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Attorneys for Plaintiff

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

SCRATCH RESTAURANTS LLC dba
Phillip Douglas LLC and Scratch Bar and
Kitchen and Sushi Bar Los Angeles and
Sushi Bar Montecito, a limited liability
company,

Plaintiff,

vs.

FARMERS GROUP INC., a corporation;
TRUCK INSURANCE EXCHANGE, a
corporation; and; DOES 1 to 25, inclusive,

Defendants.

CASE NO. 20STCP01233

**COMPLAINT FOR DECLARATORY RELIEF
AND DEMAND FOR JURY TRIAL**

1 Plaintiff SCRATCH RESTAURANTS LLC dba Phillip Douglas LLC and Scratch Bar and
2 Kitchen, Sushi Bar Los Angeles, and Sushi Bar Montecito; (collectively "Plaintiff"), by their
3 undersigned counsel, allege as follows:

4 **PARTIES**

5 1. At all relevant times, Plaintiff SCRATCH RESTAURANTS LLC dba Phillip
6 Douglas LLC, Scratch Bar and Kitchen ("Scratch Bar"), Sushi Bar Los Angeles ("Sushi Bar LA")
7 is a limited liability company, authorized to do business in the State of California, County of Los
8 Angeles. SCRATCH RESTAURANTS LLC owns, operates, manages, and/or controls the
9 restaurants Scratch Bar and Sushi Bar LA.

10 2. At all relevant times, Plaintiff SCRATCH RESTAURANTS LLC, dba Sushi Bar
11 Montecito is a limited liability company, authorized to do business in the State of California,
12 County of Santa Barbara. Scratch Restaurants LLC owns, operates, manages, and/or controls the
13 restaurant Sushi Bar Montecito.

14 3. At all relevant times, Plaintiff SCRATCH RESTAURANTS LLC, is the managing
15 entity for the Scratch Bar, Sushi Bar LA, and Sushi Bar Montecito, Plaintiff herein.

16 4. At all relevant times, Defendant FARMERS GROUP INC. ("FGI"), is a corporation
17 with its headquarters and principal place of business doing business in the State of California,
18 County of Los Angeles. FGI does business as Farmers Underwriters Association, a California
19 Corporation. FGI owns the service marks "Farmers Insurance Group of Companies" and "Farmers
20 Insurance Group."

21 5. At all relevant times, Defendant Truck Insurance Exchange ("TIE"), is and was a
22 reciprocal or inter-insurance exchange, and member of the Farmers Insurance Group of
23 Companies, and a corporation doing business in the County of Los Angeles, State of California,
24 subscribing to Policy Number 60624-65-71. TIE issued the policy for Plaintiff's properties for the
25 period of December 1, 2019 through December 1, 2020.

26 6. TIE is authorized to conduct insurance business, and does in fact conduct insurance
27 business in the State of California, in the County of Los Angeles. TIE's operations, including but
28

1 not limited to, its claims and underwriting operations and procedures, are managed, overseen,
2 controlled, and directed in whole or in part by Defendant FGI.

3 7. FIG and TIE (collectively “FARMERS”) are transacting the business of insurance
4 in the state of California and the basis of this suit arises out of such conduct.

5 8. Defendant FGI and Defendant TIE are alter egos. Defendant FGI and various exchanges
6 form an insurance company holding system. Defendant FGI acts as the attorney-in-fact for
7 Defendant TIE. As an attorney-in-fact for Defendant TIE, Defendant FGI appointed *itself* to
8 provide management services to the insuring entities for a fee. This fee represents a substantial
9 portion of the gross premiums taken in by these insuring entities. FGI, either directly or through
10 other subsidiaries, performs all underwriting, product development, sales, actuarial and strategic
11 planning functions for TIE. FGI holds the service mark, “Farmers Insurance Group of Companies,”
12 under which Defendant TIE operates. Employees of each entity regard themselves as working for
13 a unified entity known as “Farmers.” In advertising, FGI and TIE make no distinction among
14 themselves, and hold themselves out to the public in the collective, as “Farmers” or as “Farmers
15 Insurance Group of Companies.” Defendants share the same agent for service of process.
16 Defendant Fire Insurance Exchange uses common forms developed and produced by FGI.

17 9. If the alter ego relationship among Defendants FGI and FIE is not recognized, an inequity
18 would also result because the entity which would be held liable, i.e., Defendant FIE, has no
19 employees and takes no independent action. Thus, Plaintiff would be forced to seek redress for the
20 wrongdoing against a shell corporation, while the entities with the employees who make the
21 decisions, and who are responsible for the wrongful acts, escape liability. This would be
22 inequitable.

23 10. Defendants FGI and TIE share the same principal place of business, 6301 Owensmouth
24 Ave, Woodland Hills, CA 91367.

25 11. Defendant FGI controls, as that term is defined in the California Insurance Holding
26 Company Act, Defendant TIE.

27 12. At all relevant times mentioned herein, the true names and capacities, whether individual,
28 corporate, associate or otherwise, of Defendants and DOES 1 through 25, inclusive, are currently

1 unknown to Plaintiff, who therefore bring suit against these Defendants by their fictitious names
2 and capacities. Plaintiff is informed and believes and thereupon alleges that each fictitiously named
3 Defendant, whether acting for itself or as an agent, corporation, association, or otherwise, is liable
4 or responsible to Plaintiff and proximately caused injuries and damages to Plaintiff as alleged
5 herein. While at this time Plaintiff is unaware of the true names and capacities of the DOE
6 Defendants, Plaintiff will amend its Complaint to show the true names and capacities of DOES 1
7 through 25, inclusive, when those identities have been ascertained.

8 13. At all relevant times mentioned herein, Defendants were the agents, employees,
9 supervisors, servants and joint venturers of each other, and in doing the things hereafter alleged,
10 were acting within the course, scope and authority of such agency, employment and joint venture
11 and with the consent and permission of each of the other Defendants. All actions of each
12 Defendant alleged in the causes of action into which this paragraph is incorporated by reference
13 were ratified and approved by the officers or managing agents of every other Defendant.

14 14. All allegations in this Complaint are based on information and belief and/or are likely to
15 have evidentiary support after a reasonable opportunity for further investigation or discovery.
16 Whenever allegations in this Complaint are contrary or inconsistent, such allegations shall be
17 deemed alternative.

18 **JURISDICTION AND VENUE**

19 15. Jurisdiction is proper pursuant to Cal. Code Civ. Proc. §§ 410.10, 410.50 and 1060.

20 16. Venue is proper in this judicial district pursuant to Cal. Code Civ. Proc. § 395.

21 **FACTUAL BACKGROUND**

22 17. On or around December 1, 2019, Defendant TIE entered into a contract of insurance
23 with Plaintiff in the event of a covered loss or damage.

24 18. Under said contract, Plaintiff agreed to make cash payments to Defendant TIE in
25 exchange for Farmers' promise to indemnify the Plaintiff for losses including, but not limited to,
26 business income losses at several properties (hereinafter "Insured Properties").

27 19. The Insured Properties include three different well-known, dine-in only restaurants.
28 Two are located in Los Angeles County, and one is located in located in Santa Barbara County.

1 The restaurants include Scratch Bar, Sushi Bar LA, and Sushi Bar Montecito which are owned,
2 leased by, managed, and/or controlled by the Plaintiff.

3 20. Scratch Bar is located at 1601 Ventura Blvd. #255, in Encino, CA 91436. This
4 address is listed as an Insured Property under the Policy.

5 21. Sushi Bar LA is located at 1601 Ventura Blvd. #242, in Encino, CA 91436. This
6 address is listed as an Insured Property under the Policy.

7 22. Sushi Bar Montecito is located at 1295 Coast Village Rd., in Santa Barbara, CA
8 93108. This address is listed as an Insured Property under the Policy.

9 23. The Insured Properties are covered under a policy issued by Defendant TIE with
10 policy number believed to be 60624-65-71 (hereinafter "Policy"). A true and correct copy of the
11 Policy is attached hereto as Exhibit 1.

12 24. The policy is currently in full effect, providing property, business personal property,
13 business income and extra expense, and additional coverages between the period of December 1,
14 2019 through December 1, 2020.

15 25. The Businessowners Special Property Coverage explicitly provides for business
16 income coverage of the following types: franchise royalties, off premises event calculation, tips,
17 civil authority, and food borne illness.

18 26. The insurance applies to the actual loss of business income sustained and necessary
19 and reasonable extra expenses incurred when access to the scheduled premises is specifically
20 prohibited when it occurs as the result of a risk of direct physical loss, which is not excluded under
21 Plaintiff's policy.

22 27. Under "Civil Authority" coverage is provided to pay for the actual loss of business
23 income and necessary extra expense caused by an action of civil authority that prohibits access to
24 the insured property due to direct physical loss of use and function of the property.

25 28. The Policy further provides for additional coverages regarding "Claim Expenses."
26 This includes "the preparation of claim data" in the amount of \$10,000.

27 29. Plaintiff faithfully paid policy premiums to FARMERS to specifically provide all
28 risk coverage, including the actual loss of business income due to the necessary interruption of

1 business operations due to direct physical loss or direct physical damage to property as well as a
2 civil authority shutdown.

3 30. As now commonly known, an unprecedented event in the form of a world pandemic
4 is occurring. By March 11, 2020, the World Health Organization officially recognized the COVID-
5 19 pandemic.

6 31. It is the public policy intent and intent of each county to close businesses including
7 Plaintiff's for the public good, welfare, and benefit.

8 32. In order to protect the public, on March 15, 2020, Mayor Eric Garcetti of Los
9 Angeles issued an order placing restrictions on certain establishments throughout the City of Los
10 Angeles. Within this order included the prohibition of dine-in food service. A true and correct copy
11 of Mayor Eric Garcetti's Order ("Garcetti Order") is attached hereto as Exhibit 2.

12 33. In order to protect the public, on March 16, 2020, the Health Officer of Los Angeles
13 County, Muntu Davis, M.D., MPH, issued an order directing all individuals living in the county to
14 stay at home except that they may leave to provide or receive certain essential services or engage in
15 certain essential activities ("Los Angeles Order"). A true and correct copy of the Los Angeles
16 Order is attached hereto as Exhibit 3.

17 34. In order to protect the public, on March 16, 2020, the Santa Barbara City Council
18 issued an order placing restrictions on certain establishments throughout the City of Santa Barbara.
19 Within this order included the prohibition of serving food for consumption on premises. A true and
20 correct copy of Santa Barbara City Council's Order ("SB Council Order") is attached hereto as
21 Exhibit 4.

22 35. In order to protect the public, on March 17, 2020, the Santa Barbara Public Health
23 Department issued an order directing all individuals living in the county to stay at home except that
24 they may leave to provide or receive certain essential services or engage in certain essential
25 activities ("SBPHD Order"). A true and correct copy of the SBPHD Order is attached hereto as
26 Exhibit 5.

27 36. As a result of the Garcetti Order, the Los Angeles Order, the SB Council Order and
28 SBPHD Order (collectively "Orders"), Plaintiff has had to completely shut down its business

1 operations and access to the insured properties is specifically prohibited. Plaintiff has incurred
2 expenses due to the necessary interruption of their business operations at the Insured Properties.

3 37. As a further direct and proximate result of the Orders, Plaintiff has been forced to
4 furlough 55 employees.

5 38. A declaratory judgment interpreting the impact of the Los Angeles and Montecito
6 Orders on the insurance coverage provided by FARMERS will prevent the Plaintiff from being left
7 without vital coverage acquired to ensure the survival of their businesses due to the shutdown
8 caused by the civil authorities' response is necessary. As a result of this order, Plaintiff has
9 incurred, and continue to incur, a substantial loss of business income and additional expenses.

10 **FIRST CAUSE OF ACTION**

11 **DECLARATORY RELIEF**

12 **(Against All Defendants and DOES 1 to 25)**

13 39. Plaintiff re-alleges and incorporates by reference into this cause of action each and
14 every allegation set forth in each and every paragraph of this Complaint.

15 40. Under California Code of Civil Procedure §1060 et seq., the court may declare
16 rights, status, and other legal relations whether or not further relief is or could be claimed.

17 41. An actual controversy has arisen between Plaintiff and FARMERS as to their rights,
18 duties, responsibilities and obligations of the parties under the Policy as a result of the Orders.
19 Resolution of the duties, responsibilities and obligation of the parties is necessary as no adequate
20 remedy at law exists and a declaration of the Court is needed to resolve the dispute and
21 controversy.

22 42. Plaintiff seeks a Declaratory Judgement to determine whether the Orders constitute
23 a prohibition of access to Plaintiff's Insured Premises by a Civil Authority as defined in the Policy.

24 43. Plaintiff further seeks a Declaratory Judgement to determine whether the Los
25 Angeles Order triggers coverage under The Civil Authority provision of the Policy if Plaintiff can
26 prove that there has been a physical loss and damage to the property in the immediate area of the
27 Insured Properties.

1 44. Plaintiff further seeks a Declaratory Judgement to determine whether the Santa
2 Barbara Order triggers coverage under the “Civil Authority” provision of the Policy if Plaintiff can
3 prove that there has been a physical loss and damage to the property in the immediate area of the
4 Insured Properties.

5 45. Plaintiff further seeks a Declaratory Judgment to determine whether claim
6 preparation coverage is available for making a claim under the Policy.

7 **PRAYER FOR RELIEF**

8 Wherefore, Plaintiff herein, SCRATCH RESTAURANTS LLC, dba Phillip Douglas LLC,
9 Scratch Bar, Sushi Bar LA, and Sushi Bar Montecito, pray as follows:

- 10 1) For a declaration that the Order constitutes a prohibition of access to Plaintiff’s Insured
11 Premises by a Civil Authority as defined in the Policy.
- 12 2) For a declaration that the Order triggers coverage under The Civil Authority provision
13 of the Policy if Plaintiff can prove that there has been a physical loss and damage to the
14 property in the immediate area of the Insured Properties.
- 15 3) For a declaration that claim preparation coverage is available in the amount of \$10,000
16 for making a claim under the Policy.
- 17 4) For such other relief as the Court may deem proper.

18 DATED: April 1, 2020

KABATECK LLP

19
20 By:



21
22 BRIAN S. KABATECK
23 MICHAEL CHILDRESS
24 SERENA J. VARTAZARIAN
25 Attorneys for Plaintiffs
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DATED: April 1, 2020



Brian S. Kabateck
Attorney for Plaintiff(s)

EXHIBIT 1



DEANNE NATION
1130 140TH AV NE #200
BELLEVUE WA 98005
PRODUCER#: 09 30 56 36E

PHILLIPDOUGLAS, LLC
*SEE J7104 AMEND TO NAMED INS
16101 VENTURA BLVD
ENCINO CA 91436-2500

DEANNE NATION
1130 140TH AV NE #200
BELLEVUE WA 98005



PHILLIPDOUGLAS, LLC
*SEE J7104 AMEND TO NAMED INS
16101 VENTURA BLVD
ENCINO CA 91436-2500



Dear Farmers® Customer,

Thank you for choosing Farmers for your Business Insurance needs.

In today's business environment, we understand that your business needs may change during the year. For example, you may acquire new equipment, adjust your staffing, add a new location, create electronic ordering and/or billing for your customers or begin offering new services.

These changes may require updated insurance coverage for your business.

Farmers and its agents want to help make you smarter about your insurance. To do that, we offer special services at no additional cost to you to help you ensure your business has the coverage it needs.

For example:

- Your agent will be happy to schedule a Farmers Friendly Review® with you. During this review, your agent can talk to you about available insurance discounts, potential coverage gaps, and new products that may be available to you. In addition, if there have been changes in your business since your last policy review, your premium may be eligible for additional pricing consideration.
- MysafetyPoint.com makes safety and loss control information available that may help you avoid workplace injuries and other losses.

To access this information, log onto www.mysafetypoint.com, then register with your policy number and email address to find safety and loss control information that is specific to your type of business.

ENCLOSED YOU WILL FIND YOUR POLICY DOCUMENTS. PLEASE REVIEW YOUR COVERAGES TO ENSURE THEY MEET YOUR NEEDS.

If you have any questions, please contact your Farmers agent.

Deanne Nation

Email: dnation@farmersagent.com

425-747-1700



Memorandum of Commercial Insurance

Insured: PHILLIPDOUGLAS, LLC
SCRATCH BAR & KITCHEN
Company: TRUCK INSURANCE EXCHANGE

Policy Number: 60624-65-71

Effective Date: 12/01/19

Agent Number: 30-56-36E

Rates quoted reflect the rates in effect as of the date of this application and are subject to revision. The company reserves the right to accept, reject or modify this application after investigation, review of the application and review of all other underwriting information. The undersigned represents and warrants that he/ she has applied for the insurance coverage(s) as set forth above, pursuant to an application entered into the insurer's computer records, and hereby confirms that he/ she supplied information so entered and warrants and represents that all such information is true and correct.

Applicable only to states with the privacy act: I have received a copy of the investigation practices and protection of your privacy form, which advises me of my rights concerning the investigative practices of the member companies and exchanges of the Farmers Insurance Group of Companies®.

The property limits are only estimated values based upon the information provided to us by you and third parties. You are responsible for determining the appropriate Building and/ or Business Personal Property coverage limits. Please also note that this estimate does not replace or supersede any term or condition of your policy and does not replace any required current professional appraisals or use of other estimating methods.

FRAUD WARNINGS STATEMENTS

All States (other than AL, AR, AZ, CO, DC, FL, KS, LA, ME, MD, NM, NY, OK, RI, TN, VA, VT, WA and WV) -

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is crime and subjects that person to criminal and civil penalties (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

AL, AR, AZ, DC, LA, MD, NM, RI and WV - Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefits or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines or confinement in prison.

Colorado - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or 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.

Florida and Oklahoma - Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (In FL, a person is guilty of a felony of the third degree).

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, or a claim for payment or other benefit pursuant to an insurance policy, 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.

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

*A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived in all states except Connecticut and Georgia.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey and West Virginia	\$6.00
Alaska and Maryland	Not applicable
Florida	\$3.00
New Jersey	\$7.00
West Virginia	\$5.00

*A **returned payment** fee applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. *NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.*

State	NSF Fee
All states except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia and West Virginia	\$30.00
North Dakota and Oklahoma	\$25.00
Nebraska and Indiana	\$20.00
Florida and West Virginia	\$15.00
Maine	\$10.00
Alaska, New Jersey and Virginia	Not applicable

*A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All states except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, South Carolina, Virginia, and West Virginia	\$20.00
Nebraska, Rhode Island and South Carolina	\$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia and West Virginia	Not applicable
Farmers Real Time Billing SM (all states)	Not applicable

The following applies on a per-policy basis.

* A **reinstatement fee** of \$25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers' Compensation policies.*

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

On behalf of the named insured herein I have read the above Memorandum of Insurance. I agree that the Memorandum of Insurance accurately summarizes the insurance for which the named insured has applied and on behalf of the named insured I agree to the terms and conditions of the insurance as described in the Memorandum of Insurance.

NEW YORK FRAUD WARNING STATEMENT - Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

Signed on this _____ day of _____, 20____, a.m./ p.m. X _____
Signature (If applicant is a minor, parent or guardian must also sign)



This policy is issued by: Truck Insurance Exchange (An Inter-Insurance exchange sometimes referred to in the policy as the "Company":)

Insured PHILLIPDOUGLAS, LLC
SCRATCH BAR & KITCHEN
16101 VENTURA BLVD

60624-65-71
Policy Number

ENCINO CA 91436-2500

Truck Insurance Exchange ("Exchange") is an inter-insurance exchange or reciprocal insurer. The Exchange is owned by its members (also called subscribers), and the members appoint a third party, called the attorney-in-fact, to conduct certain administrative services for and on behalf of the Exchange.

Please sign the Subscription Agreement printed below to become a member of the Exchange, which is necessary to maintain coverage. Under the Subscription Agreement, you will be appointing Truck Underwriters Association ("Association") to serve and act as the attorney-in-fact. The Association has acted in this capacity since 1935. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.

If our records do not show that you have provided us with a signed copy of the Subscription Agreement, we reserve the right to terminate your coverage.

Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Truck Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, Truck Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Truck Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty per centum of the Premium Deposit for the insurance provided and twenty per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.

I have read the Subscription Agreement. I agree to be bound to all of the terms and conditions of the Subscription Agreement.

Subscribed to this _____ day of _____, 20____, _____ a.m./p.m. X _____
Signature (If applicant is a minor, parent or guardian must also sign)



Notice To Policyholders Regarding Terrorism Insurance Coverage And Rejection Of Terrorism Coverage

You are hereby notified that under the Terrorism Risk Insurance Act your policy provides coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of the Act. The term "certified act of terrorism" means any 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; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the government by coercion.

