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9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

12 MUSSO & FRANK GRILL CO., INC., a
 13 California corporation,

14 Plaintiff,

15 vs.

17 MITSUI SUMITOMO INSURANCE USA
 18 INC., a New York corporation,

19 Defendant.

Case No.:

**COMPLAINT AND DEMAND FOR
 JURY TRIAL**

1. BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING
2. BREACH OF CONTRACT



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I.
INTRODUCTION

1. Business Interruption coverage is an optional insurance benefit available to businesses to minimize their risk and sustain them when a suspension of business operations causes a loss of business income. This coverage allows businesses to pay continuing operating expenses, additional expenses incurred because of the suspension, and supplement their lost business income.

2. As California Insurance Commissioner Ricardo Lara stated in a notice on April 14, 2020 to all admitted and non-admitted insurance companies in California, “Many small and large California businesses purchase Business Interruption insurance to protect against the loss of income and other losses caused by an interruption to the normal operations of the business” (Exhibit 1).

3. Defendant Mitsui Sumitomo Insurance USA Inc. (“Mitsui”) advertises to the American public that it “offer[s] the tools, resources and expertise [that] businesses need[] to keep moving forward” (<http://www.msigusa.com/about-us/>, last accessed April 17, 2020). Mitsui promises that its products will “help minimize [the insureds’] risk [to] remain successful in the event of a loss” (rotating banner at <http://www.msigusa.com>, last accessed on April 17, 2020). It goes on to promise that it “has established a clear, consistent process for each type of claim” and assures potential insureds that its “primary goal is to ensure the early and equitable adjustment of all claims” (<http://www.msigusa.com/claims/claims-solutions/>, last accessed April 17, 2020). Regrettably for Plaintiff Musso & Frank Grill Co., Inc. (“Musso & Frank”), those promises were not the reality.

4. For over 100 years, Musso & Frank has been, and continues to be, an iconic Hollywood institution combining unparalleled service and ambience with gourmet cuisine. Indeed, it is the first restaurant ever to have its own star on the Hollywood Walk of Fame. Musso & Frank’s patrons have for decades included

1 entertainment celebrities and insiders, as well as devoted locals from throughout
2 Southern California.

3 5. Musso & Frank purchased, timely paid all premiums for and performed
4 all duties required of it to be performed under an “All Risk” commercial property and
5 general liability insurance policy issued by Mitsui, Policy No. PKG 3127372 (the
6 “Policy”). Under an “All Risk” policy, all risks of physical loss or damage are covered
7 unless specifically and unambiguously excluded. Stated differently, all non-excluded
8 perils are covered.

9 6. The Policy included “Business Income (and Extra Expense)” coverage in
10 the event there is a “loss of Business Income ... sustain[ed] due to the necessary
11 ‘suspension’ of [Musso & Frank’s] ‘operations’” and/or “necessary expenses ...
12 incur[red] ... that [Musso & Frank] would not have incurred if there had been no direct
13 physical loss or damage to property caused by or resulting from a Covered Cause of
14 Loss” (Exhibit 3, p. EX03-051).

15 7. The Coronavirus (“COVID-19”) originated in China in late 2019, spread to
16 Europe, and eventually came to the United States. Although COVID-19 was present in
17 California by late January 2020, all businesses and restaurants, including Musso &
18 Frank, were allowed to remain open throughout February and the first half of March.
19 On January 30, 2020 the World Health Organization (the “W.H.O.”) declared a public
20 health emergency of international concern. Six weeks later, on March 11, 2020, the
21 W.H.O. made the assessment that COVID-19 could be characterized as a pandemic.

22 8. On March 15, 2020, Los Angeles Mayor Eric Garcetti acted to protect the
23 public health and limit social interactions by issuing a “Public Order under City of Los
24 Angeles Emergency Authority” (the “Order”) effective at midnight that evening that,
25 among other things, prohibited restaurants from serving food on their premises and
26 prohibited bars from serving alcohol (Exhibit 2).

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1 9. This Order effectively closed Musso & Frank by excluding all on-premises
2 dining and caused a suspension of its operations, resulting in an immediate loss of
3 business income.

4 10. As a direct result of the Order, on March 19, 2020, Musso & Frank
5 promptly submitted a claim for its business income loss to its insurer Mitsui.

6 11. Engaging in the business of insurance in California imposes upon insurers
7 the legal obligation to promptly conduct fair, balanced and thorough investigations of
8 all bases of claims for benefits made by their insureds, with a view toward honoring the
9 claims. As part of these obligations, an insurance company is obligated to diligently
10 search for and consider evidence that supports coverage of the claimed loss, and in
11 doing so must give at least as much consideration to the interests of its insured as it
12 gives to its own interests.

13 12. During the COVID-19 Pandemic, Commissioner Lara issued a notice after
14 the California Department of Insurance “ha[d] received numerous complaints from
15 businesses, public officials, and other stakeholders asserting that certain insurers,
16 agents, brokers, and **insurance company representatives** [we]re attempting to dissuade
17 policyholders from filing a notice of claim under its Business Interruption insurance
18 coverage, or **refusing to** open and **investigate these claims** upon receipt of a notice of
19 claim” (Exhibit 1, p. 1, emphasis added).

20 13. The Commissioner’s notice reminded insurers facing these claims of the
21 importance of complying with their obligations, citing the California Fair Claims
22 Settlement Practices Regulations (Cal. Code Regs., tit. 10, §§ 2695.1 *et seq.*
23 (“Regulations”). His notice went on to state, “Therefore, Insurance Commissioner
24 Ricardo Lara finds it necessary to issue this Notice to ensure that all agents, brokers,
25 **insurance companies**, and other licensees accept, forward, acknowledge, and **fairly**
26 **investigate all business interruption insurance claims** submitted by businesses”
27 (Exhibit 1, p. 1-2, emphasis added). The Commissioner stated that “every insurer is
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1 required to conduct and diligently pursue a thorough, fair, and objective investigation
2 of the reported claim” (*Id.* at 2).

3 14. Amongst other information provided to insurers, the Commissioner
4 further reminded them that “[i]f the claim is denied in whole or in part, the insurer is
5 **required to** communicate the denial in writing to the policyholder **listing all the legal**
6 **and factual bases** for such denial. (Regulations, § 2695.7(b)(1).) Where the denial of a
7 first party claim is based on a specific statute, applicable law or policy provision,
8 condition, or exclusion, the written denial must include reference to and provide an
9 explanation of the application of the statute, applicable law, or policy provisions,
10 condition, or exclusion to the claim...Regulations, § 2695.7(b)(1)” (Exhibit 1, p. 3,
11 emphasis added).

12 15. Consistent with all of these well-established and non-controversial
13 California insurance claims handling standards, Musso & Frank had the right to rely on
14 Mitsui to handle its insurance claim for business interruption losses in a manner
15 consistent with these standards of good faith and fair dealing. Unfortunately for Musso
16 & Frank, Mitsui failed in all respects and abruptly, unreasonably and with a callous
17 disregard for the interests of its insured, denied the claim in its entirety.

18 16. In order to obtain the benefits promised under its Policy and required by
19 California law, Musso & Frank was compelled to institute this lawsuit to pursue all
20 available legal and equitable remedies available to it.

21
22 **II.**
23 **JURISDICTION AND VENUE**

24 17. This Court has diversity jurisdiction over this action pursuant to 28 U.S.C.
25 § 1332(a) because the matter in controversy exceeds the sum or value of \$75,000,
26 exclusive of interests and costs, and is between citizens of different States.

27 18. Additionally, venue is proper in this District pursuant to 28 U.S.C. § 1391
28 (b)(2) because it is where a substantial part of the events or omissions giving rise to the

1 claim occurred and where the insured restaurant that is the subject of the action is
2 situated.

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4 **III.**
5 **PARTIES**

6 19. Plaintiff Musso & Frank is, and at all relevant times was, a California
7 corporation, with its principal place of business in Los Angeles, California.

8 20. Defendant Mitsui is, and at all relevant times was, conducting business in
9 the State of California as an insurer.

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11 **IV.**
12 **INSURANCE**

13 21. The Policy provided Musso & Frank coverage from June 30, 2019 to June
14 30, 2020 (Exhibit 3, p. EX03-003).

15 22. Musso & Frank timely paid all premiums that were due under the Policy.
16 The premiums for one year of coverage totaled \$46,919.15 (*Id.*).

17 23. In exchange for payment of the premiums, Mitsui agreed to provide the
18 insurance coverage described in the Policy.

19 24. The “Business Income (and Extra Expense) Coverage Form” is one of the
20 coverage forms stated in the commercial property insurance portion of the Policy
21 (Exhibit 3, p. EX03-051).

22 25. The Policy provides “All Risk” coverage for Business Income (Extra
23 Expense) coverage through the following provisions:

24 **“A. Coverage**

25 ...

26 We [Mitsui] will pay for the actual loss of Business Income you sustain
27 due to the necessary ‘suspension’ of your ‘operations’ during the ‘period
28 of restoration’. The ‘suspension’ must be caused by direct physical loss of



1 or damage to property at premises which are described in the Declarations
2 and for which a Business Income Limit of Insurance is shown in the
3 Declarations. The loss or damage must be caused by or result from a
4 Covered Cause of Loss” (*Id.*).
5

6 26. All terms in the Policy which appear in quotation marks are defined terms
7 in the Policy. Notably, Mitsui chose not to define the term “direct physical loss.”

8 27. “Business Income” is defined in the Policy as follows:

9 “Business Income means the:

- 10 a. Net Income (Net Profit or Loss before income taxes) that would
- 11 have been earned or incurred; and
- 12 b. Continuing normal operating expenses incurred, including
- 13 payroll” (*Id.*).
14

15 28. “Suspension” is defined in the Policy as follows:

- 16 “a. The slowdown or cessation of your business activities; or
- 17 b. That a part or all of the described premises is rendered
- 18 untenable, if coverage for Business Income Including
- 19 ‘Rental Value’ or ‘Rental Value’ applies” (Exhibit 3, p. EX03-
- 20 059).
21

22 29. “Operations” is defined in the Policy as follows:

- 23 “a. Your business activities occurring at the described premises;
- 24 and
- 25 b. The tenantability of the described premises, if coverage for
- 26 Business Income Including ‘Rental Value’ or ‘Rental Value’
- 27 applies” (*Id.*).
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30. “Period of restoration” is defined in the Policy as follows:

“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 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.

...

The expiration date of this policy will not cut short the ‘period of restoration’” (*Id.*).

31. When defining “Covered Causes of Loss, Exclusions and Limitations” in the Business Income (Extra Expense) portion of the Policy, the insured is directed to “See applicable Causes Of Loss form as shown in the Declarations” (*Id.* at EX03-052). The Declarations makes the following “Cause of Loss” form part of the Policy: “MS 5202 12-12 CAUSES OF LOSS – ENHANCED FORM” (*Id.* at EX03-012). That form states, “**When Enhanced is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy**” (*Id.* at EX03-065, emphasis added).

32. The Policy, as amended by an endorsement, also provides additional coverage for Civil Authority. This Civil Authority coverage states:



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“Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises and the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is a part of this policy, we will pay for the actual loss of Business Income you sustain caused by action of civil authority that prohibits access to the described premises.

When a Covered Cause of Loss causes damage to property other than property at the described premises and the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the EXTRA EXPENSE COVERAGE FORM is a part of this policy, we will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises.

We will pay for the actual loss of Business Income you sustain and/or actual and necessary Extra Expense you incur under this Additional Coverage, Civil Authority, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the



1 damage, and the described premises are within that area but
2 are not more than one mile from the damaged property; and
3 (2) The action of civil authority is taken in response to
4 dangerous physical conditions resulting from the damage or
5 continuation of the Covered Cause of Loss that caused the
6 damage, or the action is taken to enable a civil authority to
7 have unimpeded access to the damaged property.

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9 Civil Authority Coverage for Business Income will begin 72 hours
10 after the time of the first action of civil authority that prohibits
11 access to the described premises and will apply for a period of up
12 to 30 consecutive days from the date on which such coverage
13 began.

14
15 Civil Authority Coverage for Extra Expense will begin immediately
16 after the time of the first action of civil authority that prohibits
17 access to the described premises and will end:

- 18 (1) 30 consecutive days after the date of that action; or
19 (2) When your Civil Authority Coverage for Business Income
20 ends;
21 whichever is later (*Id.* at EX03-101, emphasis in original).

22
23 33. An endorsement to the Policy entitled “Business Income Changes – Time
24 Period” reduces the 72-hour time frame in the additional coverage for Civil Authority to
25 24 hours. It states as follows:

26 “This endorsement modifies insurance provided under the following:
27 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
28 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM



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For insurance provided under the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM, the following applies:

1. The 72-hour time period in the definition of ‘period of restoration’ is replaced by 24 hours.
2. The 72-hour time period in the Civil Authority Additional Coverage is replaced by 24 hours” (*Id.* at EX03-83).

34. One of the exclusions in the Policy is for “Government Action.” But the scope of the “Government Action” exclusion is expressly limited to governmental orders regarding the “seizure or destruction of property” (*Id.* at EX03-066). Specifically, the “Government Action” exclusion reads as follows:

“c. Government Action

Seizure or destruction of property by order of government 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” (*Id.*, emphasis in original).

35. The Policy also states an “Exclusion Of Loss Due To Virus Or Bacteria.” (“Virus Exclusion”). Specifically, the Virus Exclusion in the Policy provides the following:

“We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease” (*Id.* at EX03-078).

V.

FACTUAL BACKGROUND

A. History of the Musso & Frank Restaurant

36. Frank Toulet opened "Frank's Francois Cafe" on September 27, 1919. In 1923, Joseph Musso partnered with Toulet and they renamed the restaurant "The Musso & Frank Grill."

37. In 1928, Musso and Toulet incorporated the business as "The Musso & Frank Grill Company, Inc." and sold the business to John Mosso and Joseph Carissimi, who maintained the restaurant's name because of its already established goodwill and reputation. In 2019, the Mosso family bought out the Carissimi family and Musso & Frank is now owned by the families of the three granddaughters of Mosso. The restaurant is now run by the third and fourth generation of the Mosso descendants.

38. Musso & Frank has also served as a backdrop for television shows and movies. Movies such as *Once Upon a Time in Hollywood*, *Ed Wood* and *Ocean's Eleven*; and, television shows such as *Mad Men* and *The Kominsky Method* have been filmed there.

39. The iconic Musso & Frank restaurant was frequented by a literal "Who's Who" from the Golden Age of Hollywood. Charlie Chaplin, Humphrey Bogart, Douglas Fairbanks, Mary Pickford, Frank Sinatra and Marilyn Monroe are amongst the many celebrities that dined at Musso & Frank. To this day, Musso & Frank remains a popular gathering point for many well-known celebrities. But, it also caters to local customers from a demographic cross-section of California.

40. Musso & Frank recently celebrated its 100-year anniversary. During that time, it always lived up to its motto, "we treat locals like celebrities and celebrities like locals." It has been a constant, reliable fixture that has linked the Golden Era of Hollywood to the present-day entertainment industry.

41. When all of this was brought to a sudden halt by the mandated shut down, Musso & Frank made a legitimate claim to its insurance company for the help

1 and protection it had been promised only to have it rejected without even the slightest
2 of an investigation of its claim and a complete and utter violation of California
3 insurance law, regulations and standards.

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5 **B. The COVID-19 Pandemic**

6 42. It has been widely reported that COVID-19 has its origins in Wuhan,
7 China. The first public reports were on December 31, 2019 of an “outbreak of
8 respiratory illness.”

9 43. By January 8, 2020, the United States Centers for Disease Control and
10 Prevention (“CDC”) issued warnings to American travelers going to China for a
11 “pneumonia of unknown etiology” (<https://emergency.cdc.gov/han/han00424.asp>, last
12 accessed April 17, 2020).

13 44. Starting January 17, 2020, the CDC and the United States Department of
14 Homeland Security’s Customs and Border Protection implemented enhanced health
15 screenings for passengers who came from or connected through Wuhan, China
16 (<https://www.cdc.gov/media/releases/2020/p0117-coronavirus-screening.html>, last
17 accessed April 17, 2020).

18 45. On January 20, 2020, the W.H.O. reported the first confirmed cases outside
19 mainland China in Japan, South Korea and Thailand ([https://www.nytimes.com/article/
20 coronavirus-timeline.html](https://www.nytimes.com/article/coronavirus-timeline.html), last accessed April 17, 2020). The following day, on January
21 21, 2020, the first American COVID-19 case was confirmed in the State of Washington
22 (<https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html>,
23 last accessed April 17, 2020).

24 46. According to news reports, shortly thereafter, by January 26, 2020, the
25 CDC confirmed the first COVID-19 case in California ([https://web.archive.org/web/
26 20200128205456/https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/
27 ncov2019.aspx](https://web.archive.org/web/20200128205456/https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/ncov2019.aspx), last accessed April 17, 2020).

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1 47. On January 30, 2020, the W.H.O declared a “public health emergency of
2 international concern. The following day, on January 31, 2020, all travel from China to
3 the United States was blocked.

4 48. During February, COVID-19 began spreading rapidly throughout Europe,
5 with Italy initially becoming the most impacted country. That same month, an
6 increasing number of cases were being reported in the United States, with the largest
7 concentration of cases in the Seattle area of Washington State. The first cluster of
8 COVID-19 cases was reported at a nursing home in Kirkland, Washington in late
9 February, where the first COVID-19 death was announced on February 28, 2020.

10 49. COVID-19 also continued to spread throughout California during
11 February 2020. In early February, several COVID-19 cases were announced in Northern
12 California. During February, the number of reported COVID-19 cases in California
13 increased. On February 26, 2020, the CDC announced the first reported California
14 COVID-19 case resulting from community spread ([https://www.cdc.gov/media/
15 releases/2020/s0226-Covid-19-spread.html](https://www.cdc.gov/media/releases/2020/s0226-Covid-19-spread.html), last accessed April 17, 2020).

16 50. On March 4, 2020, the first COVID-19 fatality was reported in California.

17 51. As COVID-19 cases continued to increase in certain areas of the United
18 States, on March 4, 2020 Congress passed emergency funding of \$8.3 billion to aid in the
19 immediate health response to COVID-19.

20 52. On March 11, 2020, travel from Europe to the United States was restricted,
21 and the W.H.O. declared COVID-19 a pandemic. The term “pandemic” does not appear
22 anywhere as an excluded peril in this “All Risk” Policy.

23 53. On March 13, 2020, the President of the United States declared a national
24 emergency.

25 54. Yet, throughout this entire period from December 2019 until March 15,
26 2020, Musso & Frank had not suffered an interruption of its thriving business.

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1 **C. The March 15, 2020 Public Order by Los Angeles Mayor Eric Garcetti (the**
2 **“Order”) causes Musso & Frank to close its doors, resulting in an interruption**
3 **of business.**

4 55. More than ten weeks after the first reported COVID-19 case, on March 15,
5 2020, Mayor Garcetti issued the Order based on a public health crisis. It mandated that
6 restaurants close by midnight of that date:

7 “3. All restaurants and retail food facilities in the City of Los Angeles
8 shall be prohibited from serving food for consumption on premises.
9 Restaurants and retail food facilities may continue to operate for purposes
10 of preparing and offering food to customers via delivery service, to be
11 picked up or for drive-thru. For those establishments offering food pick-
12 up options, proprietors are directed to establish social distancing practices
13 for those patrons in the queue for pick-up (Exhibit 2).

14 56. Musso & Frank has never prepared or offered food to customers via
15 delivery service, to be picked up or for drive-thru. Accordingly, the Order effectively
16 forced Musso & Frank to shut its doors, resulting in a loss of functional use of its
17 premises and an interruption of its business. The Order was the predominant cause of
18 the suspension of Musso & Frank’s operation.

19 57. As of the date of the Order, March 15, 2020, Musso & Frank was not aware
20 of the presence of any COVID-19 virus on its premises, and no employee or customer
21 had reported a COVID-19 infection.

22 58. Four days later, on March 19, 2020, Mayor Garcetti issued a “safer at
23 home” order where citizens were ordered to remain in their homes except for “essential
24 activities or infrastructure,” and all public and private gatherings were prohibited
25 (Exhibit 4). This order referenced the prior emergency orders prohibiting, among other
26 things, restaurants from serving to dine-in customers and continued to prevent this
27 activity. This “safer at home” order was extended to May 15, 2020 by Mayor Garcetti in
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1 another order on April 10, 2020 (Exhibit 5). These further orders constitute a continuing
2 predominant cause of Musso & Frank’s losses.

3
4 **D. After initially promising an investigation, Mitsui suddenly denies the claim
with none whatsoever.**

5 59. On March 19, 2020, Musso & Frank submitted a Property Loss Notice to
6 Mitsui. The description of the loss stated “Business Income Loss/Civil Authority”
7 (Exhibit 6).

8 60. On March 20, 2020, Jeff Kinkead, a Property Claims Specialist at Mitsui
9 sent an e-mail purporting to conduct an investigation:

10 “We have assigned the independent adjusting firm of Engle Martin and
11 Associates to contact you to **begin our investigation** into this matter.
12 Someone from Engle Martin will contact you shortly.

13
14 Please provide us with the following:

- 15 • A brief description of what happened and or loss or damage, if any.
- 16 • What was the location: 6663-6667 Hollywood Blvd., Los Angeles,
17 CA or 6715 Hollywood Blvd, Ste. 201, Los Angeles CA.
- 18 • A brief description of the nature of your business at the above
19 locate[i]on.
- 20 • Are there any other locations involved.
- 21 • A copy of any supporting documents for the business loss related
22 to COVID-19.
- 23 • The total amount for which you are making claim.

24 The above should not be considered totally inclusive as we may request
25 additional information once we review the above” (Exhibit 7, emphasis
26 added).

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1 61. Contrary to the promise by Mitsui, no one at Engle Martin ever contacted
2 Musso & Frank to investigate the claim.

3 62. Instead, only one week later and without any further contact to Musso &
4 Frank, on March 27, 2020, Mr. Kinkead sent a second e-mail, this time indicating that
5 Engle Martin would **not** be investigating the loss and that he would be doing so
6 himself: “I called you today and left a voicemail message in follow-up to my email
7 below. **I will be investigating this loss** and Engle Martin will not be contacting you”
8 (Exhibit 8, emphasis added).

9 63. And then, on April 1, 2020, without any further contact or investigation
10 whatsoever, Mitsui denied the claim as follows:

11 “The MSI Policy does not provide coverage for the Policyholder’s Claim
12 because COVID-19 is not a covered cause of loss.... Here, the MSI Policy
13 specifically excludes coverage for ‘loss or damage caused by or resulting
14 from *any virus*, bacterium or other microorganism that induces or is
15 capable of inducing physical distress, illness or disease’ (the “Virus
16 Exclusion”). (Form CP 01 40 07 06 - Exclusion Of Loss Due To Virus Or
17 Bacteria) (emphasis added). Based on the information provided to date, it
18 appears that the Policyholder’s Claim arises out of a virus – COVID-19 –
19 and thus is excluded under the Policy. MSI, therefore, respectfully
20 declines coverage for the Claim under the Virus Exclusion” (Exhibit 9, p.
21 2, emphasis in original, footnote removed).

