Cost-Inc Stock	\$ 250,000	\$ 1,000	90
1	1	Signs - Special Form - Occurrence Limit	\$ 10,000	\$ 250	
1	1	Business Income Coverage per ALS-2 (UP TO 12 MONTHS LIMIT)	Included	N/A	
1	1	Food Contamination for Business Income (see coend FC-2)	\$ 25,000	N/A	
1	1	Fine Arts (5,000 per item, 50,000 agg per policy term)	\$ 5,000	\$ 1,000	
1	1	Equipment Breakdown	Included	Included	
2	1	Business Personal Property-Special Form-Rep Cost-Inc Stock	\$ 250,000	\$ 1,000	90
2	1	Signs - Special Form - Occurrence Limit	\$ 10,000	\$ 250	
2	1	Business Income Coverage per ALS-2 (UP TO 12 MONTHS LIMIT)	Included	N/A	
2	1	Food Contamination for Business Income (see coend FC-2)	\$ 25,000	N/A	
2	1	Fine Arts (5,000 per item, 50,000 agg per policy term)	\$ 5,000	\$ 1,000	
2	1	Equipment Breakdown	Included	Included	
3	1	Business Personal Property-Special Form-Rep Cost-Inc Stock	\$ 250,000	\$ 1,000	90
3	1	Signs - Special Form - Occurrence Limit	\$ 10,000	\$ 250	
3	1	Business Income Coverage per ALS-2 (UP TO 12 MONTHS LIMIT)	Included	N/A	
3	1	Food Contamination for Business Income (see coend FC-2)	\$ 25,000	N/A	

POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



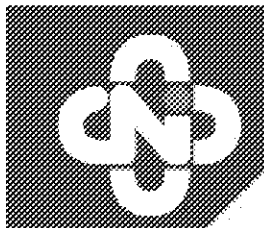
CENTURY-NATIONAL
 INSURANCE COMPANY
ADVISORY STATEMENT
COMMERCIAL PROPERTY COVERAGE PART
 (Continued)

Coverages Provided (insurance at the described premises applies only for coverages for which a limit of insurance is shown)

Loc #	Bld#	Coverage	Limit	Deductible	Co-ins %
3	1	Fine Arts (5,000 per item, 50,000 agg per policy term)	\$ 5,000	\$ 1,000	
3	1	Equipment Breakdown	Included	Included	
4	1	Business Personal Property-Special Form-Rep Cost-Inc Stock	\$ 6,000	\$ 1,000	90
4	1	Signs - Special Form - Occurrence Limit	\$ 10,000	\$ 250	
4	1	Business Income Coverage per ALS-2 (UP TO 12 MONTHS LIMIT)	Included	N/A	
4	1	Food Contamination for Business Income (see coend FC-2)	\$ 25,000	N/A	
4	1	Fine Arts (5,000 per item, 50,000 agg per policy term)	\$ 5,000	\$ 1,000	
4	1	Equipment Breakdown	Included	Included	

POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



CENTURY-NATIONAL

A NATIONAL GENERAL COMPANY

GENERAL LIABILITY LIMITS FORM

Named Insured: Unmasked Management, Inc.
DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3

Address: 1702 Winder St
San Diego CA 92103

Policy Period: From 07/14/2019 12:01 A.M. Standard Time To 07/14/2020 12:01 A.M. Standard Time

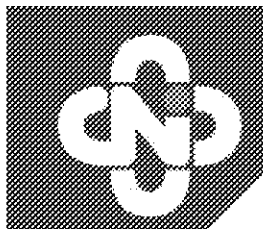
IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

COVERAGE	LIMIT
General Liability	
General Aggregate Limit	\$ 2,000,000
Each Occurrence Limit	\$ 1,000,000
Products & Completed Operation Limit	Included
Personal Injury and Advertising Limit	Included
Fire Damage Limit	\$ 100,000
Medical Expense Limit	\$ 5,000
Hired and Non-Owned Auto Liability	Excluded
Liquor Law Liability	
General Aggregate Limit	\$ 1,000,000 (Loc #1, 2, 3)
Each Common Cause	\$ 1,000,000 (Loc #1, 2, 3)

Loc	Bld	Class	Code No.	Premium Basis
1	1	DINNERHOUSE	334-16816	A)850
1	1	SAME	336-16816	INCLUDED
2	1	DINNERHOUSE	334-16816	A)1100
2	1	SAME	336-16816	INCLUDED
3	1	DINNERHOUSE	334-16816	A)2200
3	1	SAME	336-16816	INCLUDED
4	1	PREF. RESTAURANT	334-16816	A)200
4	1	SAME	336-16816	INCLUDED

POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



CENTURY-NATIONAL
 A NATIONAL GENERAL COMPANY

**ADVISORY STATEMENT
 COMMERCIAL CRIME COVERAGE PART**

Named Insured: Unmasked Management, Inc. DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3

Address: 1702 Winder St
 San Diego CA 92103

Policy Period: From 07/14/2019 12:01 A.M. Standard Time To 07/14/2020 12:01 A.M. Standard Time

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Cancellation of prior insurance:

By acceptance of this Coverage Part you give us notice that all prior policies or bonds are cancelled effective at the time this Coverage Part becomes effective.

Loc	Bld	Coverage	Deductible	Limit
1	1	Employee Dishonesty-Blanket Occurrence/Aggregate Limit	\$ 250	\$ 25,000
1	1	Forgery & Alteration	\$ 250	\$ 5,000
1	1	Theft,Disappearance & Destruction Inside (Money & Sec.)	\$ 250	\$ 10,000
1	1	Theft,Disappearance & Destruction Outside (Money & Sec.)	\$ 250	\$ 10,000
2	1	Employee Dishonesty-Blanket Occurrence/Aggregate Limit	Included	Included
2	1	Forgery & Alteration	Included	Included
2	1	Theft,Disappearance & Destruction Inside (Money & Sec.)	\$ 250	\$ 10,000
2	1	Theft,Disappearance & Destruction Outside (Money & Sec.)	\$ 250	\$ 10,000

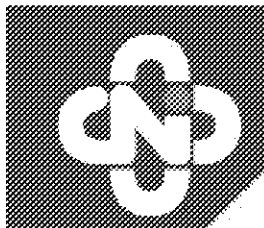
**ADVISORY STATEMENT
COMMERCIAL CRIME COVERAGE PART
(continued)**

Loc #	Bld #	Coverage	Deductible	Limit
3	1	Employee Dishonesty-Blanket Occurrence/Aggregate Limit	Included	Included
3	1	Forgery & Alteration	Included	Included
3	1	Theft,Disappearance & Destruction Inside (Money & Sec.)	\$ 250	\$ 10,000
3	1	Theft,Disappearance & Destruction Outside (Money & Sec.)	\$ 250	\$ 10,000
4	1	Employee Dishonesty-Blanket Occurrence/Aggregate Limit	Included	Included
4	1	Forgery & Alteration	Included	Included
4	1	Theft,Disappearance & Destruction Inside (Money & Sec.)	\$ 250	\$ 10,000
4	1	Theft,Disappearance & Destruction Outside (Money & Sec.)	\$ 250	\$ 10,000

\$ 5,000

POLICY NUMBER: 77A4001353-03

COMMERCIAL PACKAGE POLICY



CENTURY-NATIONAL
A NATIONAL GENERAL COMPANY

ADVISORY STATEMENT
COMMERCIAL INLAND MARINE COVERAGE PART

Named Insured: Unmasked Management, Inc.
DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3

Address: 1702 Winder St
San Diego CA 92103

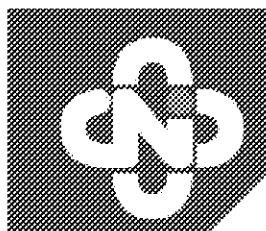
Policy Period: From 07/14/2019 12:01 A.M. Standard Time To 07/14/2020 12:01 A.M. Standard Time

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Business Description: Corporation

Loc #	Bld #	Coverage	Deductible	Limit
1	1	Accts Receivable - at Loc. shown -in metal file cabinet	N/A	\$ 100,000
2	1	Accts Receivable - at Loc. shown -in metal file cabinet	N/A	\$ 100,000
3	1	Accts Receivable - at Loc. shown -in metal file cabinet	N/A	\$ 100,000
4	1	Accts Receivable - at Loc. shown -in metal file cabinet	N/A	\$ 100,000

POLICY NUMBER: 77A4001353-03



CENTURY-NATIONAL
A NATIONAL GENERAL COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Effective Date:	07/14/2019 12:01 A.M. Standard Time	Endorsement #
Named Insured:	Unmasked Management, Inc.	
DBA:	DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3	
Address:	1702 Winder St San Diego CA 92103	

ENDORSEMENT DESCRIPTION:

Additional Insured

RPI Carlsbad, L.P., Owner, Rouse Properties, LLC, Brookfield Properties (R) LLC, all direct and indirect parents and subsidiaries of rouse and owner, its managers, employees, agents, contractors, parents, subsidiaries and affiliates.

2525 El Camino Real, Suite 137
Carlsbad, CA 92008

Countersigned _____ Date 08/02/2019

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED
77A4001353-03	07/14/2019	Unmasked Management, Inc. DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3

FORMS LIST

<u>FORM NAME</u>	<u>EDITION DATE</u>	<u>FORM DESCRIPTION</u>
Policy Coversheet		Policy Information Sheet
Declaration	0313	Common Policy Declarations
LP1	0313	Commercial Pkg Policy - Additional Insured
LP1 PT2	0313	Commercial Pkg Policy - Additional Insured (Cont'd)
PR01	0313	Advisory Statement - Commercial Property Coverage Part
PR01 PT2	0313	Advisory Statement (Cont'd) - Commercial Property Coverage Part
LM1	0313	General Liability Limits Form
CR01	0313	Advisory Statement - Commercial Crime Coverage Part
CR01 PT2	0313	Advisory Statement (Cont'd) - Commercial Crime Coverage Part
IN01	0313	Advisory Statement - Commercial IM Coverage Part
GE1	0313	Policy Changes
APL1	1200	Schedule of Forms and Endorsements
COEND ALS2	0206	Business Income Coverage (Actual Loss Sustained)
COEND CC-2	1010	Coverage Extension - Credit Card Slips
COEND CR2	0206	Coverage Extension - Coat Check Room Liability
COEND CSA2	0903	Burglary & Robbery Protective Systems Warranty
EBC-3	1217	Equipment Breakdown Coverage
COENDEBI90	0508	Coverage Extension - Extended Business Income
COEND ED	1010	Coverage For Employee Dishonesty and Limitation on Amount Paid Under The Employee Dishonesty Coverage Forms
COEND FC-2	1010	Food Contamination Coverage
CW 01	1010	Notice To Policyholders (Fraud)
CW03	0917	Notice To Policyholders Privacy Policy
COEND PE CA	0413	Platinum Endorsement
COEND10	0994	Professional Services
COEND13	0907	Pollution/Contamination Exclusion
COEND15	1294	Interinsured Claims and Suits Exclusion
COEND16	1294	Asbestos Exclusion
COEND17	1294	Lead Exclusion
COEND19	0303	Additional Insured
COEND21 CA	0413	Discovered Injury or Damage Exclusion
COEND23	1010	Disability Discrimination Exclusion
COEND25	0804	Punitive or Exemplary Damage Exclusion
COEND31	0496	Amendment of Other Insurance Condition (Excess Insurance)
COEND33	0905	Exclusion - Subsidence
COEND35	1101	Pathogenic Organisms Exclusion
COEND44	0312	Advertising Distribution Exclusion
MP1	0802	Limitation On Amount Paid For Insured Property Damaged By Fungus
COEND8	0303	Additional Insured - Managers or Lessors of Premises
COEND19A	0309	Additional Insured
WT077	0313	In Witness Endorsement
IL0003	0689	Calculation of Premium
IL0017	1198	Common Policy Conditions
IL0021	1194	Nuclear Energy Liability Exclusion Endorsement
IL0270	1104	California Changes - Cancellation and Nonrenewal
IL0953	0115	Exclusion of Certified Acts of Terrorism
IL0995	0107	Conditional Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism (Relating to Disposition of Federal