You should know that coverage provided by this policy for losses caused by "certified acts of terrorism" is partially reimbursed by the United States government under a formula established by federal law. Under this formula, the United States pays a percentage of covered terrorism losses exceeding the statutorily established deductible paid by us as your insurer. The premium charged for this coverage does not include any charges for the portion of loss covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act contains a \$100 billion cap that limits U.S. Government reimbursement and our liability for losses resulting from Certified Acts of Terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The premium cost for such "certified acts of terrorism" is \$ **480.00**

You have the right to decline this coverage for "certified acts of terrorism." If you choose to do so, you must sign this form and return it in the enclosed envelope within 30 days of the effective date of this policy. If this policy provides primary coverage for general liability and coverage for "certified acts of terrorism" is declined, that declination will also apply to any umbrella or excess policy issued for this policy by any member Company or Exchange of the Farmers Insurance Group of Companies®

Rejection Of Coverage For "Certified Acts Of Terrorism"

I hereby elect to reject coverage for "Certified Acts of Terrorism." I acknowledge that by signing this Rejection of Coverage of "Certified Acts of Terrorism" that I understand and agree that I will not have any coverage for such losses under this policy.

_____ Policyholder/Applicant's Signature	_____ TRUCK INSURANCE EXCHANGE Insurance Company
_____ Print Name	_____ 60624-65-71 Policy Number
_____ Date	_____ 12/01/19 Policy Effective Date

Please be sure to use the correct envelope; do not include this form with your premium payment!



FARMERS
INSURANCE

STATEMENT

TRUCK INSURANCE EXCHANGE

° PHILLIPDOUGLAS, LLC
SCRATCH BAR & KITCHEN
16101 VENTURA BLVD
ENCINO CA 91436-2500

NOVEMBER 19, 2019

Date

30-56-36E

Agent's Number

60624-65-71

Policy Number

Renewal Statement - The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.

This Statement Reflects:

Effective Date: 12/01/19

Loan Number

☐ New Business ☐ Reinstatement ☐ Change Of Coverage ☐ Added Coverage

\$ Previous Balance Owing

\$ Premium

\$ Membership, Policy, Reinstatement, Reissue or Service Fees

\$ Pro Rata Premium Due

\$ **37,455.00** Premium For Renewing Entire Present Coverage From 12/01/19 To 12/01/20

\$

\$

\$

\$

\$ **37,455.00** Total Charges

\$

\$ Payments

\$ Other Credits

\$ Total Credits

\$ **- NONE -** **BALANCE DUE UPON RECEIPT**

\$ Optional Amount

\$ Refund

WE WANT TO BE YOUR FIRST CHOICE FOR BUSINESS, PERSONAL, AND WORKERS COMPENSATION INSURANCE. IF YOU PLACE A PERSONAL LINES OR WORKERS COMPENSATION POLICY WITH FARMERS, YOU MAY BE ELIGIBLE TO RECEIVE DISCOUNTS. CONTACT YOUR AGENT TODAY.

IMPORTANT- D-O N-O-T P-A-Y T-H-I-S N-O-T-I-C-E
PREMIUM WILL BE BILLED. ACCT # F005920993-001-00001.

State Required Notification:



Notice To Policyholders Regarding Terrorism Insurance Coverage And Rejection Of Terrorism Coverage

You are hereby notified that under the Terrorism Risk Insurance Act your policy provides coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of the Act. The term "certified act of terrorism" means any 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; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the government by coercion.

You should know that coverage provided by this policy for losses caused by "certified acts of terrorism" is partially reimbursed by the United States government under a formula established by federal law. Under this formula, the United States pays a percentage of covered terrorism losses exceeding the statutorily established deductible paid by us as your insurer. The premium charged for this coverage does not include any charges for the portion of loss covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act contains a \$100 billion cap that limits U.S. Government reimbursement and our liability for losses resulting from Certified Acts of Terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The premium cost for such "certified acts of terrorism" is \$ **480.00**

You have the right to decline this coverage for "certified acts of terrorism." If you choose to do so, you must sign this form and return it in the enclosed envelope within 30 days of the effective date of this policy. If this policy provides primary coverage for general liability and coverage for "certified acts of terrorism" is declined, that declination will also apply to any umbrella or excess policy issued for this policy by any member Company or Exchange of the Farmers Insurance Group of Companies®

Rejection Of Coverage For "Certified Acts Of Terrorism"

I hereby elect to reject coverage for "Certified Acts of Terrorism." I acknowledge that by signing this Rejection of Coverage of "Certified Acts of Terrorism" that I understand and agree that I will not have any coverage for such losses under this policy.

_____ Policyholder/Applicant's Signature	_____ TRUCK INSURANCE EXCHANGE Insurance Company
_____ Print Name	_____ 60624-65-71 Policy Number
_____ Date	_____ 12/01/19 Policy Effective Date

Please be sure to use the correct envelope; do not include this form with your premium payment!



Memorandum of Commercial Insurance

Insured: PHILLIPDOUGLAS, LLC
SCRATCH BAR & KITCHEN
Company: TRUCK INSURANCE EXCHANGE

Policy Number: 60624-65-71

Effective Date: 12/01/19

Agent Number: 30-56-36E

Rates quoted reflect the rates in effect as of the date of this application and are subject to revision. The company reserves the right to accept, reject or modify this application after investigation, review of the application and review of all other underwriting information. The undersigned represents and warrants that he/ she has applied for the insurance coverage(s) as set forth above, pursuant to an application entered into the insurer's computer records, and hereby confirms that he/ she supplied information so entered and warrants and represents that all such information is true and correct.

Applicable only to states with the privacy act: I have received a copy of the investigation practices and protection of your privacy form, which advises me of my rights concerning the investigative practices of the member companies and exchanges of the Farmers Insurance Group of Companies®.

The property limits are only estimated values based upon the information provided to us by you and third parties. You are responsible for determining the appropriate Building and/ or Business Personal Property coverage limits. Please also note that this estimate does not replace or supersede any term or condition of your policy and does not replace any required current professional appraisals or use of other estimating methods.

FRAUD WARNINGS STATEMENTS

All States (other than AL, AR, AZ, CO, DC, FL, KS, LA, ME, MD, NM, NY, OK, RI, TN, VA, VT, WA and WV) -

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is crime and subjects that person to criminal and civil penalties (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

AL, AR, AZ, DC, LA, MD, NM, RI and WV - Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefits or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines or confinement in prison.

Colorado - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or 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.

Florida and Oklahoma - Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (In FL, a person is guilty of a felony of the third degree).

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, or a claim for payment or other benefit pursuant to an insurance policy, 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.

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

*A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived in all states except Connecticut and Georgia.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey and West Virginia	\$6.00
Alaska and Maryland	Not applicable
Florida	\$3.00
New Jersey	\$7.00
West Virginia	\$5.00

*A **returned payment** fee applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. *NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.*

State	NSF Fee
All states except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia and West Virginia	\$30.00
North Dakota and Oklahoma	\$25.00
Nebraska and Indiana	\$20.00
Florida and West Virginia	\$15.00
Maine	\$10.00
Alaska, New Jersey and Virginia	Not applicable

*A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All states except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, South Carolina, Virginia, and West Virginia	\$20.00
Nebraska, Rhode Island and South Carolina	\$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia and West Virginia	Not applicable
Farmers Real Time Billing SM (all states)	Not applicable

The following applies on a per-policy basis.

* A **reinstatement fee** of \$25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers' Compensation policies.*

One or more of the fees or charged described above may be deemed a part of premium under applicable state law.

On behalf of the named insured herein I have read the above Memorandum of Insurance. I agree that the Memorandum of Insurance accurately summarizes the insurance for which the named insured has applied and on behalf of the named insured I agree to the terms and conditions of the insurance as described in the Memorandum of Insurance.

NEW YORK FRAUD WARNING STATEMENT - Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

Signed on this _____ day of _____, 20____, a.m./p.m.X _____
Signature (If applicant is a minor, parent or guardian must also sign)



Important Notice

Subscription Agreement Notice

(Please keep for your records)

By payment of the policy premium, you acknowledge that you have received and read the Truck Insurance Exchange Subscription Agreement (the terms of which are provided below) and that you agree to be bound to all of the terms and conditions of the Subscription Agreement.

Under the Subscription Agreement, you appoint Truck Underwriters Association (the "Association") to act as the attorney-in-fact. The Association has acted in this capacity since 1935. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.

We reserve the right to request that you provide us with a signed Subscription Agreement and if you fail to do so, your coverage may be terminated.

Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Truck Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, Truck Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Truck Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty per centum of the Premium Deposit for the insurance provided and twenty per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.



Important Notice - Regarding Additional Insured Endorsements

Dear Farmers Customer,

Thank you for choosing Farmers[®] for your Insurance needs. We appreciate your business and want to keep you informed of any updates related to your policy.

We recently updated the following Additional Insured endorsements, and one or more of them has been attached to your renewal policy:

Endorsement Title	New Form Number
Additional Insured - Managers Or Lessors of Premises	J7231
Additional Insured - Controlling Interest	J7232
Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises	J7233
Additional Insured - Mortgagee, Assignee, Or Receiver	J7234
Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased	J7235
Additional Insured - Lessor Of Leased Equipment	J7236
Additional Insured - Vendors	J7237
Additional Insured - Designated Person Or Organization	J7238
Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization	J7239
Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement In Construction Contract	J7240
Additional Insured - State Or Political Subdivisions - Permits	J7241

The updated versions of the Additional Insured endorsement(s) included with this renewal replace the versions previously attached to your policy. Please review all of the revised endorsements included with your renewal and provide them to the Additional Insured entities.

Should any of these entities no longer need to be included as an Additional Insured on your policy, please contact your Farmers agent to have them removed.

This notice is not a substitute for reviewing your policy and the endorsements included with your policy. Please take a moment to review your policy carefully to better understand the terms and conditions of your coverage.

If you have questions, please contact your Farmers agent.



Notice to Policyholders New Marijuana Exclusion

As you review the enclosed renewal policy, you will notice that an endorsement entitled **Marijuana Exclusion** has been added to your policy contract. Marijuana has historically been excluded from coverage due to its classification as contraband. Due to changes in the legal status of marijuana and marijuana-related products at the state level, this new endorsement clarifies that your policy does not provide coverage for loss, damage or injury related to the ownership, sale or distribution of marijuana.

This notice is for informational purposes only; it is not a part of your insurance contract. It is not a substitute for reviewing your policy and the endorsements included with your policy. Please take a moment to carefully review your policy to better understand the terms and conditions of your coverage.

If you have any questions about this change to your insurance coverage, please contact your Farmers® agent.



Important Notice - Regarding Supplementary Payments Coverage

Dear Farmers Customer,

Thank you for choosing Farmers® for your Insurance needs. We appreciate your business and want to keep you informed of an update relating to your policy.

Your commercial insurance policy now contains endorsement J7230-ED1 Supplementary Payments.

This endorsement provides updated policy language in line with current industry standards as provided by Insurance Office Service (ISO) forms. This change may result in a reduction of coverage on your policy with regard to coverage for opposing party's attorney fees.

This notice is not a substitute for reviewing your policy and the endorsements included with your policy. Please review your policy to better understand the terms and conditions of your coverage.

If you have questions, please contact your Farmers agent.



Truck Insurance Exchange (A Reciprocal Insurer)
Member Of The Farmers Insurance Group Of Companies®
Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

COMMON POLICY DECLARATIONS

Named Insured PHILLIPDOUGLAS, LLC
*SEE J7104 AMEND TO NAMED INS

Mailing Address 16101 VENTURA BLVD
ENCINO, CA 91436-2500

F005920993-001-00001

Account No.

Prod. Count

30-56-36E

60624-65-71

Agent No.

Policy Number

Form of Business ☐ Individual ☐ Joint Venture ☒ Limited Liability Co.
☐ Corporation ☐ Partnership ☐ Other Organization

Business Description:
Restaurant

Policy Period From 12-01-2019 (not prior to time applied for)
To 12-01-2020 12:01 A.M. Standard time at your mailing address shown above.

If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

The attorney-in-fact (AIF) or management fee for your renewed policy will never exceed 20% of the policy's premiums and will be paid out of the premiums. You may wish to consider this information in deciding whether to accept or decline this offer to renew your policy.

This policy consists of the following coverage parts listed below and for which a premium is indicated. This premium may be subject to change.

Coverage Parts	Premium After Discount And Modification
Businessowners	\$33,922.00
Employment Practices Liability	\$3,453.00
Cyber Liability And Data Breach Expense Coverage	\$80.00
Certified Acts Of Terrorism - See Disclosure Endorsement	Included
Total (See Additional Fee Information Below)	\$37,455.00

Policy Number: 60624-65-71

Effective Date: 12-01-2019

Forms Applicable To 25-9230ED3

All Coverage Parts: 56-5166ED5

IL00030498

IL00171198

J7104-ED1

J7105-ED3

J7107-ED2

Reminder-Review Your Coverages

Additional Policy Conditions

Calculation Of Premium

Common Policy Conditions

Amendment To Named Insured

Amendment To Additional Insured

Amendment To Additional Interest

Your Agent

Deanne Nation
1130 140th Av Ne #200
Bellevue, WA 98005
(425) 747-1700

Countersigned (Date)

By Authorized Representative

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

- A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, for accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey And West Virginia	\$6.00
Alaska and Maryland	Not applicable
Florida	\$3.00
New Jersey	\$7.00
West Virginia	\$5.00

- A **returned payment fee** applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. **NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.**

State	NSF Fee
All States Except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia And West Virginia	\$30.00
North Dakota And Oklahoma	\$25.00
Nebraska And Indiana	\$20.00
Florida And West Virginia	\$15.00
Maine	\$10.00
Alaska, New Jersey And Virginia	Not applicable

- A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All States Except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, Virginia, South Carolina And West Virginia	\$20.00
Nebraska, Rhode Island And South Carolina	\$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia And West Virginia	Not applicable

The following applies on a per-policy basis.

- A **reinstatement fee** of \$25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers Compensation policies.*

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7104
1st Edition

POLICY NUMBER: 60624-65-71

AMENDMENT OF NAMED INSURED

SCHEDULE

The following is/are the Named Insured(s) on this policy:

PHILLIPDOUGLAS, LLC
SCRATCH BAR & KITCHEN
SUSHI BAR L.A.
SUSHI BAR MONTECITO

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.



J6300
3rd Edition

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE - PART I	
Terrorism Premium (Certified Acts) \$	480.00
Additional information, if any, concerning the terrorism premium:	
SCHEDULE - PART II	
Federal share of terrorism losses <u>81</u> % Year: <u>2019</u> (Refer to Paragraph B. In this endorsement)	
Federal share of terrorism losses <u>80</u> % Year: <u>2020</u> (Refer to Paragraph B. In this endorsement)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

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.



Truck Insurance Exchange (A Reciprocal Insurer)
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

POLICY DECLARATIONS - RESTAURANT PREMIER POLICY

Named Insured PHILLIPDOUGLAS, LLC
*SEE J7104 AMEND TO NAMED INS

Mailing Address 16101 VENTURA BLVD
ENCINO, CA 91436-2500

Policy Number 60624-65-71

☐ **Auditable**

Policy Period From 12-01-2019
To 12-01-2020 12:01 A.M. Standard time at your mailing address shown above.

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those Coverages described and for which a specific limit of insurance is shown.

Your Agent

Deanne Nation
1130 140th Av Ne #200
Bellevue, WA 98005
(425) 747-1700

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS OF INSURANCE

The following Coverages and Extensions apply to all covered locations (premises) and/or buildings. Please refer to the individual location (premises) and/or building section for coverages and limits specific to such location (premises) and/or building.

Base Coverages And Extensions	Limit Of Insurance	Deductible/ Waiting Period
Blanket Business Personal Property Coverage Limit	\$633,400	See Bldg Section
Accounts Receivables - Off-Premises	\$25,000	\$1,000
BPP Seasonal Increase	25%	
Brands and Labels	Included In BPP Limit	None
Business Income - Franchisor Royalties	Included	
Business Income - Off Premises Event Cancellation	\$10,000	None
Business Income - Tips Included	Included	
Business Income & Extra Expense - Civil Authority	3 Weeks	24 Hours - BI
Business Income (BI) & Extra Expense (EE)	18 Months - ALS	0 Hours
Claims Expense	\$10,000	None
Computer Fraud And Funds Transfer Fraud	\$10,000	\$1,000
Credit Card Forgery	\$5,000	\$1,000
Credit Card Slip Theft Disappearance & Destruction	\$5,000	\$1,000
Crime Conviction Reward	\$10,000	None
Customer's Property	\$10,000	\$1,000
Customer's Property - Any Single Item	\$1,000	\$1,000
Employee Dishonesty	\$10,000	\$500
Employee Dishonesty - Customer Loss	\$5,000	\$500
Extended Business Income	60 Days	
Fire Department Service Charge	\$10,000	None
Fire Extinguisher Systems Recharge Expense	\$10,000	\$1,000
Forgery And Alteration	\$10,000	\$1,000
Limited Cov. - Fungi Wet Rot Dry Rot & Bacteria - Aggregate	\$15,000	\$1,000
Lock Replacement	\$2,500	None
Money Orders And Counterfeit Paper Currency	\$10,000	\$1,000
Newly Acquired Or Constructed Buildings	\$500,000	\$1,000
Ordinance Or Law - Equipment	\$10,000	None
Outdoor Property - Antenna and Satellite Dishes	\$5,000	\$1,000
Personal Effects	\$10,000	\$1,000
Personal Effects - Per Any One Individual	\$2,500	\$1,000
Personal Property At Newly Acquired Premises	\$250,000	\$1,000
Premises Boundary	1,000 Feet	
Preservation Of Property	60 Days	
Unauthorized Business Card Use	\$5,000	\$1,000
Valuable Paper And Records - Off-Premises	\$2,500	\$1,000

Policy Number: 60624-65-71

Effective Date: 12-01-2019

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS

BUILDING

The following coverages apply to the described building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level and to the Individual location (premises) section for coverages and limits specific to the location (premises).

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)

Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost; ERC - Extended RC; FRC - Functional RC; GRC - Guaranteed RC

Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address			
001	001	16101 Ventura Blvd Ste 255 Encino, CA 91436-2500				
Coverage			Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Business Personal Property (BPP)			BV	RC	\$220,000	\$1,000
Food Borne Illness BI And EE					\$250,000	24 Hours
Food Borne Illness BI And EE - Aggregate					\$500,000	
Tenants Improvements And Betterments					\$25,000	\$1,000

Policy Number: 60624-65-71

Effective Date: 12-01-2019

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS CONTINUED

BUILDING

The following coverages apply to the described building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level and to the individual location (premises) section for coverages and limits specific to the location (premises).

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)

Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost; ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC

Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

[illegible]

Policy Number: 60624-65-71

Effective Date: 12-01-2019

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS CONTINUED

BUILDING

The following coverages apply to the described building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level and to the Individual location (premises) section for coverages and limits specific to the location (premises).

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)

Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost; ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC

Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

[illegible]

Policy Number: 60624-65-71

Effective Date: 12-01-2019

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS CONTINUED**PREMISES**

The following coverages apply to the described location (premises). Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level and to the individual building section for coverages and limits specific to the building.

Premises Number	Bldg. No.	Covered Premises Address	
001	All	16101 Ventura Blvd Ste 255, Encino, CA 91436-2500	
Coverage		Limit Of Insurance	Deductible / Waiting Period
Accounts Receivables - On-Premises		\$25,000	\$1,000
Back Up Of Sewers Or Drains		\$50,000	\$1,000
Building - Tenant Obligation		\$10,000	\$1,000
Business Income & Extra Expense - Boil-Water Order		\$10,000	24 Hours
Debris Removal		25% Of Loss + 10,000	
Electronic Data Processing Equipment		\$10,000	\$1,000
Electronic Data Processing Media And Records		\$10,000	\$1,000
Equipment Breakdown		Included	\$1,000
Equipment Breakdown - Ammonia Contamination		\$25,000	
Equipment Breakdown - Drying Out Coverage		Included	
Equipment Breakdown - Expediting Expenses		Included	
Equipment Breakdown - Hazardous Substances		\$25,000	
Equipment Breakdown - Water Damage		\$25,000	
Food Contamination Shutdown - Business Income		\$100,000	None
Food Contamination Shutdown - Expense		\$100,000	None
Money And Securities - Inside Premises		\$5,000	\$500
Money And Securities - Outside Premises		\$5,000	\$500
Outdoor Property - Fences and Walls		\$25,000	\$1,000
Outdoor Property - Trees, Shrubs & Plants		\$50,000	\$1,000
Outdoor Property - Trees, Shrubs & Plants(Per Item)		\$1,000	\$1,000
Outdoor Signs		\$10,000	\$1,000
Personal Property Off Premises		\$10,000	\$1,000
Pollutant Clean Up And Removal Aggregate		\$10,000	\$1,000
Spoilage		\$75,000	\$1,000
Utility Services - Time Element		\$10,000	8 Hours
Valuable Paper And Records - On-Premises		\$25,000	\$1,000
Wine Collection		\$10,000	None
Wine Collection - Per Item		\$2500	None

Policy Number: 60624-65-71

Effective Date: 12-01-2019

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS CONTINUED**BUILDING**

The following coverages apply to the described building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level and to the individual location (premises) section for coverages and limits specific to the location (premises).