22
23 64. In the same April 1, 2020 denial letter, Mitsui also stated that COVID-19
24 did not cause the property to suffer “‘direct physical loss of or damage’ to insured
25 property” (*Id.*).

26 65. Pursuant to § 2695.7(b)(1) of the Regulations, Mitsui was required to state
27 in its April 1, 2020 denial letter all the factual, contractual, and legal grounds for
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1 denying the claim (see, e.g., Exhibit 1, p. 3), thus forfeiting the right to raise additional
2 grounds to attempt to justify its denial of Musso & Frank's claim.

3 66. As a result of Mitsui's wrongful denial of the claim, at a time when the
4 government action required Musso & Frank to suspend all business operations, Musso
5 & Frank has been compelled to retain counsel and pursue this litigation in order to
6 obtain the benefits promised under the Policy.

7
8 **FIRST CAUSE OF ACTION**

9 **(Breach of the Implied Covenant of Good Faith and Fair Dealing)**

10 PLAINTIFF MUSSO & FRANK GRILL, INC. FOR A FIRST CAUSE OF ACTION
11 AGAINST DEFENDANT MITSUI SUMITOMO INSURANCE USA INC. FOR BREACH
12 OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING ALLEGES:

13 67. Musso & Frank incorporates by reference all paragraphs above as if set
14 forth in full in this cause of action.

15 68. Mitsui has breached its duty of good faith and fair dealing owed to Musso
16 & Frank in the following respects:

- 17 a. Unreasonably acting or failing to act in a manner that deprives Musso
18 & Frank of the benefits of the Policy;
- 19 b. Unreasonably engaging in a pattern and practice of acting or failing to
20 act in a manner that deprives its insureds of the benefits of policies it
21 issues;
- 22 c. Unreasonably failing to conduct a prompt, fair, balanced and thorough
23 investigation of all of the bases of Musso & Frank's claim;
- 24 d. Unreasonably engaging in a pattern and practice of failing to conduct a
25 prompt, fair, balanced and thorough investigation of all of the bases of
26 claims made under policies it issues;
- 27 e. Unreasonably failing to diligently search for and consider evidence
28 that supports coverage of Musso & Frank's claim;



- 1 f. Unreasonably engaging in a pattern and practice of failing of failing to
- 2 diligently search for and consider evidence that supports coverage of
- 3 claims;
- 4 g. Unreasonably failing to conduct an investigation to determine the
- 5 efficient proximate cause (predominant cause) of Musso & Frank's
- 6 loss;
- 7 h. Unreasonably engaging in a pattern and practice of failing to conduct
- 8 an investigation to determine the efficient proximate cause
- 9 (predominant cause) on claims made by insureds;
- 10 i. Unreasonably failing to give at least as much consideration to the
- 11 interests of Musso & Frank as it gives to its own interests;
- 12 j. Unreasonably engaging in a pattern and practice of failing to give at
- 13 least as much consideration to the interests of its insureds as it gives to
- 14 its own interests;
- 15 k. Unreasonably placing its own financial interests above the interests of
- 16 Musso & Frank;
- 17 l. Unreasonably engaging in a pattern and practice of placing its own
- 18 financial interests above the interests of its insureds;
- 19 m. Unreasonably failing to comply with the Regulations, including
- 20 § 2695.7(b)(1);
- 21 n. Unreasonably failing to apply the Policy's definitions and terms to
- 22 determine whether Musso & Frank's claim was covered; and
- 23 o. Unreasonably compelling Musso & Frank to institute this action to
- 24 obtain benefits due under the Policy.

25
26 69. Musso & Frank is informed and believes, and thereon alleges, that the
27 foregoing unreasonable, malicious, oppressive and/or fraudulent misconduct was not
28 limited to Mitsui's evaluation of this particular claim, but represents an ongoing pattern

1 and practice, which it applies to all of its policyholders, that is specifically designed by
2 Mitsui to earn illicit profits at the expense of its policyholders' rights. This ongoing
3 pattern of conduct constitutes institutional bad faith.

4 70. Mitsui's institutional bad faith constitutes reprehensible conduct because
5 it is part of a repeated pattern of unfair practices and not an isolated occurrence. The
6 pattern of unfair practices constitutes a conscious course of wrongful conduct that is
7 firmly grounded in Mitsui's established company policies and practices. Musso & Frank
8 is informed and believes and thereon alleges that Mitsui has engaged in similar
9 wrongful conduct as to other insureds and that it has substantially increased its profits
10 as a result of causing similar harm to others.

11 71. As a proximate result of the aforementioned conduct of Mitsui, Musso &
12 Frank has suffered, and will continue to suffer in the future, damages under the Policy,
13 plus interest and other economic and consequential damages, for a total amount to be
14 shown at the time of trial.

15 72. As a further proximate result of the aforementioned unreasonable conduct
16 of Mitsui, Musso & Frank was compelled to retain legal counsel to obtain the benefits
17 due under the Policy. Therefore, Mitsui is liable to Musso & Frank for the attorneys'
18 fees reasonably necessary and incurred by Musso & Frank in order to obtain the Policy
19 benefits. (*Brandt v. Superior Court* (1985) 37 Cal.3d 812; *Cassim v. Allstate* (2004) 33 Cal.4th
20 780.)

21 73. The conduct of Mitsui was intended by it to cause injury to Musso &
22 Frank; and/or was despicable conduct carried on by Mitsui with a willful and conscious
23 disregard of Musso & Frank's rights, subjected Musso & Frank to cruel and unjust
24 hardship in conscious disregard of its rights; and/or constituted an intentional
25 misrepresentation or concealment of a material fact known to Mitsui with the intention
26 to deprive Musso & Frank of property or legal rights or to otherwise cause injury, such
27 as to constitute malice, oppression or fraud under California Civil Code, § 3294. Musso
28



1 & Frank is therefore entitled to an award of punitive damages in an amount appropriate
2 to punish and set an example for other similarly situated insurers.

3 74. Mitsui's conduct was undertaken by its corporate officers, directors or
4 managing agents who were responsible for claims supervision and operations,
5 underwriting, communications, and/or decisions; and/or this conduct was authorized
6 by one or more of Mitsui's officers, directors or managing agents; and/or one or more of
7 Mitsui's officers, directors or managing agents knew of the actions and adopted or
8 approved that conduct after it occurred. This conduct was, therefore, undertaken on
9 behalf of Mitsui.

10
11 **SECOND CAUSE OF ACTION**

12 **(Breach of Contract)**

13 PLAINTIFF MUSSO & FRANK GRILL, INC. FOR A SECOND CAUSE OF
14 ACTION AGAINST DEFENDANT MITSUI SUMITOMO INSURANCE USA INC. FOR
15 BREACH OF CONTRACT ALLEGES:

16 75. Musso & Frank incorporates by reference all paragraphs above as if set
17 forth in full in this cause of action.

18 76. Musso & Frank entered into a contract, the Policy, with Mitsui. Mitsui
19 owed duties and obligations to Musso & Frank under the Policy.

20 77. Musso & Frank did all, or substantially all, of the significant things that
21 the Policy required it to do.

22 78. Mitsui's denial of Musso & Frank's claim is not in accordance with the
23 terms of the Policy and California law.

24 79. As a direct and proximate result of Mitsui's conduct and breach of its
25 contractual obligations, Musso & Frank has suffered damages under the Policy in an
26 amount to be determined according to proof at the time of trial, plus pre-judgment
27 interest pursuant to California Civil Code, § 3289(b), and other foreseeable and
28

1 consequential damages according to proof and in amounts to be determined at the time
2 of trial.

3
4 **PRAYER FOR RELIEF**

5 WHEREFORE, Musso & Frank prays for judgment against Mitsui as follows:

6 **AS TO THE FIRST CAUSE OF ACTION AGAINST DEFENDANT MITSUI**
7 **SUMITOMO INSURANCE USA INC. FOR BREACH OF THE IMPLIED**
8 **COVENANT OF GOOD FAITH AND FAIR DEALING:**

- 9 1. For damages for failure to pay benefits owed under the Policy, plus
10 interest, in a sum to be determined at the time of trial;
- 11 2. For prejudgment interest on all damages awarded to Musso & Frank in
12 accordance with California Civil Code, § 3287;
- 13 3. For attorneys' fees, witness fees, and costs of litigation incurred by Musso
14 & Frank to obtain the Policy benefits in an amount to be determined at the time of trial;
- 15 4. For economic and consequential damages arising out of Mitsui's
16 unreasonable failure to pay benefits owed under the Policy;
- 17 5. For punitive and exemplary damages in an amount appropriate to punish
18 or set an example of Mitsui;
- 19 6. For costs of suit herein; and
- 20 7. For such other relief as the Court deems just and proper.

21
22 **AS TO THE SECOND CAUSE OF ACTION AGAINST DEFENDANT**
23 **MITSUI SUMITOMO INSURANCE USA INC. FOR BREACH OF CONTRACT:**

- 24 1. Economic and consequential damages, in an amount to be determined
25 according to proof at the time of trial;
- 26 2. For prejudgment interest on all damages awarded to Musso & Frank in
27 accordance with California Civil Code, § 3289(b);
- 28 3. For costs of suit incurred herein; and



1 4. For such other and further relief as the Court deems just and proper.

2

3 Dated: April 21, 2020

SHERNOFF BIDART ECHEVERRIA LLP

4

5 By: /s/ Michael J. Bidart
6 MICHAEL J. BIDART
7 RICARDO ECHEVERRIA
 Attorneys for Plaintiff

8

JURY DEMAND

9

Plaintiff hereby demands a jury trial.

10

11 Dated: April 21, 2020

SHERNOFF BIDART ECHEVERRIA LLP

12

13 By: /s/ Michael J. Bidart
14 MICHAEL J. BIDART
15 RICARDO ECHEVERRIA
 Attorneys for Plaintiff

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EXHIBIT 1



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: All Admitted and Non-Admitted Insurance Companies, All Licensed Insurance Adjusters and Producers, and Other Licensees and Interested Parties

FROM: Insurance Commissioner Ricardo Lara

DATE: April 14, 2020

RE: Requirement to Accept, Forward, Acknowledge, and Fairly Investigate All Business Interruption Insurance Claims Caused by the COVID-19 Pandemic

To help combat the spread of the COVID-19 virus, various federal, state, and local government officials have issued emergency public health orders and “shelter-in-place” directives. The COVID-19 pandemic has severely curtailed activities of policyholders in both personal and commercial lines, causing significant and widespread economic loss in California.

Business Interruption insurance is an optional coverage that may be purchased as part of a comprehensive multi-peril commercial policy, business owners’ policy, or on a stand-alone basis. Many small and large California businesses purchase Business Interruption insurance to protect against the loss of income and other losses caused by an interruption to the normal operations of the business.

The California Department of Insurance (Department) continues to encourage businesses to review their policies, including policy exclusions, coverage limits, and applicable deductibles, and contact their insurance companies to determine what their policies cover as each insurance policy is different and the coverage varies. However, despite the Department’s on-going guidance to businesses statewide during the COVID-19 pandemic, it has received numerous complaints from businesses, public officials, and other stakeholders asserting that certain insurers, agents, brokers, and insurance company representatives are attempting to dissuade policyholders from filing a notice of claim under its Business Interruption insurance coverage, or refusing to open and investigate these claims upon receipt of a notice of claim.

Therefore, Insurance Commissioner Ricardo Lara finds it necessary to issue this Notice to ensure that all agents, brokers, insurance companies, and other licensees accept,

Notice on Requirement to Accept, Forward, Acknowledge, and Fairly Investigate All Business Interruption Insurance Claims Caused by the COVID-19 Pandemic

Page 2
April 14, 2020

forward, acknowledge, and fairly investigate all business interruption insurance claims submitted by businesses.

Commissioner Lara hereby notifies all agents, brokers, insurance companies, and other Department licensees that they are required to comply with their contractual, statutory, regulatory, and other legal obligations, including but not limited to, the obligations set forth in the California Fair Claims Settlement Practices Regulations (Cal. Code Regs. tit. 10; sections 2695.1 et seq.) (the "Regulations") in connection with all California insurance claims including, but not limited to, Business Interruption insurance claims, event cancellation claims, and other related claims filed by California businesses.

The Regulations require, among other things, that all insurers, insurance agents, brokers, insurance company representatives, and other Department licensees accept any communication from the policyholder or its representative indicating that the policyholder desires to make a claim against a policy that reasonably suggests that a response is expected as a notice of claim. (Regulations, section 2695.5(b).) Upon receipt of a notice of claim, every Department licensee is required to transmit such notice of claim to the insurer immediately. (Regulations, section 2695.5(d).)

Upon receipt of a notice of claim, subject to certain exceptions, every insurer is required to acknowledge the notice of claim immediately, but in no event more than 15 calendar days after receipt of the notice of claim. (Regulations, section 2695.5(e).) If the acknowledgment of a claim is not in writing, a written acknowledgment of the receipt and date of the notice of claim must be made in the claim file of the insurer. (Regulations, section 2695.5(e)(1).) Failure of an insurance agent or claims agent to transmit a notice of claim to the insurer promptly will be imputed to the insurer, except where the subject policy was issued pursuant to the California Automobile Assigned Risk Program. (Regulations, section 2695.5(e)(1).)

Upon receipt of a notice of claim, the insurer is required to provide the policyholder with the necessary forms, instructions, and reasonable assistance, including but not limited to, specifying the information the policyholder must provide in connection with the proof of claim and begin any necessary investigation of the claim. (Regulations, section 2695.5(e)(2).) Thereafter, every insurer is required to conduct and diligently pursue a thorough, fair, and objective investigation of the reported claim, and is prohibited from seeking information not reasonably required for or material to the resolution of a claim dispute before determining whether the claim will be accepted or denied, in whole or in part. (Regulations, section 2695.7(d).)

After conducting a thorough, fair, and objective investigation of the claim, the insurer must accept or deny the claim, in whole or in part, immediately, but in no event more than 40 days after receipt of the proof of claim. The amount of the claim accepted or denied by the insurer must be clearly documented in the claim file unless the claim has been denied in its entirety. (Regulations, section 2695.7(b).)

Notice on Requirement to Accept, Forward, Acknowledge, and Fairly Investigate All Business Interruption Insurance Claims Caused by the COVID-19 Pandemic

Page 3
April 14, 2020

If the claim is denied in whole or in part, the insurer is required to communicate the denial in writing to the policyholder listing all the legal and factual bases for such denial. (Regulations, section 2695.7(b)(1).) Where the denial of a first party claim is based on a specific statute, applicable law or policy provision, condition, or exclusion, the written denial must include reference to and provide an explanation of the application of the statute, applicable law, or policy provision, condition, or exclusion to the claim. Lastly, every insurer that denies or rejects a third party claim, in whole or in part, or disputes liability or damages must do so in writing. (Regulations, section 2695.7(b)(1).)

Based on the foregoing, every insurer, insurance agent, broker, insurance company representative, and other Department licensees is required to comply with their contractual, statutory, regulatory, and other legal obligations in connection with all California insurance claims, including but not limited to, Business Interruption insurance claims, event cancellation claims, and other related claims filed by California businesses. Additionally, no insurer, insurance agent, broker, insurance company representative, or other Department licensee shall dissuade policyholders from filing a notice of claim under its Business Interruption insurance coverage, or refuse to open and investigate such claims upon receipt of a notice of claim.

EXHIBIT 2



ERIC GARCETTI
MAYOR

Public Order Under City of Los Angeles Emergency Authority

Issue Date: March 15, 2020

Subject: New City Measures to Address COVID-19

On March 4, 2020, I declared a local emergency in relation to the arrival of the COVID-19 virus in our community, and on March 12, 2020, I ordered a number of measures to be taken across the City to protect members of the public and City workers from an undue risk of contracting the COVID-19 virus. Our precautions over the past weeks and what we do over the next few days and weeks will determine how well we weather this emergency.

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The Centers for Disease Control and Prevention advises us that COVID-19 spreads easily from person to person and has issued guidelines recommending that the public adopt policies and routines to enable social distancing wherever possible.

Here in the City of Los Angeles, we must redouble our efforts to maintain hand hygiene, respiratory etiquette, and social distancing. It is absolutely critical that we as a City do everything we can to slow the pace of community spread and avoid unnecessary strain on our medical system. To aid in our efforts, under the emergency authorities vested in my office under the laws of the City of Los Angeles, today I am ordering that a series of temporary restrictions be placed on certain establishments throughout our City in which large numbers of people tend to gather and remain in close proximity. By virtue of authority vested in me as Mayor of the City of Los Angeles pursuant to the provisions of the Los Angeles Administrative Code, Chapter 3, Section 8.29 to promulgate, issue, and enforce rules, regulations, orders, and directives, I hereby declare the following orders to be necessary for the protection of life and property and I hereby order, effective at 11:59 p.m. tonight, until March 31, 2020 at 12:00 p.m., that:

1. All bars and nightclubs in the City of Los Angeles that do not serve food shall be closed to the public.

2. Any bars or nightclubs in the City of Los Angeles that serve food may remain open only for purposes of continuing to prepare and offer food to customers via delivery service or to be picked up. Dine-in food service is prohibited.

3. All restaurants and retail food facilities in the City of Los Angeles shall be prohibited from serving food for consumption on premises. Restaurants and retail food facilities may continue to operate for purposes of preparing and offering food to customers via delivery service, to be picked up or for drive-thru. For those establishments offering food pick-up options, proprietors are directed to establish social distancing practices for those patrons in the queue for pick-up.

4. The following are exempt from this Order:

- A. Cafeterias, commissaries, and restaurants located within hospitals, nursing homes, or similar facilities
- B. Grocery stores
- C. Pharmacies
- D. Food banks
- E. Los Angeles World Airports concessionaires

5. Trucks and other vehicles engaged in the delivery of grocery items to grocery stores, when such items are to be made available for sale to the public, are hereby exempt from having to comply with any City rules and regulations that limit the hours for such deliveries, including, without limitation, Los Angeles Municipal Code Section 12.22 A.23(b)(3) and Los Angeles Municipal Code Section 114.03.

6. All movie theaters, live performance venues, bowling alleys and arcades shall be closed to the public.

7. All gyms and fitness centers shall be closed to the public.

Any violation of the above prohibitions may be referred to the Office of the City Attorney for prosecution under Los Angeles Administrative Code Section 8.77, which provides for fines not to exceed \$1,000 or imprisonment not to exceed six months. Each individual officer should use their discretion in enforcing this order and always keep the intent of the order in mind.

In addition, I hereby issue guidance to the leaders of the City's houses of worship and urge them, in the strongest possible terms, to limit gatherings on their premises and to explore and implement ways to practice their respective faiths while observing social distancing practices.

Finally, I hereby order that no landlord shall evict a residential tenant in the City of Los Angeles during this local emergency period if the tenant is able to show an inability to pay rent due to circumstances related to the COVID-19 pandemic. These

circumstances include loss of income due to a COVID-19 related workplace closure, child care expenditures due to school closures, health care expenses related to being ill with COVID-19 or caring for a member of the tenant's household who is ill with COVID-19, or reasonable expenditures that stem from government-ordered emergency measures. Nothing in this subsection shall be construed to mean that the tenant will not still be obligated to pay lawfully charged rent. Tenants will have up to six months following the expiration of the local emergency period to repay any back due rent. Tenants may use the protections afforded in this subsection as an affirmative defense in an unlawful detainer action. This subsection shall remain in effect during the pendency of the local emergency period.

This order may be extended prior to March 31, 2020.

EXHIBIT 3

Policy Number
PKG3127372

DISCLOSURE NOTICE
TERRORISM RISK INSURANCE ACT OF 2002 –
(AS AMENDED)
REJECTION OF OUR OFFER OF COVERAGE

Named Insured MUSSO & FRANK GRILL CO., INC. KEEGAL IR

Effective Date: 06/30/2019
12:01 A.M., Standard Time

Agent Name HUB INTERNATIONAL

Agent No. 0099580

You have rejected our offer of coverage for certified acts of terrorism, as defined in and certified under the Terrorism Risk Insurance Act of 2002, as amended. Therefore, this policy does not provide such coverage. This policy contains one or more exclusions that apply to certified acts of terrorism.

If you were not made aware of our offer of coverage for certified acts of terrorism, or believe that this notice was included in this policy in error, please notify your agent or broker immediately.



To report a new loss, use one of the following options:

<p>Internet</p>		<p>www.interactclaims.com <small>*REGISTRATION REQUIRED – CLICK HERE TO REGISTER</small></p>
<p>Telephone <small>24 hours/day 365 days/year</small></p>		<p>866-MSMMUSA (866-676-6872) <small>*Interpreter Services available as needed or upon request</small></p>
<p>Fax</p>		<p>866-FAXMSMM (866-329-6766)</p>
<p>E-Mail</p>		<p>NEWLOSS@MSIGUSA.COM</p>
<p>Auto Mobile Reporting</p>		<p>https://www.interactclaims.com/MSMM/newclaim.jsp </p>

Please contact our Customer Service Department for additional assistance or questions regarding previously reported claims - 866-MSMMCSC(866-676-6272).

CLM2004/22/2015

INSURED COPY



Policy Number
PKG3127372

COMMON POLICY DECLARATIONS

Insurance is afforded by the company indicated below:

- MITSUI SUMITOMO INSURANCE COMPANY OF AMERICA
- MITSUI SUMITOMO INSURANCE USA INC.
-

(each of the above being a capital stock corporation)

Item 1. Named Insured and Mailing Address	Agent Name and Address
MUSSO & FRANK GRILL CO., INC. (SEE NAMED INSURED ENDORSEMENT) 6715 HOLLYWOOD BLVD. LOS ANGELES CA 90028	HUB INTERNATIONAL 6701 CENTER DRIVE WEST SUITE 1500 LOS ANGELES CA 90045
	Agent No. 0099580
Item 2. Policy Period	From: 06-30-2019 To: 06-30-2020

at 12:01 A.M., Standard Time at your mailing address shown above.

Item 3. Business Description: RESTAURANT
Form of Business: CORPORATION

Item 4. 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. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Commercial Property Coverage Part	\$ 12,041.00
Commercial General Liability Coverage Part	\$ 34,438.00
Commercial Crime and Fidelity Coverage Part	\$ 440.00
Commercial Inland Marine Coverage Part	NOT COVERED
Commercial Auto (Business or Truckers) Coverage Part	NOT COVERED
Commercial Garage Coverage Part	NOT COVERED
Commercial Output Coverage Part (AAIS)	NOT COVERED
TAX, SURCHARGE OR FEE	\$.15
Total Policy Premium	\$ 46,919.15

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Countersigned:

Date: _____ By: _____

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

Policy Number
PKG3127372

SCHEDULE OF NAMED INSURED(S)

Named Insured MUSSO & FRANK GRILL CO., INC.
KEEGAL IRREVOCABLE TRUST DATED

Effective Date: 06/30/2019

12:01 A.M., Standard Time

Producer Name HUB INTERNATIONAL

Producer No. 0099580

MS 0001 (cont.)

THE NAMED INSURED ON FORM MS 0001 IS AMENDED TO READ:

MUSSO & FRANK GRILL CO., INC.
KEEGAL IRREVOCABLE TRUST DATED
12/29/1078 AS TO AN UNDIVIDED
3/4 INTEREST ANN JONES -
TRUSTEE; CATHLEEN CHEVERRIA -
TRUSTEE; KIRSTEN KOHLMEYE -
TRUSTEE

RONALD & PATRICIA CARISSIMI
FAMILY 1998 IRREVOCABLE TRUST
DATED 2/13/88, AS TO AN
UNDIVIDED 1/4 INTEREST RONALD
CARISSIMI-TRUSTEE; PATRICIA
DIANNE CARISSIMI-TRUSTEE
MARDEN MANAGEMENT CO., INC.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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.