		Terrorism Risk Insurance Act of 2002)
CP0030	0402	Business Income Coverage Form (And Extra Expense)
CP0010	0402	Building and Personal Property Coverage
CP0090	0788	Commercial Property Conditions
CP0186	0486	Changes - Pollutants
CP0299	0607	Cancellation Changes
CP1030	0402	Causes of Loss - Special Form
CP1210	1185	Protective Safeguards
CP1218	0695	Loss Payable Provision
CP1440	0607	Outdoor Signs
CP1510	0607	Ordinary Payroll Limitation or Exclusion
CR0001	1090	Employee Dishonesty Coverage Form
CR0003	0186	Forgery or Alteration Coverage Form
CR0004	1090	Theft, Disappearance and Destruction
CR1000	0695	Crime General Provisions
CG0001	1204	Commercial General Liability Coverage
CG0033	0196	Liquor Liability Coverage Form
CG0099	1185	Changes In General Liability Forms-Commercial Package
CG2106	0514	Exclusion - Access or Disclosure of Confidential or Personal Information and Data - Related Liability - with Limited Bodily Injury Exception
CG2144	0417	Limitation of Coverage to Designated Premises, Project or Operations
CG2147	1207	Employment-Related Practices Exclusion
CG2173	0115	Exclusion of Certified Acts Of Terrorism
CG2187	0115	Conditional Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)
CG2404	0509	Waiver of Transfer of Rights of Recovery Against Others To Us
CG2407	0196	Products/Completed Operations Hazards
CG2806	0196	Limitation of Coverage to Insured Premises
CM0001	0695	Commercial Inland Marine Conditions
CM0066	0695	Accounts Receivable Coverage Form

APL-1 1200

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME COVERAGE (Actual Loss Sustained)

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

1. *The section entitled "6. Coverage Extension" of the Business Income Coverage Form is deleted and replaced with the following provisions:*
 6. Coverage Extension
Newly Acquired Locations
 - a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.
 - b. The most we will pay for loss under this extension is \$100,000 at each location.
 - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.We will charge you additional premium for values reported from the date you acquire the property.
2. *The following provisions are added to the section "A. Coverage" provisions as "7. Limits of Insurance", immediately after the section "6. Coverage Extension" of the Business Income Coverage Form.*
 7. Limits of Insurance
We will pay for loss of Business Income or Extra Expense that occurs within 12 consecutive months immediately following the date of direct physical loss or damage caused by a covered cause of loss.
3. *The section entitled "B. Limits of Insurance" of the Business Income Coverage Form is deleted.*
4. *The section entitled "D. Additional Condition" of the Business Income Coverage Form is deleted.*
5. *The section entitled "E. Optional Coverages", of the Business Income Coverage Form is deleted.*
6. *The definition of the term "Period of Restoration", of the Business Income Coverage Form is deleted and replaced with the following:*
 3. **"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 earlier of the following dates:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality, or
 - (2) One year immediately following the date of direct physical loss or damage caused by a covered cause of loss."Period of Restoration: does not include any increased period required due to the enforcement of any law that regulates the construction, use or repair, or requires the tearing down of any property.
The expiration date of this policy will not cut short the "Period of Restoration".

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Coverage Extension – Credit Card Slips

This endorsement modifies insurance provided under the following:

Building and Personal Property Coverage Form and Cause of Loss Form

We will pay up to \$20,000.00 for amounts you are unable to collect because of a covered loss to your credit card slips while they are at a covered location. This limit is the most we will pay in any one occurrence. If it is not possible to determine the amount involved in such a loss, your past business experience will be used as a guide in setting the amount.

The amount payable under this coverage is subject to the policy deductible shown in the Declarations, deductible applies to each Extension shown above, per Claim. All other applicable terms and conditions of this policy apply unless they are specifically contradicted by provisions that appear within each Extension.

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Coverage Extension – Coat Check Room Liability

This endorsement modifies insurance provided under the following:

Building and Personal Property Coverage Form

Coverage A., section 5, Paragraph g. is hereby added.

- g. We will pay up to \$250 per item and \$1,000 in the aggregate for loss of or damage to Articles of clothing and/or personal effects that are personal property of others and while under check or receipt in the check room of the insured's premises.

A. EXCLUSIONS

This policy does not cover the insured's liability for:

1. Accounts, deeds, bills, currency, evidence of debts, money notes, credit cards, securities, jewels, jewelry, passports, documents, tickets or manuscripts.

This additional coverage is subject to the same terms and conditions as stated in the Cause of Loss form located in the Commercial Property Coverage Part.

In case of loss or damage for which claim is made under this coverage, the company reserves the right to adjust this claim with the owner or owners of the property involved. Settlement of such claim to the satisfaction of such owner or owners shall be in full satisfaction of any claim of the insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BURGLARY & ROBBERY PROTECTIVE SYSTEMS WARRANTY

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART**

In consideration of the premium at which this policy is written, based on the protection of the insured property by a Central Station Burglar Alarm, it is warranted by the insured, and a condition of this policy, that the Insured shall maintain in complete working order all equipment and services pertaining to the system.

The Insured shall give immediate notice of any impairment in or suspension of such equipment or services within the knowledge of the Insured to this Company.

Theft insurance under this Coverage Part will be automatically suspended at the involved location if you fail to notify us immediately.

FAILURE TO COMPLY WITH THIS WARRANTY SHALL SUSPEND THIS INSURANCE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE
(Including Electronic Circuitry Impairment)

This endorsement modifies insurance provided under the following:

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

- A. The following is added as an Additional Coverage to the Causes of Loss— Basic Form, Broad Form or Special Form.

Additional Coverage-- Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in a “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage 2.h. Service Interruption below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of an “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.
 - a. Business Income and Extra Expense
 - (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and the deductible shown in the “schedule” will apply.
 - (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a “schedule”.
 - b. Data Restoration
 - (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
 - (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in a “schedule”.
 - c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
 - (a) Make temporary repairs; and
 - (b) Expedite permanent repairs or permanent replacement.
 - (2) The most we will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in a "schedule".
- d. Hazardous Substances
- (1) We will pay your 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.
 - (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.i.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
 - (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in a "schedule".
- e. Off Premises Equipment Breakdown
- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
 - (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
 - (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in (2) above is \$10,000 unless otherwise shown in a "schedule".
- f. Public Relations
- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
 - (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - (a) The media;
 - (b) The public; or
 - (c) Your customers, clients or members.
 - (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
 - (4) The most we will pay for loss or expense under this coverage is \$5,000.
- g. Resultant Damage to Animals
- (1) Any insurance provided under this coverage part for "animals" is extended to the coverage provided by this endorsement.

- (2) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000.
- h. Service Interruption
- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, "cloud computing services", wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud computing services".
- (4) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage, except that if a limit is shown in a "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.
- i. Spoilage
- (1) We will pay for:
- (a) Physical damage to "perishable goods" due to spoilage;
- (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
- (3) The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in a "schedule".

3. EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

- a. The following exclusions are modified:
- (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" or "electronic circuitry impairment" results, we will pay for the resulting

loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.

- (2) If the Causes of Loss -- Special Form applies, with respect to this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.

- b. The following exclusions are added:

- (1) We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:

- (a) Fire, including smoke from a fire;
- (b) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
- (c) Any other explosion, except as specifically covered under this endorsement;
- (d) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
- (e) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump; or
- (f) Vandalism.

- (2) Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:

- (a) Lightning;
- (b) Windstorm or hail. However this exclusion does not apply when:
 - i. “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
 - ii. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
- (c) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
- (d) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
- (e) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
- (f) Water or other means used to extinguish a fire.

- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

- (4) We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but

is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is “perishable goods”, to the extent that such spoilage is covered under Spoilage coverage.

- (5) Except as specifically provided under A.2.b., Data Restoration, or A.2.g., Resultant Damage to Animals, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
- (a) Physical loss or damage to “animals”;
 - (b) Loss, interruption or compromise of any research, test or study involving “animals”; or
 - (c) Loss of income or extra expense resulting from (a) or (b) above.
- c. Exclusions b.(2)(a), b.(2)(b), b.(2)(c) and b.(2)(d) above shall not apply if:
- (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
 - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an “accident” or “electronic circuitry impairment”; and
 - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- d. Any cause of loss set forth in exclusion b.(2)(d) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.

4. DEFINITIONS

The following definitions are added with respect to this endorsement only:

- a. “Accident”
- (1) “Accident” means a fortuitous event that causes direct physical damage to “covered equipment”. The event must be one of the following:
 - (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (b) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (c) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (d) 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
 - (e) 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.
 - (2) None of the following is an “accident”:
 - (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of “data”, loss of access, loss of use, loss of functionality or other condition within or involving “data” or “media” of any kind; or
 - (b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident”.
- b. “Animal” means any creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.

- c. “Boilers and vessels” means:
- (1) Any 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.
- This term does not appear elsewhere in this endorsement, but may appear in a “schedule”.
- d. “Cloud computing services” means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. “Cloud computing services” include private clouds if such services are owned and operated by a third party.
- e. “Covered equipment”
- (1) “Covered equipment” means, unless otherwise specified in a “schedule”, Covered Property:
 - (a) That generates, transmits or utilizes energy; or
 - (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

“Covered equipment” may utilize conventional design and technology or new or newly commercialized design and technology.
 - (2) None of the following is “covered equipment”:
 - (a) Structure, foundation, cabinet or compartment;
 - (b) Insulating or refractory material;
 - (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) “Vehicle” or any equipment mounted on a “vehicle”;
 - (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (g) Dragline, excavation or construction equipment; or
 - (h) Equipment manufactured by you for sale.
- f. “Data” means information or instructions stored in digital code capable of being processed by machinery.
- g. “Electronic circuitry” means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
- h. “Electronic circuitry impairment”
- (1) “Electronic circuitry impairment” means a fortuitous event involving “electronic circuitry” within “covered equipment” that causes the “covered equipment” to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in (2), (3) and (4) below.
 - (2) We shall determine that the reasonable and appropriate remedy to restore such “covered equipment’s” ability to function is the replacement of one or more “electronic circuitry” components of the “covered equipment”.
 - (3) The “covered equipment” must be owned or leased by you, or operated under your control.
 - (4) None of the following is an “electronic circuitry impairment”:
 - (a) Any condition that can be reasonably remedied by:

- i. Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - ii. Rebooting, reloading or updating software or firmware; or
 - iii. Providing necessary power or supply.
 - (b) Any condition caused by or related to:
 - Incompatibility of the “covered equipment” with any software or equipment installed, introduced or networked within the prior 30 days; or
 - Insufficient size, capability or capacity of the “covered equipment”.
 - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
- i. “Hazardous substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- j. “Media” means material on which “data” is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
- k. “One equipment breakdown” means: If an initial “accident” or “electronic circuitry impairment” causes other “accidents” or “electronic circuitry impairments”, all will be considered “one equipment breakdown”. All “accidents” or “electronic circuitry impairments” that are the result of the same “accident” or “electronic circuitry impairment” will be considered “one equipment breakdown”.
- l. “Perishable goods” means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- m. “Production machinery” means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, “production machinery” does not mean any boiler, or fired or unfired pressure vessel.
This term does not appear elsewhere in this endorsement, but may appear in a “schedule”.
- n. “Schedule” means the Equipment Breakdown Coverage Schedule.
- o. “Vehicle” means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. “Vehicle” includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a “vehicle”.

B. The Building and Personal Property Coverage Form, Condominium Association Coverage Form and Condominium Commercial Unit-Owners Coverage Form are modified as follows.
The definitions stated above also apply to section B. of this endorsement.

1. **DEDUCTIBLE**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a “schedule”. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

- a. Deductibles for Each Coverage
 - (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
 - (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
 - (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.
- b. Direct and Indirect Coverages
 - (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
 - (2) Unless more specifically indicated in the "schedule":
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.
- c. Application of Deductibles
 - (1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.
 - (2) Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.
 - (3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:
The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

- (4) Percentage of Loss Deductibles
If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. CONDITIONS

- a. The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.
 - (1) Suspension
Whenever "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" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:
 - (a) Your last known address; or
 - (b) The address where the "covered equipment" is located.Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.
 - (2) Jurisdictional Inspections
If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.
 - (3) Coinsurance
If a coinsurance percentage is shown in a "schedule" for specified coverages, the following condition applies.
We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.
- b. As respects this endorsement only, the Valuation Condition in the Building and Personal Property Coverage Form, Condominium Association Coverage Form and Condominium Commercial Unit-Owners Coverage Form are deleted and replaced with the following:
Valuation
We will determine the value of Covered Property as follows:
 - (1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:
 - (a) The cost to repair the damaged property;
 - (b) The cost to replace the damaged property on the same site; or
 - (c) The amount you actually spend that is necessary to repair or replace the damaged property.