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)

Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost;
ERC - Extended RC; FRC - Functional RC; GRC - Guaranteed RC

Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address			
005	001	1295 Coast Village Rd Santa Barbara, CA 93108				
Coverage			Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Business Personal Property (BPP)			BV	RC	\$275,600	\$1,000
Food Borne Illness BI And EE					\$250,000	24 Hours
Food Borne Illness BI And EE - Aggregate					\$500,000	
Tenants Improvements And Betterments					\$324,500	\$1,000

Policy Number: 60624-65-71

Effective Date: 12-01-2019

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS CONTINUED**PREMISES**

The following coverages apply to the described location (premises). Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level and to the individual building section for coverages and limits specific to the building.

Premises Number	Bldg. No.	Covered Premises Address	
005	All	1295 Coast Village Rd, Santa Barbara, CA 93108	
Coverage		Limit Of Insurance	Deductible / Waiting Period
Accounts Receivables - On-Premises		\$25,000	\$1,000
Back Up Of Sewers Or Drains		\$50,000	\$1,000
Building - Tenant Obligation		\$10,000	\$1,000
Business Income & Extra Expense - Boil-Water Order		\$10,000	24 Hours
Debris Removal		25% Of Loss + 10,000	
Electronic Data Processing Equipment		\$10,000	\$1,000
Electronic Data Processing Media And Records		\$2,500	\$1,000
Equipment Breakdown		Included	\$1,000
Equipment Breakdown - Ammonia Contamination		\$25,000	
Equipment Breakdown - Drying Out Coverage		Included	
Equipment Breakdown - Expediting Expenses		Included	
Equipment Breakdown - Hazardous Substances		\$25,000	
Equipment Breakdown - Water Damage		\$25,000	
Food Contamination Shutdown - Business Income		\$100,000	None
Food Contamination Shutdown - Expense		\$100,000	None
Money And Securities - Inside Premises		\$5,000	\$500
Money And Securities - Outside Premises		\$5,000	\$500
Outdoor Property - Fences and Walls		\$5,000	\$1,000
Outdoor Property - Trees, Shrubs & Plants		\$5,000	\$1,000
Outdoor Property - Trees, Shrubs & Plants(Per Item)		\$1,000	\$1,000
Outdoor Signs		\$10,000	\$1,000
Personal Property Off Premises		\$10,000	\$1,000
Pollutant Clean Up And Removal Aggregate		\$10,000	\$1,000
Spillage		\$75,000	\$1,000
Utility Services - Time Element		\$10,000	8 Hours
Valuable Paper And Records - On-Premises		\$25,000	\$1,000
Wine Collection		\$10,000	None
Wine Collection - Per Item		\$2500	None

Policy Number: 60624-65-71

Effective Date: 12-01-2019

**LIABILITY AND MEDICAL EXPENSES
COVERAGE AND LIMITS OF INSURANCE**

Each paid claim for the following coverage reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.

Premium Basis: (A) Area; (C) Total Cost; (P) Payroll; (S) Sales/Receipts; (U) Each Unit
(M) Public Area Square Feet
(O) Other:

Covered Premises And Operations

Address	Classification /Exposure	Class Code	Prem. Basis	Annual Exposure	Rate	Advance Premium
16101 Ventura Blvd Ste 255 Encino, CA 91436-2500	Full Service - Casual Dining Liquor Sales	5812B 99715	M S	2,280 595,815	Included Included	Included Included
1295 Coast Village Rd Santa Barbara, CA 93108	Full Service - Fine Dining Liquor Sales	5812D 99715	M S	2,815 139,825	Included Included	Included Included

Policy Number: 60624-65-71

Effective Date: 12-01-2019

LIABILITY AND MEDICAL EXPENSES COVERAGE AND LIMITS OF INSURANCE CONTINUED

Coverage	Amount /Date
General Aggregate - (Other Than Products & Completed Operations)	\$4,000,000
Products And Completed Operations Aggregate	\$4,000,000
Personal And Advertising Injury	Included
Each Occurrence	\$2,000,000
Tenants Liability (Each Occurrence)	\$1,000,000
Medical Expense (Each Person)	\$5,000
Pollution Exclusion - Hostile Fire Exception	Included
Hired Auto Liability	\$2,000,000
Liquor Liability - Aggregate	\$2,000,000
Liquor Liability - Each Common Cause Limit	\$1,000,000
Per Location General Aggregate Limit	Included

Policy Number: 60624-65-71

Effective Date: 12-01-2019

Policy Forms And Endorsements Attached At Inception

Number	Title
25-2110	Notice - No Workers' Compensation Covg
25-2984ED2	CA Notice - Insurer & Dept Of Ins Info
25-9200	Farmers Privacy Notice
56-6191	Cyber Liability & Data Breach Dec
562377-ED1	Employment Practices Liability Dec
BP00020197	Businessowners Property Coverage Form
BP00060197	Businessowners Liability Coverage Form
BP00090197	Businessowners Common Policy Conditions
BP04150197	Spillage Coverage
BP04170196	Employment-Related Practices Exclusion
BP04300196	Protective Safeguards
BP04340197	Businessowners Computer Coverage
BP04390196	Abuse Or Molestation Exclusion
BP04550197	Tenants Liability Coverage
BP04570197	Utility Services-Time Element
BP05140103	War Liability Exclusion
BP12030689	Loss Payable Provisions
E0012-ED2	Waiver Of Rights Of Recovery
E2010-ED3	Conditional Exclusion Of Terrorism
E2042-ED2	Multiple Or Enhanced Damages Exclusion
E3027-ED1	No Covg Certain Computer Related Losses
E3031-ED1	Utility Services-Time Element
E3032-ED1	Food Borne Illness Business Interruption
E3309-ED6	Amend-Aggregate Limits Of Ins
E3342-ED2	Personal And Advertising Injury Coverage
E3415-ED2	Outdoor Fences And Walls
E3416-ED3	Back Up Of Sewers Or Drains Coverage
E3419-ED3	Food Contamination Shutdown
E3443-ED5	Restaurant Premier Package Endorsement
E4009-ED4	Mold And Microorganism Exclusion
E6036-ED4	Lead Poisoning And Contamination Excl
E6289-ED1	Bus Income & Extra Expense - 18 Months
IL00210498	Nuclear Energy Liability Exclusion
J6300-ED3	Discl Of Prem-Cert Acts Of Terror
J6316-ED1	Excl Of Loss Due To Virus Or Bacteria
J6345-ED1	Exclusion - Violation Of Statutes
J6351-ED2	Limited Terrorism Exclusion
J6353-ED1	Change To Limits Of Insurance
J6577-ED1	EPLI - Standard
J6612-ED2	Equipment Breakdown Coverage Endorsement
J6740-ED1	Two Or More Coverage Forms

Policy Number: 60624-65-71

Effective Date: 12-01-2019

Policy Forms And Endorsements Attached At Inception

Number	Title
J6828-ED1	Ltd Covg For Fungi, Wet/Dry Rot
J6839-ED1	Amendment Agg Limit Of Ins
J6840-ED2	Addl Insd-Scheduled Person Or Org
J6847-ED1	Limitation - Employment Practices Liab
J6849-ED2	Deductible Provisions
J7110-ED1	Exclusion Confidential Info
J7115-ED1	Excl Asbestos/Silica/Silica-Related Dust
J7122-ED1	Loss Payment - Profit, Overhead & Fees
J7136-ED1	Pollution Exclusion - Expanded Exception
J7138-ED1	Bus Inc & Extra Exp - Partial Slowdown
J7152-ED1	Liquor Liability
J7157-ED1	Damage To Property Exclusion Revised
J7221-ED1	Marijuana Exclusion
J7230-ED1	Supplementary Payments
J7231-ED1	Addl Insd-Mgrs Or Lessors Of Premises
J7236-ED1	Addl Insd-Lessor Of Leased Equipment
J7238-ED1	Addl Insd-Designated Person Or Org
J7240-ED1	Owners,lessees,cont-Construction
S9934-ED4	California Changes
S9941-ED3	Hired And Non-Owned (W/Delivery)
S9945-ED2	California Amendatory Endorsement



DECLARATIONS EMPLOYMENT PRACTICES INSURANCE COVERAGE - STANDARD

THIS IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE INSURER AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE INSURER SHALL NOT BE LIABLE FOR ANY DEFENSE COSTS OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

Policy Number: 60624-65-71

1. Named Insured: PHILLIPDOUGLAS, LLC

☐ Individual ☐ Partnership ☐ Corporation ☐ Joint Venture ☒ Other

2. Policy Period: 12/01/19 to 12/01/20 at 12:01 A.M.
(Standard Time at Your address shown below).

3. Address: 16101 VENTURA BLVD
ENCINO CA 91436-2500

4. Limit Of Liability: (Includes Cost Of Defense)

(a) Each Insured Event Limit	\$100,000
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(b) Aggregate Limit of Liability	\$100,000
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5. Self Insured Retention (Includes Cost Of Defense):

Any One Insured Event	\$2,500
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6. Prior Knowledge Date: 12/01/15

7. Retroactive Date: 12/01/15

8. Premium: \$3,453.00

9. Authorized Representatives:

Farmers Insurance
4450 Rosewood Drive
Suite 400
Pleasanton, CA 94588
800-580-0115

10. Endorsements At Inception:

Refer to Policy Declaration, Policy forms and Endorsements section
for applicable Employment Practice Liability Insurance Coverage Form.



Truck Insurance Exchange (A Reciprocal Insurer)
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

DECLARATIONS CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE

THIS COVERAGE INCLUDES CLAIMS MADE AND REPORTED COVERAGES. SUBJECT TO ITS TERMS, THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, DURING THE OPTIONAL EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THE COVERAGE FORM CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

Named PHILLIPDOUGLAS, LLC
Insured *SEE J7104 AMEND TO NAMED INS

Policy Number 60624-65-71

Mailing 16101 VENTURA BLVD
Address ENCINO, CA 91436-2500

Policy From: 12-01-2019
Period To: 12-01-2020 12:01 A.M. Standard time at your mailing address shown above.

Retroactive Date: 12/01/2015

Continuity Date: 12/01/2015

Optional Extension Period:

Length of optional extension period: _____

If no time period is stated, optional extension period coverage is not provided.

Cyber Extortion Hot Line: 1-800-435-7764

Policy Number: 60624-65-71**Effective Date:** 12-01-2019

Coverage	Limit Of Insurance	Retention/Waiting Period
Aggregate Limit of Liability	\$50,000	
Insuring Agreement A - Information Security & Privacy Liability	\$50,000	\$2,500
Insuring Agreement B - Privacy Breach Response Services	\$50,000/ 5,000 Notified Individuals	\$2,500/ 100 Notified Individuals
Insuring Agreement C - Regulatory Defense & Penalties	\$50,000	\$2,500
Insuring Agreement D - Website Media Content Liability	\$50,000	\$2,500
Insuring Agreement E - PCI Fines, Expenses And Costs	\$10,000	\$2,500
Insuring Agreement F - Cyber Extortion	\$50,000	\$2,500
Insuring Agreement G - First Party Data Protection	\$50,000	\$2,500
Insuring Agreement H - First Party Network Business Interruption Income Loss/Extra Expense Waiting Period	\$50,000	\$2,500 12 hours

Policy Forms And Endorsements Attached At Inception

Number	Title
J7155-ED1 W1193-ED1	Cyber Liability Coverage Form Cyber Liab - CA Amendatory Endor



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

J7221
1st Edition

MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS POLICY

A. The Businessowners Special Property Coverage Form and **Section I Property** of the Businessowners Coverage Form are amended as follows:

1. The following is added to Paragraph **A.2. Property Not Covered**:

a. "Marijuana".

2. Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred due to a suspension of your "operations" which involve the design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana".

3. Paragraphs **A.1.** and **A.2.** above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

a. Ingestion;

b. Inhalation;

c. Absorption; or

d. Consumption.

B. The following exclusion is added to the Businessowners Liability Coverage Form and **Section II Liability** of the Businessowners Coverage Form:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:

a. The design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana";

b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "marijuana"; or

2. "Property damage" to "marijuana".

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.

However, this exclusion does not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

a. Ingestion;

b. Inhalation;

c. Absorption; or

d. Consumption.

C. For the purposes of this endorsement, the following definition is added:

"Marijuana":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC), Cannabidiol (CBD) or any other cannabinoid, regardless of whether any such cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such cannabinoid:
- a. Any plant of the genus *Cannabis* L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
 - b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:
 - (1) Resin, oil or wax;
 - (2) Hash or hemp; or
 - (3) Infused liquid or edible marijuana;whether derived from any plant or part of any plant set forth in Paragraph **C.2.a.** above or not.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60624-65-71

J7240
1st Edition



ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - WITH ADDITIONAL INSURED REQUIREMENT IN CONSTRUCTION CONTRACT

This endorsement modifies Insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

A. The following is added to Paragraph C. Who Is An Insured of the applicable Coverage Form:

Any person(s) or organization(s) for whom you are performing operations is also an additional insured, if you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be included as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations for the additional insured.

However, the Insurance afforded to such additional insured:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends on the earlier of the date:

- a. When your operations for that insured are completed; or
- b. The contract or agreement you have entered into with the additional insured is terminated.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the Insurance afforded to these additional insureds, the following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance of the applicable Coverage Form:

The most we will pay on behalf of the additional insured is the amount of Insurance:

1. Required by the contract or agreement you have entered into with the additional insured; 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60624-65-71



J7231
1st Edition

ADDITIONAL INSURED MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Designation Of Premises (Part Leased To You): 16101 VENTURA BLVD STE 255 ENCINO CA 914362500
Name Of Person(s) Or Organization(s) (Additional Insured): ENCINO PLACE, L.P.
Additional Premium: \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph C. Who Is An Insured of the applicable Coverage Form:

The person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability caused, in whole or in part, by the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

However:

- a. The Insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the Insurance afforded to these additional insureds the following additional exclusions apply:

This Insurance does not apply to:

1. Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.
2. Structural alterations, new construction or demolition operations performed by or for the person(s) or organization(s) designated in the Schedule.

C. With respect to the Insurance afforded to these additional insureds, the following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance of the applicable Coverage Form:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of Insurance:

1. Required by the contract or agreement; 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60624-65-71

J7238
1st Edition



ADDITIONAL INSURED DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
CHRISTINE & MIKE BELL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance** of the applicable Coverage Form:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60624-65-71

J7236
1st Edition



ADDITIONAL INSURED - LESSOR OF LEASED EQUIPMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s): TIME PAYMENT CORP
Description Of Leased Equipment: POINT OF SALE EQUIPMENT
Location(s) Of Leased Equipment: 16101 VENTURA BLVD STE 255 ENCINO CA 914362500
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

The person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

C. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance** of the applicable Coverage Form:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60624-65-71

J7238
1st Edition



ADDITIONAL INSURED DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
THE RECORDING ACADEMY
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance** of the applicable Coverage Form:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60624-65-71

J7238
1st Edition



ADDITIONAL INSURED DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
VEDC C/O LENDING DEPT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

- a.** The insurance afforded to such additional insured only applies to the extent permitted by law; and
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ADDITIONAL INSURED DESIGNATED PERSON OR ORGANIZATION

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
BRS INVESTMENTS DBA BACARA RESORT & SPA
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
STUDIO CITY CHAMBER OF *SEE J7105 AMEND TO ADDNL INS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

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ADDITIONAL INSURED DESIGNATED PERSON OR ORGANIZATION

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
LONG POINT DEVELOPMENT INC.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
CULTIVATE EVENTS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
SANTA BARBARA VINTNERS ASSOCIATION C/O RISK STRATEGIE
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
POP2LIFE, A CONDE NAST AGENCY
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
LOS ANGELES MAGAZINE LLC *SEE J7105 AMEND TO ADDNL INS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
SADDLEROCK RANCH AND RON & LISA SEMLER
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

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This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
LA MAGAZINE LLC, *SEE J7105 AMEND TO ADDNL INS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
GC PARK PLAZA OPERATOR LLC *SEE J7105 AMEND TO ADDNL INS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
CULTIVATE EVENTS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
SANTA BARBARA VINTNERS ASSOCIATION C/O RISK STRATEGIE
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

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BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
GC PARK PLAZA OPERATOR LLC *SEE J7105 AMEND TO ADDNL INS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Paragraph **C. Who Is An Insured** of the applicable Coverage Form:

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Dear Valued Customer,

Have the growth of your business and rising labor costs reduced the accuracy of the payroll or revenue shown on your policy? Have increased costs and inflationary trends reduced the protection provided by your policy? Building and Business Personal Property insurance limits, once adequate, may no longer meet today's repair or replacement costs.

To help compensate for these inflationary trends, the limits of insurance for Building and/or Business Personal Property coverages have been increased by a modest percentage. To keep your policy current with rising labor costs and normal business growth, the payroll and/or revenue have also been increased by a modest percentage.

This renewal offer includes the adjusted limits of insurance, payroll, revenue, and premium for your policy. The adjustments are relatively small, and they're based on estimated increases in the past year's construction and repair costs, as well as other inflationary factors, such as rising labor costs and normal business growth.

These increases do not guarantee adequate coverage for any loss; they are based on estimates. It is possible, for example, that updates or improvements to your property or increased sales might cause your individual needs for coverage to be greater than the amount provided by these adjustments. If you have not reviewed your policy recently, the effects of inflationary changes over time create the likelihood that the increases we made are less than the increases you need for optimal coverage.

These changes are made to better serve your insurance needs, and we encourage you to contact your Farmers[®] agent, who will be pleased to help you with a comprehensive review of your policy.

Acceptance of these changes does not waive the provisions of the coinsurance clause or any other policy clause.

Thank you for choosing Farmers. We appreciate your business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7230
1st Edition

SUPPLEMENTARY PAYMENTS

This endorsement modifies Insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

Paragraph **d.** or **f. Coverage Extension Supplementary Payments** of the applicable coverage form is deleted and replaced with the following:

Coverage Extension Supplementary Payments

(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 Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our 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 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 our Limit of Insurance.

These payments will not reduce the limit of liability.

(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:
 - (i) Agrees in writing to:

- i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (ii) Provides us with written authorization to:
- i. Obtain records and other information related to the "suit"; and
 - ii. Conduct and control the defense of the indemnitee in such "suit".
- (3) So long as the conditions in Paragraph (2) 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 Subparagraph b.(2) of the Contractual Liability Exclusion, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above, are no longer met.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

POLICY NUMBER: 60624-65-71

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7105
3rd Edition

AMENDMENT OF ADDITIONAL INSURED

This endorsement modifies Insurance provided under the:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name(s) Of Additional Insured Person(s) Or Organization(s):

STUDIO CITY CHAMBER OF
COMMERCE

X

The person or organization listed above is added to the Schedule of the following endorsement:

	Additional Insured - Controlling Interest
	Additional Insured - Co-Owner of Insured Premises
X	Additional Insured - Designated Person or Organization
	Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
	Additional Insured - Grantor Of Franchise
	Additional Insured - Lessor of Leased Equipment
	Additional Insured - Managers or Lessors of Premises
	Additional Insured - Mortgagee, Assignee or Receiver
	Additional Insured - Owners, Lessees Or Contractors
	Additional Insured - Owners or Other Interests from Whom Land Has Been Leased
	Additional Insured - Primary and Noncontributory
	Additional Insured - Scheduled Person Or Organization
	Additional Insured - State or Political Subdivisions Permits
	Additional Insured - State or Political Subdivisions Permits Relating to Premises
	Additional Insured - Vendors
	Waiver of Rights Recovery
	Other

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

POLICY NUMBER: 60624-65-71

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7105
3rd Edition

AMENDMENT OF ADDITIONAL INSURED

This endorsement modifies Insurance provided under the:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

Name(s) Of Additional Insured Person(s) Or Organization(s):

GC PARK PLAZA OPERATOR LLC
AND THEIR RESPECTIVE EMPLOYEES, DIRECTORS, OFFICERS, PARENT,
SUBSIDIARIES, AFFILIATES, AGENTS, SUCCESSORS
AND ASSIGNS AS ADDITIONAL INSURED FOR PURPOSES OF THIS CONTRACT

The person or organization listed above is added to the Schedule of the following endorsement:

	Additional Insured - Controlling Interest
	Additional Insured - Co-Owner of Insured Premises
X	Additional Insured - Designated Person or Organization
	Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
	Additional Insured - Grantor Of Franchise
	Additional Insured - Lessor of Leased Equipment
	Additional Insured - Managers or Lessors of Premises
	Additional Insured - Mortgagee, Assignee or Receiver
	Additional Insured - Owners, Lessees Or Contractors
	Additional Insured - Owners or Other Interests from Whom Land Has Been Leased
	Additional Insured - Primary and Noncontributory
	Additional Insured - Scheduled Person Or Organization
	Additional Insured - State or Political Subdivisions Permits
	Additional Insured - State or Political Subdivisions Permits Relating to Premises
	Additional Insured - Vendors
	Waiver of Rights Recovery
	Other

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

BUSINESSOWNERS SPECIAL 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 - Property 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 policy, means the type of property as 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. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments or rooms furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the buildings or structures;

(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 buildings or structures.