Policy Number PKG3127372

COMPANY SIGNATURE PAGE

mitsui sumitomo insurance company of america
(A New York Stock Company)

mitsui sumitomo insurance usa inc.
(A New York Stock Company)

Home Office: 560 Lexington Avenue, 20th Floor
New York, New York 10022
(212) 446-3600

Administrative Offices: 15 Independence Boulevard
Warren, New Jersey 07059
(800) 388-1802

Policyholders may use the telephone numbers shown above for any purpose.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested. Except where prohibited by law or regulation, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.

Kurao Onouchi
President

Stephen P. Tasy
Secretary

MITSUI SUMITOMO INSURANCE COMPANY OF AMERICA
MITSUI SUMITOMO INSURANCE USA INC.



ENHANCED COMMON POLICY CONDITIONS

I. 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. Be safe or healthful; or



- b. Comply with laws, regulations, codes or standards.
3. Paragraph 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 your 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.

II. COMMERCIAL PROPERTY CONDITIONS

The Commercial Property Coverage Part, if included in this policy, 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.



Mitsui Sumitomo Insurance Group

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 anywhere in and in transit within and between the United States of America and Canada, excluding:
 - a. intercoastal waterborne shipments;
 - b. waterborne shipments to and from Alaska, Hawaii, Puerto Rico and territories or possessions of the United States of America.
3. Wherever a Limit of Liability is shown under this Coverage Part as applicable to transit or to Covered Property in transit, Exclusion **A.2.i., Property Not Covered**, in the Building and Personal Property Coverage form does not apply within this coverage territory.

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



Mitsui Sumitomo Insurance Group

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.

III. COMMERCIAL LIABILITY CONDITIONS

The Commercial General Liability Coverage Part, if included in this policy, is subject to the following conditions, the Common Policy Conditions and all other applicable conditions in the Commercial General Liability Coverage Forms.

A. Defense of Claims or Suits Provision

As soon as practicable after we become aware that a Limit of Insurance available is used up:

1. We will notify the insured of any outstanding claims and suits subject to that Limit; and
 2. The insured will then arrange to assume control of the defense of all such claims and suits against the insured or any other insured when our right and duty to defend an insured ends.
- B.** We will assist the insured in the transfer of control of the defense of claims and suits under Paragraph **A.1.** or **A.2.** above. Until such arrangements are completed, we will take on behalf of any insured those steps that we think appropriate:
1. To avoid a default in any claim or suit; or
 2. To the continued defense of a claim or suit.

The insured agrees that if we take such steps:

3. We do not waive or give up any of our rights under this insurance; and
4. The insured will reimburse us for any defense expense that arises out of such steps if the applicable Limit of Insurance available has been used up.

All other terms and conditions remain unchanged.

Policy Number
PKG3127372

SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured **MUSSO & FRANK GRILL CO., INC.**
KEEGAL IRREVOCABLE TRUST DATED
 Producer Name **HUB INTERNATIONAL**

Effective Date: **06-30-19**
 12:01 A.M., Standard Time
 Producer No. **0099580**

COMMON POLICY FORMS AND ENDORSEMENTS

MS 0612	01-15	DISC NOTIC TRIA 2002 AS AMEND REJ OF COV
MS 0001	09-13	COMMON POLICY DECLARATIONS
MS 0103	01-16	SCHEDULE OF NAMED INSURED(S)
IL 09 85	01-15	DISCLOSURE PURSUANT/TERROR RISK INS ACT
MS 0002	01-16	COMPANY SIGNATURE PAGE
MS 0801	03-05	ENHANCED COMMON POLICY CONDITIONS
MS 0101	01-16	SCHEDULE OF FORMS AND ENDORSEMENTS
MS 0104	01-16	SCHEDULE OF TAXES, SURCHARGES OR FEES
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	07-02	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
MS 0102	01-16	SCHEDULE OF LOCATIONS
IL 01 04	09-07	CALIFORNIA CHANGES
IL 02 70	11-04	CA CHANGES - CANCELLATION & NONRENEWAL
IL 00 03	09-08	CALCULATION OF PREMIUM
IL 09 35	07-02	EXCL OF CERTAIN COMPUTER- RELATED LOSSES
IL 09 53	01-15	EXCL/CERT ACTS-TERROR; COV/FIRE LOSSES
MS 0501	01-02	EXCLUSION - ASBESTOS
MS 0504	01-16	EXCLUSION-US ECONOMIC OR TRADE SANCTIONS
MS 0810	01-16	CONFORMANCE WITH LAW/SEVERABILITY
MS 5509	02-16	EXCLUSION-FOREIGN TERRORISM
MS 6564	02-16	EXCLUSION-FOREIGN TERRORISM
6671	10-02	EQUIPMENT BREAKDOWN COVERAGE FORM
DFB CCDEC	10-02	SCHEDULE OF ENDORSEMENTS
DFBEBDEC	10-02	EQUIPMENT BREAKDOWN COVERAGE DECLARATION
EFBSCHLOCS	01-98	SCHEDULE OF LOCATIONS

PROPERTY FORMS AND ENDORSEMENTS

CP 00 10	10-12	BUILDING & PERSONAL PROPERTY COVERAGE
CP 00 30	10-12	BUSINESS INCOME COVERAGE (&/EX EXP)
CP 00 90	07-88	COMMERCIAL PROPERTY CONDITIONS
CP 15 31	10-12	ORDINANCE/LAW-INCR PERIOD OF RESTORATION
MS 5003	12-12	COMMERCIAL PROPERTY COV PART SUPPL DEC
MS 5004	12-12	COMM PROP COV PRT EXTEN OF SUPP DEC
MS 5202	12-12	CAUSES OF LOSS - ENHANCED FORM
CP 01 40	07-06	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 04 46	10-12	CALIFORNIA - ORDINANCE OR LAW COVERAGE
CP 15 55	06-95	BUSINESS INCOME CHANGES - TIME PERIOD
CP 15 56	06-07	BUS INC CHNGS-BEGIN PERIOD/RESTORATION
MS 5401	12-12	ENHANCED BLDG & PER PROP COV FORM END'T
MS 5402	12-12	ENHANCED BUSINESS INCOME ENDORSEMENT

GENERAL LIABILITY FORMS AND ENDORSEMENTS

MS 6401	05-15	ENHANCED COMMERCIAL GL COVERAGE ENDT
MS 6001	05-15	CGL COVERAGE PART SUPPLEMENTAL DEC
MS 6002	05-15	LIQUOR LIABILITY COVERAGE PART DEC
MS 6102	05-15	COMM GENERAL LIABILITY COVERAGE SCHEDULE
MS 6345	01-10	CA-FUNGI, BACTERIA OR PROTISTS EXCLUSION
CG 00 01	04-13	COMMERCIAL GENERAL LIABILITY COV FORM
CG 00 33	04-13	LIQUOR LIABILITY COV FORM (OCCURRENCE)
CG 32 34	01-05	CALIFORNIA CHANGES
CG 04 35	12-07	EMPLOYEE BENEFITS LIABILITY COVERAGE

Policy Number
PKG3127372

SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured	MUSSO & FRANK GRILL CO., INC. KEEGAL IRREVOCABLE TRUST DATED	Effective Date:	06-30-19 12:01 A.M., Standard Time
Producer Name	HUB INTERNATIONAL	Producer No.	0099580

CG 21 06	05-14	EXCL-ACC/DISCL OF CONFI OR PERSONAL INFO
CG 21 47	12-07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 21 55	09-99	TOTAL POLLUTION EXCL. WITH HOSTILE FIRE
CG 21 73	01-15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
CG 21 96	03-05	SILICA OR SILICA-RELATED DUST EXCLUSION
CG 24 07	01-96	PROD/COMPLETED OPERATIONS HAZARD REDEFIN
MS 6302	05-15	EMPLOYERS LIABILITY EXCLUSION - CA
MS 6303	05-15	DEFENSE OF CLAIMS OR SUITS IN CA ENDT
MS 6304	05-15	BINDING ARBITRATION ENDORSEMENT
MS 64108	05-15	PRIMARY & NON-CONTRIB INS FOR ADDL INDS

CRIME FORMS AND ENDORSEMENTS

CR DS 01	08-13	CRIME & FIDELITY DEC (COMRCL ENTITIES)
CI-SCHED	08-13	COMMERCIAL CRIME COVERAGE SCHEDULE
CR 00 21	11-15	COMM'L CRIME COV FORM (LOSS SUSTAINED)
CR 03 10	08-17	CALIFORNIA CHANGES-PREMIUM
CR 07 30	03-06	EXCLUSION OF TERRORISM
CR 20 20	07-02	CALCULATION OF PREMIUM
CR 01 50	03-00	CALIFORNIA CHANGES - ESCROW AGENT

		Policy Number PKG3127372
SCHEDULE OF TAXES, SURCHARGES OR FEES		
Named Insured	MUSSO & FRANK GRILL CO., INC. KEEGAL IRREVOCABLE TRUST DATED	Effective Date: 06/30/2019 12:01 A.M., Standard Time
Producer Name	HUB INTERNATIONAL	Producer No. 0099580

MS 0001 (cont.)

TAXES, SURCHARGES OR FEES DETAILED BREAKDOWN :		
CA Seismic Safety Fee	\$.15
TOTAL TAXES, SURCHARGES OR FEES	\$.15

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:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY 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
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
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 has 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.

Policy Number
PKG3127372

SCHEDULE OF LOCATIONS

Named Insured MUSSO & FRANK GRILL CO., INC.
KEEGAL IRREVOCABLE TRUST DATED
Producer Name HUB INTERNATIONAL

Effective Date: 06-30-19
12:01 A.M., Standard Time
Producer No. 0099580

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	6663-6667 HOLLYWOOD BLVD, LOS ANGELES, CA 90028	
002	001	6715 HOLLYWOOD BLVD, STE 201, LOS ANGELES, CA 90028	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CALIFORNIA CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
 STANDARD PROPERTY POLICY

- 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.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
- 4.** A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:
- If we and you disagree on the value of the property or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, 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 ("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.
- E.** The Appraisal Condition in:
1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
 2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, 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.

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%.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

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
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL 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

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including micro-processors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

POLICY NUMBER: PKG3127372

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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
CALIFORNIA	PKG3127372
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.



Mitsui Sumitomo Insurance Group

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL AUTO COVERAGE PART
GARAGE COVERAGE PART
TRUCKERS COVERAGE PART
PRODUCTS AND COMPLETED OPERATIONS COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of or related in any way to asbestos or asbestos-containing materials.

We shall not have the duty to defend any such claim or "suit."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – U.S. ECONOMIC OR TRADE SANCTIONS

This endorsement modifies Insurance provided under all Coverage Parts included in this policy.

This insurance does not apply under any coverage part to “bodily injury”, “property damage” or loss in whole or in part:

- A. when the United States of America has imposed any trade or economic sanction or embargo prohibiting the insurance of such “bodily injury”, “property damage” or loss; or
- B. occurring in any jurisdiction that is the subject of any trade or economic sanction or embargo imposed by the United States of America.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

CONFORMANCE WITH LAW/SEVERABILITY

This endorsement modifies insurance provided under all Coverage Parts included in this policy.

It is agreed that the Policy is amended as follows:

The following Clause is added:

Conformance With Law/Severability

- a. Any terms or conditions of the Policy which are in conflict with the applicable statutes, laws or regulations of the jurisdiction in which the Policy is delivered are amended to conform to such statutes, laws or regulations.
- b. If any provision of the Policy is invalid or unenforceable under any applicable statute, regulation or rule of law, then it will be enforced to the extent permissible and the enforceability of the other provisions of the Policy will not be affected.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – FOREIGN TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
COMMERCIAL OUTPUT PROGRAM

A. The following exclusion is added:

FOREIGN TERRORISM

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

B. The following definition is added:

“Foreign terrorism” means activities against persons, organizations or property of any nature committed outside of the United States of America and not subject to the Terrorism Risk Insurance Act of 2002, as amended:

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.

All other terms and conditions remain unchanged.

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Page 1 of 1

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EX03-032

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - FOREIGN 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
ELECTRONIC DATA LIABILITY COVERAGE PART
COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE
COMMERCIAL EXCESS LIABILITY POLICY

A. The following exclusion is added:

FOREIGN TERRORISM

We will not pay for "any injury or damage" or any other loss, cost, defense fee, expense, injury, damage, claim, dispute or suit caused directly or indirectly by "foreign terrorism", including action in hindering or defending against an actual or expected incident of "foreign 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.

B. The following definitions are added:

1. "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.
2. "Foreign terrorism" means activities against persons, organizations or property of any nature committed outside of the United States of America and not subject to the Terrorism Risk Insurance Act of 2002, as amended:
 - 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.

C. In the event of any incident of "foreign terrorism" that is not subject to this exclusion, coverage does not apply to "any injury or damage" or any other loss, cost, defense fee, expense, injury, damage, claim, dispute or suit that is otherwise excluded under this Coverage Part or Policy.

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

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (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 or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

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 (other than lawns which are part of a vegetated roof);
- 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 the Additional Coverage, 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, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

 - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- 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, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris 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 of direct physical loss or damage.
 - (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) 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. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 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) applies, 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 \$25,000.

(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:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

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 (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 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 service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

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

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
 - (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
 - (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) 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 (unless a higher limit is shown in the Declarations) 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; or
 - (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.

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

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

(3) Period Of Coverage

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

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

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

b. Personal Effects And Property Of Others

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

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

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

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

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

d. Property Off-premises

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

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), 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.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

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.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

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, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

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

D. Deductible

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

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

Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

\$ 60,100
– 250
<hr style="width: 50px; margin-left: 0;"/>

\$ 59,850 Loss Payable – Building 1

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

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

Example 2

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

The Deductible and Limits of Insurance are the same as those in Example 1.

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b.** We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a.** In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b.** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d.** We will not pay you more than your financial interest in the Covered Property.
- e.** We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
- (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

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

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

b. Vacancy Provisions

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

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

(a) Vandalism;

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

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

7. Valuation

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

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

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

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

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' 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 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 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 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	\$ 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 applies 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:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

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

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss 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 or compliance with 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.

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 **F**. 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:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) 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 such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

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.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, 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, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income 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) 60 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) 60 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. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph **A.4.d.** therein.
- (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 (unless a higher limit is shown in the Declarations) 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 Of 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, unless a higher limit is shown in the Declarations.
- 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.

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.

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.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

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 an 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:

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

Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and

Step (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 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 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 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 ($\$400,000 \times 50\%$). 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:	\$ 30,000
(\$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:	\$ 30,000
	\$ 90,000
We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 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 (1):	$\$100,000 \div \$200,000 = .50$
Step (2):	$.50 \times \$80,000 = \$40,000$

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 60 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 or compliance with 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 a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW – INCREASED PERIOD OF RESTORATION

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM

A. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. 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.

B. The period of restoration definition is replaced by the following:

"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" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

The expiration date of this policy will not cut short the "period of restoration".

C. The following definition is added:

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

Policy Number
PKG3127372



**COMMERCIAL PROPERTY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**

Named Insured **MUSSO & FRANK GRILL CO., INC.
KEEGAL IRREVOCABLE TRUST DATED**
Agent Name **HUB INTERNATIONAL**

Effective Date: **06-30-19**
12:01 A.M. Standard Time
Agent No. **0099580**

Item 1. Business Description: RESTAURANT

Item 2. Premises Described:

See Schedule of Locations

Item 3. \$250 Deductible unless otherwise indicated.

Item 4. Coverages Provided

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance
001	001	BUILDING JOISTED MASONRY	\$ 3,482,300	ENHANCED	80

Other Provisions

Agreed Value: 3482300 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard %
 Reporting Extended:
 Exceptions:
 Deductible: \$ 5,000 Earthquake - Volcanic Eruption: Deductible: %
 Minimum Deductible Amount (Per Occurrence):

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance
001	001	BUSINESS PERS PROP JOISTED MASONRY	\$ 435,900	ENHANCED	80

Other Provisions

Agreed Value: 435900 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard %
 Reporting Extended:
 Exceptions:
 Deductible: \$ 5,000 Earthquake - Volcanic Eruption: Deductible: %
 Minimum Deductible Amount (Per Occurrence):

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance
001	001	BUSINESS INCOME JOISTED MASONRY	\$ 5,000,000	ENHANCED	

Other Provisions

Agreed Value: 5000000 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum X Inflation Guard %
 Reporting Extended:
 Exceptions:
 Deductible: EXT/OPT:72-HR TIME CHG TO 24-HR. Earthquake - Volcanic Eruption: Deductible: %
 Minimum Deductible Amount (Per Occurrence):

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Policy Number
PKG3127372



**COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS**

Named Insured MUSSO & FRANK GRILL CO., INC.

Effective Date: 06-30-19
12:01 A.M. Standard Time

Agent Name HUB INTERNATIONAL

Agent No. 0099580

Item 4. Coverages Provided (applies only when limit is shown below)

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance
001	001	DEMOLITION COST	\$ 100,000		

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard %
 Reporting Extended:

Exceptions:

Deductible: Earthquake - Volcanic Eruption: Deductible: %
Minimum Deductible Amount (Per Occurrence):

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance
001	001	INCREASED COST OF CONSTRUCTION	\$ 100,000		

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard %
 Reporting Extended:

Exceptions:

Deductible: Earthquake - Volcanic Eruption: Deductible: %
Minimum Deductible Amount (Per Occurrence):

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance
002	001	BUSINESS PERS PROP JOISTED MASONRY	\$ 8,900	ENHANCED	80

Other Provisions

Agreed Value: 8900 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard %
 Reporting Extended:

Exceptions:

Deductible: 5000 Earthquake - Volcanic Eruption: Deductible: %
Minimum Deductible Amount (Per Occurrence):

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coinsurance

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard %
 Reporting Extended:

Exceptions:

Deductible: Earthquake - Volcanic Eruption: Deductible: %
Minimum Deductible Amount (Per Occurrence):

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



CAUSES OF LOSS – ENHANCED FORM

Word and phrases that appear in quotation marks have special meaning. Refer to Section F. – Definitions.

A. Covered Causes Of Loss

When Enhanced is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

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 or compliance with any ordinance or law:

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

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

- (a) An ordinance or law that

is enforced even if the property has not been damaged; or

- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

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

compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss" or any subsequent business income or extra expense loss resulting from that "specified cause of loss".

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not

driven by wind (including storm surge);

- (2) Mudslide or mudflow;
- (3) Water under the ground surface pressing on, or flowing or seeping through;
 - (a) Foundations walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1) or (3), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (4), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundry or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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

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

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss" or any subsequent business income or extra expense loss resulting from that "specified cause of loss".

This exclusion does not apply to loss or damage to valuable papers and records (other than electronic data); money and securities; accounts receivable;

fine arts; salesperson samples; or property in transit.

b. Delay, loss of use or loss of market.

But if delay, loss of use or loss of market 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 to loss or damage to valuable papers and records (other than electronic data); money and securities; accounts receivable; fine arts; electronic data processing equipment and/ or electronic data or any subsequent business income or extra expense loss resulting from the "specified cause of loss".

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

d. (1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage

caused by that elevator collision.

(7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

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

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment

(except fire protective systems) caused by or resulting from freezing, unless:

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

h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.

- k.** Collapse, including any of the following conditions of property or any part of the property:
 - (1)** An abrupt falling down or caving in;
 - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

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

This exclusion, **k.**, does not apply:

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

- l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or

escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

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

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

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

- a.** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.

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

- c.** Faulty, inadequate or defective:

- (1)** Planning, zoning, development, surveying, siting;
- (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3)** Materials used in repair, construction, renovation or remodeling; or
- (4)** Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or

cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage or any variation of these.

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

b. Leasehold Interest Coverage Form

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

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph **B.1.a.** Ordinance Or law;

(b) Paragraph B.1.c. Governmental Action contamination, however caused.

(c) Paragraph B.1.d. Nuclear Hazard;

(d) Paragraph B.1.e. Utility services; and

(e) Paragraph B.1.f. War and Military Action

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

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

C. Limitations

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

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b.** Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c.** The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1)** The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2)** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d.** Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.
 However, this limitation does not apply to:
 - (1)** Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2)** Business Income Coverage or Extra Expense Coverage
- e.** Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f.** Property that has been transferred to a person or to a place outside the described

premises on the basis of unauthorized instructions.

- g.** Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1)** Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2)** Changes in or extremes of temperature;
 - (3)** Disease;
 - (4)** Frost or hail; or
 - (5)** Rain, snow, ice or sleet.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a.** Animals, and then only if they are killed or their destruction is made necessary.
- b.** Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1)** Glass; or
 - (2)** Containers of property held for sale.
- c.** Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
 However, this limitation does not apply:
 - (1)** If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.
- 3. The special limit shown for each category, **a.** through **c.**, 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 (unless a higher limit is shown in the Declarations):

- a.** \$10,000 for furs, fur garments and garments trimmed with fur, 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.
- b.** \$2,500 for patterns, dies, molds and forms.
- c.** \$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 coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

- 1. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a.** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d.** Use of defective material or methods in construction,

remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in **2.a.** or **2.b.**;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This Additional Coverage – Collapse does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. 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 an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in **D.1.** through **D.7.**

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 \$50,000.

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

E. 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), including electronic data processing equipment or electronic data, in transit more than 1000 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

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.

F. Definitions

"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.

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

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

2. Falling objects does not include loss or damage to:

- a. Personal property in the open; or
- b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

3. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

POLICY NUMBER: PKG3127372

COMMERCIAL PROPERTY
CP 04 46 10 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA – ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
001/001	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	\$ 100,000	\$ 100,000	* * *

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C**, or if one of these Coverages is not applicable.

A. Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.



(Section H. of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

C. We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **3.a.**:

- (1) The cost of excavations, grading, back-filling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

E. Loss Payment

1. All following loss payment provisions, **E.2.** through **E.5.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
- a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:
- We will not pay more than the lesser of the following:
- a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule above.
4. Unless Paragraph **E.5.** applies, loss payment under Coverage **C** – Increased Cost of Construction Coverage will be determined as follows:
- a. We will not pay under Coverage **C**:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless such repair or replacement is made within two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
5. If a **Combined** Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
- The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless such repair or replacement is made within two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage C of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

- I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME CHANGES – TIME PERIOD

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

For insurance provided under the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM, the following applies:

1. The 72-hour time period in the definition of "period of restoration" is replaced by 24 hours.
2. The 72-hour time period in the Civil Authority Additional Coverage is replaced by 24 hours.