- (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- (4) **Environmental, Safety and Efficiency Improvements**
If “covered equipment” requires replacement due to an “accident” or “electronic circuitry impairment”, we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.
- (5) The following property will be valued on an Actual Cash Value basis:
 - (a) Any property that does not currently serve a useful or necessary function for you;
 - (b) Any Covered Property that you do not repair or replace within 24 months after the date of the “accident” or “electronic circuitry impairment”; and
 - (c) Any Covered Property for which Actual Cash Value coverage is specified in a “schedule”.
Actual Cash Value includes deductions for depreciation.
- (6) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
 - (a) The property was manufactured by you;
 - (b) The sales price of the property is less than the replacement cost of the property; or
 - (c) You are unable to replace the property before its anticipated sale.
- (7) Except as specifically provided for under Data Restoration coverage, “data” and “media” will be valued on the following basis:
 - (a) For mass-produced and commercially available software, at the replacement cost.
 - (b) For all other “data” and “media”, at the cost of blank “media” for reproducing the records. We will not pay for “data” representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any “one equipment breakdown” is the applicable Limit of Insurance in the Declarations unless otherwise shown in a “schedule”. Coverage provided under this endorsement does not provide an additional amount of insurance.

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Coverage Extension – Extended Business Income

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

A. Coverage, section 5. Additional Coverages, c., Extended Business Income, (1).(b).(ii). & (2).(b).(ii). are hereby deleted and replaced with the following:

(1).(b).(ii). 90 consecutive days after the date determined in (1).(a). above.

(2).(b).(ii). 90 consecutive days after the date determined in (2).(a). above.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

**COVERAGE FOR EMPLOYEE DISHONESTY AND
LIMITATION ON AMOUNT PAID UNDER THE EMPLOYEE
DISHONESTY COVERAGE FORMS**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART
EMPLOYEE DISHONESTY COVERAGE FORM

A. Schedule:

Number of Days: <u>60 DAYS</u> <ul style="list-style-type: none">Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

B. Provisions

The Discovery Period for Loss is changed by replacing the 1 year period to discover loss with the number of days shown in the Schedule above. Further, the loss must be reported to us no later than the Number of Days stated in the Schedule above from the end of the policy period. However, this extended period to discover and report loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not the other insurance provides coverage for loss sustained prior to its effective date.

As respects any employee benefit plan(s) the 1 year period to discover loss remains unchanged.

C. Policy Limitation

The policy limit shown in the Declarations Pages is an aggregate policy limit. We will not pay more than the stated policy limit for all losses that are covered under this policy form.

This aggregate policy limit applies regardless of the number of insured locations.

This aggregate policy limit applies to any and all coverages provided by the Employee Dishonesty Coverage Form.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOOD CONTAMINATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Food Contamination Coverage

The following provisions are added to the section "E. Optional Coverages" as "5. Food Contamination" immediately after the section "4. Extended Period of Indemnity" of the Business Income Coverage Form:

5. Food Contamination

If "Public Health Authorities" require that your premises be closed because of the discovery of, or suspicion of "Food Contamination" at the premises described in the Declarations:

a. We will pay for:

1. Your cost to clean your equipment per local "Public Health Authorities" requirements;
2. Your cost to replace consumable goods declared contaminated by the "Public Health Authorities".

b. We will pay for actual loss of Business Income you sustain at the closed premises described in the Declarations for:

1. Loss of Business Income including payroll until the premises have been cleared by the "Public Health Authorities" for reopening;
2. Extra cost of advertising to restore your reputation.

c. We will pay for:

1. All reasonable expenses incurred by you for inoculations and similar measures which are taken to prevent the spread of Hepatitis A virus, Salmonella, Listeriosis and other gastrointestinal bacterial infections which are transmitted to persons through ingestion of "Your Product". We will not pay for inoculations and similar measures given to an insured, an insured's employees or relatives of an insured's employees.

The following definitions are added to section "F. DEFINITIONS" immediately after the section "6. Suspension" of the Business Income Coverage Form:

7. "Public Health Authorities" means the governmental authority having jurisdiction over your operations relating to health and hygiene standards necessary to protect the general public.
8. "Food Contamination" means a condition in food which has caused or is suspected of causing food poisoning of one or more of your patrons. Such "Food Contamination" must result from tainted food, purchased by you, or from a "Communicable Disease" transmitted by one or more of your employees.
9. "Communicable Disease" is defined as a bacterial microorganism transmitted through human contact with food.

***** The most we will pay for this optional coverage is \$25,000.**

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claiming with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Hawaii	For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
Maryland	Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO POLICYHOLDERS

New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
New York	<p>All Commercial Insurance Forms, Except As Provided for Automobile Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>Automobile Insurance Forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
Pennsylvania	<p>Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Automobile Insurance Forms: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>

NOTICE TO POLICYHOLDERS

Puerto Rico	Any person who knowingly and with the intention to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousands dollars (\$5,000), not to exceed ten thousands dollars (\$10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term may be reduced to a minimum of two (2) years.
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	<p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Utah	Workers Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison.

Century-National Insurance Company Privacy Notice

The National General Insurance Group is giving you this notice to tell you how we may collect and share nonpublic personal information about you and the accounts you have with a company (or companies) in the National General Insurance Group. This notice also advises you of your right to keep this information from being shared with affiliates of the National General Insurance Group** or other business associates (non-affiliated companies we do business with to provide financial products and services) under certain circumstances and your right to limit marketing, in some cases.*

What Nonpublic Personal Information Do We Collect About You?

We collect non-public personal information about you and the members of your household from the following sources:

Information we receive from you, such as information on applications or other forms, which may include your name, address, e-mail address, social security number and driving history.

Information about your transactions with us, our affiliates, or others, such as your account balance and payment history.

Information we receive from outside sources such as consumer reporting agencies, insurance agencies and state motor vehicle departments which may provide information on your credit history, credit score, driving and accident history, or prior insurance coverage in place. Please note that the information obtained from outside sources may be retained by those outside sources and disclosed to other persons without our knowledge.

Information about your computer hardware and software that may be collected by us if you contact our Website electronically. This information can include: your IP address, browser type, domain names, access times, and referring Website addresses. This information is used for the operation of the website, to maintain quality of the website, and to provide general statistics regarding use of our Website.

If you obtain a life, long-term care or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations regarding your health.

How Do We Protect The Information That We Collect About You and Your Accounts?

To protect the privacy and security of nonpublic personal information we collect about you, we restrict access to the information to our employees, agents and subcontractors who need this information to provide products and services to you. We maintain physical, electronic, and procedural safeguards that comply with applicable federal and state laws and regulations to guard your non-public personal information. We strive to keep our information about you accurate. We require those individuals to whom we permit access to your customer information to protect it and keep it confidential. You may review the information we have collected on your account and if you tell us of an error, we will update our records promptly. If you wish to review or correct personal information on your account, please write to us at the address on your account statement or other account materials.

Do We Share The Information We Collect About You and Your Accounts?

Yes, to provide you with superior service, inform you of product and service opportunities that may be of interest to you, or for other business purposes, **we may share** all of the nonpublic personal information we collect about you and your accounts, as described above, as permitted by law. Our sharing of information about you is subject to Your Rights, detailed below.

However, we do not sell, rent or lease our customer lists to third parties.

We will disclose your personal information, without notice, only if required to do so by law or in the good faith belief that such action is necessary to: (a) conform to the edicts of the law or comply with legal process served on us; (b) protect and defend our rights or property; (c) act under exigent circumstances to protect the personal safety of our customers, or the public; and (d) to process insurance claims.

What Types of Affiliates and Non-affiliated Third Parties Do We Share Information About You With?

Subject to Your Rights, detailed below, **we may share** nonpublic personal information about you with the following types of affiliates and non-affiliated third parties:

Financial service providers, such as credit card issuers, insurance companies, and insurance agents.

Non-financial companies, such as credit reporting agencies, manufacturers, motor vehicle dealers, management companies, attorneys in fact, and telecommunications companies.

Companies that perform business or professional services such as printing, mailing services, data processing or analysis, or customer surveys, on our behalf.

Other companies we do business with to provide financial products and services to you.

We may also share nonpublic personal information about you with affiliates and non-affiliated third parties, as permitted by law, including consumer report information, such as information from credit reports and certain application information, that we have received from you and from third parties, such as consumer reporting agencies and insurance support organizations

Do We Share Information About Former Customers?

Yes, subject to Your Rights - detailed below, **we may share** all of the nonpublic personal information described above about our former customers with the same types of affiliates and non-affiliated third parties, as described above and as permitted by law.

Modifications to our privacy policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with nonaffiliated third parties. Before we do that, we will provide you with a revised privacy notice and give you the opportunity to opt-out of that type of information sharing.

Your Rights:

Information Sharing

If you want a company in the National General Insurance Group not to share nonpublic personal information about you with affiliates, other companies we do business with to provide financial products and services to you, or both, you **may opt out of Information Sharing**. That is, you may direct the company in the National General Insurance Group not to share information (other than as permitted by law). Information Sharing permitted by law includes, for example, sharing with companies that work for a company in the National General Insurance Group to provide the product or services you request. Your Information Sharing opt out direction will apply to nonpublic personal information, as described above, that the company in the National General Insurance Group has collected about you and your existing account.

Affiliate Marketing

Federal law gives you the right to limit some but not all marketing from the companies in the National General Insurance Group and their affiliates. You may limit companies in the National General Insurance Group and their affiliates from marketing their products or services to you **based on nonpublic personal information about you that they receive from a company in the National General Insurance Group**. This information includes income, account information, credit history, and payment history.

Your choice to limit Affiliate Marketing will apply to nonpublic personal information about you and your existing account.

How to Opt Out of Information Sharing or Limit Affiliate Marketing:

If you wish to allow Information Sharing and Affiliate Marketing as described above, no further action is necessary.

If you wish to opt out of Information Sharing with affiliates, or with non-affiliated third parties, or with both, or to limit Affiliate Marketing, other than as permitted by law, you may:

Call our Toll-Free Opt-Out line at 844-874-3608 and we will take your information by phone.

You may complete the enclosed "Important Privacy Choices for Consumers" and return the form to the following address:

Century-National Insurance Company
PO Box 3199
Winston-Salem, NC 27199-2117

You may also return the completed form by FAX to 1-877-849-9022.

You may also request that we send you a business reply postage paid envelope in order to return your completed form.

Please Note: Either option will opt you out of all Information Sharing and Affiliate Marketing as described above, other than as permitted by law.

Each time you establish a new account with a company in the National General Insurance Group, you will receive a privacy notice and an opportunity to opt out of Information Sharing and limit Affiliate Marketing for that account, as permitted by law. If you have a joint account with another person, either of you may opt out of Information Sharing or limit Affiliate Marketing (other than as permitted by law) for both of you.

***Reference to the National General Insurance Group in this notice includes the following companies:** National General Insurance Company, National General Assurance Company, National General Insurance Online, Inc., Integon Casualty Insurance Company, Integon General Insurance Corporation, Integon Indemnity Corporation, Integon National Insurance Company, Integon Preferred Insurance Company, New South Insurance Company, MIC General Insurance Corporation, Home State County Mutual Insurance Company – (Administered by Integon National Insurance Company, National General Insurance Company, Imperial Fire & Casualty Insurance Company or Integon Indemnity Corporation), National General Motor Club, Inc., National Health Insurance Company, Agent Alliance Insurance Company, National General Premier Insurance Company, Imperial Fire & Casualty Insurance Company, Adirondack Insurance Exchange, Mountain Valley Indemnity Company, New Jersey Skylands Insurance Association, New Jersey Skylands Insurance Company, Century-National Insurance Company, Standard Property and Casualty Insurance Company, Direct Insurance Company, Direct General Insurance Company, Direct General Insurance Company of Louisiana, Direct General Insurance Company of Mississippi, Direct National Insurance Company, Direct General Life Insurance Company, and Old American County Mutual Fire Insurance Company (Administered by Direct General Insurance Agency).

****Affiliates of the National General Insurance Group include:** companies in the National General Insurance Group referenced in this notice and companies that now or in the future control, are controlled by, or are under common control with a company in the National General Insurance Group.

Important Privacy Choices for Consumers

You have the right to control whether we share some of your personal information. Please read the following information carefully before you make your choices below.

Your Rights

You have the following rights to restrict the sharing of personal and financial information with our affiliates (companies we own or control, or that own or control us) and outside companies that we do business with. Nothing in this form prohibits the sharing of information necessary for us to follow the law, as permitted by law, or to give you the best service on your accounts with us. This includes sending you information about some other products or services.