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition E.6.d.(3)(b);
- (3) Tenant's 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;
 - (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph A.1.b.(2).

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
 - (1) Money and Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat.

3. Covered Causes Of Loss

Risks Of Direct Physical Loss unless the loss is:

- a. Excluded in Section B., Exclusions; or
- b. Limited in Paragraph A.4., Limitations; that follow.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) 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.

- (2) 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.

- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

- b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of an outdoor sign, we will not pay more than \$500 for the total of all loss or damage in any one occurrence. Subject to the \$500 limit on all loss or damage, we will not pay more than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

- c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

- (1) Glass that is part of the interior of a building or structure;
- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.

- d. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.

- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in Paragraph (4) below.
- (3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (4) If:
 - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in Paragraph (2) above;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

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 of or damage to that property:

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

c. Fire Department Service Charge

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

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

d. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this policy, if the collapse is caused by one or more of the following:
 - (a) The "specified cause of loss" or breakage of building glass, all only as insured against in this policy;
 - (b) Hidden decay;
 - (c) Hidden insect or vermin damage;
 - (d) Weight of people or personal property;
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in d.(1)(a) through d.(1)(e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

(2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

(a) The personal property which collapses is inside a building insured under this policy; and

(b) The collapse was caused by a cause of loss listed in **d.(1)(a)** through **d.(1)(f)** above.

(3) With respect to the following property:

(a) Awnings;

(b) Gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Piers, wharves and docks;

(f) Beach or diving platforms or appurtenances;

(g) Retaining walls; and

(h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in **d.(1)(b)** through **d.(1)(f)**, we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

(4) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

e. 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.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

(1) Results in discharge of any substance from an automatic fire protection system; or

(2) Is directly caused by freezing.

f. Business Income

(1) Business Income

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

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

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage.

Business Income means the:

(i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

(ii) Continuing normal operating expenses incurred, including payroll.

Ordinary payroll expenses mean payroll expenses for all your employees except:

- (a) Officers;
- (b) Executives;
- (c) Department Managers;
- (d) Employees under contract; and
- (e) Additional Exemptions shown in the Declarations as:
 - (i) Job Classifications; or
 - (ii) Employees.

Ordinary payroll expenses include:

- (a) Payroll;
- (b) Employee benefits, if directly related to payroll;
- (c) FICA payments you pay;
- (d) Union dues you pay; and
- (e) Workers' compensation premiums.

(2) Extended Business Income

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

- (a) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(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.

This Additional Coverage is not subject to the Limits of Insurance.

g. Extra Expense

- (1) We will pay necessary Extra Expense 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 at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

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

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

- (2) Extra Expense means expense incurred:

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

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

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

(c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged "valuable papers and records":

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

h. Pollutant Clean Up And Removal

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

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

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

i. Civil Authority

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

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

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

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

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

j. Money Orders And Counterfeit Paper Currency

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

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

The most we will pay for any loss under this Additional Coverage is \$1,000.

k. Forgery And Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500.

l. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in I.(3) through I.(9) of this Additional Coverage.
 - (3) The ordinance or law referred to in I.(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 any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
 - (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$5,000.
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 repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, of 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.
 - (c) 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.
 - (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 Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in I.(6) of this Additional Coverage, is not subject to such limitation.
- m. Exterior Building Glass**
- (1) We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, that is part of the exterior of a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:
 - (a) Expenses incurred to put up temporary plates or board up openings;
 - (b) Repair or replacement of encasing frames; and
 - (c) Expenses incurred to remove or replace obstructions.
 - (2) Paragraph A.3., **Covered Causes Of Loss** and Section B., **Exclusions** do not apply to this Additional Coverage, except for:
 - (a) Paragraph B.1.b., Earth Movement;
 - (b) Paragraph B.1.c., Governmental Action;
 - (c) Paragraph B.1.d., Nuclear Hazard;
 - (d) Paragraph B.1.f., War And Military Action; and
 - (e) Paragraph B.1.g., Water.

(3) We will not pay for loss or damage caused by or resulting from:

- (a) Wear and tear;
- (b) Hidden or latent defect;
- (c) Corrosion; or
- (d) Rust.

(4) The most we pay under this Additional Coverage is the Building Limit of Insurance shown in the Declarations.

However, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, the most we will pay under this Additional Coverage is the Tenant's Exterior Building Glass Limit of Insurance shown in the Declarations.

6. Coverage Extensions

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

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, unless a higher Limit of Insurance is shown in the Declarations.

a. Personal Property At Newly Acquired Premises

(1) You may extend the insurance that applies to Business Personal Property to apply to that property at any premises you acquire.

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

(2) Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire or begin construction at the new premises; or
- (c) You report values to us.

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

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$5,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following 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 \$2,500, but not more than \$500 for any one tree, shrub or plant.

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or your employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

e. "Valuable Papers And Records"

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale;
- (b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

(4) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;
- (c) Paragraph **B.1.f.**, War And Military Action;
- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

f. Accounts Receivable

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

(3) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;
- (c) Paragraph **B.1.f.**, War And Military Action;
- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

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

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

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

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Power Failure

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

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

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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

a. Electrical Apparatus

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

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. 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.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (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.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

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

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

g. False Pretense

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.

h. Exposed Property

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

i. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, 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; or

(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 **B.2.k.(1)** through **B.2.k.(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.

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

a. Weather Conditions

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

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate 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. Business Income And Extra Expense Exclusions

We will not pay for:

a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(1) 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

(2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

b. Any other consequential loss.

5. Accounts Receivable And "Valuable Papers And Records" Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

(a) Programming errors or faulty machine instructions;

(b) Faulty installation or maintenance of data processing equipment or component parts;

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

b. Applicable to "Valuable Papers and Records" only:

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

(1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion.

(2) Wear and tear, gradual deterioration or latent defect.

c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

4. Building Limit - Automatic Increase

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, 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 of the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If: The applicable Building limit 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
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200.$

5. Business Personal Property Limit - Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages and the Additional Coverage - Exterior Building Glass in any one occurrence is the Optional Coverage/Exterior Building Glass Deductible shown in the Declarations:
 - a. Money and Securities;
 - b. Employee Dishonesty;

c. Interior Glass; and

d. Outdoor Signs.

But this Optional Coverage/Exterior Building Glass Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense; and

d. Civil Authority.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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.

(9) 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.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

6. Loss Payment

In the event of loss or damage covered by this policy:

- a. 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;
- (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 d.(1)(e) below.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- c. We will not pay you more than your financial interest in the Covered Property.

- d. Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:

- (1) At replacement cost without deduction for depreciation, subject to the following:

- (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (i) The Limit of Insurance under this policy that applies to the lost or damaged property;

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:

- i. Of comparable material and quality; and

- ii. Used for the same purpose; or

- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - (i) The actual cash value of the lost or damaged property; or
 - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
 - (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 on a replacement cost basis 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:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 - (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value - Buildings" option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
- (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
- (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) 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.
- (c) Nothing if others pay for repairs or replacement.

- (6) "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

- (a) Blank materials for reproducing the records; and
- (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" that are actually replaced or restored.

- (7) Applicable only to the Optional Coverages:

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

- (8) Applicable only to Accounts Receivable:

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

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

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

- (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to re-establish or collect;

- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and

- (iv) All unearned interest and service charges.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- 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, provided you have complied with all of the terms of this policy, and

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

7. Recovered Property

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

8. Resumption Of Operations

We will reduce the amount of your:

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

9. 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 of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

(i) Is not rented; or

(ii) Is not used 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%.

F. Property General Conditions

1. 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 Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

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 policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy 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 policy 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 policy:

(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 non-payment 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.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:

- (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

- b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);

- (2) Puerto Rico; and

- (3) Canada.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

- (1) Owned by you; or

- (2) Owned by others but in your care, custody or control.

- b. Paragraph A.3., Covered Causes Of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:

- (1) Paragraph B.1.c., Governmental Action;

- (2) Paragraph B.1.d., Nuclear Hazard; and

- (3) Paragraph B.1.f., War And Military Action.

- c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;

- (2) Hidden or latent defect;

- (3) Rust;

- (4) Corrosion; or

- (5) Mechanical breakdown.

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

- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Interior Glass

- a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:

- (1) Described in the Declarations as covered under this Optional Coverage; and

- (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and

- (3) Owned by you, or owned by others but in your care, custody or control.

- b. We will also pay for necessary:
 - (1) Expenses incurred to put up temporary plates or board up openings;
 - (2) Repair or replacement of encasing frames; and
 - (3) Expenses incurred to remove or replace obstructions.
 - c. Paragraph A.3., **Covered Causes Of Loss**, and Section B., **Exclusions**, do not apply to this Optional Coverage, except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War And Military Action.
 - d. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Corrosion; or
 - (4) Rust.
 - e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.
- 3. Money And Securities**
- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
 - b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) 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.
 - c. The most we will pay for loss in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
 - d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
 - e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- 4. Employee Dishonesty**
- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
 - b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.

- (2) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage does not apply to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee; of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
- (2) The prior insurance had it remained in effect.

5. Mechanical Breakdown

- a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:
 - (1) Owned by you or in your care, custody or control; and
 - (2) At the described premises.
- b. Accident means a sudden and accidental breakdown of the Object or a part of the Object. At the time the breakdown occurs, it must manifest itself by physical damage to the Object that necessitates repair or replacement.
- c. None of the following is an Accident:
 - (1) Depletion, deterioration, corrosion or erosion;
 - (2) Wear and tear;
 - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) Breakdown of any vacuum tube, gas tube or brush;
 - (5) Breakdown of any electronic computer or electronic data processing equipment;
 - (6) Breakdown of any structure or foundation supporting the Object or any of its parts;
 - (7) The functioning of any safety or protective device; or
 - (8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.
- d. Object means any of the following equipment:
 - (1) Boiler and Pressure Vessels:
 - (a) Steam heating boilers and condensate return tanks used with them;

- (b) Hot water heating boilers and expansion tanks used with them;
 - (c) Hot water supply boilers;
 - (d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;
 - (e) Steam boiler piping, valves, fittings, traps and separators, but only if they:
 - (i) Are on your premises or between parts of your premises;
 - (ii) Contain steam or condensate of steam; and
 - (iii) Are not part of any other vessel or apparatus;
 - (f) Feed water piping between any steam boiler and a feed pump or injector.
- (2) Air Conditioning Units - Any air conditioning unit that has a capacity of 60,000 Btu or more, including:
- (a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;
 - (b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;
 - (c) Vessels heated directly or indirectly that:
 - (i) Form part of an absorption type system; and
 - (ii) Function as a generator, regenerator or concentrator;
 - (d) Compressors, pumps, fans and blowers used solely with the system together with their driving electric motors; and
 - (e) Control equipment used solely with the system.
- e. Object does not mean:
- (1) As Boiler and Pressure Vessels:
 - (a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;
 - (b) Boiler settings;

- (c) Insulating or refractory material; or
- (d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.

(2) As Air Conditioning Units, any:

- (a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or
- (b) Wiring or piping leading to or from the unit.

f. We will not pay for an Accident to any Object while being tested.

g. Suspension

Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the Object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

1. "Money" means:

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

2. "Operations" means your business activities occurring at the described premises.

3. "Period of restoration" means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

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

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

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

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".
6. "Specified Causes of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

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

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) 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.

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

7. "Valuable papers and records" means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean:

- d. "Money" or "Securities";
- e. Converted Data;
- f. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J6353
1st Edition

CHANGE TO LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following provision replaces D.1.

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;
 - c. Persons or organizations making "claims" or bringing "suits"; or
 - d. Policies involved.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

NO COVERAGE FOR CERTAIN COMPUTER-RELATED LOSSES

E3027
1st Edition

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS STANDARD FORM COMPUTER COVERAGE
BUSINESSOWNERS SPECIAL FORM COMPUTER COVERAGE
BUSINESSOWNERS LIABILITY COVERAGE FORM
STANDARD PROPERTY POLICY
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
BUSINESS AUTO COVERAGE FORM
EQUIPMENT BREAKDOWN COVERAGE FORM
GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. We will not pay for loss or damage to any property, loss of use of any property, Extra Expense or loss of Business Income caused directly or indirectly by:

1. The failure or malfunction of:

a. Any of the following, whether belonging to you or to others:

- (1) computer hardware;
- (2) computer software;
- (3) computer operating systems;
- (4) computer networks;
- (5) microprocessors (computer chips);
- (6) any other computerized or electronic equipment or components;
- (7) any electronic data processing equipment, computer programs and software; or

b. Any other products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **1.a.** of this endorsement

due to the inability of those products or services described in paragraphs **1.a.** and **1.b.** to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by you or for you to determine, rectify or test any potential or actual failure, malfunction or inadequacy described in paragraph **A.1.** above.

However, if an excluded Cause of Loss results in:

- 1.** a "Specified Cause of Loss" (such as fire) under the Causes of Loss - Special Form; or
- 2.** a Covered Cause of Loss (such as fire) under the Causes of Loss - Basic Form or Broad Form;

we will pay only for the loss or damage caused by such "Specified Cause of Loss" or Covered Cause of Loss.

B. We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" for which any insured may be held liable by reason of:

- 1.** The failure or malfunction of any of the items listed in paragraph **A.1.a.** of this endorsement; or
- 2.** Any products or services 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 of those products or services described in paragraphs **1.** and **2.** above to correctly recognize, distinguish, interpret, accept or process any date(s) or times(s).

C. We will not pay for repair or modification of any part of an electronic data processing system, or its related equipment, to correct deficiencies or features of logic or operation.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR FENCES AND WALLS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM - BP 00 03

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Limits of Insurance:

\$ 5,000 Per Occurrence

A. The following item is added to paragraph A. 1. **Covered Property** in the BUSINESSOWNERS COVERAGE FORM.

(7) Outdoor fences and walls.

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

B. Outdoor fences are deleted from A. 2. e. **Property Not Covered** and 6. **Coverage Extensions, c. Outdoor Property** in the Coverage Form:

However, the coverage amount shown in this endorsement will never be less than the \$2500 limit stated in the Businessowners Coverage Form under 6. **Coverage Extensions, c. Outdoor Property**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II Liability** of the Businessowners Coverage Form **BP 00 03**:

A. Exclusion i. under Paragraph B.1., Exclusions Applicable To Business Liability Coverage is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

i. War

"Bodily injury", "property damage", "personal injury", "advertising injury" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1)** War, including undeclared or civil war; or
- (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.

B. Exclusion h. under Paragraph B.2. Exclusions Applicable To Medical Expenses Coverage does not apply. Medical Expenses due to war are now subject to Exclusion **g.** of Paragraph **B.2.** since "bodily injury" arising out of war is now excluded under Paragraph **B.1., Exclusions Applicable To Business Liability Coverage.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS SPECIAL FORM COMPUTER COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

SCHEDULE*

Electronic Data Processing Equipment

LIMITS OF INSURANCE

Prem.	Bldg.
No.	No.
001	001

\$	<u>10,000/OCCURRENCE</u>
\$	_____
\$	_____

The Limit of Insurance for Electronic Media and Records is 25% of the Limit of Insurance shown for Electronic Data Processing Equipment unless a higher Limit of Insurance for Electronic Media and Records is shown below.

Electronic Data Processing Media And Records

LIMITS OF INSURANCE

Prem.	Bldg.
No.	No.
001	001

\$	_____
\$	_____
\$	_____

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

The coverage provided by this endorsement is subject to the provisions applicable to the Businessowners Special Property Coverage Form attached to this policy, including the deductible provisions, except as otherwise provided within this endorsement.

The following provisions (A. through H. inclusive) apply only to the coverage provided by this endorsement:

A. Paragraph A.1.b. Business Personal Property is replaced by the following:

b. Business Personal Property

Covered Property as used in this endorsement includes the following types of property that you own that are used in your business; and property of others as defined below, that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition E.6.d.(3)(b).

(1) Electronic Data Processing Equipment (Hardware)

As used in this endorsement, Electronic Data Processing Equipment includes:

- (a)** Programmable electronic equipment that is used to store, retrieve and process data; and
- (b)** Associated peripheral equipment that provides communication including input and output functions such as printing, or auxiliary functions such as data transmission;

except as described in **(2)** below.

(2) Electronic Media And Records (Including Software)

As used in this endorsement, Electronic Media and Records includes:

- (a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (b) Data stored on such media; and
- (c) Programming records used for electronic data processing or electronically controlled equipment.

B. The following is added to Paragraph A.2. Property Not Covered:

- g. Property held as samples, held for rental or sale or that you rent to others;
- h. Property in storage away from the premises shown in the Declarations or in the Schedule, except as provided in the Coverage Extensions of this endorsement;
- i. Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration; or
- j. Accounts, bills, evidences of debt and valuable papers and records. However, such property is Covered Property in its "converted data" form.

C. Under A.4. Limitations, Paragraphs a.(1) and (2) do not apply.**D. Under A.6. Coverage Extensions in the Businessowners Special Property Coverage Form:**

- 1. Under the Personal Property at Newly Acquired Premises Coverage Extension 6.a., insurance under this Extension for Covered Property will end when any of the following first occurs:

- a. This policy expires;
- b. 30 days expire after you acquire new premises or begin construction at the new premises;
- c. Specific insurance for the Covered Property at the newly acquired premises is obtained; or
- d. You report values to us.

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

2. Coverage Extension 6.b. Personal Property Off Premises applies to Covered Property:

- (a) While such property is in the course of transit or is located at a premises you do not own, lease or operate for not more than 90 days.

- (b) Including duplicate or back-up electronic media and records that are stored at a separate location which is at least 100 feet from the premises described in the Schedule or Declarations as applying to electronic media and records.

3. The following are added to A.6. Coverage Extensions:**e. Mechanical Breakdown Of Electronic Data Processing Equipment**

We will pay for loss or damage to Covered Property due to mechanical breakdown if such loss or damage exceeds in any one occurrence the applicable deductible shown in the Declarations.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Covered Property.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

f. Artificially Generated Electrical Current

We will pay for loss or damage to Electronic Data Processing Equipment due to artificially generated electrical current if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

If such loss or damage as specified above, exceeds in any one occurrence the applicable deductible shown in the Declarations, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Equipment.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described Location.

The Electrical Apparatus Exclusion **B.2.a.** in the Businessowners Special Property Coverage Form does not apply to this Coverage Extension.

E. The following is added to Paragraph B. Exclusions in the Businessowners Special Property Coverage Form:

1. The following exclusions do not apply to coverage provided under this endorsement:

B.1.e. Power Failure, **B.2.c.** Smoke, **B.2.d.** Steam Apparatus, **B.2.i.** Collapse, **B.2.k.(3), (4)** and **(5)** Other Types Of Loss exclusions and **B.3.b.** Acts Or Decisions.

2. Exclusion **B.2.k.(7)** is replaced by the following:

(a) Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.

- (b) Marring or scratching:

But if an excluded cause of loss that is listed in **B.2.k.(1), (2), (6)** or **(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.

F. Additional Exclusions

The following exclusions apply in addition to the exclusions listed under **B. Exclusions** in the Businessowners Special Property Coverage Form.

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

1. Human errors or omissions in processing, recording or storing information on electronic media and records and electronic data processing equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this endorsement.

2. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided for under the Coverage Extensions of this endorsement.

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

3. Failure, breakdown or malfunction of electronic media and records and electronic data processing equipment, including parts, while the media is being run through the equipment.

But, we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss are covered by this endorsement.

4. Installation, testing, repair or other similar service performed upon the electronic data processing media and records or electronic data processing equipment, including parts.

G. Property Loss Conditions

Paragraph **d.(6)** of the **Loss Payment** Property Loss Condition does not apply to electronic media and records that are actually replaced or re-stored.