POLICY NUMBER: PKG3127372

COMMERCIAL PROPERTY
CP 15 56 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME CHANGES – BEGINNING OF THE PERIOD OF RESTORATION

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

SCHEDULE

Select Either A. Or B

A. 72-Hour Time Period Is Replaced By 24 Hours

B. 72-Hour Time Period Is Eliminated

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** If the Schedule indicates that the 72-hour time period is replaced by 24 hours, then:
 1. The 72-hour time period in the definition of “period of restoration” is replaced by 24 hours. Therefore, the period of restoration for Business Income Coverage begins 24 hours after the time of direct physical loss or damage, subject to all other provisions of the definition of “period of restoration”; and
 2. The 72-hour time period in the Civil Authority Additional Coverage is replaced by 24 hours. Therefore, coverage under the Additional Coverage – Civil Authority begins 24 hours after the time of action of civil authority, subject to all other provisions of that Additional Coverage.
- B.** If the Schedule indicates that the 72-hour time period is eliminated, then:
 1. The 72-hour time period in the definition of “period of restoration” is deleted. Therefore, the period of restoration for Business Income Coverage begins at the time of direct physical loss or damage, subject to all other provisions of the definition of “period of restoration”; and
 2. The 72-hour time period in the Civil Authority Additional Coverage is deleted. Therefore, coverage under the Additional Coverage – Civil Authority begins at the time of action of civil authority, subject to all other provisions of that Additional Coverage.



THIS ENDORSEMENT ENHANCES YOUR POLICY. PLEASE READ IT CAREFULLY.

ENHANCED BUILDING AND PERSONAL PROPERTY COVERAGE FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

This endorsement modifies coverage and provides increased limits of insurance to enhance your insurance program. The Limits Of Insurance stated below are granted by us as enhancements to your insurance program and are subject to the terms and conditions of this endorsement and the above Coverage Form. These Limits Of Insurance described below, apply separately to Covered Property at each premises described in the Declarations.

If these Limits Of Insurance are not sufficient, you may purchase additional Limits Of Insurance for one or more Coverages at any premises. The premium charge will be based on the additional Limits Of Insurance you purchase. When you purchase additional Limits Of Insurance for any Covered Property, the Limit Of Insurance stated in the Declaration will be in addition to any Limit Of Insurance we have granted below.

The **Blanket Limit Of Insurance** shown below applies to any one occurrence and collectively to all **Blanket Limit – Coverages** shown below. This **Blanket Limit Of Insurance** applies only to Covered Property located at premises described in the Declarations and in excess of the applicable Property Deductible also shown in the Declarations.

At the time of loss or damage, the first Named Insured may elect to allocate the **Blanket Limit Of Insurance** to one or any combination of the **Blanket Limit - Coverages**. When a specific Limit Of Insurance is purchased for any of these **Blanket Limit Coverages**, such specific Limit Of Insurance will apply in addition to whatever amount of the **Blanket Limit Of Insurance** the first Named Insured allocates to that coverage at time of loss.

SUMMARY OF COVERAGE

Blanket Limit Of Insurance

Blanket Limit - Coverages

- Accounts Receivable
- Electronic Data
- Electronic Data Processing Equipment
- Fine Arts

MS 5401 12 12

LIMITS OF INSURANCE (PER LOCATION)

\$500,000 or the total of the Building and Your Business Personal Property limits shown in the Declarations, whichever is less



- Fire Department Service Charge
- Fire Protection Device Recharge
- Leasehold Interest - (Bonus Payment, Prepaid Rent, Sublease Profit, Tenants' Lease Interest)
- Leasehold Interest – (Undamaged Tenants' Improvements And Betterments)
- Non Owned Detached Trailers
- Outdoor Property
- Consequential Loss to Undamaged Personal Property
- Personal Effects and Property of Others
- Valuable Papers and Records (Other Than Electronic Data)

Additional Coverages:

Debris Removal

Covered Property (Other Than Electronic Data Processing Equipment and Electronic Data)	\$35,000
Electronic Data Processing Equipment and Electronic Data	Unlimited
Pollutant Clean Up and Removal	\$25,000
Increased Cost Of Construction	\$25,000
Extra Expense	\$50,000
Consequential Damage	\$10,000
Deferred Payments	\$25,000
Claim Expenses	\$25,000

Coverage Extensions:

Newly Acquired or Constructed Property Increased Limit

Building	\$1,000,000 (each bldg.) (180 Days)
Personal Property (Other Than Electronic Data Processing Equipment and Electronic Data)	\$500,000 (each bldg.) (180 Days)
Electronic Data Processing Equipment and Electronic Data, including duplicates or Electronic Data, including data duplicates	\$50,000 (excluding virus) \$2,500 (including virus)
Property Off-Premises	\$50,000
Money and Securities	\$10,000
Brand and Label	\$25,000
Installation	\$25,000
Salesperson's Samples	\$1,000
Outdoor Signs (Detached Or Attached To Building)	\$10,000
Arson Reward	\$25,000
Exhibitions	\$50,000

Loss Conditions

Manufacturer's Selling Price – Valuation – Finished "Stock" Only Included



The **Blanket Limit - Coverages** shown below and in the **Summary Of Coverage** of this endorsement are subject to the **Blanket Limit Of Insurance** also shown in the **Summary Of Coverage**.

Blanket Limit - Coverages

Accounts Receivable

(1) If this policy covers Your Business Personal Property, under this Blanket Limit Coverage we will pay for loss or damage to your records of accounts receivable caused by or resulting from a Covered Cause of Loss including:

- (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 or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

(2) We will determine the amount of accounts receivable using one of the following methods:

- (a) The actual amount of accounts receivable outstanding as of the time of loss or damage; or
- (b) If you can not accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, we will:
 - (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

(ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(3) The following will be deducted from the total amounts of accounts receivable, however that amount is established:

- (a) The amount of the accounts for which there is no loss or damage;
- (b) The amount of the accounts that you are able to re-establish or collect;
- (c) An amount to allow for probable bad debts that you are normally unable to collect; and
- (d) All unearned interest and service charges.

(4) You will pay us the amount of all recoveries you receive for loss or damage paid by us. But any recoveries in excess of the amount we have paid belong to you.

(5) Paragraph a. of **A.2. Property Not Covered** does not apply to accounts receivable.

Electronic Data

(1) Under this Blanket Limit Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Blanket Limit Coverage does not apply to your "stock" or prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

The first sentence of Paragraph n. in **A.2. Property Not Covered** is replaced by the following:

Electronic Data, except as provided under the Blanket Limit Coverage, Electronic Data.



- (2) Subject to the provisions of this Blanket Limit Coverage, Electronic Data, 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 Blanket Limit Coverage, subject to the following:
- (a) Coverage is limited to the "specified causes of loss" as defined in the Causes of Loss – Enhanced Form, and Collapse as set forth in that form.
- (b) If the Causes of Loss – Enhanced 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 Blanket Limit Coverage.
- (c) 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) We will pay under this Blanket Limit Coverage, for 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) This Blanket Limit Coverage does not apply to Electronic Data that is covered elsewhere under this policy or any other policy.

Electronic Data Processing Equipment

- (1) If this policy covers Your Business Personal Property, under this Blanket Limit Coverage we will pay for loss or damage to electronic data processing equipment caused by or resulting from a Covered Cause of Loss at the premises described in the Declarations.
- (2) As used in this endorsement, electronic data processing equipment means data processing systems including equipment, component parts and related peripheral equipment including air conditioning and fire protective equipment used solely for data processing operations. This does not include equipment held for sale or distribution and in the course of manufacture.
- (3) This Blanket Limit Coverage does not apply to electronic data processing equipment that is covered under a Coverage Extension within this endorsement.
- (4) We will determine the value of electronic data processing equipment at the cost to replace the damaged equipment.

Fine Arts

- (1) If this policy covers Your Business Personal Property, under this Blanket Limit Coverage we will pay for direct physical loss or damage to your "fine arts" and "fine arts" of others that are in your care, custody or control caused by or resulting from a Covered Cause of Loss.

As used in this endorsement, "fine arts" means visual art considered to have been created primarily for aesthetic purposes



and judged for its beauty and meaningfulness.

- (2) We will not pay for loss or damage to:
- (a) "Fine arts" while on exhibition at fair grounds or on the premises of any national or international exposition; or
 - (b) Contraband or "fine arts" in the course of illegal transportation or trade.
- (3) We will determine the value of "fine arts" under this Coverage, in the event of loss or damage, as follows:
- (a) At the market value at the time of loss or damage.
 - (b) With respect to pairs or sets:
 - (i) In the event of total loss of any items that are part of a pair or set, we will pay for that pair or set. You will surrender to us the remaining items of the pair or set.
 - (ii) In the case of loss or damage to any part of a pair or set, we may;
 - (aa) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - (bb) Pay the difference between the value of the pair or set before and after the loss or damage.

Fire Department Service Charge

Under this Blanket Limit Coverage, when the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay for your liability for fire department service charges:

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

For service at each premises described in the Declarations regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

No Deductible applies to this Blanket Limit Coverage.

Fire Protection Device Recharge

Under this Blanket Limit Coverage we will pay to recharge or refill fire protection devices.

This Blanket Limit Coverage applies to your fire protection devices that are permanently installed in buildings at the described premises. Coverage applies only when such devices have been discharged while being used to protect Covered Property from loss or damage caused by fire.

Leasehold Interest – (Bonus Payment, Prepaid Rent, Sublease Profit, Tenants' Lease Interest)

Under this Blanket Limit Coverage we will pay for the loss you incur directly resulting from the cancellation of your written lease for the premises shown in the Declarations for:

- (1) "Bonus Payment";
- (2) "Prepaid Rent";
- (3) "Sublease Profit"; or
- (4) "Tenants' Lease Interest".

Cancellation of the lease must be:

- (1) By the lessor;
- (2) By a valid condition of your lease; and
- (3) Due to direct physical loss or damage to a building caused by or resulting from a Covered Cause of Loss not otherwise excluded at the premises shown in the Declarations.

As used in this Blanket Limit Coverage:

- (1) "Bonus payments" means that portion of any cash bonus you paid based on the



percentage of your lease remaining at the time of direct physical loss or damage.

"Bonus payments" does not mean rent, securities or cash bonuses refunded to you, even if you prepaid the rent or security.

(2) "Prepaid rent" means that portion of any prepaid rent you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. "Prepaid rent" does not mean the customary rent due at the beginning of any rental period.

(3) "Sublease profit" means the net profit you earn through subleasing the building or portion of the building that you rent for the unexpired term of the canceled lease or sublease, whichever would expire first. This amount is discounted based on the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the canceled lease or sublease.

(4) "Tenants' lease interest" means the difference between the appraised rental value of the leased premises at the time of direct physical loss or damage for the unexpired term of the lease and the actual rent due for the same period, discounted by the prime rate of interest at the time of direct physical loss or damage, for the unexpired term of the canceled lease; or

The difference between the rent due for the unexpired term of the canceled lease and the rent due under the new lease for that same time period, not to exceed the difference between the actual rent due for the unexpired term of the canceled lease and the appraised rental value of the leased premises for that same period. This difference is discounted by the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the canceled lease.

Leasehold Interest – (Undamaged Tenants' Improvements And Betterments)

Under this Blanket limit Coverage, we will pay for the value of undamaged "tenant's improvements and betterments" when your lease is cancelled:

- (1) By the Lessor;
- (2) By a valid condition of your lease; and
- (3) Due to direct physical loss or damage to building or personal property caused by or resulting from a Covered Cause of Loss not otherwise excluded at the premises shown in the Declarations.

As used in this Blanket Limit Coverage, "tenant's improvements and betterments" means fixtures, alterations, installations or additions:

- (1) You make a part of a building you occupy but do not own; and
- (2) You acquire or make at your expense but cannot legally remove.

"Tenant's improvements and betterments" does not mean:

- (1) Land, water or air, either inside or outside of a structure;
- (2) Paved or concrete surfaces;
- (3) Retaining walls;
- (4) Foundations or supports below the surface of the lowest floor or basement;
- (5) Outdoor trees, shrubs, plants or lawns; or
- (6) Growing crops.

Non-owned Detached Trailers

- (1) If this policy covers Your Business Personal Property, under this Blanket Limit Coverage we will pay for direct physical loss or damage to trailers that you do not own caused by or resulting from a Covered Cause of Loss, 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) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Outdoor Property

If this policy covers Your Business Personal Property, under this Blanket Limit Coverage, we will pay for direct physical loss or damage to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), 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.

Under this Blanket Limit Coverage, we will pay , the Blanket Limit of Insurance amount allocated but not more than \$250 for any one tree, shrub or plant. This limit applies regardless of the types or number of items lost or damaged in any one occurrence.

Subject to all aforementioned terms and limitations of coverage, this Blanket Limit Coverage includes the expense of removing from the described premises the debris of

trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

Consequential Loss to Undamaged Personal Property

If this policy covers Your Business Personal Property, under this Blanket Limit Coverage we will pay for consequential loss to undamaged personal property that is part of:

- (1) Your product; or
- (2) Any product in your care, custody or control,

which has become unmarketable as a complete product, because of covered direct physical loss or damage to personal property which is part of the same product.

Personal Effects and Property of Others

If this policy covers Your Business Personal Property, under this Blanket Limit Coverage we will pay for loss or damage to the following property at each described premises:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Blanket Limit Coverage does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.
- (3) Personal property of employees while away from the insured's premises for the purpose of performing duties relating to the conduct of the insured's business.

The most we will pay for loss or damage for personal property of employees while away from the insured's premises is \$2,500 for any one employee and \$10,000 in any one occurrence, regardless of the number of employees.

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



Valuable Papers and Records (Other Than Electronic Data)

- (1) If this policy covers Your Business Personal Property, we will pay under this Blanket Limit Coverage the cost to replace or restore the lost information on "valuable papers and records" for which duplicates do not exist that are your property or property of others in your care, custody or control. But this Blanket Limit Coverage 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) Coverage under this Blanket Limit Coverage is limited to the "specified causes of loss" as defined in the Causes of Loss – Enhanced Form.
- (3) Under this Blanket Limit Coverage, we will pay to replace or restore the lost information at each described premises. Subject to the applicable Limit of Insurance on Your Business Personal Property, 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 purchasing duplicates or the cost of labor to transcribe or copy the records. Such costs are not additional insurance under this Blanket Limit Coverage.
- (4) As used in this Blanket Limit Coverage :

 "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings films, maps or mortgages.

 But, "valuable papers and records" does not include "money" and "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.
- (5) We will not pay for errors or omissions in processing or copying. But we will pay for

direct loss or damage caused by resulting fire or explosion.
Additional Coverages

Paragraph **A.4. Additional Coverages** is amended as follows:

a. Debris Removal

Paragraphs (4) and (5) of **a. Debris Removal** are replaced by the following:

- (4) We will pay up to an additional \$35,000 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) applies, 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 \$35,000. However, with respect to Electronic Data Processing Equipment and Electronic Data, the Debris Removal Expense is unlimited.

(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 (\$50,000 - \$500)	\$ 49,500
Debris Removal Expense	\$ 10,000
Debris Removal Expense Payable (\$10,000 is 20% of 50,000)	\$ 10,000

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 (\$80,000 - \$500)	\$ 79,500
Debris Removal Expense	\$ 50,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 35,000

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 (\$50,000) exceeds 25% of the loss payable plus the deductible (\$50,000 is 62.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$50,000 = \$129,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$35,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$45,500;

\$4500 of the debris removal expense is not covered.

c. Fire Department Service Charge

Paragraph c. **Fire Department Service Charge** is deleted.

d. Pollutant Clean up And Removal

The last paragraph of d. **Pollutant Clean up And Removal** is replaced by the following:

The most we will pay under this Additional Coverage for each described premises is \$25,000 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

Paragraph (6) of e. **Increased Cost Of Construction** is replaced by the following:

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$25,000 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 \$25,000 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.

f. Electronic Data

Paragraph f. **Electronic Data** is deleted.

g. Extra Expense

The following is added:



Extra Expense

(1) We will pay up to \$50,000 for the actual and necessary Extra Expense you sustain due to direct physical loss or damage to property at the described premises caused by or resulting from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

(2) As used in this Additional Coverage, 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. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

(a) 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.

(b) 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 Additional Coverage.

(3) "Operations" means your business activities occurring at the described premises.

(4) "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:

(i) The date when the property at the described premises would be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(ii) 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:

(i) Regulates the construction, use or repair, or requires the tearing down of any property; or

(ii) 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".

(5) "Suspension" means the slowdown or cessation of your business activities.

h. Consequential Damage – "Stock"

The following is added:

Consequential Damage – "Stock"

We will pay up to \$10,000 for the reduction in value of the remaining parts of "stock" in process of manufacture, assembly and/or repackaging when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture,



assembly and/or repackaging at the described premises.

i. Deferred Payments

The following is added:

Deferred Payments

(1) We will pay up to \$25,000 to protect your interest in personal property that suffers direct physical loss or damage caused by or resulting from a Covered Cause of Loss, and sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers.

(2) The coverage provided pursuant to this Additional Coverage will be valued as follows:

- (a) In the event of total loss, we will pay the amount shown on your books as due from the buyer.
- (b) In the event of partial loss where the buyer refuses to continue payment, forcing you to repossess, coverage will be valued as follows:
 - (i) If the realized value of the repossessed personal property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
 - (ii) If the realized value of the repossessed personal property is less than the amount shown on your books as due from the buyer, we will pay the difference.
- (c) In the event of partial loss or damage where the buyer continues to pay you, we will not make any payment.

j. Claim Expenses

The following is added:

Claim Expenses

(1) In the event of loss or damage to Covered Property, we will pay up to \$25,000 for reasonable expenses you incur, at our request, to investigate or settle a claim.

(2) This Additional Coverage does not apply to expenses;

- (a) Incurred by you for appraisals, examinations under oath or to prove the loss or damage;
- (b) Billed by and payable to insurance adjusters or attorney's; or

(c) Any cost as provided in **2. Appraisal of E. Loss Conditions.**

(3) No Deductible applies to this Additional Coverage.

(4) The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

Coverage Extensions

Paragraph **A.5. Coverage Extensions** is amended as follows:

The first paragraph is replaced by the following:

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 1,000 feet of the described premises.

a. Newly Acquired or Constructed Property

Paragraphs (1), (2) and (3) of **a. Newly Acquired Or Constructed Property** are amended as follows:

(1) The last sentence under subparagraph (1) **Buildings** is replaced by the following: The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

(2) The last sentence under subparagraph (2)(a) **Your Business Personal**



Property is replaced by the following:
The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- (3) The following is added to subparagraph (2)(a) **Your Business Personal Property**:

However, the following provisions apply:

- (a) For newly acquired electronic data processing equipment and electronic data, including data duplicates, excluding virus, the most we will pay for loss or damage under this Extension is \$50,000 at each described premises; or
- (b) Coverage for virus to newly acquired electronic data, including data duplicates, as described under the Blanket Limit Coverage, Electronic Data, is limited to \$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.

This part of the Extension as it relates to Electronic Data does not apply to Electronic Data that is covered under another Coverage Extension within this endorsement.

- (4) Subparagraph (b) of Paragraph (3) **Period of Coverage** is replaced by the following:

- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

b. Personal Effects and Property of Others

Paragraph **b. Personal Effects and Property of Others** is deleted.

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

Paragraph **c. Valuable Papers and Records (Other Than Electronic Data)** is deleted.

d. Property Off-premises

Paragraph (3) of **d. Property Off-premises** is replaced by the following:

- (3) The most we will pay for loss or damage under this Extension is \$50,000.

e. Outdoor Property

Paragraph **e. Outdoor Property** is deleted.

f. Non-owned Detached Trailers

Paragraph **f. Non-owned Detached Trailers** is deleted.

h. Money and Securities

The following is added:

Money and Securities

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss of "Money" and "securities" inside the premises or banking premises or outside the premises in the care and custody of a messenger or an armored motor vehicle company.

However, our payment for loss of "money" and "securities" must result



directly from "theft", disappearance or destruction.

The most we will pay for loss of "money" and "securities" in any one occurrence is \$10,000.

- (2) Paragraph a. of A.2. **Property Not Covered** does not apply to this Extension.

i. Brand and Label

The following is added:

Brand and Label

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to brands and labels. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (a) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (b) Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

- (2) We will pay reasonable costs you incur to perform the activity described in (1)(a) or (1)(b) above. But the total we pay under this Extension for these costs and the value of the damaged property will not exceed \$25,000.

j. Installation

The following is added:

Installation

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to installations, fabrications or erections designated to be permanent additions to property.

This Extension applies to loss or damage by a Covered Cause of Loss to Covered Property or personal property of others that is temporarily in your possession in the course of installation, fabrication or erection.

- (2) We will pay for direct physical loss or damage to that property caused by a Covered Cause of Loss while:

- (a) At the job site awaiting installation, fabrication or erection;
- (b) In transit; or
- (c) At temporary storage locations awaiting installation, fabrication or erection.

- (3) The most we will pay for loss or damage under this Extension is \$25,000.
- (4) We will determine the value of loss or damage to Covered Property in accordance with the applicable terms of the Optional Coverages, Replacement Cost.

- (5) This Extension does not apply to:

- (a) Property while airborne;
- (b) Buildings, structures or land, however we will cover property that you install, fabricate or erect in connection with any building or structure;
- (c) Contraband or property in the course of illegal transportation or trade;
- (d) Machinery, tools or equipment, or similar property which will not become a permanent part of your installation, fabrication or erection;
- (e) Accounts, bills, currency, food stamps or other evidences of debt, lottery tickets not held for sale, "money", notes or "securities";
- (f) Trees, shrubs, plants and lawns; or



(g) Property while waterborne.

(6) Paragraph i. of **A.2. Property Not Covered** does not apply to this Coverage Extension.

(7) Coverage ends the earlier of when:

- (a) your interest in the personal property ceases;
- (b) the buyer accepts the personal property; or
- (c) this policy is terminated.

k. Salespersons' Samples

The following is added:

Salespersons' Samples

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your personal property in the care, custody or control of your salespersons.
- (2) The most we will pay for loss or damage under this Coverage Extension is \$1,000 per occurrence for property in the custody of any one salesperson.

l. Outdoor Signs – Detached Or Attached To Building

The second paragraph of **C. Limits Of Insurance** is replaced by the following:

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$10,000 per sign in any one occurrence.

m. Arson Reward

The following is added:

Arson Reward

- (1) We will pay a reward for information leading to a conviction for arson. The reward is payable only for information

concerning a fire loss to Covered Property under this policy.

(2) The most we will pay as a reward in connection with any one fire under this Extension is \$25,000, regardless of the number of:

- (a) Arsonists;
- (b) Convictions; or
- (c) People providing information.

n. Exhibitions

The following is added:

Exhibitions

You may extend the insurance that applies to Your Business Personal Property to apply to property while temporarily on display to the public at premises you do not regularly occupy.

The most we will pay for loss or damage under this Extension is \$50,000 per occurrence for property at any one Exhibition.

Loss Conditions

Paragraph **E. Loss Conditions** is amended as follows:

Manufacturer's Selling Price – Valuation – "Stock" Only

The following is added to **7. Valuation**:

We will determine the value of finished "stock" you fabricated or manufactured, including "stock" you have sold but not delivered in the event of loss or damage, at:

- a. The selling price, as if no loss or damage occurred;
- b. Less discounts and expenses you otherwise would have had.

We will pay the reduction in value of the remaining parts of "stock" when the



reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" at the described premises.

Definitions

The following is added to Paragraph H.

Definitions:

"Money" means:

- (1) Currency, coins and bank notes in current use and having a face value; and
- (2) Travelers checks, register checks and money orders held for sale to the public.

"Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

All other terms and conditions remain unchanged.