Your Choice

Restrict Information Sharing With Companies We Own or Control, or That Own or Control Us (Affiliates):

Unless you direct us not to, we may share personal and financial information about you with our affiliates (and those affiliates may use the information to market to you).

Restrict Information Sharing With Other Companies We Do Business With To Provide Financial Products and Services: Unless you direct us not to, we may share personal and financial information about you with outside companies we contract with to provide financial products and services to you.

No, please do not share personal and financial information about me with your affiliates or with outside companies you contract with to provide financial products and services.

Time Sensitive Reply

You may make your choice at any time. Your choice marked here will remain unless you state otherwise. However, if we do not hear from you, we may share some of your information with affiliates and with other companies with whom we have contracts to provide products and services.

DBA: Lucha Libre Gourmet Taco Shop #1, #2 & #3

Named Insured

77A4001353-03

Policy Number

Signature

Date

PLATINUM ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

**I. Applicable to:
BUILDING AND PERSONAL PROPERTY
COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE
FORM**

Section A. COVERAGE

1.a. Building is amended to include:

For CP 00 10

- 6)** Bridges, roadways, walks, patios or other paved surfaces;
- 7)** Retaining walls which are not part of a building;
- 8)** Fences.

For CP 00 17, the number will be **7), 8)** and

9) accordingly

Items **d.** and **l.** are deleted from Section **A.2. Property Not Covered**. The word "fences" is deleted from Section **A. 2. q. (2)**.

Section **A. 2. Property Not Covered** is amended as follows:

- r.** Fine Arts, except as provided in Section **A 5. Coverage Extensions**. Fine Arts means objects of art, art glass windows, antique or period furniture, and other items that have artistic merit, antique value or historic worth.

4. Additional Coverages

- a.** Debris Removal – Refer to Coverage form CP 00 10 & CP 00 17.
- b.** Preservation of Property – Refer to Coverage form CP 00 10 & CP 00 17.
- c.** Fire Department Service Charge

The \$1,000 limit is increased to \$25,000.(This coverage is increased to \$2,500 in Arizona.)

- d.** Pollutant Clean Up and Removal – Refer to Coverage form CP 00 10 & CP 00 17.

The following Additional Coverages are added:

g. Accounts Receivable – Refer to Coverage form CM 00 01 & CM 00 66 and the limits shown in the Declaration.

h. Arson Reward for Conviction

We will pay a reward to anyone who gives legal authorities information that leads to the conviction of anyone who commits arson with respect to any property covered by this policy. We will pay up to 10 percent of the amount of the covered fire loss or \$25,000, whichever is less. No matter how many persons provide information or how many persons are convicted of arson, our liability under this coverage will not be increased.

- i.** Business Income (and Extra Expense) - Actual Loss Sustained – Refer to Coverage forms CP 00 30 and ALS-2, if Business Income coverage limit is shown in the Declarations.
- j.** Money & Securities – Refer to Coverage form CR 10 00 & CR 00 04, and if the limits shown in the Declarations.
- k.** Employee Dishonesty – Refer to Coverage form CR 10 00 & CR 00 01 and the limits shown in the Declarations.
- l.** Forgery & Alteration – Refer to Coverage form CR 00 03 & CR 10 00, and if the limits shown in the Declarations.
- m.** Innkeeper Legal – Refer to Coverage form CR 10 00 & CR 0013, and if the limits shown in the declarations.
- n.** Credit Card and Slips – Refer to Coverage form COEND CC-2, and if the limits shown in the declarations.
- o.** Food Contamination – Refer to Coverage form COEND FC-2, and if the limits shown in the declarations.

p. Utility Services

If the failure of a power or other utility service supplied to the described premises caused by a Covered Cause of Loss causes loss or damage to covered Business Personal Property, we will pay up to \$25,000 for that loss or damage, unless a higher limit is shown in form EBC-1. The failure must occur away from the described premises.

We will pay up to \$250 per day, but not more than a maximum of \$1,000 in the aggregate, for actual Business Income Loss you sustain as a result of damage to covered Business Personal Property caused by a covered off-premises utility service failure.

The amount payable under this Additional Coverage is subject to the policy deductible shown in the Declarations.

5. Coverage Extensions

a. Newly Acquired or Constructed Property

The policy limits that apply to a loss or damage to newly acquired or constructed Buildings, and newly acquired Business Personal Property described in Section **A. 5. a. Newly Acquired or Constructed Property**, are increased to \$500,000 at each Building for Buildings; and \$250,000 for Business Personal Property at each Building.

The amount payable under this Coverage Extension is subject to the policy deductible shown in the Declarations.

b. Personal Effects And Property of Others

The policy limit that applies to Section **A. 5. b. Personal Effects and Property of Others**, is increased to \$10,000 at each described premises. The amount payable under this Coverage Extension is subject to the policy deductible shown in the Declarations.

c. Valuable Papers And Records (Other Than Electronic Data) is amended to the following:

The policy limit that applies to Section **A. 5. c. Valuable Papers and Records (Other Than Electronic Data)**, is increased to \$100,000 at each described premises, unless a higher limit is shown in the Declarations

The amount payable under this Coverage Extension is subject to \$1,000 deductible and is additional insurance.

d. Property Off Premises – Refer to coverage form CP 00 10 & CP 00 17.

e. Outdoor Property

The limits that apply to a loss or damage to outdoor property described in Section **A. 5. e. Outdoor Property**, are increased to \$50,000, but not more than \$500 for any one tree, shrub or plant.

The amount payable under this Coverage Extension is subject to the policy deductible shown in the Declarations.

The following Coverage Extensions are added:

g. Fine Arts

You may extend the insurance that applies to Business Personal Property to apply to your Fine Arts and Fine Arts owned by others but in your care, custody or control at a premises described in the Declarations. The coverage limit is shown in the Declaration, if any; and the most we will pay for loss or damage under this coverage extension is \$5,000 per item and \$50,000 aggregate per policy term.

We will determine the value of Fine Arts at the market value as of the time of loss or damage. We will not pay for loss caused by breakage, marring or scratching of Fine Arts unless such loss is a result of a "specified cause of loss".

The amount payable under this Coverage Extension is subject to a \$1,000 deductible.

h. Utility Services – Refer to Coverage Form EBC-1.

i. Spoilage Coverage – Refer to Coverage Form EBC-1.

j. Computer Coverage – Refer to Coverage Form EBC-1.

k. Automatic Fire Suppression System Equipment – Referred to Cause of Loss Forms.

Section C. Limits of Insurance:

The limit that applies to loss or damage to outdoor signs attached or detached to buildings described in Section **C. Limits of Insurance** is increased to \$10,000 per sign in any one occurrence, unless a Limit's shown in the declaration page.

The amount payable under this coverage is subject to the policy deductible shown in the Declarations

Section G. Optional Coverages

2. Inflation Guard

- a. The Limit of Insurance for buildings will automatically increase by 2%, or the annual percentage shown in the Declarations, whichever is higher.
- b. The amount of increase will be:
 - 1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - 2) The higher of 2% or the percentage of annual increase shown in the Declarations, expressed as a decimal (example: 2% is .02), times
 - 3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is:	\$100,000
The annual percentage increase is:	2%
The number of days since the beginning of the policy year (or last policy change) is:	200
The amount of increase is:	
$\$100,000 \times .02 \times 200 / 365 =$	
	\$1,095

II. Applicable To:
CAUSES OF LOSS – SPECIAL FORM
CAUSES OF LOSS – BROAD

Section B. Exclusions

1.e. Utility Services

The following sentence is added to the beginning of Section B. 1. e. **Utility Services**:

Except as stated in the Section 4. n. **Utility Services**:

Special Exclusions

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your canceling the lease;
 - (b) The suspension, lapse or cancellation of any license; or

- (3) We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease, the cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- (a) The total difference in rent based on the period of time remaining under your current lease; or
 - (b) The total difference in rent for one year; or
 - (c) \$5,000;
- whichever is less.

Limitations

The following is added to Section C. **Limitations** in the **CAUSES OF LOSS-SPECIAL FORM**, Section E. **Limitation** in the **CAUSES OF LOSS-BROAD FORM**, and Section D. **Limitation** in the **CAUSES OF LOSS-BASIC FORM**:

Building Glass

We will not pay more than \$2,500 in any one occurrence for the loss of or damage to glass that is part of a building or structure, regardless of the number of panes, plates or similar units of glass. Subject to this \$2,500 aggregate, we will not pay more than \$500 for any one pane, plate, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. However, this limitation does not apply to:

- a. Loss or damage by the "specified causes of loss", except vandalism; or
- b. Business Income coverage or Extra Expense coverage.

The amount payable under this Limitation is subject to the policy deductible shown in the Declarations

Additional Coverage Extensions

1. The following is added to Section F. **Additional Coverage Extensions** of the **CAUSES OF LOSS – SPECIAL FORM**, and is added as a new Section G, **Additional Coverage Extensions** to the **CAUSES OF LOSS – BROAD FORM**:

Sewer Back-Up- We will pay for loss to covered property caused by:

- a. Water that backs up or overflows from a sewer drain or sump.

- b. We will pay not more than \$100,000 aggregate limit per policy term for loss or damage caused by water that backs up or overflows from a sewer, drain or sump. This limit includes the cost to tear out and replace any part of the building or structure to make repairs to the system or appliance from which the water or other substance escapes. Any Business Income loss under Part III. Section A BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM resulting from the back up of water or the overflow from a sewer, drain or sump is excluded.

The amount payable under this Additional Coverage Extension is subject to a \$1,000 deductible.

2. The following is added as an **Additional Coverage Extension** to the **CAUSES OF LOSS – BROAD FORM**:

Property In Transit- This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean

- your vehicle's contact with the road bed.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Additional Coverage Extension is \$10,000.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage Extension. The amount payable under this Additional Coverage Extension is subject to the policy deductible shown in the Declarations

- 3. The policy limit that applies to Section F. 1. **Property in Transit** in the **CAUSES OF LOSS SPECIAL FORM** is increased to \$10,000.

The amount payable under this Additional Coverage Extension is subject to the policy deductible shown in the Declarations.

III. Applicable To:
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Section A. Coverage

5. Additional Coverages

- a. **Civil Authority – Refer to Coverage form CP 00 30.**

Except as changed herein, this endorsement is subject to all the terms, conditions, provisions and stipulations of the policy to which it is attached.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" due to or arising out of rendering or failure to render any professional service.

CO END. #10

9\94

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTION/CONTAMINATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The language of Exclusion f. under Paragraph 2. of **SECTION I, COVERAGE A, EXCLUSIONS** regarding **BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, is deleted in its entirety and is replaced by the following language. In addition, the following language is added under Paragraph m. of **COVERAGE B, EXCLUSIONS** regarding **PERSONAL AND ADVERTISING INJURY LIABILITY**, and the definition of "Pollutants" in **SECTION V** is replaced by this form.

- (1) The "pollution" and/or "contamination" of any "environment" by "pollutants" that are introduced at any time, anywhere, or in any manner, or arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants"; or
- (2) Any "bodily injury" or "property damage", "personal and advertising injury" arising out of such "pollution" and/or "contamination"; or
- (3) Payment for the investigation or the defense of any loss, injury or damage, or for any cost, fine or penalty, or for any expense, claim or "suit", related to any of the above, including any payment for any loss, cost or expense incurred by any insured or others, whether pursuant to governmental direction or request or otherwise, with respect to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in anyway responding to or assessing the effects of, such "pollution" and/or "contamination".

As used in this exclusion, the following terms have the following meanings:

"Pollution" and/or "contamination" means any unclean or unsafe or damaging or injurious or unhealthful conditions arising out of the presence of "pollutants", whether permanent or transient, in any "environment";

"Environment" means any man-made object or feature (including but not limited to buildings and other items of man-made property), any crop or vegetation, any land, any body of water or water course, any underground water or water table supply, any air, and any other feature of the earth or its atmosphere, whether or not altered, developed, cultivated, owned, rented, controlled, occupied or used by any "insured";

"Pollutants" means any noise, solid, semi-solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fume, acid, alkali, chemical, biological and/or other etiological agent or material, electromagnetic and/or ionizing radiation and energy, genetically engineered agent or material, teratogenic, carcinogenic and/or mutagenic agent or material, and waste. Waste includes any material to be disposed of, recycled, reconditioned or reclaimed.

This exclusion applies regardless of the capacity in which any "insured" is acting and regardless of the relationship of any "insured" to the "environment", "pollution", "contamination", and/or "pollutants".