H. The following is added to H. Property Definitions:

7. "Converted data" means information that is stored on electronic media, that is capable of being communicated, processed or interpreted by electronic data processing equipment.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES - TIME ELEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Water Supply Property	Communication Supply Property (Not Including Overhead Transmission Lines)	Communication Supply Property (Including Overhead Transmission Lines)	Power Supply Property (Not Including Overhead Transmission Lines)	Power Supply Property (Including Overhead Transmission Lines)
X		X		X

Prem. No.	Bldg. No.	Utility Services Limit Of Insurance
001	001	\$10,000

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

The coverage provided by this endorsement is subject to the provisions of the applicable Businessowners Property Coverage Form of this policy, except as provided below.

A. Coverage

The following is added to Paragraph A.:

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph B. if such property is indicated by an "X" in the Schedule and is located outside of a covered building described in the Declarations.

B. Utility Services

1. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; and
 - c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

3. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

B. Limits Of Insurance

Section **C.** is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule as applicable to the Covered Property.


E3032
 1st Edition

FOOD BORNE ILLNESS BUSINESS INTERRUPTION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

SCHEDULE Per Location

Location #	Limit of Insurance	Aggregate
001 001 16101 VENTURA BLVD ENCINO CA 914362500	\$25,000	\$50,000

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement. paid under such other coverage and the Per Location Limit of Insurance.

A. Coverage

- We will pay for the loss of Business Income you sustain, and the necessary Extra Expense you incur due to the necessary suspension of, or reduction in your operations as a direct result of an "incident" at:
 - A covered location described in the Schedule;
 - At any other restaurant location of the same type, trade name and operations.
- We will pay for the loss of Business Income or Extra Expense you sustain during the period of time that begins 24 hours after the date of the "incident" and ends on the earlier of:
 - The date the business income is restored to 90% of the level of the business income achieved at the covered locations during the corresponding period in the year prior to the "incident"; or
 - 365 days from the date of the "incident".

B. Limits of Insurance

- The most we will pay under this coverage "per incident" per location is the Limit of Insurance for Food Borne Illness shown in the Schedule. The most we will pay under this coverage at any one location is subject to an annual aggregate of two times the per location limit of insurance.
- If the operations of any location are suspended due to order of a "Public Health Authority" because of actual or alleged food poisoning, and such suspension is covered under any other **Business Income** coverage, this coverage will not apply except to the extent that the loss is not fully compensated under the other coverage and payment under such other coverage is less than the Per Location Limit of Insurance shown on the Schedule. In that event, this coverage will only pay the difference between the amount

C. Definitions

- "Business Income" means:

- Net income (Profit or Loss before income taxes) that would have been earned or incurred if no physical loss, damage or incident 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 a loss on other businesses; and
- Continuing normal operating expenses incurred, including payroll.

- "Extra Expense" means expense incurred:

- To avoid or minimize the suspension of business and to continue operations; or
- To minimize the suspension of business if you cannot immediately continue operations.

- "Incident" means an announcement by:

- A "Public Health Authority," or
- Publication or broadcast by the Media.

of an actual or alleged discovery of a food borne illness at a scheduled location, or location of the same type, trade name and operation. All announcements concerning the same or which relate to a series of actual or alleged food borne illness(es), regardless of the number of individuals affected, shall be considered one "incident".

Any such announcement must occur during the policy period.

- "Public Health Authority" means the governmental authority having jurisdiction over the insured's operations relating to health and hygiene standards for the protection of the public

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Prem.
No.
001

Bldg.
No.
N/A

Protective Safeguards
Symbols Applicable
P-1

Describe any "P-9":

- A.** The following is added to the Property General Conditions in the Businessowners Property Coverage Form:

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:
 - a. **"P-1" Automatic Sprinkler System**, including related supervisory services.
Automatic Sprinkler System means:
 - (1) Any automatic fire protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.

- (2) When supplied from an automatic fire protective system:

- (a) Non-automatic fire protective systems; and

- (b) Hydrants, standpipes and outlets.

- b. **"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- (1) Connected to a central station; or

- (2) Reporting to a public or private fire alarm station.

- c. **"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

- d. **"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

- e. **"P-9"** The protective system described in the Schedule.

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

B. The following is added to the EXCLUSIONS section of the BUSINESSOWNERS PROPERTY COVERAGE FORM:

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

PREMISES NO.	BLDG. NO.	DESCRIPTION OF PERISHABLE STOCK	LIMIT OF INSURANCE	DEDUCTIBLE
001	001	CHILLED OR FROZEN MERCHANDISE, STOCK OR SUPPLIES	25,000	1,000

REFRIGERATION MAINTENANCE AGREEMENT	BREAKDOWN OR CONTAMINATION	CAUSES OF LOSS	POWER OUTAGE
<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

The Businessowners Property Coverage Form is extended to insure against direct physical loss of or damage to "perishable stock" indicated in the Schedule, caused by the Covered Cause(s) of Loss, as provided by this endorsement.

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

The following provisions (A. through I. inclusive) apply to the coverage provided by this endorsement:

A. Paragraph A.1. Covered Property is replaced by the following:

1. Covered Property

Covered Property means "perishable stock" shown in the Schedule at the described premises, if the "perishable stock" is:

- a.** Owned by you and used in your business;
or

- b.** Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.6.d.(3)(b)**.

B. The following is added to Paragraph A.2. Property Not Covered:

- g.** Property located:
- (1)** On buildings;
 - (2)** In the open; or
 - (3)** In vehicles.

C. Paragraph **A.3. Covered Causes Of Loss** is replaced by the following:

3. Covered Causes Of Loss

Subject to the exclusions described in Item **E.** of this endorsement, Covered Causes of Loss means the following as indicated in the Schedule:

a. Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises shown in the Schedule; or
- (2) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the Schedule.

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

D. Paragraph **A.5. Coverage Extensions** of the Businessowners Standard Property Coverage Form does not apply.

Paragraph **A.6. Coverage Extensions** of the Businessowners Special Property Coverage Form does not apply.

E. Paragraph **B. Exclusions** is replaced by the following:

B. Exclusions

1. Of the **Exclusions** contained in Paragraph **B.1.** of the Businessowners Property Coverage Form, only the following apply to Spoilage Coverage:
 - b.** Earth Movement;
 - c.** Governmental Action;
 - d.** Nuclear Hazard;

f. War And Military Action; and

g. Water.

2. The following Exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- a.** The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- b.** The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- c.** The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
- d.** The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e.** Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

F. Section **D. Deductibles** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

G. Conditions

1. Under **Property Loss Conditions**, Item **d.** of Condition **6. Loss Payment** is replaced by the following:

d. We will determine the value of Covered Property as follows:

- (1) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
- (2) For other "perishable stock", at actual cash value.

2. The following condition applies in addition to the **Businessowners Common Policy Conditions, Property Loss Conditions** (as modified in 1. above) and **Property General Conditions:**

Additional Condition - Refrigeration Maintenance Agreements

Refrigeration Maintenance Agreements

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable in the Schedule, the following condition applies:

You must maintain a refrigeration maintenance or service agreement as described below. If you voluntarily terminate this agreement and do not notify us within 10 days, the insurance provided by this endorsement under the Breakdown or Contamination Covered Cause of Loss will be automatically suspended at the location involved.

A refrigeration maintenance agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the "insured location", and the servicing and repair of the equipment, including emergency response at the "insured location".

- H. Paragraph **G. Optional Coverages** does not apply.

- I. The following is added to the **Definitions:**

"Perishable Stock" means property:

- a. Maintained under controlled temperature or humidity conditions for preservation; and
- b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.



FARMERS
INSURANCE

E6289
1st Edition

Policy Number: 60624-65-71

Effective Date: 12/01/15

BUSINESS INCOME AND EXTRA EXPENSE - 18 MONTHS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM

BUSINESSOWNERS COVERAGE FORM

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The provisions of the applicable Coverage Form apply unless modified by this endorsement.

A. The Businessowners Special Property Coverage Form BP 00 02, or Section I - Property of the Businessowners Coverage Form BP 00 03 is amended as follows:

1. Item A.5.f.(1) **Business Income** is amended as follows:

The maximum period for which we will pay for loss of Business Income that you sustain during the "period of restoration" is 18 consecutive months after the date of direct physical loss or damage.

2. Item A.5.g.(2) **Extra Expense**, is amended as follows:

We will only pay for Extra Expense that occurs within 18 consecutive months after the date of direct physical loss or damage.

B. The Apartment Owners Property Coverage Form E3424 is amended as follows:

1. Item A.5.e.(1) **Business Income** is amended as follows:

The maximum period for which we will pay for loss of Business Income that you sustain during the "period of restoration" is 18 consecutive months after the date of direct physical loss or damage.

2. Item A.5.f.(2) **Extra Expense**, is amended as follows:

We will only pay for Extra Expense that occurs within 18 consecutive months after the date of direct physical loss or damage.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J6732
1st Edition

BLANKET LIMITS FOR BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

When shown in the Declarations, the Limit of Insurance for Buildings at any scheduled location will be provided on a blanket basis.

A. The applicable Property Coverage Form is amended by the following:

Paragraph C.1. under C. **Limits Of Insurance** is deleted and replaced by the following:

1. In the event of covered loss or damage to Building(s) at a scheduled location, the applicable limit of insurance will equal the sum of all the Building limits shown in the Declarations.

This endorsement does not increase the total limit of Building coverage nor does it change any other provisions of the policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



BACK UP OF SEWERS OR DRAINS COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following item is added to paragraph **A.5. Additional Coverages** of the applicable Coverage Form.

Back Up of Sewers or Drains

1. We will pay up to the Limit of Insurance per occurrence shown on the Declarations for loss or damage to your property caused by water that:
 - a. backs up or overflows from your sewer or drain; or
 - b. enters into and overflows from a sump pump or sump pump well or any other system designed to remove subsurface water from the foundation area.

One or more incidents occurring within a 72 hour period is considered one occurrence.

2. Subject to the applicable Limit of Insurance shown on the Declarations and other provisions of this endorsement, paragraph **g.(3)** in **B. Exclusions** is deleted.
3. The deductible applicable to and shown on the Declarations for Building(s) and/or Business Personal Property applies to each loss under this endorsement.
4. The most we will pay for loss or damage in any one occurrence is the limit of insurance for Back Up of Sewers or Drains shown on the Declarations for that building or location.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

BUSINESSOWNERS 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. 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 C - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - Liability And Medical Expenses Definitions.

A. Coverages

1. Business Liability

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "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 "bodily injury", "property damage", "personal injury", or "advertising injury" 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 D - Liability And Medical Expenses 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 or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (b) The "bodily injury" or "property damage" occurs during the policy period.

(2) To:

- (a) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (b) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

c. 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".

d. Coverage Extension - Supplementary Payments

In addition to the Limit of Insurance 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) 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 Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

- (4) 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.
- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) 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 our Limit of Insurance.

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 **B.1.b.(2)** of Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above are no longer met.

2. Medical Expenses

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 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.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily Injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) 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;
 - (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 any insured or 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:

- (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
- (ii) 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.

Subparagraph (d)(i) does not apply to "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 fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order 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.

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.

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 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 the operation of any of the following equipment:
 - (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing 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" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Professional Services

"Bodily injury", "property damage", "personal injury" or "advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Body piercing services; and
- (9) Services in the practice of pharmacy; but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy;
- (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 contractor or subcontractor working directly or indirectly on your behalf is 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.

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".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. 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.

n. 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.

o. 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.

p. Personal Or Advertising Injury

"Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) 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; or
- (5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (6) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order 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.

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.

q. Advertising Injury

"Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** do not apply to damage by fire or explosion 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 **D., Limits of Insurance.**

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. 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. To a person injured while taking part in athletics.
- f. Included within the "products - completed operations hazard".
- g. Excluded under Business Liability Coverage.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business 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 or Nuclear Insurance Association of Canada, 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 Medical Expenses 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 Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "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.

As used in this exclusion:

"Byproduct material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Hazardous properties" include radioactive, toxic or explosive properties;

"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 material" means "source material", "special nuclear material" or "byproduct material";

"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.

"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it 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 "byproduct 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 Paragraphs (a) and (b) of the definition of "nuclear facility".

C. 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.

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) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraphs (1)(a) or (1)(b); or

- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees" who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or

(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", 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 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 policy.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

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.

D. Liability And Medical Expenses 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 most we will pay for the sum of all damages because of all:
 - a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
 - b. "Personal injury" and "advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire or explosion is the Fire Legal Liability limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. Injury or damage under the "products - completed operations hazard" arising from all "occurrences" during the policy period is the Liability and Medical Expenses limit; and
- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

The Limits of Insurance of this policy 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.

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

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 that 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. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this policy:

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 policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy 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.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy 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.

F. Liability And Medical Expenses Definitions

1. "Advertising injury" means injury arising out of one or more of the following offenses:

a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

b. Oral or written publication of material that violates a person's right of privacy;

c. Misappropriation of advertising ideas or style of doing business; or

d. Infringement of copyright, title or slogan.

2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "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, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in **a.** above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in **a.** above; or
 - (b) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in **a.** above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "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:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

8. "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, road beds, 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, drawings, opinions, reports, surveys, change orders, designs or 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 or engineering services.
9. "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".
10. "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".
11. "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, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
13. "Personal injury" means injury, other than "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, by or on behalf of its owner, landlord or lessor;

- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

14. "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 the job site has been put to its intended use by any other 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.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- 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; or

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

15. "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.

16. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "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.

17. "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.

18. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (1) You;

- (2) Others trading under your name; or

- (3) A person or organization whose business or assets you have acquired; and

- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

19. "Your work" means:

- a.** Work or operations performed by you or on your behalf; and
- b.** Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a.** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b.** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS LIABILITY COVERAGE -
TENANTS LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Premises: ALL DESCRIBED LOCATIONS

Tenants Liability Limit Of Insurance (Per Occurrence):

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

With respect to the coverage provided under this endorsement, the Businessowners Liability Coverage Form is amended as follows:

A. The final paragraph of **B.1. Exclusions - Applicable To Business Liability Coverage** of the Businessowners Liability Coverage Form is deleted and replaced by the following:

With respect to the premises shown in the Schedule of this endorsement which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c.**, **d.**, **e.**, **g.**, **h.**, **k.**, **l.**, **m.**, **n.** and **o.** do not apply to "property damage".

B. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises rented to you or temporarily occupied by you with the permission of the owner is the Tenants Liability Limit of Insurance shown in the Schedule.

C. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.3.** and Paragraph **D.4.b.** are deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



FARMERS
INSURANCE

E3342
1st Edition

PERSONAL AND ADVERTISING INJURY COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Businessowners Liability Coverage Form apply unless modified by the endorsement.

A. Coverages

1. Item 1. **Business Liability** is amended as follows:

- a. The words "personal injury" or advertising injury" in item 1.a. are changed to read "personal and advertising injury".
- b. Items 1.b. (2)(a) and (b) are deleted and replaced with the following:
 - (2) 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.

B. Exclusions

Exclusions p. **Personal Or Advertising Injury** and q. **Advertising Injury** are deleted and replaced with the following:

p. Personal And Advertising Injury

- (1) This insurance does not apply to "personal and advertising injury":
 - (a) 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) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
 - (c) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - (d) Arising out of any criminal act committed by or at the direction of any insured;
 - (e) 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) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

(g) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(h) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

(i) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to Paragraphs 13. a., b. and c. of "personal and advertising injury" under **F. Liability And Medical Expenses Definitions**.

(j) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand or order 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".

C. Definitions 1. "Advertising Injury" and 13. "Personal Injury" in Section F. **Liability And Medical Expense Definitions** are deleted and replaced with:

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.

13. "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 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 of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisements"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

A. The Businessowners Special Property Coverage Form is amended as follows:

1. The following is added to any provision which uses the term actual cash value:
 - a. In the event of a total loss to a building or structure, actual cash value is calculated as the Limit of Insurance applicable to that building or structure or the fair market value of the building or structure, whichever is less.
 - b. In the event of a partial loss to a building or structure, actual cash value is calculated as b.(1) or b.(2), whichever is less:
 - (1) The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of loss;
 - (2) The Limit of Insurance applicable to the property.
 - c. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as c.(1) or c.(2), whichever is less:
 - (1) The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss;
 - (2) The Limit of Insurance applicable to the property.
2. Paragraph E.2. Appraisal Property Loss Conditions is replaced by the following:

2. Appraisal

If we and you disagree on the value of the property 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 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. Paragraphs E.6.d.(2) and (5) of the Loss Payment Condition is deleted and replaced as follows:

- (2) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged property as described in Paragraph A.1. of this endorsement. If the actual cash value does not exhaust the applicable limit of insurance, we will then pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:

- (a) Within 12 months after we pay the actual cash value; or

- (b) Within 24 months after we pay the actual cash value if the loss or damage relates to a state of emergency as described in Section 8558 of the Government Code;

unless we extend the time period for good cause.

Nothing in this Paragraph (2) constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

(5) Tenants' Improvements and Betterments at:

- (a) Replacement cost in accordance with the terms set forth in Paragraph (2) above.
- (b) A proportion of your original cost if the property is not repaired or replaced. We will determine the proportionate value as follows:
- (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- (ii) Divide the amount determined in (i) 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.

- (c) Nothing if others pay for repairs or replacement.

B. The Businessowners Liability Coverage Form is amended as follows:

The term spouse is replaced by the following:

Spouse or a registered domestic partner under California law.

C. The Businessowners Common Policy Conditions is amended as follows:

1. Paragraphs A.2. and A.3. Cancellation 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.
- c. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

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

2. The following provision is added to Paragraph A. Cancellation:

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 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 that we may not cancel this policy solely because:

- a. Corrosive soil conditions exist on the premises; or

b. 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.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by fire:

We do not provide coverage to the insured who, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. This policy;
 - b. The Covered Property;
 - c. That insured's interest in the Covered Property; or
 - d. A claim under this policy.
4. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

This policy is void if any insured, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. This policy;
 - b. The Covered Property;
 - c. An insured's interest in the Covered Property; or
 - d. A claim under this policy.
5. Paragraph **H.1. Other Insurance** is replaced by the following:
- If there is other insurance covering the same loss or damage, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable limit of insurance bears to the limits of insurance of all insurance covering on the same basis.

We will not pay more than the applicable Limit of Insurance.

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

M. Nonrenewal

1. Subject to the provisions of Paragraphs 2. and 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.

We may elect not to renew such coverage for any reason, except that we will not refuse to renew such coverage solely because:

- a. 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.

- b. 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.

- c. Corrosive soil conditions exist on the premises.

- 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 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 1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

This endorsement changes the policy. Please Read it carefully.

MOLD AND MICROORGANISM EXCLUSION

This endorsement modifies insurance provided under the following

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM
DIRECTORS AND OFFICERS LIABILITY COVERAGE FROM

The following provisions apply to your policy.

A. Definition:

1. "Mold" means any type or form of fungus including but not limited to mildew, mycotoxins, spores, scents or by-products produced or released by "mold".
2. "Microorganism" means any organism (animal or plant) of microscopic size, including but not limited to any type or form of bacteria, bacterium, germ, intestinal flora, microbe, pathogen or virus or any part or by-product of any of the above.

B. This insurance does not apply to any:

1. "Bodily injury" Property Damage" or "personal and advertising injury" which arising out of, resulting from, caused or contributed to, whether directly or indirectly by "mold" or "microorganism" and 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 "mold" or "microorganism";
2. Any loss, cost or expense arising out 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 effect of "mold" or "microorganism", by any insured or by any other person or entity;
3. Any supervision, instruction, recommendation, warning or advice given or which should have been given in connection with 1 or 2 above; and
4. Any obligation to share with or repay someone else who must pay damages because of such injury or damage.

However this exclusion does not apply to any "mold" or "microorganism" that are on, or are contained in, a good or product intended for consumption.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



FARMERS
INSURANCE

J6316
1st Edition

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

- A. The exclusion set forth in Paragraph B. applies to all coverage under **Section A - Coverage** in all applicable coverage forms and endorsements that comprise this policy, except as provided in Paragraph C. This includes but is 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 microorganism that induces or is capable of inducing physical distress, illness or disease.
- C. However, the exclusion in Paragraph B. does not apply to the following:
 - 1. Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage may be addressed in a separate exclusion in this policy; or
 - 2. Coverage otherwise provided under Food Borne Illness Business Interruption Coverage E3032 (if that endorsement is attached to this policy); or
 - 3. Coverage otherwise provided under the Restaurant Food Contamination Shutdown Coverage E3419 (if that endorsement is attached to this policy).
- D. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- E. If the following provisions are part of this policy, they are hereby amended to remove reference to bacteria:
 - 1. Exclusion of "Fungi", Wet Rot, Dry Rot And Bacteria; and
 - 2. Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- F. 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 policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

The following exclusion is added to Section **B. EXCLUSIONS** of the Businessowners Liability Coverage Form:

This insurance does not apply to:

1. "Bodily injury" or "personal injury" to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. 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.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

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

- (a)** The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (b)** The negligent:
 - (i)** Employment;
 - (ii)** Investigation;
 - (iii)** Supervision;
 - (iv)** Reporting to the proper authorities, or failure to so report; or
 - (v)** Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by **(a)** above.