THIS ENDORSEMENT ENHANCES YOUR POLICY. PLEASE READ IT CAREFULLY.

ENHANCED BUSINESS INCOME ENDORSEMENT

This endorsement modifies insurance provided under the following:

**BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
 EXTRA EXPENSE COVERAGE FORM**

This endorsement modifies coverage and provides increased limits of insurance to enhance your insurance program. The Limits Of Insurance stated below are granted by us as enhancements to your insurance program and are subject to the terms and conditions of this endorsement and the above Coverage Forms. These Limits Of Insurance apply separately at each of your premises scheduled on this policy.

If these Limits Of Insurance are not sufficient, you may purchase additional Limits Of Insurance. The premium charge will be based on the additional Limits Of Insurance you purchase. When you purchase additional Limits Of Insurance for any coverage, the Limit Of Insurance stated in the Declaration will be in addition to any Limit Of Insurance we have granted below.

SUMMARY OF COVERAGE	LIMITS OF INSURANCE
Civil Authority	Up to 30 consecutive days after coverage begins
Utility Services	\$ 50,000
Newly Acquired Locations Increased Limit and Time Period	\$ 250,000/ 180 days
Extended Business Income	Within 24 months after the date of loss to restore operations to previous levels
Dependent Properties – Miscellaneous Locations	\$ 250,000



The following modifies insurance provided under the:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM; and EXTRA EXPENSE COVERAGE FORM

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is modified as follows:

The **Additional Coverage, Civil Authority**, is replaced by the following:

Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises and the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is a part of this policy, we will pay for the actual loss of Business Income you sustain caused by action of civil authority that prohibits access to the described premises.

When a Covered Cause of Loss causes damage to property other than property at the described premises and the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the EXTRA EXPENSE COVERAGE FORM is a part of this policy, we will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises.

We will pay for the actual loss of Business Income you sustain and/or actual and necessary Extra Expense you incur under this Additional Coverage, Civil Authority, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to 30 consecutive days from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) 30 consecutive days after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

The **Additional Coverages** section of **A. Coverage** is amended to add the following:

Utility Services

- (1) Your coverage for Business Income and/or Extra Expense, as provided



and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as provided under the applicable Causes of Loss Form indicated in the Declarations) to property described in Paragraph (3) and is located outside of a covered building described in the Declarations.

(2) Coverage under this Additional Coverage does not apply to Business Income loss and/or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this Additional Coverage applies.

(3) Utility Services:

(a) Water Supply Property, meaning the following types of property supplying water to the described premises:

(i) Pumping stations; and

(ii) Water mains.

(b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this Additional Coverage does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

(c) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

(i) Communication transmission lines, including optic fiber transmission lines;

(ii) Coaxial cables; and

(iii) Microwave radio relays except satellites.

Communication Supply Property does not include overhead transmission lines.

(d) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

(i) Utility generating plants;

(ii) Switching stations;

(iii) Substations;

(iv) Transformers; and

(v) Transmission lines.

Power Supply Property does not include overhead transmission lines.

(4) As used in this Additional Coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.



- (5) We will only pay for Business Income loss you sustain and/or Extra Expense you incur after the first 12 hours following the direct physical loss or damage to the property described in Paragraph (3) above.
- (6) The most we will pay under this Additional Coverage is \$ 50,000 at each described premises.
- (7) The Coinsurance Additional Condition provided in the applicable Coverage Form does not apply to this Additional Coverage.

The **Coverage Extension, Newly Acquired Locations**, is amended as follows:

Paragraph **b.** is replaced by the following:

- b.** The most we will pay under this Extension for the sum of Business Income loss and/or Extra Expense incurred is \$250,000 at each location, unless a higher limit is shown in the Declarations.

Paragraph **c.(2)** is replaced by the following:

- (2) 180 days expire after you acquire or begin to construct the property; or

The following modifies insurance provided under the:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; and BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is modified as follows:

Paragraph **(1) Business Income Other Than "Rental Value"** of the **Additional**

Coverage, Extended Business Income, is replaced by the following:

(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 that begins and is discovered by you after the "period of restoration" (for property except "finished stock") but within 24 months after the date of loss. The coverage for Business Income will apply through the time it takes to 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.

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.

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.

The Extended Period of Indemnity Optional Coverage does not apply to the Business Income Other Than "Rental Value" provision of the Additional Coverage, Extended Business Income.

"Period of restoration" with respect to Business Income Other Than "Rental Value" under this Additional Coverage means that period of time that:

- (a) Begins 72 hours after the time of direct physical loss or



damage caused by or resulting from any Covered Cause of Loss at the described premises; or

(b) Begins on the date "operations" would have begun if the direct physical loss or damage had not occurred for loss or damage to:

(i) New buildings or structures, whether complete or under construction;

(ii) Alterations or additions to existing buildings or structures; and

(iii) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and;

(a) Use 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"; and

(c) Ends on the earlier of:

(i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(ii) 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

or compliance with any ordinance or law that:

(i) Regulates the construction, use or repair, or requires the tearing down of any property; or

(ii) 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".

The **Additional Coverages** section of **A. Coverage** is amended to add the following:

Dependent Properties - Miscellaneous Locations

(1) We will pay 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 "dependent property" at premises not described in the Declarations caused by or resulting from a Covered Cause of Loss. However, coverage under this Additional Coverage does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this Additional Coverage applies.



(2) We will not pay more than .005 times the Business Income Limit of Insurance shown in the Declarations for each day's "suspension" of "operations" due to loss arising from any one location. The most we will pay for all such loss is the lesser of the Limit of Insurance stated in the Declarations or \$ 250,000.

(3) As used in this Additional Coverage, "Dependent Property" means property operated by others whom you depend on to:

(a) Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:

- (i) Water supply services;
- (ii) Power supply services; or
- (iii) Communication supply services, including services related to internet access or access to any electronic network;

(b) Accept your products or services (Recipient Locations);

(c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(d) Attract customers to your business (Leader Locations).

(4) As used in this Additional Coverage, "Period of Restoration" means the period of time that:

(a) Begins 72 hours after the time of direct physical loss or damage for Business Income Coverage caused by or resulting from any Covered Cause of

Loss at the premises of the "dependent property"; and

(b) Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

(a) Regulates the construction, use or repair, or requires the tearing down of any property; or

(b) 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".

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

ENHANCED COMMERCIAL GENERAL LIABILITY COVERAGE FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMON POLICY CONDITIONS

This endorsement modifies coverage and provides increased limits of insurance to enhance your insurance program. The Limits of Insurance stated below are granted by us as enhancements to your insurance program and are subject to the terms and conditions of this endorsement and the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** and **COMMON POLICY CONDITIONS**.

If these Limits of Insurance are not sufficient, you may purchase additional Limits of Insurance. The premium charge will be based on the additional Limits of Insurance you purchase. When you purchase additional Limits of Insurance for any coverage, the Limit of Insurance stated in the Declarations will be in addition to any Limit of Insurance we have granted below.

Summary Of Coverage

- | | |
|--|---------------------|
| 1. Broad Form Named Insured | |
| 2. Nonowned Watercraft | |
| 3. Property Damage – Property Loaned To You | |
| 4. Property Damage Liability - Elevators | |
| 5. Damage To Premises Rented To You | |
| 6. Personal and Advertising Injury Assumed By Contract | |
| 7. Medical Payments - Increased Period | 3 Years |
| 8. Supplementary Payments - Increased Limits | |
| Cost of Bail Bonds | Up To \$2,500 |
| Loss of Earnings | Up To \$500 Per Day |
| 9. Automatic Additional Insureds By Contract, Agreement Or Permit | |
| 10. Who Is An Insured Redefined - Fellow Employee Coverage and Incidental Medical Malpractice | |
| 11. Duties In The Event Of Occurrence, Claim Or Suit Redefined | |
| 12. Unintentional Failure To Disclose All Hazards | |
| 13. Waiver Of Transfer Of Rights Of Recovery Against Others To Us | |
| 14. Liberalization | |
| 15. Bodily Injury Redefined | |
| 16. Insured Contract Redefined | |
| 17. Mobile Equipment Redefined (<u>This provision is not applicable in New York or Virginia</u>) | |
| 18. Personal and Advertising Injury Redefined | |
| 19. Additional Definitions | |
| 20. Cancellation Condition | 90 Days |

The following **OPTIONAL COVERAGE** applies only if a YES is indicated next to the coverage below.

_____ **Additional Insured – Broad Form Vendors**

1. Broad Form Named Insured

- a. The second paragraph of the preamble of this Coverage Form is replaced by the following:

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, any other person or organization qualifying as a Named Insured under this policy, and any "controlled business entity". The words "we", "us" and "our" refer to the company providing this insurance.

As used in this endorsement, the term "controlled business entity" means any business entity in which the Named Insured owns an interest of more than 50 percent during the policy period and for which similar coverage is not otherwise more specifically provided. However, we will not pay any sums such a "controlled business entity" must pay as damages because of "bodily injury" or "property damage" to which this insurance applies caused by an "occurrence" that occurred before the Named Insured acquired or formed the "controlled business entity", or because of "personal and advertising injury" to which this insurance applies caused by an offense committed before the Named Insured acquired or formed the "controlled business entity." Notwithstanding the foregoing, we will not pay any sums or perform any acts or services on behalf of any person or organization for which coverage is specifically excluded by endorsement.

- b. Paragraph 3. of **Section II – Who Is An Insured** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is deleted in its entirety.

2. Nonowned Watercraft

Paragraph **g.(2)** of **2. Exclusions of Section I – Coverage A Bodily Injury And Property Damage Liability** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- (2) A watercraft you do not own that is:

- (a) Less than 75 feet long; and
- (b) Not being used to carry persons or property for a charge;

3. Property Damage – Property Loaned To You

Paragraph **j.(3)** of **2. Exclusions of Section I – Coverage A Bodily Injury And Property Damage Liability** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

This exclusion **j.(3)** does not apply to property loaned to you, which is not being used by you to perform "your work".

Our obligation to pay for damages because of such "property damage" is excess over any valid and collectible insurance (including any deductible), whether primary, excess, contingent or on any other basis.

4. Property Damage Liability - Elevators

Exclusions **j.** and **k.** of **Section I – Coverage A Bodily Injury And Property Damage Liability** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** are amended as follows:

- a. Exclusion **j.** is amended to add the following:

Paragraphs **(3)**, **(4)** and **(6)** of this exclusion **j.** do not apply to "property damage" arising out of the use of an elevator at premises you own, rent or occupy.

- b. Exclusion **k.** is amended to add the following:

This exclusion **k.** does not apply to:

- (1) The use of elevators; or
- (2) Liability assumed under a sidetrack agreement.

Our obligation to pay sums for damages because of such "property damage" is excess over any other valid and collectible

insurance (including any deductible), whether primary, excess, contingent or on any other basis.

5. Damage To Premises Rented To You

Paragraph 6. of **Section III – Limits Of Insurance** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- a. Subject to Paragraph 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, lightning, or "explosion", while rented to you or temporarily occupied by you with permission of the owner.
- b. The most we will pay for Damage To Premises Rented To You will be the greater of:
 - (1) \$300,000; or
 - (2) The amount shown in the Declarations.

6. Personal and Advertising Injury Assumed by Contract

Paragraph e. **Contractual Liability** of **2. Exclusions of Section I – Coverage B Personal And Advertising Injury Liability** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

"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:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in an "insured contract", provided the "personal and advertising injury" arises out of an offense committed subsequent to the execution of the "insured contract". Solely for the

purpose of liability assumed in an "insured contract", where the "personal and advertising injury" arises out of an offense committed subsequent to the execution of the "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 "personal and advertising injury", provided that:

- (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.

7. Medical Payments - Increased Period

Paragraph a. of **1. Insuring Agreement of Section I – Coverage C Medical Payments** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- 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:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within three years 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.

8. Supplementary Payments - Increased Limits

Paragraphs **1.b.** and **1.d.** of **Section I – Supplementary Payments – Coverages A and B** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** are replaced by the following:

- b.** Up to \$2,500 for the 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.
- 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 \$500 a day because of time off from work.

9. Automatic Additional Insureds By Contract, Agreement Or Permit

a. Paragraph **2.** of **Section II – Who Is An Insured** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

Any person or organization with whom you agreed, in a written contract, agreement or permit, to provide insurance such as is afforded under this Coverage Form, but only with respect to your operations, "your work" or facilities owned or occupied by, or rented or loaned to you.

However:

- 1.** The insurance afforded to such additional insured only applies to the extent permitted by law; and

- 2.** If coverage provided to the additional insured is required by a written contract, agreement, or permit, the insurance afforded to such additional insured will not be broader than that which you are required by the written contract, agreement, or permit, to provide for such additional insured.

- b.** The following additional exclusions apply to the insurance afforded by Paragraph **a.** above.

This insurance does not apply:

- (1)** Unless the written contract, agreement or permit has been issued prior to the "bodily injury", "property damage" or "personal and advertising injury";
- (2)** To any person or organization included as an insured by any other endorsement issued by us and made part of this Coverage Form;
- (3)** To any lessor of equipment:
 - (a)** After the equipment lease expires; or
 - (b)** If the "bodily injury", "property damage" or "personal and advertising injury" arises out of the sole negligence of the lessor.
- (4)** To any engineer, architect or surveyor if the "bodily injury", "property damage" or "personal and advertising injury" arises out of the rendering or the failure to render professional architectural, engineering or surveying services by or for you, including:
 - (a)** The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and

- (b) Supervisory, inspection, architectural or engineering activities.

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", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

- (5) To any:

- (a) Owners or other interests from whom land has been leased; or
- (b) Managers or lessors of premises

If:

- (i) The "occurrence" takes place after you cease to be a tenant of such land or premises; or
- (ii) The "bodily injury", "property damage" or "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the owner, manager or lessor.

- c. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**
If coverage provided to the additional insured is required by a written contract, agreement, or permit, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the written contract, agreement, or permit; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

10. Who Is An Insured Redefined - Fellow Employee Coverage and Incidental Medical Malpractice

Paragraph 2.a.(1) of **Section II – Who Is An Insured** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture) or to your members (if you are a limited liability company);
- (b) For which there is an obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) above; or
- (c) Arising out of his or her providing or failing to provide professional health care services. However, this exclusion does not apply to nurses, emergency medical technicians or paramedics who are employed by you to provide medical or paramedical services.

11. Duties In The Event Of Occurrence, Offense, Claim, or Suit Redefined

Paragraph 2. **Duties In The Event Of Occurrence, Offense, Claim or Suit** of **Section IV – Commercial General Liability Conditions** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following::

- e. With respect to an "occurrence", offense, claim or "suit":
 - (1) Knowledge of an "occurrence", offense, claim or "suit" by an agent,

servant or "employee" of any insured, and receipt of any demand, notice, summons or other legal paper in connection with a claim or "suit" by any agent, servant or "employee" of any insured, shall not in itself constitute knowledge or receipt of such information by you or by an involved insured, unless and until you, or an "executive officer", in-house or outside counsel, risk manager or "employee" assigned to the risk management, insurance or safety department (other than clerical staff), or any other agent or "employee" designated to receive or handle notices of an "occurrence" or offense which may result in a claim or "suit" shall have such knowledge or shall have received such demand, notice, summons or legal paper from the agent, servant or "employee."

- (2) Failure of any agent, servant or "employee" of any insured to notify us of a known "occurrence", offense, claim or "suit" shall not prejudice coverage afforded by this policy, provided that we are notified of the "occurrence", offense, claim or "suit" once it is known to you, or to an "executive officer", in-house or outside counsel, risk manager, or "employee" assigned to the risk management, insurance or safety department (other than clerical staff) or any other agent or "employee" designated to receive or handle notices of an "occurrence" or offense which may result in a claim or "suit."

12. Unintentional Failure To Disclose All Hazards

Paragraph 6. **Representations of Section IV – Commercial General Liability Conditions of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

Your failure to disclose hazards existing as of the inception date of this policy shall not prejudice you with respect to the insurance

provided by this Coverage Form, provided such failure or omission was not intentional. However, this provision does not affect our right to collect additional premium for any such hazard or to exercise our right of cancellation or nonrenewal

13. Waiver Of Transfer Of Rights Of Recovery Against Others To Us

Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us of Section IV – Conditions of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

We waive any right of recovery we may have against a person or organization 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", if:

- a. The waiver of such rights is required in a written contract or agreement with that person or organization; and
- b. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract"; but,

these provisions only apply to the person or organization addressed in a. and b. above, and only if the injury or damage occurs after the execution of the written contract of agreement.

14. Liberalization

Section IV – Commercial General Liability Conditions of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended by adding the following:

Liberalization

If we adopt a change in the insurance provided by this policy that would broaden the scope of insurance afforded to you without additional premium charge, then the broader insurance will apply. It will apply

when the change becomes effective in your state.

15. Bodily Injury Redefined

The definition of "bodily injury" in Paragraph 3. of **Section V – Definitions** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

3. "Bodily injury" means bodily injury, sickness, disease or "incidental medical malpractice" sustained by a person, including mental anguish or injury, humiliation, embarrassment, or death resulting from any of these at any time.

16. Insured Contract Redefined

The definition of "insured contract" in Paragraph 9. of **Section V – Definitions** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended as follows:

Paragraph a. is replaced by the following:

- 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 water, fire, lightning, explosion, or smoke to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

Paragraph c. is replaced by the following:

- c. Any easement or license agreement;

Paragraph f. is replaced by the following:

- 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," "property damage" or "personal and advertising injury" 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 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
- (2) 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 Paragraph (1) above and supervisory, inspection, architectural or engineering activities.

17. Mobile Equipment Redefined - This provision is not applicable in New York or Virginia.

Paragraph f.(1) of the definition of "Mobile Equipment" in Paragraph 12. of **Section V – Definitions** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight, designed for use principally off highways.

18. Personal and Advertising Injury Redefined

The definition of "Personal and Advertising Injury" in Paragraph 14. of **Section V – Definitions** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

(1) Not done intentionally by or at the direction of;

(a) An insured; or

(b) Any "executive officer", director, stockholder, partner or member of the insured; and

(2) Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.

19. Additional Definition

Section V – Definitions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following definitions:

"Incidental medical malpractice" means injury arising out of the negligent rendering of, or failure to render medical or paramedical services to persons by any physician, dentist, nurse, emergency medical technician or paramedic who is employed by you to provide such services provided you are not engaged in the business or occupation of providing any services referred to in this definition.

"Explosion" means a sudden release of expanding pressure accompanied by a noise, a bursting forth of material and evidence of the scattering of debris to locations further than would have resulted by gravity alone.

"Explosion" does not include any of the following:

- a. Artificially generated electrical current including electrical arcing, that disturbs electrical devices, appliances or wires;
- b. Rupture or bursting of water pipes;
- c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned

or leased by you, or operated under your control; or

d. Rupture or bursting caused by centrifugal force.

20. Cancellation Condition

Paragraph 2.b. of **Section A. Cancellation** of the **COMMON POLICY CONDITIONS** is replaced by the following:

a. 90 days before the effective date of cancellation if we cancel for any other reason.

OPTIONAL COVERAGE

The **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended to provide the following **Optional Coverage** only if a YES is indicated next to **Additional Insured – Broad Form Vendors** on the first page of this endorsement.

Additional Insured - Broad Form Vendors

1. **Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) with whom you have agreed, in a written contract or written agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your product" which is distributed or sold in the regular course of the vendor's business.

However:

- a. The insurance afforded to such vendor only applies to the extent permitted by law; and
- b. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

2. The insurance afforded by this paragraph does not apply to:

a. "Bodily Injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement;

- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in "your product" made intentionally by the vendor;
- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution or parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in connection with the sale of "your product";
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of "your product"; or
- g. "Your product" which, after distribution or sale by you, has been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its "employees" or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Paragraphs d. or f. above; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in connection with the sale of "your product."

3. This insurance does not apply to any insured person or organization, from whom you have acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

4. With respect to the insurance afforded to these vendors, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions remain unchanged.

Policy Number PKG3127372	
COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS	
Named Insured MUSSO & FRANK GRILL CO., INC.	Effective Date: 06-30-19 12:01 A.M., Standard Time
Agent Name HUB INTERNATIONAL	Agent No. 0099580

Item 1. Business Description: RESTAURANT

Item 2. Limits of Insurance		
	Limit of Liability	
Aggregate Limits	\$2,000,000	Products/Completed Operations Aggregate Limit
	\$2,000,000	General Aggregate Limit (other than Products/Completed Operations)
(Coverage A) Each Occurrence Limit	\$1,000,000	subject to the Products/Completed Operations Aggregate Limit or the General Aggregate Limit
Damage To Premises Rented To You Limit	\$300,000	"property damage" to any one premises subject to the Each Occurrence Limit
(Coverage B) Personal and Advertising Injury Liability Limit	\$1,000,000	any one person or organization subject to the General Aggregate Limit
(Coverage C) Medical Expense Limit	\$10,000	any one person or organization subject to the Each Occurrence Limit

Item 3. Retroactive Date

Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: _____

(Enter Date or "None" if no Retroactive Date applies)

Item 4. Form of Business and Location of Premises

Forms of Business: CORPORATION
 Location of All Premises You Own, Rent or Occupy: **See Schedule of Locations**

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue: **See Schedule of Forms and Endorsements**

Item 6. Premiums	
Coverage Part Premium:	\$34,438.00
Other Premium:	
Total Premium:	\$34,438.00

These Declarations are part of the Policy Declarations containing the name of the insured and the policy period.

Policy Number PKG3127372

LIQUOR LIABILITY COVERAGE PART DECLARATIONS

Named Insured MUSSO & FRANK GRILL CO., INC.