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INTERINSURED CLAIMS AND SUITS EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGE SECTIONS

The liability coverage afforded by this policy does not apply to any claim or "suit" for damages by any "insured" against another "insured" because of "bodily injury", "property damage", "personal injury" or "advertising injury". We have no obligation to defend or indemnify any "insured" as to any such claim or "suit" by another "insured".

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGE SECTIONS

The liability coverage afforded by this policy does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" at any time, in any way, or anywhere arising out of:

- (1) The inhalation, ingestion, or absorption of or any other physical exposure to asbestos, including asbestos fibers and asbestos dust, or to any good, product, or structure containing asbestos; or
- (2) The use of asbestos in constructing or manufacturing any good, product, or structure; or
- (3) The installation or removal of asbestos from any good, product or structure; or
- (4) The manufacture, mining, transportation, handling, storage, use, sale, distribution or disposal of asbestos or any good, product or structure containing asbestos.

The liability coverage afforded by this policy does not apply to payment for the investigation or the defense of any loss, injury or damage, or for any cost, fine or penalty, or for any expense, claim or "suit", related to any of the above, including any payment for any loss, cost or expense incurred by any "insured" or others, whether pursuant to governmental direction or request or otherwise, with respect to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to, or assessing the effects of, asbestos or any good, product or structure containing asbestos.

This exclusion applies regardless of the capacity in which any "insured" is acting and regardless of the relationship of any "insured" to the asbestos and/or good, product or structure containing asbestos.

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGE SECTIONS

The liability coverage afforded by this policy does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" at any time, in any way or anywhere arising out of:

- (1) The inhalation, ingestion, or absorption of or any other physical exposure to lead in any form, any lead compound, or any good, product or structure containing lead or any lead compound; or
- (2) The use of lead or any lead compound in constructing or manufacturing any good, product, or structure; or
- (3) The installation or removal of lead or any lead compound from any good, product or structure; or
- (4) The manufacture, mining, transportation, handling, storage, use, sale, distribution or disposal of lead, any lead compound, or any good, product or structure containing lead or any lead compound.

The liability coverage afforded by this policy does not apply to payment for the investigation or the defense of any loss, injury or damage, or for any cost, fine or penalty, or for any expense, claim or "suit", related to any of the above, including any payment for any loss, cost or expense incurred by any "insured" or others, whether pursuant to governmental direction or request or otherwise, with respect to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of lead, any lead compound or any good, product or structure containing lead or any lead compound.

This exclusion applies regardless of the capacity in which any "insured" is acting and regardless of the relationship of any "insured" to the lead, lead compound and/or good, product or structure containing lead or any lead compound.

CO END. #17
(12/94)

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- | | |
|---|---|
| 1. Designation of Premises (part leased to you): | 1810 W Washington St, San Diego, CA 92103 |
| 2. Name of Person or Organization (Additional Insured): | Ascentium Capital LLC, ISAOA: P.O. Box 979059, Miami, Florida 33197-9059 C/o Insurance Service Center |
| 3. Additional Premium: | Included |

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- 1. Designation of Premises (part leased to you): 1810 W Washington St, San Diego, CA 92103
- 2. Name of Person or Organization (Additional Insured): Tab Bank: 4185 Harrison Blvd., Ogden, Utah 84403
- 3. Additional Premium: Included

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
- 3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- 1. Designation of Premises (part leased to you): 3016 University Ave, San Diego, CA 92104
- 2. Name of Person or Organization (Additional Insured): Tab Bank: 4185 Harrison Blvd., Ogden, Utah 84403
- 3. Additional Premium: Included

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
- 3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- | | |
|---|---|
| 1. Designation of Premises (part leased to you): | 3016 University Ave, San Diego, CA 92104 |
| 2. Name of Person or Organization (Additional Insured): | Ascentium Capital LLC, ISAOA: P.O. Box 979059, Miami, Florida 33197-9059 C/o Insurance Service Center |
| 3. Additional Premium: | Included |

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- | | |
|---|--|
| 1. Designation of Premises (part leased to you): | 2525 El Camino Real, Suite 218-C, Carlsbad, CA 92008 |
| 2. Name of Person or Organization (Additional Insured): | Five Star Bank, ISAOA: P.O. Box 20270, Long Beach, CA 90801 C/o Insurance Tracking Services, Inc |
| 3. Additional Premium: | Included |

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- | | |
|---|---|
| 1. Designation of Premises (part leased to you): | 2525 El Camino Real, Suite 218-C, Carlsbad, CA 92008 |
| 2. Name of Person or Organization (Additional Insured): | Targeted Lease Capital LLC and/or its assigns: 5500 Main Street, Suite 300, Williamsville, New York 14221 |
| 3. Additional Premium: | Included |

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- | | |
|---|---|
| 1. Designation of Premises (part leased to you): | 2525 El Camino Real, Suite 218-C, Carlsbad, CA 92008 |
| 2. Name of Person or Organization (Additional Insured): | Ascentium Capital LLC, ISAOA: P.O. Box 979059, Miami, Florida 33197-9059 C/o Insurance Service Center |
| 3. Additional Premium: | Included |

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (part leased to you): 2525 El Camino Real, Suite 218-C, Carlsbad, CA 92008
2. Name of Person or Organization (Additional Insured): Tab Bank: 4185 Harrison Blvd., Ogden, Utah 84403
3. Additional Premium: Included

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased by you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

DISCOVERED INJURY OR DAMAGE EXCLUSION

It is agreed that:

- A. The insurance provided under the Commercial General Liability Coverage Part does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" which occurred and was "discovered" before the inception date of this insurance stated in the policy Declarations.
- B. For purposes of this exclusion:
 - (1) Injury or damage is "discovered" when "bodily injury", "property damage", "personal injury" or "advertising injury" is observed or known to have occurred by anyone;
 - (2) Discovery of some injury or damage caused by an "occurrence" or by a "personal injury" or "advertising injury" offense constitutes discovery of all injury or damage caused by the same "occurrence" or offense.
- C. This exclusion applies regardless of whether, as of the "date of inception of this insurance", there was uncertainty about any of the following:
 - (1) The extent of the injury or damage;
 - (2) Whether the injury or damage would continue to occur or would progressively deteriorate;
 - (3) Whether any claim or "suit" arising out of the injury or damage would be brought against an "insured"; or
 - (4) Whether an "insured" would have a legal obligation to pay for the injury or damage.

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISABILITY DISCRIMINATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
BUSINESSOWNERS POLICY
EMPLOYERS' LIABILITY STOP-GAP COVERAGE ENDORSEMENT

This insurance does not apply to "bodily injury", "property damage", "advertising injury" or "personal injury" arising out of:

- (a) actual or threatened discrimination on the basis of disability engaged in by anyone and directed against any person or persons, or
- (b) the negligent:
 - (i) employment;
 - (ii) investigation;
 - (iii) supervision;
 - (iv) reporting to the proper authorities, or failure to so report; or
 - (v) retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.

For purposes of this exclusion, discrimination on the basis of disability means any and all discrimination, intentional and unintentional, because of any physical or mental impairment of a person or because another person perceives a person as having such physical or mental impairment. Discrimination on the basis of disability includes but is not limited to any act or omission in violation of the Americans with Disabilities Act of 1990 (Public Law 101-336; 42 U.S.C.A. § 12101, et seq.), and amendments thereto, or similar provisions of any federal, state, or local statutory law or common law.

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

Commercial General Liability Coverage Part
Businessowners Liability Part
Hired Auto & Non-Owned Auto Liability Coverage Part
Liquor Liability Coverage Part

The following exclusion is added:

This insurance does not apply to:

Damages that are awarded as punitive damages.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF OTHER INSURANCE CONDITION (EXCESS INSURANCE)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph **4.b.** of the **Other Insurance** Condition (**Section IV – Commercial General Liability Coverage Conditions**) is replaced by the following:

4. Other Insurance.

b. Excess Insurance

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

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I); or
- (4) That is Directors and Officers Liability insurance or similar coverage for your directors and officers.

When this insurance is excess, we will have no duty under Coverages A or B to defend any claim or "suit" that any other insurer has a duty to defend or as to which any other insurer has a duty to reimburse defense costs. If no other insurer defends or otherwise pays for (reimburses) defense costs, we will defend, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This Endorsement modifies insurance provided under the Commercial General Liability Coverage Form or Businessowners Liability Coverage Form.

EXCLUSION – SUBSIDENCE

This insurance does not apply to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the "subsidence of land" and the direct or indirect consequential damages resulting therefrom, including but not limited to settling, bulging, cracking, shrinkage, expansion or damage of any type.

For the purpose of this exclusion, "subsidence of land" is defined as earth-movement of any kind, including but not limited to earthquake, landslide, mudflow, earth-sinking, earth-rising or earth-shifting, regardless of the cause.

Other terms:

All other terms of your policy remain unchanged.

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PATHOGENIC ORGANISMS EXCLUSION

This endorsement modifies insurance provided under this policy:

BUSINESSOWNERS POLICY

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL UMBRELLA POLICY

The following exclusion is added to the "Exclusions" section of the policy:

This insurance does not apply to:

1. "Bodily injury," "Property Damage," "Personal Injury", or "Advertising Injury" arising out of any "pathogenic organisms", regardless of any other cause or event that contributed concurrently or in any sequence to that injury or damage.
2. The costs of testing, monitoring, abating, mitigating, removing, remediating, or disposing of fungi.
3. Any supervision, instruction, recommendation, warning, or advice given or which should have been given in connection with 1. Or 2. Above.
4. Any obligation to share with or repay someone else who must pay damages because of such injury or damage.

The above applies regardless of any other cause that contributed concurrently or in any sequence to the injury or damage.

"Pathogen organisms" means any bacteria, yeasts, mildew, virus, fungi, mold, or their spores, mycotoxins or other metabolic products.

POLICY NUMBER 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**ADVERTISING AND DISTRIBUTION OF MATERIAL
OR INFORMATION IN VIOLATION OF LAW EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM**

This insurance does not apply to "bodily injury", "property damage, or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COEND #44 0312

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies the insurance provided under this policy.

**BUSINESS OWNERS POLICY
COMMERCIAL PROPERTY COVERAGE PART
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
BUILDERS RISK COVERAGE FORM
BUSINESS INCOME COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
BUILDING ORDINANCE COVERAGE
ORDINANCE OR LAW COVERAGE**

**LIMITATION ON AMOUNT PAID FOR INSURED PROPERTY
DAMAGED BY FUNGUS**

We will not pay more than \$25,000, or the applicable policy limit, or limits, whichever is less, for the repair or replacement of insured property damaged by fungus when the loss is otherwise covered under the terms and conditions of the policy.

This limitation applies to any and all coverages afforded by the above listed policy forms.

This limitation applies to any loss regardless of the number of buildings or other property located at the premises described in the Declarations.

This limitation applies to all costs related to the repair or replacement of insured property damaged by fungus; including but not limited to, the following:

1. Testing or monitoring to confirm the absence, presence, level, or type of fungus. This includes testing or monitoring done before, during, or after repairs and restoration.
2. Remediation efforts, including:
 - a. Removal, cleaning, repair, and/or replacement of property damaged by fungus.
 - b. Removal, repair and replacement of undamaged property.
 - c. Costs to contain, treat, neutralize, and/or dispose of fungus damaged property.
 - d. Costs to remove and store undamaged property to protect it from exposure to and damage from fungus.
3. Increased costs caused by enforcement of any law or statute that:
 - a. Requires demolition of property.
 - b. Regulates the construction or repair of buildings.
 - c. Regulates the repair or replacement of personal property damaged by fungus.

This limitation applies to all costs and expenses related to the loss of use of the property, or any suspension of the insured's operations, including but not limited to, the following:

1. Delay in rebuilding and repair.
2. Increase in the "period of restoration" caused by the repair or replacement of insured or other property at the premises described in the Declarations.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (part leased to you): 3016 University Ave, San Diego, CA 92104
2. Name of Person or Organization (Additional Insured): 30th & University LLC: 3855 Avocado Blvd., Suite 150, La Mesa, CA 91941
3. Additional Premium: Included

(If no entry appears above, the information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

Who is an Insured (section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to such person or organization's liability which both (1) arises out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule, and (2) occurs on that part of the premises leased to you and shown in the Schedule, and (3) results from and by reason of your act or omission or an act or omission of your agent or employee in the course of your operations at that part of the premises leased to you and shown in the Schedule, and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease the premises shown in the schedule; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule; or
3. Liability arising out of the sole negligence of the person or organization shown in the Schedule.