E6036
4th Edition

LEAD POISONING AND CONTAMINATION EXCLUSION

When this endorsement is attached to your policy the following provisions apply to the Property and Liability Coverages of your policy:

1. This insurance does not apply to any "bodily injury", "personal injury" or "property damage" or property loss arising out of, resulting from, caused by or contributed to by lead, or any hazardous properties of lead, including but not limited to Lead Poisoning and Lead Contamination and the threat or fear of Lead Poisoning or Lead Contamination.

Lead Poisoning includes, but is not limited to, actual "bodily injury" or "personal injury" resulting from exposure or ingestion, of any nature, cause or duration, to or of lead, or products, objects or substances comprised of or containing lead.

Lead Contamination includes, but is not limited to, the presence of lead in paint, soil, plants, animals, water pipes, buildings or other structures.

For purposes of this exclusion, the definition of "bodily injury" is amended to include mental injury, anguish, distress or fear of Lead Poisoning or Lead Contamination.

For purposes of this exclusion, the definitions of "property damage" and property loss are amended to include actual or threatened loss of property value, loss of equity, loss of use, loss of rents or other economic injury caused by Lead Poisoning or Lead Contamination.

2. We will not pay for any loss, cost or expense arising out of, resulting from, caused by or contributed to by:
 - a. The testing or monitoring for, or, abatement, mitigation, neutralization, removal or disposal of lead, lead compounds or materials containing lead;
 - b. The testing or monitoring for or treatment of Lead Poisoning or Lead Contamination in humans or animals; or
 - c. Any supervision, instructions, recommendations, warnings or advice given, or which should have been given, in connection with Lead Poisoning or Lead Contamination;
 - d. Any obligation to share damages with or repay someone else who must pay damages in connection with Lead Poisoning or Lead Contamination.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



DEDUCTIBLE PROVISIONS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

The Deductible provisions in the applicable coverage form are amended as follows.

Section **D. Deductibles** in the applicable Property Coverage Form, and Paragraph **D. Deductibles** in **SECTION I - PROPERTY** of the Businessowners Coverage Form is deleted and replaced by the following:

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. If more than one Deductible applies in any one occurrence we will apply each Deductible separately per location. But the total of all Deductible amounts applied in that occurrence will not exceed the highest applicable Deductible per location.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM

- A. The following is added under **B.1. Exclusions** as item **h.** in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and item **i.** in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:

"Fungi", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria.

But if "fungi", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
 - (2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.
- B. Paragraph **B.2.k.(2)** in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and paragraph **B.2.l.(2)** in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM is replaced by the following:
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- C. The following is added under **B.2.k.** in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and paragraph **B.2.l.** in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:
- (8) 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.
- D. Paragraph **A.5.l.(5)** in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and paragraph **A.5.l.(5)** in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM is replaced by the following:
- (5) Under this Additional Coverage, we will not pay any costs associated with:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or
 - (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- E. The following is added under Section **A.5. Additional Coverages** as item **n.** in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and item **p.** in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:

Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria

If "fungi", wet or dry rot or bacteria results from a "specified cause of loss" (other than fire or lightning) that occurs during the policy period, and if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- (1) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that "fungi", wet or dry rot or bacteria are present.
 - (2) The most we will pay under this Limited Coverage for the sum of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in each 12 month period (beginning with the effective date of this policy), is \$15,000. The \$15,000 aggregate limit is subject to and not in addition to the applicable Limit of Insurance on the affected property and is applied regardless of the number of premises involved in such occurrence(s).
 - (3) We will not pay more than the total of \$15,000 under this Limited Coverage even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
 - (4) Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
 - (5) If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
 - (6) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverages 5.d. Collapse or 5.e. Water Damage, Other Liquids, Powder or Molten Material Damage.
 - (7) This Limited Coverage applies if a Limit of Insurance is shown in the Declarations for Building or Personal Property.
 - (8) The following applies only if Business Income and Extra Expense coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.
 - (a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.
- G. The following is added under Section H. Property Definitions as item 8. in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and item 14. in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:
- "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



J6839
1st Edition

AMENDMENT - AGGREGATE LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Paragraph 4. **Aggregate Limits** in Section D. **Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following:

4. **Aggregate Limits**

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Plus medical expenses;
 - (3) Plus all "personal and advertising injury" caused by offenses committed;is twice the Liability and Medical Expenses limit.

The Limits of Insurance of this policy 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



RESTAURANT FOOD CONTAMINATION SHUTDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

A. The following is added to Section A.5. Additional Coverages:

Restaurant Food Contamination Shutdown

If the Board of Health or other government body orders your premises closed because of the discovery of, or suspicion of "Food Contamination", coverage is provided as described below at the location(s) described in the Declarations.

1. We will pay for the actual loss of "Business Income" you sustain due to the necessary suspension of your "operations" resulting from a closure order issued by the Board of Health or other government body.

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

- a. The Net Income of the business before the Board Of Health or other government body closure order was issued;
- b. The likely Net Income of the business if no loss occurred;
- c. The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the closure order was issued; and
- d. Reasonable advertising expenses incurred to restore reputation.

The limit shown on the Declarations is the most we will pay for this coverage per covered loss.

2. We will pay:
 - a. Your cost to clean your equipment in accordance with local Board of Health or other government body requirements;
 - b. Your cost to replace those consumable goods declared contaminated by the local Board of Health or other government body;
 - c. Necessary medical tests and vaccines for affected employees as required by the Board of Health or other government body. This coverage is primary to any other insurance coverage; and
 - d. Reimbursement you paid to infected patrons for medical care, hospitalization and necessary blood work.

The limit shown on the Declarations is the most we will pay for this coverage per covered loss.

3. We will not pay for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or events that contributes concurrently or in any sequence to the loss.
 - a. Fines or penalties of any kind;
 - b. Seizure or destruction of property by order of governmental authority;
 - c. Nuclear reaction or radiation, or radioactive contamination, however caused;
 - d. War, including undeclared or civil war;
 - e. Any increase of loss caused by or resulting from delay in resuming "operations" due to interference by strikers or other persons; and
 - f. Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

B. The following is added to Paragraph 3. Duties In The Event Of Loss Or Damage of Section E. Property Loss Conditions:

- c. In the event of a covered Food Contamination Shutdown loss, you must also:
- (1) Give us prompt notice of the Board Of Health closure order received by you and "Locations Covered" that may be involved in the loss.
 - (2) Notify any public authority that may have jurisdiction over the incident.
 - (3) As soon as possible, provide us a description of how, when and where the "Food Contamination" was first discovered.
 - (4) Resume all your "operations" as quickly as possible. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the time it would have taken to resume "operations" as quickly as possible.
 - (5) Do all things practical to avoid or diminish further loss.

C. DEFINITIONS

For the purposes of coverage provided by this endorsement, the following definitions are added:

1. "Business Income" means the:
 - a. Net Income (Net Profit or Loss before income tax) that would have been earned or incurred if no closure order had been issued by the Board of Health or other government body; and
 - b. Continuing normal operating expenses incurred, including payroll.
2. "Food Contamination" means bacteria, toxins, viruses or chemical residues contained in food you provide causing an acute gastrointestinal disorder in one or more of your patrons.
3. "Location Covered" means any location scheduled in the Declarations.
4. "Operations" means your business activities occurring at any "Location Covered".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

E3312
2nd Edition

LIQUOR LIABILITY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM BP 00 06

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

A. Coverages

The following coverage is added to **A. Coverages** in the BUSINESSOWNERS LIABILITY COVERAGE FORM:

3. Liquor Liability

- 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, if liability for such "bodily injury" or "property damage" 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 any "suit" seeking those damages. We may at our discretion investigate any "bodily injury" or "property damage" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **D - Liability And Medical Expenses 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 or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Coverage Extension - Supplementary Payments** in the Coverage Form.

- b. This insurance applies to "bodily injury" and "property damage" which occurs during the policy period in the "coverage territory."
- c. 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."

B. Exclusions Applicable To Liquor Liability

This insurance does not apply to:

1. Expected or Intended Injury

This exclusion applies to "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.

2. Workers' Compensation and Similar Laws

Any obligation of the insured under a workers compensation law or any similar law.

3. Employer's Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or

- (2) Performing duties related to the conduct of the insured's business; or

- b. The spouse, child, parent, brother or sister of the "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

4. Liquor License Not in Effect

"Bodily injury" or "property damage" arising out of any alcoholic beverage sold, served or furnished while any required license is suspended or after such license expires, is cancelled or revoked.

5. Your Product

"Bodily injury" or "property damage" arising out of your "product." However, this exclusion does not apply to "bodily injury" or "property damage" for which you or your indemnitee may be held liable if such liability is imposed as a result of:

- a. Causing or contributing to the intoxication of any Person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. The violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

Coverage under this endorsement is not subject to exclusion **c. Liquor Liability** under **B. Exclusions** in the Coverage Form as it applies to the selling, serving or furnishing of any alcoholic beverage.

C. Limits Of Insurance For Liquor Liability

The following is added to **D. Liability And Medical Expenses Limits Of Insurance**:

6. Liquor Liability

- a. The most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the **Liability And Medical Expenses Limit** shown in the Declarations for Liquor Liability. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the **Medical Expenses Per Person** limit shown in the Declarations under **Medical Payments**.
- b. This coverage is subject to the provisions in Item 4. **Aggregate Limits** under **D. Liability And Medical Expenses Limits Of Insurance**.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

When this endorsement is made part of a BUSINESSOWNERS POLICY, the optional coverage for Mechanical Breakdown in the Businessowners Special Property Coverage Form and the Businessowners Coverage Form is deleted in its entirety.

The following is added to **5. Additional Coverages** under Section **A. Coverage** in the applicable Property Coverage Form:

Equipment Breakdown Coverage

We will pay for direct damage to Covered Property caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises. The provisions of:

1. Paragraphs **f. Business Income** and **g. Extra Expense** under Section **A.5. Additional Coverages** in the Businessowners Special Property Coverage Form and **Section I - Property** of the Businessowners Coverage Form;
2. Paragraphs **e. Business Income** and **f. Extra Expense** under Section **A.5. Additional Coverages** in the Apartment Owners Property Coverage Form; and
3. Paragraph **e. Association Fees and Extra Expense** in the Condominium Owners Property Coverage Form

apply as a consequence of covered direct damage to Covered Property if Business Income and Extra Expense or Association Fees and Extra Expense are covered in this policy.

1. Covered Equipment

- a. Covered Equipment means and includes any of the following:
 - (1) Equipment built to operate under internal pressure or vacuum other than weight of contents; and
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- b. Covered Equipment does not mean or include any of the following:
 - (1) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (2) Insulating or refractory material, but not excluding the glass lining of any Covered Equipment;
 - (3) Non-metallic pressure or vacuum equipment unless it is constructed and used in accordance with the American Society of Mechanical Engineers (ASME) code or another appropriate and approved code;
 - (4) Catalyst;
 - (5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

- (6) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube, well casing, or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (7) Vehicle, aircraft, self-propelled equipment or floating vessel including any Covered Equipment that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;
- (8) Dragline, excavation or construction equipment including any Covered Equipment that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
- (9) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
- (10) Computer Equipment, meaning:
 - (a) Programmable electronic equipment that is used to store, retrieve and process data (unless used to control covered equipment); and
 - (b) Associated peripheral equipment that communicates with the equipment described in (a) above, including input and output functions such as printing and auxiliary functions such as data transmission.
- (11) Media, meaning electronic data processing or storage media such as films, tapes, discs, drums or cells;
- (12) Electronic Data, meaning:
 - (a) Programmed and recorded material stored on media, as described in **b.(11)** above; and
 - (b) Programming records used for electronic data processing, or electronically controlled equipment; or
- (13) Equipment or any part of such equipment manufactured by you for sale or lease.

2. Breakdown

- a. Breakdown means direct physical loss that causes damage to Covered Equipment and necessitates its repair or replacement as follows:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
 - (3) Artificially generated electrical failure including arcing that disturbs electrical devices, equipment, appliances or wires.
- b. Breakdown does not mean or include:
 - (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube or brush;
 - (4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts; or
 - (5) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

If an initial Breakdown causes other Breakdowns, all will be considered One Breakdown. All Breakdowns at any one described premises that manifest themselves at the same time and are the direct result of the same cause will be considered One Breakdown.

3. This Additional Coverage will not increase the Limits of Insurance provided in this policy.

4. Extensions

The following Extensions also apply to loss caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises.

The most we will pay for any of the following Extensions is \$25,000 unless another Limit of Insurance is shown in the Declarations for such Extensions. Unless Business Income and Extra Expense or Association Fees and Extra Expense are excluded from the policy, this includes loss of business income and/or necessary extra expense or association fees and extra expense you may incur as a consequence of the following Extensions. The Limits of Insurance applicable to these Extensions will not increase the Limits Of Insurance provided in this policy.

a. Expediting Expenses

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

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or replacement of the damaged property.

b. Ammonia Contamination

The spoilage to Covered Property contaminated by ammonia, including any salvage expense.

c. Hazardous Substance

We will pay for any additional expenses incurred by you for the clean up, repair or replacement or disposal of Covered Property that is damaged, contaminated, or polluted by a Hazardous Substance.

As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no Hazardous Substance been involved with the loss.

Hazardous Substance means any substance other than ammonia that has been declared hazardous to health by a governmental agency. Ammonia is not considered to be a Hazardous Substance as respects this Additional Coverage.

d. Water Damage

The damage to Covered Property by water, including any salvage expenses, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

e. Drying Out Coverage

If electrical Covered Equipment requires drying out as a result of a flood, we will pay for the direct expenses of such drying out.

f. Valuation

- (1) If you elect or we require that the repair or replacement of the damaged Covered Equipment be done in a manner that:

- (a) Improves the environment;
- (b) Increases efficiency; or
- (c) Enhances safety;

while maintaining the existing function, then we will pay, subject to the limit of insurance, up to an additional 25% of the property damage amount for the Covered Equipment otherwise recoverable.

(2) If:

- (a) Any damaged Covered Equipment is protected by an extended warranty, or maintenance or service contract; and
- (b) That warranty or contract becomes void or unusable due to a Breakdown;

we will reimburse you for the unused costs of non-refundable, non-transferable warranties or contracts.

5. Conditions

The following conditions apply to this Additional Coverage:

a. Suspension

Whenever Covered Equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a Breakdown to that Covered Equipment by delivering or mailing written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the Covered Equipment is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that Covered Equipment.

If we suspend your insurance, you will get a pro rata refund of premium for that Covered Equipment. But the suspension will be effective even if we have not yet made or offered a refund.

b. Salvage

Any salvage value of property obtained for temporary repairs or use following a Breakdown which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

6. Exclusions

- a. The following limitations and exclusions in **A.4 Limitations** and **B. Exclusions** in the Businessowners Special Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.k.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.k. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

- b. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** under **Section I - Property** in the Businessowners Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.l.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.i. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.i.(1)** through **B.2.i.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

- c.** The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** in the Apartment Owners Property Coverage Form or the Condominium Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.j.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.j. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

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

- (1) Damage to Covered Equipment undergoing a pressure or electrical test.
- (2) Depletion, deterioration, corrosion, erosion, rust or wear and tear. However, if a Breakdown occurs we will pay the resulting loss or damage.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

BUSINESSOWNERS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a covered cause of loss, permanent repairs to the building:
 - (a) Have not started, and
 - (b) Have not been contracted for, within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - c. 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. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

D. 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.

E. Inspections And Surveys

We have the right but are not obligated to:

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

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

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

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

F. 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.

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, 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.
2. Business Liability Coverage is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. 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.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. 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.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and

- b.** Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

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

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a.** Prior to a loss to your Covered Property.

- b.** After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, 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. This condition does not apply to Medical Expenses Coverage.

L. 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.



RESTAURANT PREMIER PACKAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Premises Boundary

1. Paragraph 1. Covered Property under Section A. Coverage is amended as follows:
The phrase "within 100 feet of the described Premises" is changed to read "within 1,000 feet of the described premises".
2. Subparagraphs 5.f. Business Income Additional Coverage and 5.g. Extra Expense under Section A. Coverage are amended as follows:
The phrase "within 100 feet of the site" is changed to read "within 1,000 feet of the site".
3. Paragraph 6. Coverage Extensions under Section A. Coverage is amended as follows:
The phrase "within 100 feet of the described premises" is changed to read "within 1,000 feet of the described premises".

B. Paragraph 5. Additional Coverages under Section A. Coverage is amended as follows:

1. Subparagraph b.(2) Preservation of Property is deleted and replaced with the following:
(2) Only if the loss or damage occurs within 60 days after the property is first moved.
2. Subparagraph c. Fire Department Service Charge is deleted and replaced with the following:
c. Fire Department Service Charge
When the fire department is called to save or protect Covered Property from an occurrence involving a Covered Cause of Loss, we will pay up to \$10,000, unless a higher limit is shown on the Declarations, for this Additional Coverage for your liability for fire department service charges:
(1) Assumed by contract or agreement prior to loss; or
(2) Required by local ordinance.
However, the Limits of Insurance for this Additional Coverage will never be less than \$10,000.
No deductible applies to this Additional Coverage.
3. Subparagraph f. Business Income is amended as follows:
 - a. Continuing normal operating expenses incurred, as described in f.(1)(ii) include:
 - (1) Tip income of your employees as reported by you to the Internal Revenue Service; and
 - (2) Franchisor fees and royalties as stipulated in your franchise agreement.
 - b. Item (2)(b)(ii) Extended Business Income is deleted and replaced with the following:
(ii) 60 consecutive days after the date determined in (2)(a) above.
 - c. The following are added:
 - (3) Off Premises Event Cancellation
We will pay the actual loss of Business Income you sustain if a special event, not at a covered location, is cancelled. Such cancellation must be caused by direct physical loss of or damage to property at the Off Premises Event location. The loss or damage must be caused by or result from a Covered Cause of Loss.

The amount we pay will be reduced by any income you receive from the use, in whole or in part, of any space reserved for a special event that has been cancelled.

The most we will pay for any one loss under this coverage is \$10,000.

Special event means any convention, conference, banquet, seminar, wedding, party or other public or private event, gathering or group meeting for which you have reserved space, and/or contracted for food, equipment or other supporting material or services away from your premises, but within the coverage territory.

Subparagraph a.(2) of B.4. **Business Income And Extra Expense Exclusions** does not apply to Off Premises Event Cancellation coverage.

With respect to this Additional Coverage, property damaged does not include property belonging to any suppliers of water, communication or power services.

(4) Boil-Water Order

- (a) We will pay the actual loss of Business Income you sustain and necessary Extra Expense you incur due to the "suspension" of your "operations" caused by a "Boil-water order".

The most we will pay under this Additional Coverage is \$10,000 at each described premises for the sum of all covered loss of Business Income and Extra Expense arising out of all "Boil-water orders" occurring during each separate 12 month period of this policy.

This coverage will begin 24 hours after you receive notice of the "Boil-water order" and will apply for a period of seven consecutive days after coverage begins.

This Additional Coverage does not apply to any "Boil-water order" at a described premises, which occurs while access to the premises is prohibited by action of civil authority.

- (b) With respect to this Additional Coverage, the following definitions are provided:

(i) "Boil-water order" means an advisory, notice, order or other communication issued by a governmental, health or water authority, providing that water at the described premises should be boiled before consumption or use, due to actual or potential contamination.

(ii) "Suspension" means partial shutdown or complete cessation.

4. Subparagraph i. Civil Authority is amended as follows:

The second unnumbered paragraph is deleted and replaced with the following:

The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

5. Subparagraph j. Money Orders And Counterfeit Paper Currency is deleted and replaced with the following:

j. Money Orders And Counterfeit Paper Currency

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

(1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or

(2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is \$10,000.

6. Subparagraph k.(3) Forgery And Alteration is deleted and replaced with the following:

(3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.

7. The following items are added to **A.5. Additional Coverages**:

n. Crime Conviction Reward

We will pay a crime conviction reward to a person or persons (not to include any insured or any person in any way responsible for the crime) providing information which leads to a crime conviction in connection with loss or damage covered by this policy. The amount of the reward will be \$10,000 unless a higher limit is shown on the Declarations for **Crime Conviction Reward**, for each covered location. However, in no event will the reward exceed the amount paid for the covered loss.

This reward applies per occurrence regardless of the number of persons providing information.