Effective Date: 06/30/2019

12:01 A.M., Standard Time

Agent Name HUB INTERNATIONAL

Agent No. 0099580

Item 1. Limits of Insurance

Aggregate Limit:	\$1,000,000
Each Common Cause Limit:	\$1,000,000

Item 2. Retroactive Date (Applicable to CG 00 34 only)

Section I of this insurance does not apply to "injury" which occurs before the retroactive date, if any, shown here (enter date or "none" if no retroactive date applies):

Item 3. Business Form and Description and Location of Premises

Form of Business: CORPORATION

Business Description: RESTAURANT

Location of all Premises You Own, Rent or Occupy:

See Schedule of Locations

Item 4. Premium

Code No.	Premium Basis	Premises/ Operations	
Location	Exposure	Rate	Premium
Classification		Products / Completed Operations	
See Commercial General Liability Coverage Schedule		Rate	Premium

Item 5. Schedule of Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Policy Number PKG3127372	
COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE	
Named Insured	MUSSO & FRANK GRILL CO., INC. KEEGAL IRREVOCABLE TRUST DATED
Effective Date:	06-30-19 12:01 A.M., Standard Time
Agent Name	HUB INTERNATIONAL
Agent No.	0099580

Item 5. Location of Premises				
Location of All Premises You Own, Rent or Occupy: See Schedule of Locations				
Code No.	Premium Basis	Premises/Operations		
72000				
Location	ALL	Exposure	25	
Classification:			Rate	Premium
Employee Benefits EO				\$ 6.00
		Products/Completed Operations		
		Rate	Premium	
Code No.	Premium Basis	Premises/Operations		
72000				
Location	ALL	Exposure	25	
Classification:			Rate	Premium
Employee Benefits EO Minimum Difference				\$ 294.00
		Products/Completed Operations		
		Rate	Premium	
Code No.	Premium Basis	Premises/Operations		
16910	Gross Sales			
Location	001/001	Exposure	\$9,000,000	
Classification:			Rate	Premium
RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE			3.117	\$ 28,416.00
		Products/Completed Operations		
		Rate	Premium	
		.202	\$ 1,818.00	
Code No.	Premium Basis	Premises/Operations		
58161	Gross Sales			
Location	001/001	Exposure	\$1,215,000	
Classification:			Rate	Premium
RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES			3.113	\$ 3,782.00
		Products/Completed Operations		
		Rate	Premium	

MS 6102 05 15

INSURED COPY

EX03-117

Policy Number		
PKG3127372		
COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE		
Named Insured	MUSSO & FRANK GRILL CO., INC. KEEGAL IRREVOCABLE TRUST DATED	Effective Date: 06-30-19 12:01 A.M., Standard Time
Agent Name	HUB INTERNATIONAL	Agent No. 0099580

Item 5. Location of Premises			
Location of All Premises You Own, Rent or Occupy: See Schedule of Locations			
Code No.	Premium Basis	Premises/Operations	
61226	Square Feet		
Location	002/001	Exposure	800
Classification:		Rate	Premium
BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT (PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT)		151.606	\$ 122.00
		Products/Completed Operations	
		Rate	Premium
		INCL	
Code No.	Premium Basis	Premises/Operations	
Location		Rate	Premium
Location		Exposure	
Classification:			
		Products/Completed Operations	
		Rate	Premium
		INCL	
Code No.	Premium Basis	Premises/Operations	
Location		Rate	Premium
Location		Exposure	
Classification:			
		Products/Completed Operations	
		Rate	Premium
		INCL	
Code No.	Premium Basis	Premises/Operations	
Location		Rate	Premium
Location		Exposure	
Classification:			
		Products/Completed Operations	
		Rate	Premium
		INCL	

MS 6102 05 15

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EX03-118



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA – FUNGI, BACTERIA OR PROTISTS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Paragraph 2. Exclusions of Section I – Coverage A Bodily Injury And Property Damage Liability of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following exclusion:

Fungi, Bacteria or Protists

- (1) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi", bacteria, or protists, including but not limited to algae and slime mold on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi", bacteria or protists including but not limited to algae and slime mold, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi", bacteria or protists including but not limited to algae and slime mold that are, are on, or are contained in, a good or product intended for consumption.

- B. Paragraph 2. Exclusions of Section I – Coverage B Personal And Advertising Injury Liability of the COMMERCIAL**

GENERAL LIABILITY COVERAGE FORM is amended by adding the following exclusion:

Fungi, Bacteria or Protists

- (1) "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", bacteria, or protists including but not limited to algae and slime mold on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- (2) Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi", bacteria or protists including but not limited to algae and slime mold, by any insured or by any other person or entity.

- C. Section V – Definitions of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following definition:

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

All other terms and conditions remain unchanged.

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 attorneys' 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 attorneys' 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 even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of 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 whether the insured may be liable as an employer or in any other capacity and 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 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 seven 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.

However, this exclusion does not apply to liability for 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.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" 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 Transactions 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.

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, in any manner, 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, in any manner, 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. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

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.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"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 Transactions 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.

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:

- (a) The accident takes place in the "coverage territory" and 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. 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 court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- 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 we have used up the applicable limit of insurance in the payment of judgments or settlements or 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 Paragraph (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 Paragraph **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 Paragraph **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 Paragraph **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 Paragraph **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 Paragraph **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 Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) 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

(iv) 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.

(b) 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.

(2) 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.

(3) 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:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) 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 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 Paragraph 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 Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph 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 Paragraph 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, bylaws 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 the repair, replacement, adjustment or removal of "your product" or "your work" or 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 Paragraph 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 Paragraph 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 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.

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 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 – 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 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.

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" only if:

- (1) The "injury" occurs during the policy period in the "coverage territory"; and

- (2) 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 "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Injury" 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 "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.

- d. "Injury" 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 "injury" or claim:

- (1) Reports all, or any part, of the "injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "injury"; or
- (3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

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 whether the insured may be liable as an employer or in any other capacity and 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 not in effect.

e. Your Product

"Injury" arising out of "your product". This exclusion does not apply to "injury" for which the insured or the insured's indemnitees 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.

g. War

"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.

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 court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- 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.
 - 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 "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 (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 Paragraph (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", by 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".
- 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 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 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 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. "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, but only if the "injury" occurs in the course of travel or transportation between any places included in Paragraph a. above; or

- c. All other parts of the world if the "injury" arises out of:

- (1) Goods or products made or sold by you in the territory described in Paragraph a. above; or
- (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph 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, bylaws or any other similar governing document.
5. "Injury" means damages because of "bodily injury" and "property damage", 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":

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

The term "spouse" is replaced by the following:

Spouse or registered domestic partner under California law.

POLICY NUMBER: PKG3127372

COMMERCIAL GENERAL LIABILITY
CG 04 35 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ 1,000,000 each employee	\$ 1,000	\$ 300
	\$ 1,000,000 aggregate		
Retroactive Date:	NONE		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. The following is added to Section I – Coverages:

COVERAGE – EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** (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.

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 damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.

c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph **a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d.** All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/ Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.

2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs **2. and **3.** of **Section II – Who Is An Insured** are replaced by the following:**

2. Each of the following is also an insured:
 - a.** Each of your "employees" who is or was authorized to administer your "employee benefit program".
 - b.** Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is 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 Endorsement.
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 no other similar insurance applies 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 under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:
- 1. Limits Of Insurance**
- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought;
 - (3) Persons or organizations making "claims" or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
 - b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
 - c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - (1) An act, error or omission; or
 - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
 - b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
 - c. The terms of this insurance, including those with respect to:
 - (1) Our right and duty to defend any "suits" seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim" apply irrespective of the application of the deductible amount.
 - d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV – Commercial General Liability Conditions** are replaced by the following:
- 2. Duties In The Event Of An Act, Error Or Omission, Or 'Claim' Or 'Suit'**
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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 an act, error or omission 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 without our consent.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **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 Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

(2) When this insurance is excess, we will have no duty 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.

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

(4) 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 Schedule of this endorsement.

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 limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is canceled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:
 - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
 - b. Handling records in connection with the "employee benefit program"; or
 - c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
 - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
 - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
 5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 18. "Suit" means a civil proceeding in which damages because of an act, error or omission 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.

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.

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.

**TOTAL POLLUTION EXCLUSION
WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2.**, **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At 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; or

- (b) At 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 to test for, monitor, clean up, remove, contain, treat, detoxify, 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".

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.

SILICA OR SILICA-RELATED DUST 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:**
- 2. Exclusions**
- This insurance does not apply to:
- Silica Or Silica-Related Dust**
- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
 - b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
 - c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Silica Or Silica-Related Dust**
- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
 - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
- 1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
 - 2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

POLICY NUMBER: **PKG3127372**

**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:

RESTAURANT

(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.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EMPLOYERS LIABILITY EXCLUSION – CALIFORNIA

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERGE PART

With respect to any claim for damages arising out of your **California** operations, the following endorsement to your policy is made:

The **Employer's Liability** exclusion of Paragraph **2. Exclusions** of **Section I – Coverages, Coverage A Bodily Injury And Property Damage Liability** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

Employer's Liability

"Bodily injury", "property damage" or "personal and advertising injury" to:

- (1) Any employee of the insured arising out of and in the course of employment by the insured;
- (2) An employee or former employee of any insured, whether or not arising out of or in the course of employment by any insured, or an applicant for employment with any insured, if the "bodily injury," "property damage" or "personal and advertising injury" arises out of any:
 - (a) Refusal to employ;
 - (b) Termination of employment;
 - (c) Breach of any express or implied covenants;
 - (d) Coercion;
 - (e) Demotion;
 - (f) Evaluation;
 - (g) Reassignment;
 - (h) Discipline;
 - (i) Defamation;
 - (j) Harassment;
 - (k) Humiliation
 - (l) Discrimination; or
 - (m) Other employment related practices, policies, acts, or omissions; or
- (3) The spouse, child, parent, brother or sister of that employee, former employee or any applicant for employment as consequence of Paragraphs (1) or (2) above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

But Paragraph 1. above does not apply to liability for "bodily injury" assumed by the insured under an "insured contract".

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

DEFENSE OF CLAIMS OR SUITS IN CALIFORNIA ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph a. of 1. **Insuring Agreement of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph a. of 1. **Insuring Agreement of Section I – Coverage B – Personal And Advertising Injury Liability** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**:

With respect to your **California** operations:

- a. If a conflict of interest arises which creates a duty on our part to provide the insured independent counsel, we will provide such counsel unless, at the time we inform the insured of the possible conflict, the insured expressly waives, in writing, the right to such counsel.
- b. When the insured has selected independent counsel:
 - (1) We require that the selected counsel have at least five years of tort litigation practice which includes substantial defense experience in the subject at issue in the litigation and they must carry errors and omissions coverage.
 - (2) It shall be the duty of such counsel and the insured to disclose to us all information concerning the action, except privilege materials relevant to coverage disputes, and timely to inform and consult with us on all matters relating to the action. Any claim of privilege asserted is subject to in camera review in the appropriate law and motion department of the Superior Court. Any information disclosed by the insured or by such counsel is not a

waiver of the privilege as to any other party; and

- (3) Both the counsel provided by us and the counsel the insured has selected shall be allowed to participate in all aspects of the litigation. Counsel shall cooperate fully in the exchange of information consistent with each counsel's ethical and legal obligation to the insured. Nothing in this section shall relieve the insured of their duty to cooperate with us under the terms of this insurance policy.
- c. Our obligation to pay fees to counsel selected by the insured is limited to the rates which we actually pay to counsel we retain in the ordinary course of business in the defense of similar actions in the community where the claim is being defended. Any dispute concerning counsel fees shall be resolved by final and binding arbitration by a single neutral arbitrator selected by the parties to the dispute.
- d. No conflict of interest shall be deemed to exist as to allegations of punitive damages or be deemed to exist solely because an insured is sued for an amount in excess of the insurance policy limits.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

BINDING ARBITRATION ENDORSEMENT – CALIFORNIA OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to any claim for damages arising out of your **California** operations, the following provision is added to this insurance:

We and the insured agree the sole remedy for resolving any coverage dispute will be binding arbitrations.

If we and the insured do not agree whether coverage is provided under this insurance for a claim made against the insured, then either party may make a written demand for arbitration.

Any written demand for arbitration must be made within 60 days of the date on which we notify the insured coverage does not apply. Any court action to enforce a demand for arbitration must be started within 180 days from the time we notify the insured that coverage does not apply.

When this demand is made, both parties may agree on a single arbitrator. If they cannot agree, then each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Share the expenses of a single arbitrator or a third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision rendered by a single arbitrator or agreed to by two arbitrators of a panel will be binding and shall be enforceable in the same manner as a final judgment in any court of competent jurisdiction.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PRIMARY AND NON-CONTRIBUTORY
INSURANCE FOR ADDITIONAL INSURED(S)
(REQUIRED BY CONTRACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Insured(s):

IF REQUIRED BY WRITTEN CONTRACT, AGREEMENT OR PERMIT.

With respect to the Additional Insured(s) shown in the schedule:

If a written contract with the Named Insured requires that the insurance provided for the Additional Insured(s) be primary concurrent and primary non-contributory, then the coverage provided to the Additional Insured(s) under this endorsement shall conform to the written contract.

However, this insurance will conform to that written contract only to the extent that the written contract requires this insurance to be primary in comparison to the Additional Insured's own policy or policies and;

1. In no event shall a written contract with the Named Insured operate to require this insurance to contribute with other additional insured coverage available to the Additional Insured(s); and
2. This insurance shall be excess over any such other insurance, whether primary, excess, contingent or on any other basis.

All other terms and conditions remain unchanged.

POLICY NUMBER: PKG3127372

**CRIME AND FIDELITY
CR DS 01 08 13**

**MITSUI SUMITOMO INSURANCE USA INC.
CRIME AND FIDELITY COVERAGE
PART DECLARATIONS
(COMMERCIAL ENTITIES)**

The Crime And Fidelity Coverage Part (Commercial Entities) consists of this Declarations form and the Commercial Crime Coverage Form.

Coverage Is Written:

Primary Excess Coindemnity Concurrent

Employee Benefit Plan(s) Included As Insureds:

Insuring Agreements	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft	\$ 50,000	\$ 2,500
2. Forgery Or Alteration	\$ 50,000	\$ 2,500
3. Inside The Premises – Theft Of Money And Securities	SEE CRIME SCHEDULE	
4. Inside The Premises – Robbery Or Safe Burglary Of Other Property	SEE CRIME SCHEDULE	
5. Outside The Premises	SEE CRIME SCHEDULE	
6. Computer And Funds Transfer Fraud	\$ 10,000	\$ 2,500
7. Money Orders And Counterfeit Money	\$ 10,000	\$ 2,500

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this Policy are deleted.

If Added By Endorsement:

Insuring Agreement(s)	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence

Endorsements Forming Part Of This Coverage Part When Issued:

SEE SCHEDULE OF FORMS AND ENDORSEMENTS

Cancellation Of Prior Insurance Issued By Us:

By acceptance of this Coverage Part, you give us notice cancelling prior Policy Numbers ;
the cancellation to be effective at the time this Coverage Part becomes effective.

Countersignature Of Authorized Representative

Name:

Title:

Signature:

Date:



Policy Number
PKG3127372

COMMERCIAL CRIME COVERAGE SCHEDULE

Named Insured MUSSO & FRANK GRILL CO., INC.
KEEGAL IRREVOCABLE TRUST DATED

Effective Date: 06-30-19
12:01 A.M., Standard Time

Agent Name HUB INTERNATIONAL

Agent No. 0099580

Location of Premises:

Loc. No. 001 Bldg. No. 001

	Limit of Insurance	Deductible Amount
<input checked="" type="checkbox"/> ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY	\$ 10,000	\$ 2,500
<input checked="" type="checkbox"/> THEFT OF MONEY AND SECURITIES	\$ 10,000	\$ 2,500
<input checked="" type="checkbox"/> OUTSIDE THE PREMISES	\$ 10,000	\$ 2,500
<input type="checkbox"/>		

Location of Premises:

Loc. No. 002 Bldg. No. 001

	Limit of Insurance	Deductible Amount
<input checked="" type="checkbox"/> ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY	\$ 10,000	\$ 2,500
<input checked="" type="checkbox"/> THEFT OF MONEY AND SECURITIES	\$ 10,000	\$ 2,500
<input checked="" type="checkbox"/> OUTSIDE THE PREMISES	\$ 10,000	\$ 2,500
<input type="checkbox"/>		

Location of Premises:

Loc. No. Bldg. No.

	Limit of Insurance	Deductible Amount
<input type="checkbox"/>		

COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

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.

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

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit Of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.k. or E.1.l., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., 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 that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises – Theft Of Money And Securities

We will pay for:

a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or
- (2) Resulting directly from disappearance or destruction.

b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

4. Inside The Premises – Robbery Or Safe Burglary Of Other Property

We will pay for:

a. Loss of or damage to "other property":

- (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
- (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside The Premises

We will pay for:

- a. Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. Loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer And Funds Transfer Fraud

a. We will pay for:

- (1) Loss resulting directly from a fraudulent:
 - (a) Entry of "electronic data" or "computer program" into; or
 - (b) Change of "electronic data" or "computer program" within;
any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs **6.a.(1)(a)** and **6.a.(1)(b)**:
 - (i) "Money", "securities" or "other property" to be transferred, paid or delivered; or
 - (ii) Your account at a "financial institution" to be debited or deleted.

- (2) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b. As used in Paragraph **6.a.(1)**, fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

7. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having, in good faith, accepted in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit Of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or coverages.

C. Deductible

We will not pay for loss resulting directly from an "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.

D. Exclusions

1. This insurance does not cover:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members";
whether acting alone or in collusion with other persons.

b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.**

d. Confidential Or Personal Information

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information; or
- (2) The disclosure of your confidential or personal information. However, this Paragraph **1.d.(2)** does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

e. Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

f. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

g. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (2) 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; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

h. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.2.**

i. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

j. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of 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.

k. Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

l. War And Military Action

Loss or damage resulting from:

- (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. Insuring Agreement **A.1.** does not cover:
- a. 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.
- However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
- b. Trading**
- Loss resulting from trading, whether in your name or in a genuine or fictitious account.
- c. Warehouse Receipts**
- Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. Insuring Agreements **A.3.**, **A.4.** and **A.5.** do not cover:
- a. Accounting Or Arithmetical Errors Or Omissions**
- Loss resulting from accounting or arithmetical errors or omissions.
- b. Exchanges Or Purchases**
- Loss resulting from the giving or surrendering of property in any exchange or purchase.
- c. Fire**
- Loss or damage resulting from fire, however caused, except:
- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.
- d. 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.
- e. Motor Vehicles Or Equipment And Accessories**
- Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.
- f. Transfer Or Surrender Of Property**
- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":
- (a) On the basis of unauthorized instructions; or
- (b) As a result of a threat including, but not limited to:
- (i) A threat to do bodily harm to any person;
- (ii) A threat to do damage to any property;
- (iii) A threat to introduce a denial of service attack into any "computer system";
- (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system";
- (v) A threat to contaminate, pollute or render substandard your products or goods; or
- (vi) A threat to disseminate, divulge or utilize:
- i. Your confidential information;
- ii. Confidential or personal information of another person or organization; or
- iii. Weaknesses in the source code within any "computer system".

(2) However, this exclusion does not apply under Insuring Agreement **A.5.** to loss of "money", "securities" or "other property" while outside the "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 any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement **A.6. does not cover:**

a. Authorized Access

Loss resulting from a fraudulent:

- (1) Entry of "electronic data" or "computer program" into; or
- (2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement **A.6.b.**

b. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

c. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (1) Transfer, pay or deliver "money", "securities" or "other property"; or

(2) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement **A.6.a.(2)** or **A.6.b.**

e. 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.

E. Conditions

The following conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

b. 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 conceals or misrepresents a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation – Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.** or **A.2.**) involves a violation of law, you must also notify the local law enforcement authorities;
- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and

- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

f. Employee Benefit Plans

The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.**, subject to the following:

- (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator is responsible for selecting a Limit of Insurance for Insuring Agreement **A.1.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required under ERISA as if each Plan were separately insured.
- (2) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement **A.1.** is replaced by the following:

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (3) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (4) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) Sustained by two or more Plans; or
 - (b) Of commingled "money", "securities" or "other property" of two or more Plans;

resulting directly from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required under ERISA for each Plan bears to the total of those limits.

- (5) The Deductible Amount applicable to Insuring Agreement **A.1.** does not apply to loss sustained by any Plan.

g. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member", "manager", officer, director or trustee of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - (a) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
 - (b) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

(5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

(6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any "employee benefit plan" for loss sustained by that Plan, shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. 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 shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

(3) In settling loss under Paragraphs k.(1) and k.(2):

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

(4) The following examples demonstrate how we will settle losses subject to this condition:

Example Number 1

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

Policy A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Settlement Of Loss

The amount of loss sustained under Policy A is \$2,500 and under Policy B, \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).
- (b) The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

Example Number 2

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

Policy A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$175,000 and under Policy **B**, \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy **B**. The Policy **A** Deductible Amount of \$10,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$175,000) is settled first. The amount we will pay is the Policy **A** Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000, which is greater than the \$125,000 policy limit.
- (b) The remaining amount of loss sustained under Policy **B** (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy **B** limit - \$125,000 paid under Policy **A** = \$25,000).

The most we will pay for this loss is \$150,000.

Example Number 3

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies **A**, **B**, **C** and **D**.

Policy A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

Policy C

Issued prior to Policy **B**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Policy D

Issued prior to Policy **C**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$350,000; under Policy **B**, \$250,000; under Policy **C**, \$600,000; and under Policy **D**, \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy **A**. The Policy **A** Deductible Amount of \$100,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
- (b) The amount of loss sustained under Policy **B** (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
- (c) The amount of loss sustained under Policy **C** (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
- (d) We will not make any further payment under Policy **D**, as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy **A** has been satisfied.

The most we will pay for this loss is \$1,000,000.

I. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
 - (a) This insurance became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

- (2) In settling loss subject to this condition:
 - (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
 - (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
- (3) The insurance provided under this condition is subject to the following:
 - (a) If loss covered under this condition is also partially covered under Condition **E.1.k.**, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Condition **E.1.k.**
 - (b) For loss covered under this condition that is not subject to Paragraph **I.(3)(a)**, the amount recoverable under this condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i) This insurance as of its effective date; or
 - (ii) The prior cancelled insurance had it remained in effect.

m. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

- (b) You have other insurance covering the same loss other than that described in Paragraph **m.(1)(a)**, we will only pay for the amount of loss that exceeds:
 - (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
 - (ii) The Deductible Amount shown in the Declarations;
 whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

n. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1) That you own or lease;
- (2) That is held by you in any capacity; or
- (3) For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

o. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

p. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
- (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original "securities" after duplicates of them have been issued.

q. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

r. 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.

s. Valuation – Settlement

The value of any loss for purposes of coverage under this insurance shall be determined as follows:

(1) Money

Loss of "money" but only up to and including its face value. We will, at your 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 published in The Wall Street Journal on the day the loss was "discovered".

(2) Securities

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 market 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"; or
- (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) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (ii) Limit of Insurance applicable to the "securities".

(3) Property Other Than Money And Securities

- (a) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The Limit of Insurance applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph **s.(3)(a)**:

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

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(c) We will, at your option, pay for loss or damage to such property:

- (i) In the "money" of the country in which the loss or damage was sustained; or
- (ii) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage was sustained, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

(d) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreement A.1.

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition **E.1.q.** for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.2.**

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

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 that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.q.** does not apply to Insuring Agreement **A.2.**

4. Conditions Applicable To Insuring Agreements A.4. And A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.5.**, we will only pay for the amount of loss 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. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semiprecious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.6.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.6.