Other Insurance. If there is other insurance collectible for a loss covered under this policy, we will pay the amount of loss that is left after the full amount available under the other policy has been paid. We will not, however, pay more than the applicable Limits of Liability under this policy.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
(DESIGNATED PERSON OR ORGANIZATION)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (part leased to you): 2525 El Camino Real, Suite 218-C, Carlsbad, CA 92008
2. Name of Person or Organization (Additional Insured): RPI Carlsbad L.P. Per GE-1: 2525 El Camino Real, Suite 137, Carlsbad, CA 92008
3. Additional Premium: Included

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by "your" acts or omissions or the acts or omissions of those acting on "your" behalf.

- A.** It is agreed that such insurance as is afforded by this policy for the benefit of the persons or organizations as listed above shall be primary insurance as respects to any claim, loss or liability arising directly or indirectly from "your" operations or in connection with "your" premises owned by or rented to "you". Any other insurance by such persons or organizations shall be noncontributory with the insurance provided hereunder.
- B.** The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization named as an Additional Insured under this policy endorsement.

IN WITNESS ENDORSEMENT

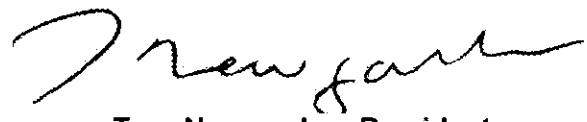
CENTURY-NATIONAL INSURANCE COMPANY
ADMINISTRATIVE OFFICE: 16650 Sherman Way
Van Nuys, California 91406

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Century-National Insurance Company has caused this policy to be signed by its President and Secretary at North Hollywood, California, and countersigned on the declarations page by a duly authorized representative of the Company.


Jeffrey Weissman, Secretary


Tom Newgarden, President

POLICY NUMBER: 77A4001353-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

- BUSINESSOWNERS POLICY
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- FARM COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
- RAILROAD PROTECTIVE LIABILITY COVERAGE PART
- SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION
- UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured", or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which had been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

A. Paragraphs **2.** and **3.** of the **Cancellation** Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

- (1)** Nonpayment of premium; or
- (2)** Discovery of fraud by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.

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

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

- (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
- (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- B. The following provision is added to the **Cancellation Common Policy Condition**:
- 7. Residential Property**
- This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:
- Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form
- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
 - b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
 - c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Capital Assets Program Coverage Form (Output Policy);
 - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below:

b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Capital Assets Program Coverage Form (Output Policy);

(2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1**.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

POLICY NUMBER: 77A4001353-03

IL 09 53 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF 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
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"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.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. **Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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.

D. Application Of Other 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: 77A4001353-03

IL 09 95 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

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

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph D.) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:	
State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or

- b. **A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:**
 - (1) **Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or**
 - (2) **Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or**
 - (3) **Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.**
- 2. **If the provisions of this endorsement become applicable, such provisions:**
 - a. **Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and**
 - b. **Remain applicable unless we notify you of changes in these provisions, in response to federal law.**
- 3. **If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.**
- B. **The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.**

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

- 1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- 2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- C. **The following exclusion is added:**

EXCLUSION OF TERRORISM

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

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

5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item C.5., the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

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

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

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

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- a. Business Income including "Rental Value".
- b. Business Income other than "Rental Value".
- c. "Rental Value".

If option a. above is selected, the term Business Income will include "Rental Value". If option c. above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

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 premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

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 are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

a. Extra Expense coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income coverage applies at that premises.

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

We will pay Extra Expense (other than the expense to repair or replace property) to:

(1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer 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, referred to in the foregoing description of electronic data, 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.

5. Additional Coverages

a. 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.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
 - (2) When your Business Income coverage ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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 period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) 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

- (ii) 30 consecutive days after the date determined in (1)(a) above.

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 the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" 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 "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
- (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
- (d) The Covered Causes of Loss include 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 disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

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

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

B. Limits Of Insurance

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

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following coverages will not increase the applicable Limit of Insurance:

- 1. Alterations and New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

C. Loss Conditions

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

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties In The Event Of Loss

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

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

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

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

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

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

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

3. Loss Determination

a. The amount of Business Income loss will be determined based on:

(1) The Net Income of the business before the direct physical loss or damage occurred;

(2) The likely Net Income of the business 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;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

(1) 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.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

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

D. Additional Condition

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:
 - (1) The Net Income (Net Profit or Loss before income taxes), and
 - (2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

- 1. Multiply the Net Income and operating expense for the 12 months following the inception, or last anniversary date, of this policy by the Coinsurance percentage;
- 2. Divide the Limit of Insurance for the described premises by the figure determined in Step 1.; and
- 3. Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3. or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- 1. Prepaid freight – outgoing;
- 2. Returns and allowances;
- 3. Discounts;

- 4. Bad debts;
- 5. Collection expenses;
- 6. Cost of raw stock and factory supplies consumed (including transportation charges);
- 7. Cost of merchandise sold (including transportation charges);
- 8. Cost of other supplies consumed (including transportation charges);
- 9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- 10. Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- 11. All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- 12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When:	The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been	\$ 400,000
	The Coinsurance percentage is	50%
	The Limit of Insurance is	\$ 150,000
	The amount of loss is	\$ 80,000
Step 1:	$\$400,000 \times 50\% = \$200,000$ (the minimum amount of insurance to meet your coinsurance requirements)	
Step 2:	$\$150,000 \div \$200,000 = .75$	
Step 3:	$\$80,000 \times .75 = \$60,000$	

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$ 400,000
 The Coinsurance percentage is 50%
 The Limit of Insurance is \$ 200,000
 The amount of loss is \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$400,000 x 50%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
 - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example:

When: The Limit of Insurance is \$ 120,000
 The fraction shown in the Declarations for this Optional Coverage is 1/4
 The most we will pay for loss in each period of 30 consecutive days is:
 \$120,000 x 1/4 = \$30,000
 If, in this example, the actual amount of loss is:

Days 1-30	\$ 40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$ 90,000
We will pay:	
Days 1-30	\$ 30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or

- (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example:

When: The Limit of Insurance is \$ 100,000
 The Agreed Value is \$ 200,000
 The amount of loss is \$ 80,000

Step (a) : \$100,000 ÷ \$200,000 = .50
 Step (b) : .50 x \$80,000 = \$40,000

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., Extended Business Income, the number "30" in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

- 1. "Finished Stock" means stock you have manufactured.
 "Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.
 "Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
- 2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

- 3. "Period of Restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;
 caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"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".

- 4. "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.
- 5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:
- a. The slowdown or cessation of your business activities; or
 - b. That part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

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

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

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

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

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

n. Electronic data, except as provided under Additional Coverages – Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer 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, referred to in the foregoing description of electronic data, 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 Paragraph n., does not apply to your "stock" of prepackaged software.

o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

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

This paragraph does not apply to:

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

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

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

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

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

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

Example #2

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

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up And Removal

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

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

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

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.
The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage – Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Electronic Data includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Electronic Data.
 - (d) The Covered Causes of Loss include 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 disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at the described premises.

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

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

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

b. Personal Effects And Property Of Others

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

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

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

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

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

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

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

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

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

f. Non-Owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

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

D. Deductible

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

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

Example No. 1:

(This example assumes there is no coinsurance penalty.)

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

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

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

\$ 60,100
 - 250

\$ 59,850 Loss Payable – Bldg. 1

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

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

Example No. 2:

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

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

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

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

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

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

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

- a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.
The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:
 - (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

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

1. Coinsurance

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

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.
Instead, we will determine the most we will pay using the following steps:
 - (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

Example No. 1 (Underinsurance):

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 100,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

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

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

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

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

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

Example No. 2 (Adequate Insurance):

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

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

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

Example No. 3:

When:	The value of property is:	
	Bldg. at Location No. 1	\$ 75,000
	Bldg. at Location No. 2	\$ 100,000
	Personal Property at Location No. 2	\$ 75,000
		\$ 250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$ 180,000

The Deductible is \$ 1,000

The amount of loss is: Bldg. at Location No. 2 \$ 30,000

Personal Property at Location No. 2 \$ 20,000

\$ 50,000

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

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

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

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

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

2. Mortgageholders

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

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

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

G. Optional Coverages

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

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

Example:

If:	The applicable Limit of Insurance is	\$ 100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the policy year (or last policy change) is	146
	The amount of increase is \$100,000 x .08 x 146 ÷ 365 =	\$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;

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

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

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

 - (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

H. Definitions

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

POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – POLLUTANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The changes below apply to the following forms:

**BUILDING AND PERSONAL PROPERTY
COVERAGE FORM**
**CONDOMINIUM ASSOCIATION
COVERAGE FORM**
**CONDOMINIUM COMMERCIAL UNIT-
OWNERS COVERAGE FORM**
BUILDERS' RISK COVERAGE FORM
**TOBACCO SALES WAREHOUSES
COVERAGE FORM**

1. Under **PROPERTY NOT COVERED**, the following is added:

Covered Property does not include water.

2. The **DEBRIS REMOVAL** Additional Coverage is replaced by the following:

Debris Removal

a. 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 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. The most we will pay under this Additional Coverage is 25% of:

- (1) The amount we pay for the direct loss or damage; plus
- (2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limit of Insurance section.

c. This Additional Coverage does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

3. The following Additional Coverage is added:

Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal 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 within 180 days of the earlier of:

- a. The date of direct physical loss or damage; or
- b. The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This limit is in addition to the Limits of Insurance.

4. Paragraph 2. of the **LIMITS OF INSURANCE** Section is replaced by the following:

2. Debris Removal; but if:

- a. The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 2.b. above;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. The following **DEFINITION** is added:

"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.

B. The **PERIOD OF RESTORATION** definition is revised to include the following in the:

BUSINESS INCOME COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES – BROAD FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES – LIMITED FORM

EXTRA EXPENSE FROM DEPENDENT PROPERTIES FORM

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

C. The **CAUSES OF LOSS – SPECIAL FORM** is revised as follows:

1. The exclusion of, "Release, discharge or dispersal of contaminants or pollutants" in paragraph **B.2.d.(4)** is deleted.

2. The following Exclusion is added:

We will not pay for loss or damage caused by or resulting from the release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

The following is added to the **Cancellation** Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least five days before the effective date of cancellation.

A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

1. Seasonal unoccupancy;
2. Buildings in the course of construction, renovation or addition; or
3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

B. After damage by a covered cause of loss, permanent repairs to the building:

1. Have not started; and
2. Have not been contracted for, within 30 days of initial payment of loss.

C. The building has:

1. An outstanding order to vacate;
2. An outstanding demolition order;
3. Been declared unsafe by governmental authority.

D. Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

E. Failure to:

1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
 2. Limited in Section C., Limitations;
- that follow.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the 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 the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a.(1)** applies to these coverages.

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (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.

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

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

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

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

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

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

- (2) Whether or not occurring during the hours of employment.

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

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.
- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.
But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- (2) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce the "finished stock".
 This exclusion does not apply to Extra Expense.
- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

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

- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph **B.1.a.** Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph **B.1.a.**, Ordinance Or Law;
 - (b) Paragraph **B.1.c.**, Governmental Action;
 - (c) Paragraph **B.1.d.**, Nuclear Hazard;
 - (d) Paragraph **B.1.e.**, Utility Services; and
 - (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

C. Limitations

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

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income coverage or Extra Expense coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.
- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
 - b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c.** \$2,500 for patterns, dies, molds and forms.
 - d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

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

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

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

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

D. Additional Coverage – Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.5.** below.

1. With respect to buildings:
 - a.** Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - b.** A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
 - c.** A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
 - d.** A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage form, if the collapse is caused by one or more of the following:
 - a.** The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - b.** Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - c.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - d.** Weight of people or personal property;
 - e.** Weight of rain that collects on a roof;

- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

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

- 3. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
 if the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:
 - a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
 - b. The property is Covered Property under this Coverage Form.
- 4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

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

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

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

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

- 1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

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

F. Additional Coverage Extensions

1. Property In Transit

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

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

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

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

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

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

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

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside the building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

	SCHEDULE ^A	
Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
All	All	P-9

Describe any "P-9": "Automatic Fire Suppression System (Ansul) Serviced Semi-Annually" "U.L. Rated Fire Extinguisher Serviced Annually"

- A.** This insurance will be automatically suspended at the involved location if you fail to notify us immediately when you:
1. Know of any suspension or impairment in the protective safeguards; or
 2. Fail to maintain the protective safeguards over which you have control in complete working order.
- If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.
- B.** The protective safeguards to which this endorsement applies are identified by the following symbols:
- "P-1" Automatic Sprinkler System**, including related supervisory services.
Automatic Sprinkler System means:
- a. Any automatic fire protective or extinguishing system, including connected:
 - (1) Sprinklers and discharge nozzles;
 - (2) Ducts, pipes, valves and fittings;
 - (3) Tanks, their component parts and supports; and
 - (4) Pumps and private fire protection mains.
- b.** When supplied from an automatic fire protective system:
- (1) Non-automatic fire protective systems; and
 - (2) Hydrants, standpipes and outlets.
- "P-2" Automatic Fire Alarm**, protecting the entire building, that is:
- a. Connected to a central station; or
 - b. Reporting to a public or private fire alarm station.
- "P-3" Security Service**, with a recorded system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
- "P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.
- "P-9"** The protective system described in the Schedule.