No deductible applies to this **Additional Coverage**.

o. Fire Extinguisher Recharge Expense Coverage

We will pay up to \$10,000, unless a higher limit is shown on the Declarations, for this **Additional Coverage**, per occurrence, for the necessary costs to recharge or replace (whichever is less) fire extinguishers or fire suppression systems owned by the insured or for which the insured is legally responsible that are accidentally discharged or discharged as a result of extinguishing a fire which occurs at a location shown on the Declarations.

The deductible applicable to and shown on the Declarations for Building(s) and/or Business Personal Property applies to each loss under this **Additional Coverage**.

p. Lock Replacement Coverage

We will pay up to \$2,500, unless a higher limit is shown on the Declarations, per occurrence for the reasonable cost of necessary repair or replacement with like kind and quality of locks or tumblers at a location listed on the Declarations when the door key is lost due to theft covered under the policy.

No deductible applies to this **Additional Coverage**.

q. Brands And Labels

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, and we take all or any part of the property at an agreed or appraised value you may extend the insurance that applies to your Business Personal Property to pay expenses you incur to:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) 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.

Payment of these expenses is included within the applicable Limit of Insurance.

r. Blanket Personal Property

If two or more locations are shown on the Declarations, and the Limit of Insurance shown for Business Personal Property at each covered location is at least 90% of the value of the Business Personal Property at the time of a covered loss, the combined limit for all Business Personal Property at all locations described on the Declarations may be applied to any one location.

s. Customer's Property

We will pay up to \$10,000, unless a higher limit is shown on the Declarations, per occurrence, subject to a maximum limit of \$1,000 on any single item, for the necessary costs to repair or replace (whichever is less) property of your customers which is in your care, custody or control.

The Deductible applicable to and shown on the Declarations for Building(s) and/or Business Personal Property applies to each loss under this **Additional Coverage**.

t. Unauthorized Business Card Use

- (1) We will pay for loss of "money" resulting directly from theft (meaning any act of stealing), forgery or unauthorized use of credit, debit or charge cards issued in your name, including:
 - (a) Fund transfer cards;
 - (b) Charge plates; and
 - (c) Telephone cards.
- (2) We will not pay for any loss:
 - (a) Resulting from the use of any credit, debit or charge card issued in the name of anyone other than you, whether or not customarily used in your business;
 - (b) Caused by any dishonest or criminal act committed by you or any of your partners, whether acting alone or in collusion with other persons; or
 - (c) Caused by any dishonest or criminal act committed by any of your employees, directors, trustees or authorized representatives:
 - (i) Acting alone or in collusion with others; or
 - (ii) While performing services for you or otherwise.
- (3) The most we will pay under this Additional Coverage is \$5,000 for any one occurrence.

u. Wine Collection

- (1) We will pay for direct physical loss of or damage to your Wine Collection at the described premises caused by or resulting from a "specified cause of loss".
- (2) With respect to this Additional Coverage, Wine Collection means your stock held for sale consisting of:
 - (a) Wine;
 - (b) Champagne;
 - (c) Brandy; or
 - (d) Other bottled alcoholic beverages;that are not readily replaceable with like kind and quality through normal distribution sources common in the restaurant industry.
- (3) In the event of covered loss or damage under this Additional Coverage, the Wine Collection will be valued at your menu price at the time of loss.
- (4) The most we will pay under this Additional Coverage in any one occurrence is \$10,000, but not more than \$500 for any one item, at each described premises. This limit is in addition to the Limits of Insurance.

v. Ordinance Or Law - Equipment Coverage

- (1) If a Covered Cause of Loss occurs to equipment that is Covered Property, other than refrigeration equipment, we will pay the additional costs you incur to repair or replace the equipment as required by law.
- (2) If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
 - (a) The cost to reclaim the refrigerant as required by law;
 - (b) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990 and any amendments thereto or any other similar laws; and
 - (c) The increased cost to recharge the system with a non-CFC refrigerant.
- (3) Exclusion B.1.a., Ordinance Or Law does not apply to this Additional Coverage.
- (4) We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (5) We will not pay under this Additional Coverage for loss due to any ordinance or law that:
 - (a) You were required to comply with before the loss, even if the equipment was undamaged; and
 - (b) You failed to comply with.
- (6) The most we will pay under this Additional Coverage in any one occurrence is \$10,000.

w. Credit Card Forgery

- (1) We will pay for loss involving written instruments required in conjunction with your customers' credit, debit or charge card resulting directly from forgery or alteration of such written instruments by your customers.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss arising from any credit, debit or charge card transaction if you have not complied fully with the provisions, conditions or other terms of the card issuer.
- (3) In Section A. Coverage, under 2. Property Not Covered, item b. does not apply to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage in any one occurrence is \$5,000.
- (5) All loss caused by any person or in which that person is involved, whether the loss involves one or more instruments, is considered one occurrence.
- (6) Paragraph 2.g. False Pretense under Section B. Exclusions does not apply to this Additional Coverage.

x. Credit Card Slip Theft, Disappearance or Destruction

- (1) We will pay for loss caused directly by theft, disappearance or destruction of written instruments required in conjunction with any of your customers' credit, debit, or charge card at the described premises.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions; or
 - (b) Due to the giving or surrendering of property in any exchange or purchase.
- (3) In Section A. Coverages, under 2. Property Not Covered, item b. does not apply to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage in any one occurrence is \$5,000.
- (5) You must keep records of all written instruments so we can verify the amount of any loss or damage.
- (6) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;is considered one occurrence.

y. Computer Fraud and Funds Transfer Fraud

- (1) We will pay for:
 - (a) Loss of and damage to "money", "securities" or "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, a bank or savings institution:
 - (i) To a person (other than a messenger) outside those premises; or
 - (ii) To a place outside those premises; and
 - (b) Loss of "money" or "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" or "securities" from your "transfer account".

- (2) Subparagraph a.(4) of Paragraph A.4. Limitations does not apply to this Additional Coverage.
- (3) Paragraph 2.g. False Pretense under Section B. Exclusions does not apply to this Additional Coverage.
- (4) We will not pay for loss or damage caused by or 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.
- (5) With respect to this Additional Coverage:
 - (a) "Fraudulent instruction" means:
 - (i) An electronic, telegraphic, cable, teletype, facsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - (ii) A written instruction (other than those described in Paragraph A.5.k. **Forgery Or Alteration**) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - (iii) An electronic, telegraphic, cable, teletype, facsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.
 - (b) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
 - (c) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and/or "securities":
 - (i) By means of electronic, telegraphic, cable, teletype, facsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - (ii) By means of written instructions (other than those described in Paragraph A.5.k. **Forgery Or Alteration**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- (6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$10,000.
- (7) With respect to this Additional Coverage, Subparagraph 3.b. **Money And Securities** under Section G. **Optional Coverages** is deleted and replaced with the following:
 - (b) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase;
 - (3) 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; or
 - (4) To "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
 - (a) To a person (other than a messenger) outside those premises; or
 - (b) To a place outside those premises.

C. Paragraph 6. Coverage Extensions under Section A. Coverage is amended as follows:

- 1. Subparagraph a.(1) **Personal Property At Newly Acquired Premises** is deleted and replaced with the following:

- (1) You may extend the insurance that applies to Business Personal Property to apply to the property at any premises you acquire.

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

2. Subparagraph **b. Personal Property Off Premises** is deleted and replaced with the following:

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000 unless a higher Limit of Insurance for Personal Property Off Premises is shown on the Declarations.

3. Subparagraph **c. Outdoor Property** is deleted and replaced with the following:

c. Outdoor Property

(1) Outdoor Property - Antennas And Satellite Dishes

You may extend the insurance provided by this policy to apply to your radio and television antennas and satellite dishes, including their lead-in wiring, masts and towers.

For the purpose of this extension, the following is added to subparagraph 5.d.(3) **Collapse Additional Coverage** under **A. Coverage**:

- (i) Radio and television antennas and satellite dishes, including their lead-in wiring, masts and towers.

The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000, unless a higher Limit of Insurance is shown on the Declarations for Outdoor Property.

(2) Outdoor Property - Trees, Shrubs, Plants And Lawns

You may extend the insurance provided by this policy to apply to your outdoor trees, shrubs, plants and lawns other than those held in storage or for sale, including debris removal expense, caused by or resulting from any of the following causes of loss:

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

The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000, unless a higher Limit of Insurance is shown on the Declarations for Outdoor Property, but not more than \$1,000 for any one tree, shrub, plant or lawn.

4. Subparagraph **d. Personal Effects** is deleted and replaced with the following:

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or your employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$2,500 for any one individual.

5. Subparagraph **f.(2) Accounts Receivable** is deleted and replaced with the following:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance for accounts receivable is shown on the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$25,000.

6. The following items are added to **6. Coverage Extensions** under **A. Coverage**:

g. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Building(s) 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.
- (2) The most we will pay for loss or damage under this Extension is \$500,000 at each covered building. Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
 - (a) This policy expires;
 - (b) 30 days expire after you acquire or begin to construct the property; or
 - (c) You report values to us.

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

The deductible applicable to and shown on the Declarations for Building(s) and/or Business Personal Property applies to each loss under this **Coverage Extension**.

h. Claims Expense

- (1) In the event of covered loss or damage, we will pay up to \$10,000 as an additional amount of insurance for all reasonable expenses you incur at our request to assist us in:
 - (a) The investigation of a claim or suit; or
 - (b) The determination of the amount of loss, such as taking inventory.
- (2) We will not pay under this **Coverage Extension** for:
 - (a) Expenses to prove that loss or damage is covered;
 - (b) Expenses incurred under **E. Property Loss Conditions, 2. Appraisal**; or
 - (c) Expenses incurred for examination under oath, even if requested by us.

i. Building - Tenant Obligation

- (1) If:
 - (a) You are a tenant; and
 - (b) You are contractually obligated to insure or pay for loss or damage to any part of a building you occupy;at the described premises, you may extend the insurance provided by this policy to apply to direct physical loss of or damage to such property caused by or resulting from any Covered Cause of Loss.
- (2) This Coverage Extension does not apply to any otherwise covered tenant's improvements and betterments.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

D. The following is added to Section **G. Optional Coverages:**

6. Employee Dishonesty - Customer Loss

- a. We will pay up to \$5,000 for loss of or damage to "money", "securities" or "other property" sustained by your customers resulting directly from theft committed by an identified employee, acting alone or in collusion with other persons, subject to the Employee Dishonesty deductible shown in the Declarations.

- b. The property covered under this coverage is limited to property:
 - (1) That your customer owns or leases; or
 - (2) That your customer holds for others.Coverage applies only while the property is in a building at the premises described in the Declarations.
- c. We will not pay for loss or damage resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with any other persons.
- d. This insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your customer. Any claim for loss incurred by your customers that is covered under this coverage must be presented to you.
- e. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- f. We will only pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- g. This Optional Coverage does not apply to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee;of any dishonest act committed by that employee before or after being hired by you.
- h. In Section A. Coverage, under 2. Property Not Covered, item b. does not apply to this Optional Coverage.
- i. With respect to this coverage, the following definition is provided:

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value, but does not include any property specifically excluded under this policy.

E. Property Definitions

Item a. of Paragraph 3. "Period of Restoration" in Section H. **Property Definitions** is deleted in its entirety and replaced with the following:

- a. Begins:
 - (1) Immediately after the time of direct physical loss or damage for Business Income or Extra Expense Coverage;caused by or resulting from any Covered Cause of Loss at the described Premises; and

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



J7115
1st Edition

**EXCLUSION - ASBESTOS, SILICA
OR SILICA-RELATED DUST**

This endorsement modifies insurance provided under the:

**BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM**

A. The following exclusion is added to Section **B. Exclusions** of the **Businessowners Liability Coverage Form** or to **Section II - Liability** of the **Businessowners Coverage Form**:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

Asbestos, Silica Or Silica-Related Dust

- (1) "Bodily injury", "property damage", or "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, asbestos, "silica" or "silica-related dust";
- (2) 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, asbestos, "silica" or "silica-related dust", by any insured or by any other person or entity;
- (3) Any loss, cost or expense arising, in whole or in part, out of any supervision, instructions, recommendations, warnings or advice given, or which should have been given, in connection with asbestos, "silica" or "silica-related dust"; or
- (4) Any loss, cost or expense arising, in whole or in part, out of any obligation to share damages with or repay someone else who must pay damages in connection with asbestos, "silica" or "silica-related dust".

B. For the purposes of this endorsement, Section **F. - Liability And Medical Expenses Definitions** is amended as follows:

1. The following definitions are added:

- a. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
- b. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

2. The following definitions are amended:

- a. "Bodily injury" is amended to include mental injury, anguish, distress or fear of cancer or other injury, illness or disease caused by or related to asbestos, "silica" or "silica-related dust", or exposure to asbestos, "silica" or "silica-related dust".
- b. "Property damage" is amended to include actual or threatened loss of property value, loss of equity, loss of use, loss of rents or other economic injury caused by asbestos, "silica" or "silica-related dust" or exposure to asbestos, "silica" or "silica-related dust".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J6740
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TWO OR MORE COVERAGE FORMS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

1. The following paragraph is added to the BUSINESSOWNERS COMMON POLICY CONDITIONS of the BP 00 09 and SECTION III - COMMON POLICY CONDITIONS of the BP 00 03 and supersedes any provision to the contrary:

A. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an insured under the policies and apply to the same accident, claim, damage, loss, "occurrence", offense, or "suit", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



FARMERS
INSURANCE

E3031
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UTILITY SERVICES - TIME ELEMENT MODIFICATION

This endorsement modifies coverage provided under the following:

UTILITY SERVICES - TIME ELEMENT - BP 04 57

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Item **B. Limits of Insurance** is deleted and replaced by the following:

Section **C.** is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the actual loss sustained or the Limit of Insurance shown in the Schedule as applicable to the Coverage Property.

We will only pay for loss you sustain after the first 8 operating hours following the direct physical loss or damage to the off-premises property to which this coverage applies.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all terms of the policy.

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.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES 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
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

The following is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES 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
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

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

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

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

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

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

2. As used in this endorsement:

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

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

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

"Spent fuel" means any fuel element or fuel component, solid or liquid, which 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.



J6345
1st Edition

**EXCLUSION - VIOLATION OF STATUTES THAT GOVERN
E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF
SENDING MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph B. Exclusions - Applicable To Business - Liability Coverage.

B. Exclusions

This insurance does not apply to:

DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



E2042
2nd Edition

MULTIPLE OR ENHANCED DAMAGES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusions are added to Section B. Exclusions:

1. Applicable to Business Liability Coverage

This insurance does not apply to:

r. Multiple Or Enhanced Damages Because of "Bodily Injury", "Property Damage", or "Personal and Advertising Injury."

The enhanced or multiple amount of damages awarded against any insured including, but not limited to, double or treble damages, whether or not awarded as compensation, because of "bodily injury", "property damages" or "personal and advertising injury".

s. Taxes, Fines or Penalties

Taxes, fines or penalties that are awarded or imposed against any insured.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J6351
2nd Edition

**LIMITED TERRORISM EXCLUSION
(OTHER THAN CERTIFIED ACTS OF TERRORISM);
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the policy number indicated above.

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph B.2.) applies to property located in the following state(s):
California, Hawaii, Iowa, Illinois, Massachusetts, Maine, Missouri, North Carolina, New Jersey, New York, Oregon, Rhode Island, Virginia, Washington, Wisconsin, West Virginia
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following definitions are added with respect to the provisions of this endorsement:

1. "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.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph **b.** of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less.

B. The Property Coverage Form attached to this policy is amended as follows:

1. The following exclusion is added:

EXCLUSION OF AN "OTHER ACT OF TERRORISM"

We will not pay for loss or damage caused directly or indirectly by an "other 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. But this exclusion applies only when one or more of the following are attributed to such act:

- a. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- b. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or

- c. 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 "other acts 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.

With respect to this item, **B.1.c.** the immediately preceding paragraph describes the threshold used to measure the magnitude of an "other act 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 "other act of terrorism", there is no coverage under this Policy.

2. Exception Covering Certain Fire Losses

The following exception to the Exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If an "other act of terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the exception does not apply to insurance provided under business income and/or extra expense coverage or endorsements that apply to those coverages.

C. The Liability Coverage Form attached to this policy is amended as follows:

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

- a. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- b. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - (1) Physical injury that involves a substantial risk of death; or
 - (2) Protracted and obvious physical disfigurement; or
 - (3) Protracted loss of or impairment of the function of a bodily member or organ; or
- c. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- d. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- e. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **C.1.a.** and **b.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

2. The following definition is added:

- a. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

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 loss or injury or damage that is otherwise excluded under this Policy.

E. CAP ON CERTIFIED TERRORISM LOSSES

The following limitation applies to property and liability coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of Paragraph **D**.

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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

ADDITIONAL CONDITIONS

Applicable only if this policy is issued by the Truck Insurance Exchange or Farmers Insurance Exchange

RECIPROCAL PROVISIONS

As used in these provisions the term "Underwriters Association" means the Truck Underwriters Association or the Farmers Underwriters Association respectively, attorney-in-fact for the Insurance Exchange issuing the policy.

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the policy Declarations, and in consideration of the Subscription Agreement, which is provided to you and is incorporated herein by reference. You acknowledge that you have read, understood and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact.

Nothing in this policy is intended, or shall be construed, to create either:

- a. A partnership or mutual insurance association, or
- b. Any joint liability.

We may sue or be sued in our own name, as though we were an individual, if necessary to enforce any claims which arise under this policy. In any suit against us, service of process shall be under the Underwriters Association attorney-in-fact. Membership fees which you pay are not part of the premium. They are fully earned when you are granted membership and coverage is effective. They are not returnable. However, they may be applied as a credit to membership fees required you for other insurance which we agree to write.

We hold the Annual Meeting of the members of the Truck Insurance Exchange at our Home Office at Los Angeles, California, on the first Tuesday following the first Monday following the 15th day of March of each year at 1:00 p.m. If this policy is issued by the Farmers Insurance Exchange, such meeting is held at the same place on the first Monday following the 15th of March of each year at 2:00 P.M. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the subscribers' agreements.

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice. The funds which you pay shall be placed to your credit on our records. They will be applied to the payment of your proportion of losses and expenses and to the establishment of reserves and general surplus. The Board of Governors or its Executive Committee has the authority to deposit, withdraw, invest and reinvest such funds. You agree that any amount which the Board of Governors allocates to our surplus fund may be retained by us. Also, after provision is made for all of our liabilities, it may be applied to any purpose deemed proper and advantageous to you and other policyholders.

This policy is nonassessable.

SPECIAL PROVISIONS

(Applicable only if this policy is issued by Mid-Century Insurance Company.)

Policy fees which you pay are not part of the premium. They are fully earned when the policy is issued. They are not returnable. However, they may be applied as a credit to policy fees required of you for other insurance which we agree to write.

This policy shall not be effective unless countersigned on the Declarations page by a duly authorized representative of the Company named on the Declarations Page.

The Company named on the Declarations has caused this policy to be signed by the officers shown below.

FARMERS INSURANCE EXCHANGE

By Farmers Underwriters Association,
Attorney-in-Fact

MID-CENTURY INSURANCE COMPANY
Secretary**TRUCK INSURANCE EXCHANGE**

By Truck Underwriters Association,
Attorney-in-Fact

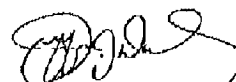

President

EXHIBIT 2



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



HEALTH OFFICER ORDER FOR THE CONTROL OF COVID-19

Temporary Prohibition of Group Events and Gatherings

Required Social Distancing Measures

Closure of Certain Businesses

Date Order Issued: March 16, 2020

Please read this Order carefully. Violation of or failure to comply with this Order is a crime punishable by fine, imprisonment, or both. (California Health and Safety Code § 120295; Los Angeles County Code § 11.02.080.)

SUMMARY OF THE ORDER: During a State of Emergency, California law empowers the County of Los Angeles Health Officer (Health Officer) to take measures necessary to protect the public from the spread of the Novel Coronavirus (COVID-19) within the County of Los Angeles. In accordance with the Centers for Disease Control's (CDC) Interim Guidance for Large Events and Mass Gatherings (March 15, 2020); the California Department of Public Health's Mass Gathering Guidance (March 11, 2020); Governor Newsom's Guidance Regarding Bars and Restaurants (March 15, 2020); and Mayor Eric Garcetti's Emergency Public Order – New City Measures to Address COVID-19 (March 15, 2020), the Health Officer is ordering significant protective measures to stem or slow the spread of COVID-19 within the greater Los Angeles community.