F. Definitions

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
2. "Computer system" means:
 - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - b. Systems and applications software; and
 - c. Related communications networks; by which "electronic data" is collected, transmitted, processed, stored or retrieved.
3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
4. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
5. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. "Employee":

a. Means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Whom you compensate directly by salary, wages or commissions; and
- (c) Whom you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee", as defined in Paragraph 7.a.(1), who is on leave; or
- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph 7.a.(2);

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or

- (b) Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";
- (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;
- (6) Any natural person who is a guest student or intern pursuing studies or duties;
- (7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this insurance; and
- (8) Any natural person who is your "manager", director or trustee while:
- (a) Performing acts within the scope of the usual duties of an "employee"; or
- (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. Does not mean:
- Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 7.a.
8. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
9. "Financial institution" means:
- a. With regard to Insuring Agreement A.3.:
- (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
- (2) An insurance company.
- b. With regard to Insuring Agreement A.6.:
- (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
- (2) An insurance company; or
- (3) A stock brokerage firm or investment company.
- c. Other than Insuring Agreements A.3. and A.6., any financial institution.
10. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph F.9.a.
11. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
12. "Fraudulent instruction" means:
- a. With regard to Insuring Agreement A.6.a.(2):
- (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
- (2) A written instruction (other than those covered under Insuring Agreement A.2.) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
- b. With regard to Insuring Agreement A.6.b.:
- A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.
13. "Manager" means a natural person serving in a directorial capacity for a limited liability company.
14. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

- 15.** "Messenger" means you, or your relative, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
- 16.** "Money" means:
- a. Currency, coins and bank notes in current use and having a face value;
 - b. Traveler's checks and money orders held for sale to the public; and
 - c. In addition, includes:
 - (1) Under Insuring Agreements **A.1.** and **A.2.**, deposits in your account at any "financial institution"; and
 - (2) Under Insuring Agreement **A.6.**, deposits in your account at a "financial institution" as defined in Paragraph **F.9.b.**
- 17.** "Occurrence" means:
- a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
 - c. Under all other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
- 18.** "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
- 19.** "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 20.** "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
- 21.** "Safe burglary" means the unlawful taking of:
- a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
- 22.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or 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".
- 23.** "Theft" means the unlawful taking of property to the deprivation of the Insured.
- 24.** "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
- a. By means of computer, telefacsimile, telephone or other electronic instructions; or
 - b. By means of written instructions (other than those covered under Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
- 25.** "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

POLICY NUMBER: PKG3127372

CRIME AND FIDELITY
CR 03 10 08 17

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – PREMIUM

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
 COMMERCIAL CRIME POLICY
 EMPLOYEE THEFT AND FORGERY POLICY
 GOVERNMENT CRIME COVERAGE FORM
 GOVERNMENT CRIME POLICY
 GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY
 KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
 KIDNAP/RANSOM AND EXTORTION POLICY

SCHEDULE

Policy Period		Premium
From: 06-30-2019	To: 06-30-2020	\$ 440.00
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

To comply with the ruling of the Commissioner of Insurance of the state of California and the opinion of the Attorney General of that state requiring that the premium for all policies be endorsed thereon, the premium charged for the attached policy for the policy period is shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY

A. 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.

B. 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 **B.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 Policy.

C. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this 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 Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES - ESCROW AGENT

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

A. The following is added to Section F. Definitions:

1. "Employee" also includes any:

- a.** Officer, director or employee of yours who is not compensated when performing acts coming within the scope of the usual duties of an officer or employee of yours; and
- b.** Member of any of your committees duly elected or appointed to examine or audit or have custody of your property.

The ownership of all or a portion of the shares of the Named Insured by any "employee" shall not be a defense to any suit, action or other legal proceeding against us.

B. The following is added to the Cancellation Of Policy Condition:

NOTICE OF CANCELLATION

No cancellation of this policy, whether at your request or our request, shall take effect prior to the expiration of 30 days after written notice of such cancellation has been filed with the Commissioner of Corporations.

C. Exclusion D.1.a. Acts Committed By You, Your Partners Or Your Members is deleted if you are licensed as an escrow agent by the Commissioner of Corporations of the State of California.

EXHIBIT 4



ERIC GARCETTI
MAYOR

Public Order Under City of Los Angeles Emergency Authority

Issue Date: March 19, 2020

Subject: SAFER AT HOME

The novel coronavirus pandemic is a global emergency that is unprecedented in modern history. Profoundly impacting our daily lives, it has inspired Angelenos to respond with courage, compassion, wisdom and resolve to overcome this crisis and help each other.

In a short period of time and at an unprecedented scale, residents in every community have embraced urgent social distancing best practices and aggressive hygienic precaution, not just to protect themselves, but to protect others. Angelenos understand with exceptional clarity that there is only one way to get through this difficult moment: together.

The City's recent emergency orders — curtailing large public gatherings; temporarily closing many government facilities; closing theaters, bars and entertainment venues; prohibiting restaurants from serving to dine-in customers while permitting take-out, delivery and drive-thru; and a moratorium on evictions of residential and commercial tenants — have been followed with a willing and generous spirit.

While we have previously taken strong action, now the City must adopt additional emergency measures to further limit the spread of COVID-19.

With this virus, we are safer at home.

Wherever feasible, City residents must isolate themselves in their residences, subject to certain exceptions provided below.

Under the provisions of Section 231(i) of the Los Angeles City Charter and Chapter 3, Section 8.27 of the Los Angeles Administrative Code, I hereby declare the following

orders to be necessary for the protection of life and property in the City of Los Angeles, effective on Thursday, March 19, 2020 at 11:59 PM:

1. Subject only to the exceptions outlined in this Paragraph and Paragraph 5 below, all persons living within the City of Los Angeles are hereby ordered to remain in their homes. Residents of the City of Los Angeles who are experiencing homelessness are exempt from this requirement. The City is working, along with partner government agencies and non-governmental organizations, to make more emergency shelters available for the unhoused residents of our City. City of Los Angeles officials and contracted partners responsible for homelessness outreach shall make every reasonable effort to persuade such residents to accept, if offered, temporary housing or shelter, as the Health Officer of the County of Los Angeles recommends that sheltering individuals will assist in reducing the spread of the virus and will protect the individual from potential exposure by allowing the individual access to sanitation tools. People at high risk of severe illness from COVID-19 and people who are sick are urged to stay in their residence to the extent possible except as necessary to seek medical care.

2. Subject only to the exceptions outlined in this Paragraph and Paragraph 5 below, all businesses within the City of Los Angeles are ordered to cease operations that require in-person attendance by workers at a workplace (including, without limitation, indoor malls and indoor shopping centers, including all stores except for those stores considered essential activities or infrastructure under this Order which are directly accessible to the public from the exterior of the mall or shopping center - the interior of the indoor mall or indoor shopping center shall remain closed to the public). To the extent that business operations may be maintained by telecommuting or other remote means, while allowing all individuals to maintain shelter in their residences, this order shall not apply to limit such business activities.

3. All public and private gatherings of any number of people occurring outside a residence are prohibited, except as to those exempted activities described in this Paragraph and Paragraph 5. This provision does not apply to gatherings within a single household or living unit.

4. All travel, including, without limitation, travel on foot, bicycle, scooter, motorcycle, automobile, or public transit is prohibited, subject to the exceptions in Paragraph 5.

5. Exceptions. People may lawfully leave their residence while this Order is in effect only to engage in the following activities:

(i) First 24 hour allowance. This Order shall not apply, for a 24-hour period following the effective date above, to allow employees and business owners to access to their workplaces to gather belongings or address other administrative needs, so long as social distancing requirements are followed. Such workplaces shall remain closed to the public in accordance with this Order.

(ii) Essential Activities. To engage in certain essential activities, including, without limitation, visiting a health or veterinary care professional, obtaining medical supplies or medication, obtaining grocery items (including, without limitation, canned food, dry goods, fresh fruits and vegetables, pet supplies, fresh or frozen meats, fish, and poultry, any other household consumer products and products necessary to maintain the safety and sanitation of residences and other buildings) for their household or to deliver to others, or for legally mandated government purposes. In addition, any travel related to (a) providing care for minors, the elderly, dependents, persons with disabilities, or other vulnerable persons; (b) returning to one's place of residence from outside the City; (c) travelling to one's place of residence located outside the City; (d) compliance with an order of law enforcement or court shall be exempt from this Order; or (e) legally mandated government purposes. Persons engaging in these essential activities shall maintain reasonable social distancing practices. This includes maintaining a distance of at least six-feet away from others, frequently washing hands with soap and water for at least twenty seconds or using hand sanitizer, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

(iii) Outdoor Activities. To engage in outdoor activity and recreation, provided that the individuals comply with social distancing requirements, including, without limitation, walking, hiking, running, cycling; use of scooters, roller skates, skateboards, or other personal mobility devices; or travel in a vehicle with household members to a location where it is possible to walk, hike, run or ride a bike, or operate personal mobility devices, while maintaining social distancing practices. Indoor and outdoor playgrounds for children, except those located within childcare centers, shall be closed for all purposes.

(iv) Work in Support of Essential Activities. To perform work providing essential products and services or to otherwise carry out activities specifically permitted in this Order.

(v) To care for or support a friend, family member, or pet in another household.

(vi) Emergency Personnel. All first responders, gang and crisis intervention workers, public health workers, emergency management personnel, emergency dispatchers, law enforcement personnel, and related contractors and others working for emergency services providers are categorically exempt from this Order.

(vii) Essential Activities Exempt. Certain business operations and activities are exempt from the provisions of this Order, on the grounds that they provide services that are recognized to be critical to the health and well-being of the City. These include:

(a) All healthcare operations, including hospitals, clinics, dentists, pharmacies, pharmaceutical and biotechnology companies, medical and scientific research, laboratories, healthcare suppliers, home healthcare services providers, veterinary care providers, mental and behavioral health providers, substance use

providers, physical therapists and chiropractors, cannabis dispensaries, or any related and/or ancillary healthcare services, manufacturers and suppliers. Healthcare operations does not include fitness and exercise gyms and similar facilities.

(b) Grocery stores, water retailers, certified farmers' markets, farm and produce stands, supermarkets, convenience stores, warehouse stores, food banks, convenience stores, and other establishments engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, pet supply, fresh or frozen meats, fish, and poultry, any other household consumer products (such as construction supplies, cleaning and personal care products). This includes stores that sell groceries and sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences.

(c) Food cultivation, including farming, livestock, and fishing.

(d) Organizations and businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals (including gang prevention and intervention, domestic violence, and homeless services agencies).

(e) Newspapers, television, radio, magazine, podcast and other media services.

(f) Gas service stations, auto supply, mobile auto repair operations, auto repair shops (including, without limitation, auto repair shops that operate adjacent to or otherwise in connection with an used or retail auto dealership), bicycle repair shops and related facilities.

(g) Banks, credit unions, financial institutions and insurance companies.

(h) Hardware and building supply stores, and nurseries.

(i) Plumbers, electricians, exterminators, custodial/janitorial workers, handyman services, funeral home workers and morticians, moving services, HVAC installers, carpenters, landscapers, gardeners, property managers, private security personnel and other service providers who provide services to maintain the safety, sanitation, and essential operation to properties and other essential activities discussed in this subsection.

(j) Businesses providing mailing and shipping services, including post office boxes.

(k) Educational institutions -- including public and private K-12 schools, colleges, and universities -- for purposes of facilitating distance learning or performing essential functions provided that social distancing of six-feet per person is maintained to the greatest extent possible.

(l) Laundromats, dry cleaners, and laundry service providers.

(m) Restaurants and retail food facilities that prepare and offer food to customers, but only via delivery service, to be picked up, or drive-thru. For those establishments offering food pick-up options, proprietors are directed to establish social distancing practices for those patrons in the queue for pick-up. This includes maintaining a distance of at least six-feet away from others. Schools and other entities that typically provide free food services to students or members of the public may continue to do so under this Order on the condition that the food is provided to students

or members of the public on a pick-up and carry out basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or any other gathering site. Cafeterias, commissaries, and restaurants located within hospitals, nursing homes, or similar facilities are also exempt from this Order. Social distancing shall be maintained at a distance of at least six-feet away from others

(n) Businesses that supply products needed for people to work from home.

(o) Businesses that supply other essential businesses with the support, services, or supplies necessary to operate, provided that strict social distancing is maintained. This section includes, without limitation, utility companies.

(p) Individuals and businesses that ship or deliver groceries, food, beverages or goods directly to residences or businesses, including rail and trucking.

(q) Airlines, taxis, ride sharing services, and other private transportation services providing transportation services necessary for essential activities and other purposes expressly authorized in this Order.

(r) Home-based care for disabled persons, seniors, adults, or children.

(s) Residential facilities and shelters for homeless residents, disabled persons, seniors, adults, children and animals.

(t) Professional services, such as legal, payroll or accounting services, when necessary to assist in compliance with legally mandated activities.

(u) Childcare facilities providing services that enable employees exempted in this Order to work as permitted. To the extent possible, childcare facilities must operate under the following mandatory conditions:

(1) Childcare must be carried out in stable groups of 12 or fewer ("stable" means that the same 12 or fewer children are in the same group each day).

(2) Children shall not change from one group to another.

(3) If more than one group of children is cared for at one facility, each group shall be in a separate room. Groups shall not mix with each other.

(4) Childcare providers shall remain solely with one group of children.

(v) Hotels, motels, shared rental units and similar facilities.

(w) Military/Defense Contractors/FFRDC (Federally Funded Research and Development Centers). For purposes of this Order, essential personnel may leave their residence to provide any service or perform any work deemed essential for national security including, without limitation, defense, intelligence, and aerospace development and manufacturing for the Department of Defense, the Intelligence Community, and NASA and other federal government, and or United States Government departments and agencies. Essential personnel include prime, sub-prime, and supplier contractor employees, at both the prime contract level and any supplier level at any tier, working on federal United States Government contracts, such as contracts for national intelligence and national security requirements.

(viii) Government Employees. This Order does not apply to employees of government agencies working within the course and scope of their public service employment. Employees of the City of Los Angeles shall follow any current or future directives issued by the Mayor.

(ix) Essential Infrastructure. Individuals may leave their residences to provide any services or goods or perform any work necessary to to build, operate, maintain or manufacture essential infrastructure, including without limitation construction of commercial, office and institutional buildings, residential buildings and housing; airport operations, food supply, concessions, and construction; port operations and construction; water, sewer, gas, electrical, oil extraction and refining; roads and highways, public transportation and rail; solid waste collection and removal; flood control and watershed protection; internet and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services); and manufacturing and distribution companies deemed essential to the supply chains of the industries referenced in this Paragraph, provided that they carry out those services and that work in compliance with social distancing practices as prescribed by the Centers for Disease Control and Prevention and the Los Angeles County Department of Public Health, to the extent possible.

6. To the extent that this Order is in conflict with earlier Orders, this Order shall supersede the others.

7. Failure to comply with this Order shall constitute a misdemeanor subject to fines and imprisonment. I hereby urge the Los Angeles Police Department and the City Attorney to vigorously enforce this Order via Sections 8.77 and 8.78 of the Los Angeles Administrative Code.

8. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision shall not affect the validity of the remaining portions or applications of this Order.

This order shall be in place until April 19, 2020, and it may be extended prior to that time.

EXHIBIT 5



ERIC GARCETTI
MAYOR

Public Order Under City of Los Angeles Emergency Authority

Issue Date: March 19, 2020 (Revised April 10, 2020)

Subject: SAFER AT HOME

The novel coronavirus pandemic is a global emergency that is unprecedented in modern history. Profoundly impacting our daily lives, it has inspired Angelenos to respond with courage, compassion, wisdom and resolve to overcome this crisis and help each other.

In a short period of time and at an unprecedented scale, residents in every community have embraced urgent social distancing best practices and aggressive hygienic precaution, not just to protect themselves, but to protect others. Angelenos understand with exceptional clarity that there is only one way to get through this difficult moment: together.

The City's recent emergency orders — curtailing large public gatherings; temporarily closing many government facilities; closing theaters, bars and entertainment venues; prohibiting restaurants from serving to dine-in customers while permitting take-out, delivery and drive-thru; and a ban on evictions of residential and commercial tenants who cannot pay rent due to financial impacts caused by COVID-19 — have been followed with a willing and generous spirit.

While we have previously taken strong action, now the City must adopt additional emergency measures to further limit the spread of COVID-19.

With this virus, we are safer at home.

Wherever feasible, City residents must isolate themselves in their residences, subject to certain exceptions provided below. This Order is given because, among other reasons, the COVID-19 virus can spread easily from person to person and it is physically causing property loss or damage due to its tendency to attach to surfaces for prolonged periods of time

Under the provisions of Section 231(i) of the Los Angeles City Charter and Chapter 3, Section 8.27 of the Los Angeles Administrative Code, I hereby declare the following orders to be necessary for the protection of life and property in the City of Los Angeles, effective on Friday, April, 10, 2020 at 11:59 PM:

1. Subject only to the exceptions outlined in this Paragraph and Paragraph 5 below, all persons living within the City of Los Angeles are hereby ordered to remain in their homes. Residents of the City of Los Angeles who are experiencing homelessness are exempt from this requirement. The City is working, along with partner government agencies and non-governmental organizations, to make more emergency shelters available for the unhoused residents of our City. City of Los Angeles officials and contracted partners responsible for homelessness outreach shall make every reasonable effort to persuade such residents to accept, if offered, temporary housing or shelter, as the Health Officer of the County of Los Angeles recommends that sheltering individuals will assist in reducing the spread of the virus and will protect the individual from potential exposure by allowing the individual access to sanitation tools. People at high risk of severe illness from COVID-19 and people who are sick are urged to stay in their residence to the extent possible except as necessary to seek medical care.

2. Subject only to the exceptions outlined in this Paragraph and Paragraph 5 below, all businesses within the City of Los Angeles are ordered to cease operations that require in-person attendance by workers at a workplace (including, without limitation, indoor malls and indoor shopping centers, including all stores except for those stores considered essential activities or infrastructure under this Order which are directly accessible to the public from the exterior of the mall or shopping center - the interior of the indoor mall or indoor shopping center shall remain closed to the public). To the extent that business operations may be maintained by telecommuting or other remote means, while allowing all individuals to maintain shelter in their residences, this Order shall not apply to limit such business activities. A business that fails to cease operation despite not meeting an exception in this Paragraph or Paragraph 5 may be subject to having its water and power services shut off by the Department of Water and Power for not being in compliance with the Order. The Deputy Mayor of Public Safety, or his written designee, may, after engagement with and a written warning issued to a noncompliant business, refer that business in writing to the Department of Water and Power to shut off water and power services pursuant to this order. Upon receiving such a written referral, the Department of Water & Power is authorized to shut off water and power services to the noncompliant business operating in violation of the Order

3. All public and private gatherings of any number of people occurring outside a residence are prohibited, except as to those exempted activities described in this Paragraph and Paragraph 5. This provision does not apply to gatherings within a single household or living unit.

4. All travel, including, without limitation, travel on foot, bicycle, scooter, motorcycle, automobile, or public transit is prohibited, subject to the exceptions in Paragraph 5.

5. Exceptions. People may lawfully leave their residence while this Order is in effect only to engage in the following activities:

~~(i) First 24 hour allowance. This Order shall not apply, for a 24-hour period following the effective date above, to allow employees and business owners to access to their workplaces to gather belongings or address other administrative needs, so long as social distancing requirements are followed. Such workplaces shall remain closed to the public in accordance with this Order.~~

(ii) Essential Activities. To engage in certain essential activities, including, without limitation, visiting a health or veterinary care professional, obtaining medical supplies or medication, obtaining grocery items (including, without limitation, canned food, dry goods, fresh fruits and vegetables, pet supplies, fresh or frozen meats, fish, and poultry, any other household consumer products and products necessary to maintain the safety and sanitation of residences and other buildings) for their household or to deliver to others, or for legally mandated government purposes. In addition, any travel related to (a) providing care for minors, the elderly, dependents, persons with disabilities, or other vulnerable persons; (b) returning to one's place of residence from outside the City; (c) travelling to one's place of residence located outside the City; (d) compliance with an order of law enforcement or court shall be exempt from this Order; or (e) legally mandated government purposes. Persons engaging in these essential activities are required to maintain reasonable social distancing practices. This includes maintaining a distance of at least six-feet away from others, frequently washing hands with soap and water for at least twenty seconds or using hand sanitizer, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

(iii) Outdoor Activities. Travel for purposes of or to engage in passive outdoor activity and recreation, provided that the individuals comply with social distancing requirements, including, without limitation, walking, running, cycling; use of scooters, roller skates, skateboards, or other personal mobility devices; or travel in a vehicle with household members to a location where it is possible to walk, run or ride a bike, horseback ride or operate personal mobility devices, while maintaining social distancing practices. Indoor and outdoor playgrounds for children, except those located within childcare centers, shall be closed for all purposes. The City of Los Angeles, following the recommendations and directives of the County Department of Public Health, shall cancel its recreational and cultural programming and close its beaches, public beach parking lots, beach access points, piers, park trails, trail heads, and park facilities. Parks shall remain open for passive recreational activities while practicing social distancing. "Recreation and cultural programming" refers to recreational and cultural activities, indoor and outdoor sports leagues, aquatics classes, instructional courses, and group sessions on City-owned and operated park land. "Park facilities," which shall

be closed to the public, refers to the City's Department of Recreation and Parks facilities, including: skate parks, basketball courts, tennis courts, volleyball courts, baseball fields, Venice Boardwalk (except as necessary to travel to an essential business), Griffith Observatory, Travel Town, Griffith Park train rides and pony rides, the Cabrillo Marine Museum, Sherman Oaks Castle, EXPO Center, and aquatics facilities. Census Centers located at Recreation and Parks facilities may remain open, provided strict adherence to social distancing practices.

(iv) Work in Support of Essential Activities. To perform work providing essential products and services or to otherwise carry out activities specifically permitted in this Order.

(v) To care for or support a friend, family member, or pet in another household.

(vi) Emergency Personnel. All first responders, gang and crisis intervention workers, public health workers, emergency management personnel, emergency dispatchers, law enforcement personnel, and related contractors and others working for emergency services providers are categorically exempt from this Order.

(vii) Essential Activities Exempt. Certain business operations and activities are exempt from the provisions of this Order, on the grounds that they provide services that are recognized to be critical to the health and well-being of the City. These include:

(a) All healthcare operations, including hospitals, clinics, dentists, pharmacies, pharmaceutical and biotechnology companies, medical and scientific research, laboratories, healthcare suppliers, home healthcare services providers, veterinary care and pet day care providers (excluding pet grooming and training), mental and behavioral health providers, substance use providers, physical therapists and chiropractors, cannabis dispensaries, or any related and/or ancillary healthcare services, manufacturers and suppliers. Healthcare operations does not include fitness and exercise gyms and similar facilities.

(b) Grocery stores, water retailers, farm and produce stands, supermarkets, convenience stores, warehouse stores, food banks, and other establishments engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, pet food and medication supply (but not grooming or training), fresh or frozen meats, fish, and poultry, any other household consumer products (such as construction supplies, cleaning and personal care products). This includes stores that sell beer, wine, and liquor, groceries and other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences. The portions of wineries, breweries and tap rooms that provide tastings to the public are closed. Certified farmers markets may operate only if they are able to obtain written approval from the Bureau of Street Services (BSS) and only according to the guidelines set forth by BSS.

(c) Food cultivation, including farming, livestock, and fishing.

(d) Organizations and businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise

needy individuals (including gang prevention and intervention, domestic violence, and homeless services agencies).

(e) Newspapers, television news, radio, magazine, podcast and journalism.

(f) Gas service stations, auto part supply, mobile auto repair operations, auto repair shops (including, without limitation, auto repair shops that operate adjacent to or otherwise in connection with an used or retail auto dealership), bicycle repair shops and related facilities. No auto dealership may operate, with the exception of its auto service and part stores. Fully automated or self-service car washes are permitted to operate; car washes that require personnel are not permitted to operate.

(g) Banks, credit unions, financial institutions and insurance companies, and pawn shops.

(h) Hardware and building supply stores, day labor centers, and nurseries.

(i) Plumbers, electricians, custodial/janitorial workers, handyman services, funeral home workers and morticians, moving services, HVAC installers, carpenters, day laborers, landscapers, gardeners, exterminators, property managers and leasing agents, private security personnel and other service providers who provide services to maintain the safety, sanitation, and essential operation to properties and other essential activities discussed in this subsection.