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY
CP 12 18 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUILDERS' RISK COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

Prem. No.	Bldg. No.	Description of Property	SCHEDULE Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract Of Sale
1	1		Five Star Bank, ISAOA P.O. Box 20270, Long Beach, CA 90801 Insurance Tracking Services, Inc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	1		Ascentium Capital LLC, ISAOA P.O. Box 979059, Miami, FL 33197-9059 c/o Insurance Service Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	1		Five Star Bank, ISAOA P.O. Box 20270, Long Beach, CA 90801 Insurance Tracking Services, Inc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	1		Ascentium Capital LLC, ISAOA P.O. Box 979059, Miami, FL 33197-9059 c/o Insurance Service Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	1		Five Star Bank, ISAOA P.O. Box 20270, Long Beach, CA 90801 Insurance Tracking Services, Inc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A. When this endorsement is attached to the **STANDARD PROPERTY POLICY CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the **LOSS PAYMENT** Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. 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:

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.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. 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.
 - c. 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:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

- d. 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:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) 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.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. 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.
2. For Covered Property in which both you and the Loss Payee 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.

3. The following is added to the **OTHER INSURANCE** Condition:

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

POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY
CP 12 18 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract Of Sale
3	1		Ascentium Capital LLC, ISAOA P.O. Box 979059, Miami, FL 33197-9059 c/o Insurance Service Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	1		Targeted Lease Capital LLC and/or its assigns 5500 Main Street, Suite 300, Williamsville, NY 14221	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A. When this endorsement is attached to the **STANDARD PROPERTY POLICY CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the **LOSS PAYMENT** Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. 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:

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.

CP 12 18 06 95

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POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY
CP 14 40 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR SIGNS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:	All	Building Number:	All
Description Of Sign: <input type="checkbox"/>			
Construction Of Sign: <input type="checkbox"/> Entirely Metal <input checked="" type="checkbox"/> Other			
Limit Of Insurance: \$ Per PR-01			
Coinsurance Percentage: %			
Additional Premium: \$ Included			
Premises Number:		Building Number:	
Description Of Sign: <input type="checkbox"/>			
Construction Of Sign: <input type="checkbox"/> Entirely Metal <input type="checkbox"/> Other			
Limit Of Insurance: \$			
Coinsurance Percentage: %			
Additional Premium: \$			

Premises Number:		Building Number:	
Description Of Sign:	<input type="checkbox"/>		
Construction Of Sign:	<input type="checkbox"/> Entirely Metal	<input type="checkbox"/> Other	
Limit Of Insurance:	\$		
Coinsurance Percentage:		%	
Additional Premium:	\$		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

With respect to the outdoor signs described in the Schedule, the provision in the Limits Of Insurance section which pertains to signs does not apply. The limit applicable to each sign is shown in the Schedule. The limit applicable to each sign is the most we will pay for loss or damage to the sign in any one occurrence.

POLICY NUMBER: 77A4001353-03

COMMERCIAL PROPERTY
CP 15 10 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINARY PAYROLL LIMITATION OR EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

SCHEDULE

Number Of Days (if Ordinary Payroll Coverage is provided):

90

Additional Exemptions – Job Classification(s) Or Employee(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. Business Income includes "ordinary payroll expenses" only up to the number of days shown in the Schedule. The number of days need not be consecutive but must fall within the "period of restoration" or extension of the "period of restoration" if an extension is provided under this policy. **If the Schedule does not indicate number of days, then "ordinary payroll expenses" are excluded.**
 - B. In determining the operating expenses for the policy year for Coinsurance purposes, payroll expenses will not include "ordinary payroll expenses", except for "ordinary payroll expenses" incurred during the number of days shown in the Schedule. If the "ordinary payroll expenses" for the policy year vary during the year, the period of greatest "ordinary payroll expenses" will be used.
 - C. "Ordinary payroll expenses" means payroll expenses for all your employees except:
 - 1. Officers;
 - 2. Executives;
 - 3. Department managers;
 - 4. Employees under contract; and
 - 5. Additional Exemptions, shown in the Schedule as:
 - a. Job Classifications; or
 - b. Employees.
- "Ordinary payroll expenses" include:
- (1) Payroll;
 - (2) Employee benefits, if directly related to payroll;
 - (3) FICA payments you pay;
 - (4) Union dues you pay; and
 - (5) Workers compensation premiums.

POLICY NUMBER: 77A4001353-03

EMPLOYEE DISHONESTY COVERAGE FORM

(Coverage Form A – Blanket)

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty".
3. **Coverage Extension**

Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

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

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the **DECLARATIONS**. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
 - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
 - b. Upon our request, give us a statement describing the loss.

D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS: In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
 - a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
 - b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence

or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

2. Additional Condition

Cancellation As To Any Employee: This insurance is cancelled as to any "employee":

- a. Immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the "employee";of any dishonest act committed by that "employee" whether before or after becoming employed by you.
- b. On the date specified in a notice mailed to you. That date will be least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Additional Definitions

- a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
 - (1) Cause you to sustain loss; and also
 - (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
 - (a) The "employee"; or
 - (b) Any person or organization intended by the "employee" to receive that benefit.
- b. **"Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

POLICY NUMBER: 77A4001353-03

COMMERCIAL CRIME
COVERAGE FORM B

FORGERY OR ALTERATION COVERAGE FORM

A. COVERAGE

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

1. Covered Instruments: Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- a. Made or drawn by or drawn upon you;
- b. Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.

2. Covered Causes Of Loss: Forgery or alteration of, on or in any Covered Instrument.

3. Coverage Extension

Legal Expenses: If you are sued for refusing to pay any Covered Instrument 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 and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

B. LIMIT OF INSURANCE

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

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

D. ADDITIONAL EXCLUSION, CONDITIONS AND DEFINITION In addition to the provisions in the Crime General Provisions Form, this Coverage Form is also subject to the following:

1. Additional Exclusion

Acts of Employees, Directors, or Trustees:

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

- a. Whether acting alone or in collusion with other persons; or
- b. Whether while performing services for you or otherwise.

2. Additional Conditions

a. Facsimile Signatures: We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

b. General Amendment: As respects this Coverage Form, the words Covered Property in the Crime General Provisions Form mean Covered Instruments.

c. Proof of Loss: You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory: We will cover loss you sustain anywhere in the world.

The Territory General Condition does apply to this Coverage Form.

3. Additional Definition

"Occurrence" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

POLICY NUMBER: 77A4001353-03

COMMERCIAL CRIME
Coverage Form C

THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FORM

A. COVERAGE – We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss.

1. Section 1. – Inside The Premises

a. Covered Property: "Money" and "Securities" inside the "premises" or a "banking premises".

b. Covered Causes of Loss

- (1) "Theft"
- (2) Disappearance
- (3) Destruction

c. Coverage Extensions

(1) Containers of Covered Property: We will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the "premises" resulting directly from an actual or attempted:

- (a) "Theft" of; or
- (b) Unlawful entry into those containers.

(2) Premises Damage: We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of Covered Property if you are the owner of the "premises" or are liable for damage to it.

2. Section 2. – Outside the Premises

a. Covered Property: "Money" and "Securities" outside the "premises" in the care and custody of a "messenger".

b. Covered Causes of Loss

- (1) "Theft"
- (2) Disappearance
- (3) Destruction

c. Coverage Extension

Conveyance of Property By Armored Motor Vehicle Company: We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

B. LIMIT OF INSURANCE

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

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the **DECLARATIONS**. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS: In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. Additional Exclusions: We will not pay for loss as specified below

- a. Accounting or Arithmetical Errors or Omissions:** Loss resulting from accounting or arithmetical errors or omissions.
- b. 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:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
- c. Exchanges or Purchases:** Loss resulting from the giving or surrendering of property in any exchange or purchase.
- d. Fire:** Loss from damage to the "premises" resulting from fire, however caused.

- e. **Money Operated Devices:** Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
 - f. **Transfer or Surrender of Property**
 - (1) Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
 - (a) On the basis of unauthorized instructions; or
 - (b) As a result of a threat to do:
 - i. Bodily harm to any person; or
 - ii. Damage to any property
 - (2) But, this exclusion does not apply under **COVERAGE**, Section 2. to loss of Covered Property while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:
 - (a) Had no knowledge of any threat at the time the conveyance began; or
 - (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
 - g. **Vandalism:** Loss from damage to the "premises" or its exterior or to containers of Covered Property by vandalism or malicious mischief.
 - h. **Voluntary Parting of Title to or Possession of Property:** Loss 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.
- 2. **Additional Condition**

Duties in the Event of Loss: If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.
 - 3. **Additional Definitions**
 - a. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
 - b. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".
 - c. **"Occurrence"** means an:
 - (1) Act or series of related acts involving one or more persons; or
 - (2) Act or event, or a series of related acts or events not involving any person.
 - d. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
 - e. **"Theft"** means any act of stealing.

POLICY NUMBER: 77A4001353-03

COMMERCIAL CRIME
CR 10 00 06 95

CRIME GENERAL PROVISIONS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or 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.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, **DECLARATIONS** or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

A. GENERAL EXCLUSIONS: We will not pay for loss as specified below:

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. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
3. **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.
4. **Legal Expenses:** Expenses related to any legal action.
5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

B. GENERAL CONDITIONS

1. **Concealment, Misrepresentation or Fraud:** This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:
 - a. This insurance;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this insurance.
2. **Consolidation – Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
 - a. Any additional persons become "employees;" or
 - b. You acquire the use and control of any additional "premises;"
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises," but only if you:
 - a. Give us written notice within 30 days thereafter; and
 - b. Pay us an additional premium.
3. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.
4. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
5. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:
 - a. Notify us as soon as possible.
 - b. Submit to examination under oath at our request and give us a signed statement of your answers.
 - c. Give us a detailed, sworn proof of loss within 120 days.
 - d. Cooperate with us in the investigation and settlement of any claim.

6. Joint Insured

- a. 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.
- b. 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.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is 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.
- e. 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.

7. Legal Action Against Us: You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

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

9. Loss Covered Under More Than One Coverage of This Insurance: If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

10. Loss Sustained During Prior Insurance

- a. 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:

- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (2) 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.

- b. 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:
 - (1) This insurance as of its effective date; or
 - (2) The prior insurance had it remained in effect.

11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate: If any loss is covered:

- a. Partly by this insurance; and
- b. 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.

12. 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.

13. Other Insurance: This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the **DECLARATIONS**.

14. Ownership of Property; Interests Covered: The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

15. Policy Period

- a. The Policy Period is shown in the **DECLARATIONS**.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

16. Records: You must keep records of all Covered Property so we can verify the amount of any loss.

17. Recoveries

- 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.

18. Territory: This insurance covers only acts committed or events occurring within the United States of America, U. S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

19. Transfer of Your Rights of Recovery Against Others to Us: You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

20. Valuation – Settlement

- a. Subject to the applicable Limit of Insurance provision we will pay for:
 - (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (a) At face value in the "money" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - (a) 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;"
 - (b) 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:
 - (i) Value of the "securities" at the close of business on the day the loss was discovered; or
 - (ii) Limit of Insurance.
 - (3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:
 - (a) Actual cash value of the property on the day the loss was discovered;

(b) Cost of repairing the property or "premises;" or

(c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than "money:"

(1) In the "money" of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

C. GENERAL DEFINITIONS

1. "Employee" 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:

(1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "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.

3. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.

4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money."

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:
- (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";

- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.
- SECTION III – LIMITS OF INSURANCE**
1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section I – Coverage **A** – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. 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.
- c. 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.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. 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 30 days before the expiration date.