Because of the rapid spread of COVID-19 and the need to protect the most vulnerable members of our community, this Order prohibits all indoor public and private gatherings and all outdoor public and private events within a confined space, where at least 50 people are expected to be in attendance at the same time. This Order applies within the County of Los Angeles Public Health Jurisdiction, beginning March 16, 2020 and continues through March 31, 2020, subject to the terms and conditions more particularly set forth below.

For all gatherings that are not prohibited, the Health Officer orders the event and gathering holders and venues to implement the following infection control precautions: (1) enforce social distancing within the confined space by requiring attendees to be separated by six (6) feet; (2) provide access to hand washing facilities with soap and water or hand sanitizer that contains at least 60 percent alcohol; (3) post a sign in a conspicuous place at the public entry to the venue instructing members of the public to not attend if they are experiencing symptoms of respiratory illness, including fever or cough; and (4) adhere to communicable disease control recommendations provided by the Los Angeles County Department of Public Health.

Further, this Health Officer Order, in accordance Mayor Eric Garcetti's Emergency Public Order – New City Measures to Address COVID-19, requires all permanent food facilities to limit their services to only preparing and offering food to customers via delivery service, via pick up for take-out dining only, or via drive thru.

This Order immediately requires closing the following types of businesses:

- (1) Bars and Nightclubs that do not serve food.
- (2) Gyms and Fitness Centers.
- (3) Movie Theaters, Live Performance Theaters, Bowling Alleys, and Arcades.

The County Health Officer will continue to monitor COVID-19 disease spread, State and CDC recommendations, and the impact of the required measures, and as needed, may revisit, extend, expand, or otherwise modify this Order to protect the public's health.

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC HEALTH
ORDER OF THE HEALTH OFFICER



UNDER THE AUTHORITY OF THE CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 101040, 101085, AND 120175, THE COUNTY OF LOS ANGELES HEALTH OFFICER ORDERS:

1. Effective March 16, 2020, and continuing through March 31, 2020, all public and private group events and mass gatherings, as defined below, of 50 or more people are prohibited anywhere within the Los Angeles County Public Health Jurisdiction.
2. For public and private events and gatherings attended by between 10-49 members of the public, held in a confined or enclosed space, and not prohibited by this Order, the organizer of the event and the owner, manager, or operator of the venue holding the event or gathering shall:
 - a. Enforce social distancing measures by requiring attendees who remain at the event for over 10 minutes to be separated by at least six (6) feet from other attendees during the entirety of the event or gathering. Persons who attend the event or gathering as a group, e.g., a group of family members or household contacts, may sit or remain together, but groups of attendees must be separated by a distance of at least six (6) feet.
 - b. Provide access to hand washing facilities with soap and water or with hand sanitizer that contains at least 60 percent alcohol.
 - c. Post a sign in a conspicuous place at all public entries to the venue that instructs members of the public to not attend if they are experiencing symptoms of respiratory illness, including fever or cough.
 - d. 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/.
3. Effective immediately, and in accordance with Governor Newsom's Guidance and Mayor Garcetti's New City Measures to Address COVID-19, all permanent food facilities, as defined by Health and Safety Code § 113849, may only prepare and offer food that is provided to customers via delivery service, via pick-up for takeout dining, and via drive-thru. Bars and night clubs that offer food to consumers may remain open only for purposes of continuing to prepare and offer food to consumers via delivery service, via pick-up, or drive-thru. Permanent food facilities that provide and offer food to consumers for pick up must require patrons or groups of patrons who are ordering food and beverages to be and remain at least six (6) feet apart from each other while inside the facility.
4. Further, the Health Officer orders the immediate closure of the following types of businesses:
 - a. Bars and Nightclubs that do not serve food.
 - b. Movie theaters, live performance venues, bowling alleys, and arcades.
 - c. Gyms and fitness centers.
 - d. Wineries, Breweries, and Tap Rooms that provide tastings.
5. This Order does not supersede any stricter limitation imposed by a local public entity within the Los Angeles County Public Health Jurisdiction.

REASONS FOR THE ORDER

6. This Order is based upon scientific evidence and best practices, as currently known and available, to protect members of the public from avoidable risk of serious illness and death resulting from the spread of COVID-19, as well as to protect the healthcare system from a surge of cases into its emergency rooms and hospitals. The Order supports the California Department of Public Health and the CDC's efforts to institute necessary social distancing measures to reduce community transmission of COVID-19.

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC HEALTH
ORDER OF THE HEALTH OFFICER



7. Existing community transmission of COVID-19 in Los Angeles County presents a substantial and significant risk of harm to the health of residents. Currently, there is no vaccine available to protect against and no specific treatment for COVID-19. As of March 16, 2020, there have been at least 94 cases of COVID-19 and 1 death reported in Los Angeles County.
8. The virus that causes COVID-19 can be spread easily through person-to-person contact. This risk of transmission is increased when people are in close proximity. All group events and gatherings pose an increased risk for transmission of COVID-19 and thus, are a substantial risk to public health. Circumstances associated with Group Events and Mass Gatherings, smaller events and gatherings, and the public's presence in businesses where it is usual for patrons to have extended close contact, that are likely to exacerbate the spread of COVID-19 include, without limitation: (a) the increased likelihood that these events, gatherings, and businesses will attract people from a geographic area with known COVID-19 community transmission, (b) the prolonged time period during which large numbers of people are in close proximity, (c) the difficulty in tracing and controlling additional exposures when large numbers of people attend a single event, and (d) the inability to ensure both that attendees are not infected with COVID-19 and will follow adequate hygienic and social distancing practices.
9. In the absence of a specific immunization or treatment for COVID-19, social distancing is the only and most readily available tool to prevent this disease. Increasing social distancing and limiting gatherings are proven ways to slow transmission of communicable diseases. Accordingly, to reduce the community transmission of COVID-19, the Health Officer has ordered the temporary prohibition of all Group Events and Mass Gatherings, as defined in Sections 10, 11 and 12, and is also requiring the closure of certain businesses where it is usual practice for patrons to remain in close proximity.

DEFINITIONS

10. For purposes of this Order, Group Events and Mass Gatherings are any gathering, assembly, event, or convening that brings together or is likely to bring together 50 or more persons at the same time in an indoor or outdoor confined or enclosed space, for any purpose including a business, cultural, religious, athletic, entertainment, social, or other special event. These types of Group Events and Mass Gatherings are likely to result in situations where people will be within six (6) feet of each other for an extended period of time (greater than 10 minutes).
11. Group Events and Mass Gatherings include, without limitation: (a) any convention, arena, or meeting space with fixed seating or other set-up where seating is placed adjacent to each other in rows; (b) any space where event attendees stand in close proximity to each other, such as a concert or other performance that includes "standing room only" sections; (c) an admission or concession line/queue; and (d) a confined or closed outdoor space: (i) that is enclosed by a fence, physical barrier, or other structure and (ii) where people are within six (6) feet of one another for more than ten (10) minutes. Specific examples include, but are not limited to, conventions, conferences, training activities, concerts, and athletic events.
12. This Order is intended to deter the spread of COVID-19 by preventing people from being in unnecessary close contact. Certain activities are essential to the functioning of the County and the well-being of our residents and must continue. Accordingly, the requirements in this Order do not apply to the following sites or situations where residents must obtain or participate in essential governmental, educational, or other essential services (those that meet basic human needs): (a) attendance at regular school classes, work, or essential services; (b) places where people are in transit or waiting for transit including airports or bus or train stations or terminals; (c) grocery stores and retail stores; (d) congregate living situations, including dormitories; or (e) hospitals and healthcare facilities.

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- a. This Order does not prohibit use of enclosed spaces where 50 or more people may be present at different times during the day, as long as 50 or more people are not present in the space at the same time.
- b. This Order does not apply to specific permanent food facilities:
 - i. Cafeterias, commissaries, and retail food facilities located within hospitals, nursing homes, governmental buildings that provide essential services to the public, or within other licensed health care facilities.
 - ii. Grocery stores and pharmacies.
 - iii. Charitable or governmental organization providing meals to the indigent population.
 - iv. Concessionaires or food services within any airport within the Los Angeles County Public Health jurisdiction.

ADDITIONAL TERMS

13. This Order does not, in any way, restrict: (a) first responder access to the site(s) named in this Order during an emergency or (b) local, state or federal officers, investigators, or medical or law enforcement personnel from carrying out their lawful duties at the site(s) named in this Order.
14. The entities subject to this Order that are not required to close may otherwise remain open for business and perform essential functions and operations during the duration of this Order.
15. The County shall promptly provide copies of this Order by: (a) posting it on the Los Angeles Department of Public Health's website (www.publichealth.lacounty.gov), (b) posting it at the Kenneth Hahn Hall of Administration located at 500 West Temple Street, Los Angeles, CA 90012, (c) providing it to any member of the public requesting a copy, (d) issuing a press release to publicize the Order throughout the county, and (e) by serving via email on large facilities known to the County's Health Officer that are likely to be subject to this Order (but service via email is not required for compliance).
 - a. The owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public requesting a copy.
 - b. Because guidance may change, the owner, manager, or operator of any facility that is subject to this Order is ordered to consult the Los Angeles County Department of Public Health's website (www.publichealth.lacounty.gov) daily to identify any modifications to the Order and is required to comply with any updates until the Order is terminated.
16. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.
17. This Order is issued in accordance with, and incorporates by reference, the March 4, 2020 Proclamation of a State of Emergency issued by Governor Gavin Newsom and the March 4, 2020 declarations of a local and public health emergency issued by the Los Angeles County Board of Supervisors and Los Angeles County Health Officer, respectively, and as they may be supplemented.

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18. To protect the public's health, the Health Officer may take additional action(s) for failure to comply with this Order. Violation of this Order is a misdemeanor punishable by imprisonment, fine or both under California Health and Section Code Section 120295 *et seq.* Further, pursuant to Sections 26602 and 41601 of the California Government Code and Section 101029 of the California Health and Safety Code, the Health Officer requests that the Sheriff and the Chiefs of Police in all cities located in the Los Angeles County Public Health Jurisdiction ensure compliance with and enforcement of this Order.

IT IS SO ORDERED:

Muntia Davis, MD, MPH

Health Officer, County of Los Angeles

Date: MARCH 16, 2020

EXHIBIT 4

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY
OF SANTA BARBARA RATIFYING AND
PROCLAIMING THE EXISTENCE OF A LOCAL
EMERGENCY

WHEREAS, Chapter 9.116 of the Santa Barbara Municipal Code empowers the City Council to proclaim a local emergency when the City is affected or likely to be affected by a public calamity; and,

WHEREAS, on March 12, 2020 at 5:45 p.m., the County of Santa Barbara Director of Emergency Services proclaimed the existence of a local emergency due to COVID-19; and;

WHEREAS,; on March 16, 2020 at 11:50 a.m., the City's Director of Emergency Services, City Administrator Paul Casey, issued a Proclamation Declaring the Existence of a Local Emergency in the City of Santa Barbara as a result of COVID-19, a copy of which is attached to this Resolution as Exhibit "A," and

WHEREAS, the City Council concurs with the Director of Emergency Services' determination that COVID-19 presents conditions of extreme peril which warrant and necessitate the proclamation of the existence of a local emergency.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

SECTION 1. The City Council of the City of Santa Barbara hereby proclaims that a local emergency now exists throughout the City, and has existed since the County of Santa Barbara declared a local emergency at 5:45 p.m. on March 12, 2020.

SECTION 2. The above-described Proclamation by the Director of Emergency Services is hereby ratified and adopted by reference as if fully set forth herein.

SECTION 3. During the existence of the local emergency, the powers, functions, and duties of the Director of Emergency Services and the Emergency Organization of this City shall be those prescribed by state law, ordinances, and resolutions of this City and by the City's Emergency Plans.

SECTION 4. The local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council.

SECTION 5. All City officers and employees shall take the actions directed or recommended by the County Public Health Officer to prevent and mitigate the COVID-19 emergency, subject to such instructions and policies as may be developed by the City's Human Resources Director.

SECTION 6. The Director of Emergency Services has continued all City Board and Commission meetings to a date in April, or sooner, when City meetings can be facilitated through telecommunications to avoid close personal contact. Meetings of City Boards and Commissions shall not be convened before the first regular meeting date during the month of April 2020, unless the Director of Emergency Services/City Administrator determines there exists adequate technical capability for conducting teleconferenced meetings in a manner that satisfies the Ralph M. Brown Act open meetings requirements, as modified by the Governor's Executive Order N-25-20, and meets the social distancing recommendations from the County of Santa Barbara Public Health Director, as they may exist at the time of the meeting.

SECTION 7. In addition to the powers enumerated in Santa Barbara Municipal Code section 9.116.060, the Director of Emergency Services/City Administrator is hereby authorized to adopt supplemental proclamations and orders which are necessary to respond to the local emergency, provided that actions which would otherwise require Council approval shall be reported to the Council at the next regularly scheduled City Council meeting.

SECTION 8. During the existence of this local emergency, the powers, functions and duties of the emergency organization of the City of Santa Barbara shall be those prescribed by state law, and by the ordinances, resolutions and other duly adopted laws and policies of the City, including the SEMS Multi-hazard Functional Plan as heretofore approved by the City Council of the City.

SECTION 9. Effective immediately and continuing until midnight on April 7, 2020, the following orders shall be enforced by the Director of Emergency Services:

A. All bars, nightclubs, breweries, wineries, and tasting rooms in the City of Santa Barbara that do not serve food shall be closed to the public.

B. Any bars, nightclubs, breweries, wineries, or tasting rooms in the City of Santa Barbara 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.

C. All restaurants and retail food facilities in the City of Santa Barbara 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-through. 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.

D. The following are exempt from this Order:

1. Cafeterias, commissaries, and restaurants located within hospitals, schools, nursing homes, or similar facilities;
2. Grocery stores;
3. Pharmacies;
4. Food banks; and,
5. Santa Barbara Airport concessionaires

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

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

SECTION 10. This Order is issued based on evidence of increasing occurrence of COVID-19 within the County of Santa Barbara, scientific evidence and best practices regarding the most effective approaches to slow the transmission of communicable diseases generally and COVID-19 specifically, and evidence that the age, condition, and health of a significant portion of the population of the City places it at risk for serious health complications, including death, from COVID-19. Due to the outbreak of the COVID-19 virus in the general public, which is now a pandemic according to the World Health Organization, there is a public health emergency throughout the County. Making the problem worse, some individuals who contract the COVID-19 virus have no symptoms or have mild symptoms, which means they may not be aware they carry the virus. Because even people without symptoms can transmit the disease, and because evidence shows the disease is easily spread, gatherings can result in preventable transmission of the virus. The scientific evidence shows that at this stage of the emergency, it is essential to slow virus transmission as much as possible to protect the most vulnerable and to prevent the health care system

from being overwhelmed. One proven way to slow the transmission is to limit interactions among people to the greatest extent practicable. By reducing the spread of the COVID-19 virus, this Order helps preserve critical and limited healthcare capacity in the City.

Attachment "A" – Director of Emergency Services -- PROCLAMATION
DECLARING THE EXISTENCE OF A LOCAL EMERGENCY IN THE CITY OF
SANTA BARBARA

PROCLAMATION DECLARING THE EXISTENCE OF A LOCAL EMERGENCY IN THE CITY OF SANTA BARBARA

WHEREAS, Chapter 9.116 of the Santa Barbara Municipal Code empowers the City Administrator of the City of Santa Barbara, acting in his capacity as the Director of Emergency Services, to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity and the City Council is not in session; and

WHEREAS, the City Administrator/Director of Emergency Services of the City of Santa Barbara does hereby find and declare that:

- A. Conditions of extreme peril to the safety or persons and property have arisen within the City caused by a novel coronavirus, COVID-19, which causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019.
- B. On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak a "Public Health Emergency of International Concern." On March 11, 2020, WHO characterized COVID-19 as a pandemic.
- C. On March 11, 2020, California Governor Gavin Newsom issued Executive Order N-25-20, which along with the California Department of Public Health, recommended that non-essential gatherings should be postponed or cancelled across the state at least until the end of March, in order to implement social distancing guidelines intended to protect all individuals, particularly those who are at higher risk for severe illness for COVID-19.
- D. On March 12, 2020 at 5:45 p.m., the County of Santa Barbara Director of Emergency Services proclaimed the existence of a local emergency due to COVID-19. In addition the County Health Officer and Public Health Director declared a local health emergency applicable to both the incorporated and unincorporated areas of the County, including the following specific orders:

"1. Effective immediately until March 30, 2020, consistent with the Governor's social distancing guidance, the Health Officer is mandating cancellation or postponement of nonessential gatherings of 250 or more people, and small gatherings shall include six (6) foot distancing between participants particularly those at high risk for severe illness of COVID-19.

2. This order applies in the incorporated and unincorporated areas of Santa Barbara County.

3. Examples of essential events this health order does not apply to: regular school classes, work, essential services, congregate living situations including dormitories and homeless encampments, essential public transportation, airport travel, shopping at a store or mall, operations of federal or state courts, and public meetings of local legislative bodies, including but not limited to: the Board of Supervisors, City Councils, School Districts, and other local agencies. Specific guidance can be found in the attached document and at PublicHealthSBC.org."

- E. On March 13, 2020, the President of the United States of America declared a National Emergency.
- F. An immediate proclamation of local emergency will facilitate prompt coordination of resources available to the County Public Health Officer, thereby assisting health care and emergency service providers.
- G. The above-described conditions of extreme peril to the safety or persons and property are beyond the capability of the City to control effectively without assistance.
- H. This proclamation is authorized by Santa Barbara Municipal Code section 9.116.050 B.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that a local emergency now exists throughout the City of Santa Barbara and has existed since the County of Santa Barbara declared a local emergency at 5:45 p.m. on March 12, 2020; and,

IT IS FURTHER PROCLAIMED that the condition and powers of a Local Emergency shall continue for no more than seven (7) days unless this proclamation is confirmed by a resolution of the City Council pursuant to Section 8630 of the Government Code and Santa Barbara Municipal Code section 9.116.050 B; and

IT IS FURTHER PROCLAIMED AND ORDERED that all City officers and employees shall take the actions directed or recommended by the County Public Health Officer to prevent and mitigate the COVID-19 emergency, subject to such instructions and policies as may be developed by the City's Human Resources Director; and

IT IS FURTHER PROCLAIMED AND ORDERED that all City Board and Commission meetings shall be continued to a date in April, or sooner, when City meetings can be facilitated through telecommunications to avoid close personal contact; and

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of this local emergency, the powers, functions and duties of the emergency organization of the City of Santa Barbara shall be those prescribed by state law, and by the ordinances, resolutions and other duly adopted laws and policies of the City, including the SEMS Multi-hazard Functional Plan as heretofore approved by the City Council of the City.

City of Santa Barbara



Paul Casey
City Administrator and
Director of Emergency Services

March 16, 2020
Date and Time 11:50 A.M.

Approved as to Form



Ariel Pierre Calonne
City Attorney

EXHIBIT 5



PUBLIC HEALTH DEPARTMENT
300 N. San Antonio Road • Santa Barbara, CA 93110
(805) 681-5102 • FAX (805) 681-5191
www.countyofsb.org

PRESS RELEASE

March 17, 2020

News Media Contact:

Jackie Ruiz, MPH
Public Information Officer
(805) 896-1057 (cell)
jacruiz@sbcphd.org

BARS, NIGHTCLUBS, PUBS, WINERIES AND BREWERIES SHOULD CLOSE IMMEDIATELY; RESTAURANTS SHOULD MOVE TO TAKE-OUT / DELIVERY

CDPH, Governor Newsom Issue Guidance for Food Facilities

(SANTA BARBARA, Calif.) – Santa Barbara County bars, nightclubs, pubs, breweries and wineries should immediately close to the public under new guidance issued by the California Department of Public Health (CDPH) on Tuesday. Restaurants and other food facilities offering on-site dining should immediately transition to only offering delivery or take-out service as part of the public health effort to slow the spread of coronavirus disease. The Santa Barbara County Public Health Department is urging local bars nightclubs, pubs, breweries, and wineries to comply with this request immediately and to cancel any planned St. Patrick's Day celebrations or events.

The goal of the guidance is to reduce the spread of COVID-19 in communities. Bars, nightclubs, restaurants, and other food facilities are locations where people from many parts of the community gather, increasing the chances of transmitting the virus that causes coronavirus disease. While many bars, nightclubs and pubs traditionally hold events for St. Patrick's Day, these are particularly dangerous at this point in the coronavirus pandemic, as they could result in widespread transmission of the disease in Santa Barbara County.

Grocery stores, markets and activities such Foodbank distribution sites are not being asked to close at this time as they provide critical services to the community. CDPH has provided social distancing guidance for these operations, such as ensuring at least 6 feet of space between groups of unrelated people while shopping or standing in line.

For more information or the complete guidance issued by CDPH, click [here](#).