(j) Businesses providing mailing and shipping services, boxes and packaging, and post office boxes.

(k) Educational institutions -- including public and private K-12 schools, colleges, and universities -- for purposes of facilitating distance learning or performing essential functions provided that social distancing of six-feet per person is maintained.

(l) Laundromats, dry cleaners, and laundry service providers.

(m) Restaurants and retail food facilities that prepare and offer food to customers, but only via delivery service, to be picked up, or drive-thru. For those establishments offering food pick-up options, proprietors are directed to establish social distancing practices for those patrons in the queue for pick-up. This includes maintaining a distance of at least six-feet away from others. Schools and other entities that typically provide free food services to students or members of the public may continue to do so under this Order on the condition that the food is provided to students or members of the public on a pick-up and carry out basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or any other gathering site. Cafeterias, commissaries, and restaurants located within hospitals, nursing homes, or similar facilities are also exempt from this Order. Social distancing shall be maintained at a distance of at least six-feet away from others

(n) Businesses that supply or provide storage for products needed for people to work from home.

(o) Businesses that supply other essential businesses with the support, services, or supplies necessary to operate, provided that strict social distancing is maintained. This section includes, without limitation, utility companies.

(p) Individuals and businesses that ship, truck, transport, or provide logistical support to deliver groceries, food, goods, or services directly to residences, or businesses engaged in essential activities or essential infrastructure.

(q) Airlines, taxis, ride sharing services, car rental companies, and other private transportation services providing transportation services necessary for essential activities and other purposes expressly authorized in this Order.

(r) Home-based care for disabled persons, seniors, adults, or children.

(s) Residential facilities and shelters for homeless residents, disabled persons, seniors, adults, children and animals.

(t) Professional services, such as legal, leasing and real estate transactions, payroll or accounting services, when necessary to assist in the permitting, inspection, construction, transfer and recording of ownership of housing, and when necessary to achieve compliance with legally mandated activities. Vacant units and real property may be shown, provided that appointments and other residential viewings must occur virtually or, if a virtual viewing is not feasible, by appointment with no more than two visitors at a time residing within the same household or living unit and one individual showing the unit (except that in-person visits are not allowed when the occupant is still residing in the residence);

(u) Childcare facilities providing services that enable employees exempted in this Order to work as permitted. To the extent possible, childcare facilities must operate under the following mandatory conditions:

(1) Childcare must be carried out in stable groups of 12 or fewer ("stable" means that the same 12 or fewer children are in the same group each day).

(2) Children shall not change from one group to another.

(3) If more than one group of children is cared for at one facility, each group shall be in a separate room. Groups shall not mix with each other.

(4) Childcare providers shall remain solely with one group of children.

(v) Hotels, motels, shared rental units and similar facilities.

(w) Military/Defense Contractors/FFRDC (Federally Funded Research and Development Centers). For purposes of this Order, essential personnel may leave their residence to provide any service or perform any work deemed essential for national security including, without limitation, defense, intelligence, and aerospace development and manufacturing for the Department of Defense, the Intelligence Community, and NASA and other federal government, and or United States Government departments and agencies. Essential personnel include prime, sub-prime, and supplier contractor employees, at both the prime contract level and any supplier level at any tier, working on federal United States Government contracts, such as contracts for national intelligence and national security requirements.

(x) Businesses that manufacture or sell personal protective equipment or cloth or fabric face coverings, and businesses that sell materials for purposes of assembling such face coverings, subject to the following conditions: for manufacturers, at least 50% of daily production must consist of personal

protective equipment, cloth or fabric face covering or other essential products; for retail businesses, their products may be available to purchasers by delivery or pick-up but may not be open to the public. Nothing in this subsection shall be construed to allow otherwise non-essential businesses to render themselves essential for purposes of this Order by adopting similar sales protocols.

(viii) Government Employees. This Order does not apply to employees of government agencies working within the course and scope of their public service employment. Employees of the City of Los Angeles shall follow any current or future directives issued by the Mayor.

(ix) Essential Infrastructure. Individuals may leave their residences to provide any services or goods or perform any work necessary to to build, operate, maintain or manufacture essential infrastructure, including without limitation construction of public health operations, commercial, office and institutional buildings, residential buildings and housing; airport operations, food supply, concessions, and construction; port operations and construction; water, sewer, gas, electrical, oil extraction and refining; roads and highways, public transportation and rail; solid waste collection, removal, and recycling; flood control and watershed protection; internet and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, phone retail sales and servicing, and web-based services); and manufacturing and distribution companies deemed essential to the supply chains of the industries referenced in this Paragraph, provided that they carry out those services and that work in compliance with social distancing practices as prescribed by the Centers for Disease Control and Prevention and the Los Angeles County Department of Public Health, to the extent possible.

(x) Non-Essential Businesses. Businesses regarded under this Order as “non-essential” may be permitted to conduct minimum basic operations including inventory, security, custodial services, payroll and employee benefits processing, and any reasonable activity designed to maximize the ability for its employees to work remotely from their homes.

6. Public Notice of Social Distancing Protocols. The owner, manager, or operator of any business engaged in Essential Activities or Essential Infrastructure under Paragraph 5, shall prepare and post by no later than 11:59 p.m. on April 15, 2020, a Social Distancing Protocol for each of their facilities within the City of Los Angeles. The Social Distancing Protocol must be (i) substantially in the form attached to this Order as Appendix A; (ii) posted at or near the entrance to the facility so that it is easily viewable by the public and employees; and (iii) provided to each employee performing work at the facility. All such businesses shall implement the Social Distancing Protocol and provide evidence of its implementation to any authority enforcing this Order upon demand.

The City of Los Angeles has adopted the County of Los Angeles Department of Public Health Social Distancing Protocol, available for download at <http://coronavirus.lacity.org/socialdistancingprotocol>

Social Distancing Protocols must observe the following safety guidelines:

- a) limit the number of people who may enter into the facility at any one time to ensure that people in the facility can easily maintain, at all times, a minimum six (6) foot distance from others;
- b) designate where lines may form at a facility, marking six (6) foot increments at a minimum, establishing where individuals should stand to maintain adequate social distancing;
- c) provide hand sanitizer, soap and water, or effective disinfectant at or near the entrance of the facility and in other appropriate areas for use by the public and employees;
- d) post a sign in a conspicuous place at all public entries that instructs members of the public to not enter if they are experiencing symptoms of respiratory illness, including fever or cough, and to maintain social distancing from one another;
- e) regularly disinfect high-touch surfaces, including, without limitation all payment portals, pens, and styluses after each use. Businesses engaged in essential activities and essential infrastructure are encouraged to offer touch-less payment mechanisms, if feasible;
- f) provide employees and contracted workers whose duties require close contact (within 6 feet for 10 minutes or more) with other employees and/or the public with cloth face coverings;
- g) require that members of the public who enter the facility wear a face covering during their time in the facility; and
- h) adhere to communicable disease control recommendations provided by the Los Angeles County Department of Public Health, including guidance for cleaning and disinfecting the site. See guidance posted at www.publichealth.lacounty.gov/media/Coronavirus/.

7. To the extent that this Order is in conflict with earlier Orders, this Order shall supersede the others.

8. Failure to comply with this Order shall constitute a misdemeanor subject to fines and imprisonment. I hereby urge the Los Angeles Police Department and

the City Attorney to vigorously enforce this Order via Sections 8.77 and 8.78 of the Los Angeles Administrative Code.

9. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision shall not affect the validity of the remaining portions or applications of this Order.

This order shall be in place until May 15, 2020, and it may be extended prior to that time.

Dated: April 10, 2020 at Los Angeles, California

Time: _____

Filed with the City Clerk

Date: _____

Time: _____

By: _____

EXHIBIT 6



PROPERTY LOSS NOTICE

DATE (MM/DD/YYYY)

3/19/2020

AGENCY Westlake Village, CA - PMI - HUB International Insurance Services Inc. PO Box 3310 Santa Barbara, CA 93130-3310	INSURED LOCATION CODE	DATE OF LOSS AND TIME	AM
	03/17/2020		
PROPERTY / HOME POLICY			
CARRIER Mitsui Sumitomo Insurance Company of America			NAIC CODE 20362
CONTACT NAME: PHONE (A/C, No, Ext): (805) 682-2571			
FAX (A/C, No): E-MAIL ADDRESS:			
CODE:	SUBCODE:		
AGENCY CUSTOMER ID: MUSS&FR-01 License # 0757776			
POLICY NUMBER PKG3127372			
FLOOD POLICY			
CARRIER			NAIC CODE
POLICY NUMBER			
WIND POLICY			
CARRIER			NAIC CODE
POLICY NUMBER			

INSURED

NAME OF INSURED (First, Middle, Last) Musso & Frank Grill Co., Inc.			INSURED'S MAILING ADDRESS 6715 Hollywood Blvd. Los Angeles, CA 90028		
DATE OF BIRTH	FEIN (if applicable)	MARITAL STATUS / CIVIL UNION (if applicable)			
PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	SECONDARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	PRIMARY E-MAIL ADDRESS:			
		SECONDARY E-MAIL ADDRESS:			
NAME OF SPOUSE (First, Middle, Last) (if applicable)			SPOUSE'S MAILING ADDRESS (if applicable)		
DATE OF BIRTH	FEIN (if applicable)	MARITAL STATUS / CIVIL UNION (if applicable)			
PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	SECONDARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	PRIMARY E-MAIL ADDRESS:			
		SECONDARY E-MAIL ADDRESS:			

CONTACT

CONTACT INSURED					
NAME OF CONTACT (First, Middle, Last) Mark Echeverria			CONTACT'S MAILING ADDRESS 6715 Hollywood Blvd. #201 Los Angeles, CA 90028		
PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input checked="" type="checkbox"/> CELL	SECONDARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	PRIMARY E-MAIL ADDRESS: mecheverria@mussoandfrank.com			
		SECONDARY E-MAIL ADDRESS:			
WHEN TO CONTACT					

LOSS

LOCATION OF LOSS				POLICE OR FIRE DEPARTMENT CONTACTED	
STREET:					
CITY, STATE, ZIP:				REPORT NUMBER	
COUNTRY:					
DESCRIBE LOCATION OF LOSS IF NOT AT SPECIFIC STREET ADDRESS:					
KIND OF LOSS	<input type="checkbox"/> FIRE	<input type="checkbox"/> LIGHTNING	<input type="checkbox"/> FLOOD	PROBABLE AMOUNT ENTIRE LOSS	
	<input type="checkbox"/> THEFT	<input type="checkbox"/> HAIL	<input type="checkbox"/> WIND		

DESCRIPTION OF LOSS & DAMAGE (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Business Income Loss/Civil Authority

REPORTED BY Corbin Wade	REPORTED TO Lisa Winnert
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REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

APPLICABLE IN ALABAMA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

APPLICABLE IN ALASKA

A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

APPLICABLE IN ARIZONA

For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**APPLICABLE IN ARKANSAS, DELAWARE, KENTUCKY, LOUISIANA, MAINE, MICHIGAN, NEW JERSEY,
NEW MEXICO, NEW YORK, NORTH DAKOTA, PENNSYLVANIA, RHODE ISLAND, SOUTH DAKOTA,
TENNESSEE, TEXAS, VIRGINIA, AND WEST VIRGINIA**

Any person who knowingly and with intent to defraud any insurance company or another person, files a 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, subject to criminal prosecution and [NY: substantial] civil penalties. In LA, ME, TN, and VA, insurance benefits may also be denied.

APPLICABLE IN CALIFORNIA

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

APPLICABLE IN 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

APPLICABLE IN THE 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.

APPLICABLE IN FLORIDA

Pursuant to S. 817.234, Florida Statutes, any person who, with the intent to injure, defraud, or deceive any insurer or insured, prepares, presents, or causes to be presented a proof of loss or estimate of cost or repair of damaged property in support of a claim under an insurance policy knowing that the proof of loss or estimate of claim or repairs contains any false, incomplete, or misleading information concerning any fact or thing material to the claim commits a felony of the third degree, punishable as provided in S. 775.082, S. 775.083, or S. 775.084, Florida Statutes.

APPLICABLE IN 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.

APPLICABLE IN IDAHO

Any person who knowingly and with the intent to injure, defraud, or deceive any insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

APPLICABLE IN INDIANA

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

APPLICABLE IN KANSAS

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

APPLICABLE IN MARYLAND

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

APPLICABLE IN MINNESOTA

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

APPLICABLE IN NEVADA

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

APPLICABLE IN NEW HAMPSHIRE

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

APPLICABLE IN OHIO

Any person who, with intent to defraud or knowing that he/she 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.

APPLICABLE IN 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.

APPLICABLE IN 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.

EXHIBIT 7

From: Kinkead, Jeffrey
Sent: Friday, March 20, 2020 9:36 PM
To: 'mecheverria@mussoandfrank.com' <mecheverria@mussoandfrank.com>
Cc: 'vanessa.ayres@dibu.com' <vanessa.ayres@dibu.com>
Subject: Claim number CA200753 MUSSO & FRANK GRILL CO., INC PKG3127372 DOL 03/17/2020

Dear Mr. Echeverria,

As discuss, we are opening our investigation into a loss of business at one restaurant located on Hollywood Boulevard in Los Angeles, CA, regarding the subject loss. We will be reserving our rights while we investigate, this is not a denial of your claim, and your rights are also protected under the policy.

We have assigned the independent adjusting firm of Engle Martin and Associates to contact you to begin our investigation into this matter. Someone from Engle Martin will contact you shortly.

Please provide us with the following:

- A brief description of what happened and or loss or damage, if any.
- What was the location : 6663-6667 Hollywood Blvd., Los Angeles,CA or 6715 Hollywood Blvd, Ste 201, Los Angeles CA.
- A brief description of the nature of your business at the above locaton.
- Are there any other locations involved.
- A copy of any supporting documents for the business loss related to COVID-19.
- The total amount for which you are making claim.

The above should not be considered totally inclusive as we may request additional information once we review the above.

We look forward to working with you to settle this loss.

Sincerely,
Jeff

Jeff Kinkead
Property Claims Specialist
Mitsui Sumitomo Marine Management (USA),Inc.
15 Independence Blvd.
Warren, NJ 07059-0602
Mailing Address: P.O.Box 61000, Newark, NJ 07101
Tel.: 908.647.8936 Fax.: 419.730.4930
Email: JKinkead@msigusa.com

EXHIBIT 8

From: "Kinkead, Jeffrey" <JKinkead@msigusa.com>
Subject: RE: CA200753 MUSSO & FRANK GRILL CO., INC PKG3127372 DOL 03/17/2020
Date: March 27, 2020 at 9:49:05 AM PDT
To: ""mecheverria@mussoandfrank.com"" <mecheverria@mussoandfrank.com>
Cc: ""lisa.winnert@hubinternational.com"" <lisa.winnert@hubinternational.com>

Dear Mr. Echeverria,

I called you today and left a voicemail message in follow-up to my email below. I will be investigating this loss and Engle Martin will not be contacting you.

Please call me back as soon as possible.

Sincerely,
Jeff

Jeff Kinkead
Property Claims Specialist
Mitsui Sumitomo Marine Management (USA), Inc.
15 Independence Blvd.
Warren, NJ 07059-0602
Mailing Address: P.O.Box 61000, Newark, NJ 07101
Tel.: 908.647.8936 Fax.: 419.730.4930
Email: JKinkead@msigusa.com

At Mitsui Sumitomo Marine Management (U.S.A.), Inc. we are looking to improve our Customer Service to better meet your needs. Please take a moment and provide feedback using the following email: CustomerService@msigusa.com

Mitsui Sumitomo Corporate Email Disclaimer*

This message (which includes any attachments) is intended to be read only by the person(s) to whom it is addressed. The information contained herein is intended for the sole use of such person(s). The message may contain information that is privileged, confidential and exempt from disclosure under applicable law, including but not limited to the law applicable to attorney/client privilege. Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. If you are not the addressee, you are hereby notified that you may not use, copy, disclose, or distribute to anyone the message or any information contained in the message. If you received this message in error, please immediately advise the sender by reply E-Mail and delete this message and the reply from your system. Thank you for your cooperation.

EXHIBIT 9



Jeff Kinkead
Property Claims Specialist
Phone: 908.647.8936 Fax: 419.730.4930
E-mail: JKinkead@msigusa.com

April 1, 2020

VIA EMAIL AND CERTIFIED MAIL, R.R.R. (Article #9314 8699 0430 0070 4239 01)

Mark Echeverria
Musso & Frank Grill Co., Inc.
6715 Hollywood Blvd. #201
Los Angeles, CA 90028
mecheverria@mussoandfrank.com

Re: Policyholder: Musso & Frank Grill Co., Inc.
Insurer: Mitsui Sumitomo Insurance USA Inc.
Policy: PKG3127372 (eff. 6/30/2019 – 6/30/2020)
Our Claim No.: CA200753

Dear Mr. Echeverria:

I write on behalf of Mitsui Sumitomo Marine Management (USA), Inc. as claims administrator for Mitsui Sumitomo Insurance USA Inc. (“MSI”), which issued the captioned package policy (the “MSI Policy”) to Musso & Frank Grill Co., Inc. (the “Policyholder”).

MSI has received the referenced claim (the “Claim”) for certain business interruption losses purportedly sustained by the Policyholder as the result of the outbreak of the novel coronavirus (“COVID-19”) and related government orders prohibiting restaurants and retail food facilities from serving food to dine-in customers.

MSI understands that our global community is facing unprecedented challenges, and we extend our support to all of our policyholders as you continue to navigate this difficult situation. For the reasons discussed below, however, it does not appear that the Policyholder’s Claim is covered under the MSI Policy. We have endeavored to provide you with this coverage assessment as quickly as possible in light of the significant impact insurance coverage may have

**Mitsui Sumitomo Marine Management (U.S.A.), Inc., for
Mitsui Sumitomo Insurance USA Inc.
Mitsui Sumitomo Insurance Company of America
MSIG Specialty Insurance USA Inc.**
Mailing Address: PO Box 61000, Newark, NJ 07101
Office Address: 15 Independence Boulevard, P.O. Box 4602, Warren, NJ 07059-0602
www.msigusa.com

Mark Echeverria
Musso & Frank Grill Co., Inc.
April 1, 2020
Page 2

on your financial planning and the ability to secure loans or other emergency relief during this challenging time. Of course, if you have additional information that you believe may be relevant to MSI's coverage analysis, or the circumstances surrounding your Claim change, please promptly let us know and we will reevaluate our determination at that time.

COVERAGE DETERMINATION

The MSI Policy does not provide coverage for the Policyholder's Claim because COVID-19 is not a covered cause of loss. In order to trigger business interruption coverage under the MSI Policy, the Policyholder must sustain "direct physical loss of or damage to property" at insured premises that is "caused by or result[s] from a Covered Cause of Loss." (Form CP 00 30 10 12, ¶ A.1). A "covered cause of loss" is defined as "direct physical loss unless the loss is excluded or limited in this policy." (Form MS 5202 12 12, ¶ A). Here, the MSI Policy specifically excludes coverage for "loss or damage caused by or resulting from *any virus*, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease" (the "Virus Exclusion"). (Form CP 01 40 07 06 - Exclusion Of Loss Due To Virus Or Bacteria) (emphasis added).¹ Based on the information provided to date, it appears that the Policyholder's Claim arises out of a virus – COVID-19 – and thus is excluded under the Policy. MSI, therefore, respectfully declines coverage for the Claim under the Virus Exclusion.

In addition, we note that certain other Policy provisions appear to bar coverage for the Policyholder's Claim. In particular, the MSI Policy only provides business income coverage for the "actual loss of Business Income you sustain due to the necessary 'suspension' of your 'operations,'" if the "suspension" is "caused by *direct physical loss of or damage to property*" at insured premises. (Form CP 00 30 10 12, ¶ A.1) (emphasis added). Based on the information provided to date, it does not appear that COVID-19 caused "direct physical loss of or damage" to insured property. MSI, therefore, respectfully reserves the right to deny coverage for the Claim on this basis.

Finally, the MSI Policy provides "civil authority" coverage for the actual loss of business income that the Policyholder sustains, but only when a covered cause of loss causes "*damage to property other than property at the described premises*" and:

- (1) "[a]ccess to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property"; and

¹ A copy of the Exclusion Of Loss Due To Virus Or Bacteria endorsement, which is part of the MSI Policy, is enclosed with this letter for your convenience. Please review your copy of the MSI Policy in its entirety for all other terms, conditions, exclusions, and/or endorsements. Please also note that the portions of the MSI Policy referenced in this correspondence or in the attached document are not meant to be representative of all portions of the Policy that may apply to your Claim. Failure to cite a particular agreement, provision, exclusion, condition, or any other part of the Policy does not waive MSI's rights to invoke any portion of the Policy that potentially applies to this Claim.

Mark Echeverria
Musso & Frank Grill Co., Inc.
April 1, 2020
Page 3

- (2) “[t]he action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.”

(Form MS 5402 12 12, at p. 2 of 6) (emphasis added). Based on the information provided to date, it does not appear that a covered cause of loss caused “damage to property” within one mile of the insured premises.² MSI thus respectfully reserves the right to deny coverage for the Claim on this basis.

* * *

In sum, MSI respectfully declines coverage for the Claim under the Virus Exclusion contained in the MSI Policy. MSI further reserves the right to deny coverage for the Claim based on the absence of any direct physical loss of or damage to insured property or property within one mile of the insured premises. The analyses and conclusions set forth herein are based upon the information provided to MSI to date. If you have any additional information, or circumstances change such that you believe MSI should alter its coverage determination, please let me know at your earliest convenience.

In accordance with section 2695.7(b)(3) of California’s Unfair Claims Settlement Practices Regulations, we are required to advise you that if you believe all or a part of your claim has been wrongfully denied or rejected, you may have the matter reviewed by the California Department of Insurance, Consumer Communications Bureau, 300 South Spring Street, South Tower, Los Angeles, California 90013, 1-800-927-HELP (4357) or 213-897-8921.

If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,



Jeff Kinhead
Property Claims Specialist
Mitsui Sumitomo Marine Management (U.S.A.), Inc.
for Mitsui Sumitomo Insurance USA Inc.

² Please note that the MSI Policy contains a 24-hour waiting period for both business interruption and civil authority coverage. See Form CP 15 55 06 95, CP 15 56 06 07, and MS 5003 12 12 (changing 72-hour waiting period to 24-hour waiting period). Subject to all applicable policy provisions, business income coverage begins 24 hours after the time of direct physical loss or damage, and ends on the earlier of: (1) the date when the property 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. (Form CP 00 30 10 12, ¶ F.3, CP 15 55 06 95, ¶ 1, and CP 15 56 06 07, ¶ A.1). Civil authority coverage likewise starts 24 hours after the time of the civil authority’s first action, and is limited to 30 consecutive days after coverage begins. (Form MS 5402 12 12, CP 15 55 06 95, ¶ 2, and CP 15 56 06 07, ¶ A.2).

Mark Echeverria
Musso & Frank Grill Co., Inc.
April 1, 2020
Page 4

cc: Lisa Winnert
HUB International Insurance Services Inc.
PO Box 3310
Santa Barbara, CA 93130
lisa.winnert@hubinternational.com
calclaims@hubinternational.com

Corby Schmautz
Executive General Adjuster
Engle Martin & Associates
CSchmautz@englemartin.com