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

SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

- b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean 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. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY
CG 00 33 01 96

LIQUOR LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under **WHO IS AN INSURED** (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to **DEFINITIONS** (Section V).

SECTION I – LIQUOR LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **LIMITS OF INSURANCE** (Section III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS**.

- b. This insurance applies to "injury" which occurs during the policy period in the "coverage territory".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Injury" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

c. Employer's Liability

"Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the "injury".

d. Liquor License Not in Effect

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is suspended or after such license expires, is cancelled or revoked.

e. Your Product

"Injury" arising out of "your product". This exclusion does not apply to "injury" for which the insured or the insured's indemnities may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;

- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

f. Other Insurance

Any "injury" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- 1. All expenses we incur.
- 2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- 4. All costs taxed against the insured in the "suit".
- 5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- 6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- 7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses, are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- 2. Each of the following is also an insured:
 - a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - (1) "Injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above; or
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above.

- (2) "Property damage" to property:
 - (a) Owned or occupied by, or
 - (b) Rented or loaned
 to that "employee", any of your other "employees", or any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

b. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

- 2. The Aggregate Limit is the most we will pay for all "injury" as the result of the selling, serving or furnishing of alcoholic beverages.
- 3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – LIQUOR LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Injury, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "injury" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any "injury" arising out of an occurrence.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" to which this insurance may also apply.
- d. No insureds will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b. below.

b. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part 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.
- c. 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.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. 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 30 days before the expiration date.

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

SECTION V – DEFINITIONS

1. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the "injury" does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The "injury" arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
4. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
5. "Injury" means all damages, including damages because of "bodily injury" and "property damage", and including damages for care, loss of services or loss of support.
6. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
7. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
8. "Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
9. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
10. "Your product" means:
 - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
 - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES

This endorsement modifies insurance provided under the following:

COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE
COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
DRUGGISTS LIABILITY INSURANCE
ELEVATOR COLLISION INSURANCE
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE
PREMISES MEDICAL PAYMENTS INSURANCE
SPECIAL MULTI-PERIL POLICY LIABILITY INSURANCE
STOREKEEPERS INSURANCE

- A. Whenever the term "policy" is used in any form listed above or in the declarations or any related endorsement, it is changed to "coverage part".
- B. The Common Policy Declarations (other than any references to premiums) and the Common Policy Conditions do not apply).
- C. With respect to the Special Multi-Peril Policy Conditions and Definitions Form attached to this policy:
 - 1. The General Conditions, Conditions Applicable to Section II and Definitions Applicable to Section II apply only to the Commercial General Liability Coverage Part;
 - 2. The Conditions Applicable to Section I do not apply to any part of this policy; and
 - 3. The Cancellation condition is replaced by the following:

Cancellation. This policy may be cancelled by the "named insured" by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the "named insured" at the address shown in this policy, written notice stating when not less than thirty days thereafter such cancellation shall be effective; provided that in the event of nonpayment of premium, such notice shall state when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the "named insured" or by the company shall be equivalent to mailing.

If the "named insured" cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY

CG 21 44 04 17

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:
Project Or Operation: Hi-Value Restaurant
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 01**, the provisions under this Paragraph **A.** apply:

1. Paragraph **1.b.** under **Section I – Coverage A Bodily Injury And Property Damage Liability** is replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

- (1)** The "bodily injury" or "property damage":
 - (a)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (b)** Arises out of the project or operation shown in the Schedule;
- (2)** The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

2. Paragraph **1.b.** under **Section I – Coverage B– Personal And Advertising Injury Liability** is replaced by the following:

- b.** This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (1)** The offense arises out of your business:
 - (a)** Performed on the premises shown in the Schedule; or

(b) In connection with the project or operation shown in the Schedule; and

(2) The offense was committed during the policy period.

However, with respect to Paragraph 1.b.(1)(a) of this Insuring Agreement, if the "personal and advertising injury" is caused by:

(1) False arrest, detention or imprisonment; or

(2) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph 1.a. under **Section I – Coverage C Medical Payments** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule;

provided that:

(a) The accident takes place during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

B. If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 02**, the provisions under this Paragraph B. apply:

1. Paragraph 1.b. under **Section I – Coverage A Bodily Injury And Property Damage Liability** is replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

(1) The "bodily injury" or "property damage":

(a) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(b) Arises out of the project or operation shown in the Schedule;

(2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

(3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph 1.c. of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

2. Paragraph 1.b. under **Section I – Coverage B Personal And Advertising Injury Liability**

is replaced by the following:

b. This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

(1) The offense arises out of your business:

(a) Performed on the premises shown in the Schedule; or

(b) In connection with the project or operation shown in the Schedule;

(2) The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- (3) A claim for damages because of the "personal and advertising injury" is first made against any insured, in accordance with Paragraph 1.c. of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

However, with respect to Paragraph 1.b.(1)(a) of this Insuring Agreement, if the "personal and advertising injury" is caused by:

- (1) False arrest, detention or imprisonment; or
- (2) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph 1.a. under Section I – Coverage C Medical Payments is replaced by the following:
- a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":
 - (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (2) Arises out of the project or operation shown in the Schedule;
provided that:
 - (a) The accident takes place during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** The following exclusion is added:
This insurance does not apply to:
TERRORISM
"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".
- B.** The following definitions are added:
1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
 2. "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:
 - a. 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
 - b. 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.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL TERRORISM
RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

**A. Applicability Of The Provisions Of This
Endorsement**

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

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

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C.5. or C.6. are exceeded.

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

RPI Carlsbad L.P. Per GE-1: 2525 El Camino Real, Suite 137, Carlsbad, CA 92008

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of Section **IV – Conditions**:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY
CG 24 07 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Description of Premises and Operations:

Per PR-01

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph **a.** of the definition of "Products-completed operations hazard" in the **DEFINITIONS** Section is replaced by the following:

"Products-completed operations hazard":

- a.** Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

POLICY NUMBER: 77A4001353-03

COMMERCIAL GENERAL LIABILITY
CG 28 06 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO INSURED PREMISES

This endorsement modifies insurance provided under the following:

LIQUOR LIABILITY COVERAGE PART

SCHEDULE

Description and Location of "Insured Premises":

Loc.1 - 1810 W Washington St., San Diego, CA 92103

Loc.2 - 3016 University Ave., San Diego, CA 92104, Loc.3 - 2525 El Camino Real, Suite 218-C, Carlsbad, CA 92008

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A.** This insurance only applies to damages arising out of your "insured premises".
- B.** The following definition is added to the **DEFINITIONS** Section:
"Insured premises" means:
 - 1.** The premises shown in the Schedule; and
 - 2.** Any premises you acquire during the policy period for use in manufacturing, distributing, selling, serving or furnishing alcoholic beverages if:
 - a.** You notify us within 30 days after the acquisition, and
 - b.** You have no other valid and collectible insurance applicable to the loss.

POLICY NUMBER: 77A4001353-03

COMMERCIAL INLAND MARINE
CM 00 01 06 95

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

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

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 the claim.

C. DUTIES IN THE EVENT OF LOSS

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination.

5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.

6. Permit us to inspect the property and records proving "loss".

7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Promptly send us any legal papers or notices received concerning the "loss".

10. Cooperate with us in the investigation or settlement of the claim.

D. INSURANCE UNDER TWO OR MORE COVERAGES

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

E. LOSS PAYMENT

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. 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.

F. OTHER INSURANCE

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

G. PAIR, SETS OR PARTS

1. **Pair or set.** In case of "loss" to any part of a 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".
2. **Parts.** In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. 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.

I. RECOVERIES

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. REINSTATEMENT OF LIMIT AFTER LOSS

The Limit of Insurance will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance 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.

GENERAL CONDITIONS

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

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

B. 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 the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the "loss".

C. NO BENEFIT TO BAILEE

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

D. POLICY PERIOD

We cover "loss" commencing during the policy period shown in the Declarations.

E. VALUATION

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before "loss"; or
3. The cost of replacing that property with substantially identical property.

In the event of "loss", the value of property will be determined as of the time of "loss".

POLICY NUMBER: 77A4001353-03

COMMERCIAL INLAND MARINE
CM 00 66 06 95

ACCOUNTS RECEIVABLE COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section E – DEFINITIONS.

A. COVERAGE

1. We will pay:

- 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 the "loss"; and
- d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

2. PROPERTY NOT COVERED

Coverage does not apply to:

- a. Records of accounts receivable in storage away from the "premises" shown in the Declarations; or
- b. Contraband, or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to your records of accounts receivable except those causes of "loss" listed in the Exclusions.

4. ADDITIONAL COVERAGE – COLLAPSE

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

5. COVERAGE EXTENSION

Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of "loss", we will pay for "loss" while they are:

- a. At a safe place away from your "premises"; or
- b. Being taken to and returned from that place.

This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

B. EXCLUSIONS

- 1. We will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" 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" 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.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. WAR AND MILITARY ACTION

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

2. We will not pay for a "loss" caused by or resulting from any of the following:

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c.** 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.

- d.** Bookkeeping, accounting or billing errors or omissions.
- e.** Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (1) Programming errors or faulty machine instructions;
 - (2) Faulty installation or maintenance of data processing equipment or component parts;
 - (3) An occurrence that took place more than 100 feet from your "premises"; or
 - (4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

But we will pay for direct "loss" caused by lightning.

- f.** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g.** Unauthorized instructions to transfer property to any person or to any place.
- 3.** We will not pay for "loss" that requires any audit of records or any inventory computation to prove its factual existence.
- 4.** We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss".
 - a.** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss".
 - b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c.** Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

EXHIBIT B

POLICY NUMBER: 77B4001353-03

**COMMERCIAL LIABILITY UMBRELLA
CU 22 40 12 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

Effective Date of Change: 05/26/2020

Change Endorsement No.: 2

Named Insured: Unmasked Management, Inc Per CU2240

The following item(s):

X Insured's Name	Insured's Mailing Address
Policy Number	Company
Effective/Expiration Date	Insured's Legal Status/Business of Insured
Payment Plan	Premium Determination
Additional Interested Parties:	Coverage Forms and Endorsements
Limits/Exposures	Self-Insured Retention
Covered Property/Located Description	Classification/Class Codes
Rates	Underlying Insurance

is (are) changed to read **{See Additional Page(s)}**: The Named Insured is hereby amended to read:

Unmasked Management, Inc.

Lucha Libre Gourmet Taco Shop #1 LP, a California Limited Partnership DBA Lucha Libre Gourmet Taco Shop #1

Lucha Libre Gourmet Taco Shop #2 LP, a California Limited Partnership DBA Lucha Libre Gourmet Taco Shop #2

Lucha Libre Gourmet Taco Shop #3 LP, a California Limited Partnership DBA Lucha Libre Gourmet Taco Shop #3

All other terms and conditions remain unchanged.

The above amendments result in a change in the premium as follows:

X	NO CHANGES	TO BE ADJUSTED AT AUDIT	ADDITIONAL PREMIUM	RETURN PREMIUM
			\$	\$

Endorsement Effective: 05/26/2020

Countersigned By:

Named Insured: Unmasked Management, Inc. Per
CU2240

(Authorized Agent)

POLICY CHANGES ENDORSEMENT DESCRIPTION

- (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
- of part or all of any property wherever located.

- d. Collapse except as provided in the Additional Coverage – Collapse section of this Coverage Form.

C. LIMITS OF INSURANCE

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

D. ADDITIONAL CONDITIONS

1. DETERMINATION OF RECEIVABLES

General Condition E. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

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

2. RECOVERIES

The following is added to Commercial Inland Marine Loss Condition I. Recoveries:

You will pay us the amount of all recoveries you receive for a "loss" paid by us. But any recoveries in excess of the amount we have paid belong to you.

- 3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. COVERAGE TERRITORY

We cover records of accounts receivable:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - (a) The United States of America;
 - (b) Puerto Rico; and
 - (c) Canada.

b. COINSURANCE

All accounts receivable, except those in transit, must be insured for at least 80% of their total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" that the Limit of Insurance shown in the Declarations for Coverage Applicable at All Locations bears to 80% of the total value of all accounts receivable at all locations as of the time of "loss". This penalty will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to re-establish your records of accounts receivable.

c. PROTECTION OF RECORDS

Whenever you are not open for business, and except while you are actually using the records, you must keep all records of accounts receivable in receptacles that are described in the Declarations.

E. DEFINITIONS

- 1. "Loss" means accidental loss or damage.
- 2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Century-National Wrongfully Failed to Cover California Taco Shops' COVID-19 Business Losses, Lawsuit Claims](#)
