

LOMBARDI'S INC.; LOMBARDI'S FAMILY CONCEPTS, INC.; PENNE SNIDER, LLC; PENNE PRESTON, LLC; ALBERTO LOMBARDI INTERESTS, LLC; TAVERNA DOMAIN AUSTIN, LP; CAFÉ TOULOUSE RIVER OAKS DISTRICT; CAFÉ MONACO HPV, LLC; PENNE LAKEWOOD, LLC; TAVERNA BUCKHEAD, LP; TAVERNA AUSTIN, L.L.C.; TAVERNA FT. WORTH, LLC; TOULOUSE KNOX BISTRO, LLC; TAVERNA ARMSTRONG, L.L.C.; TOULOUSE DOMAIN AUSTIN, LP; BISTRO 31 LEGACY, LP; TAVERNA LEGACY, LP; TAVERNA BUCKHEAD, LP; AND LOMBARDI'S OF DESERT PASSAGE, INC.

Plaintiffs,

v.

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA,

Defendant.



IN THE DISTRICT COURT OF

DALLAS COUNTY, TEXAS

A-14TH JUDICIAL DISTRICT

DEFENDANT INDEMNITY INSURANCE COMPANY OF NORTH AMERICA'S AMENDED MOTION TO DISMISS PURSUANT TO RULE 91A

Defendant Indemnity Insurance Company of North America (“Chubb”) files this Amended¹ Motion to Dismiss Pursuant to Rule 91a of the Texas Rules of Civil Procedure, and would show:

¹ Chubb filed its original Motion to Dismiss Pursuant to Rule 91a on August 14, 2020, with a hearing set for September 17, 2020. Plaintiffs filed a First Amended Petition on September 14, 2020, “at least 3 days before the date of the hearing,” which entitled Chubb to file this “amended motion directed to the amended cause of action” before the date of the hearing. Tex. R. Civ. P. 91a.5(b). This amended motion “restarts the time periods in [the] rule.” Tex. R. Civ. P. 91a.5(d).

Preliminary Statement

It would be difficult to overstate the magnitude of the economic and societal challenges and, in too many instances, hardships created by the current global health crisis. Rewriting clear and unambiguous contractual language, however, is not the solution to the extraordinary challenges arising from the coronavirus pandemic. In seeking coverage for alleged losses stemming from the COVID-19 pandemic, Plaintiffs ask the Court to do precisely that, namely ignore a case-dispositive virus exclusion in the Policy at issue here.

Specifically, Plaintiffs seek to recover lost “business income” allegedly incurred by their restaurants due to local COVID-19 related ordinances under a commercial property insurance Policy that provides coverage for such losses *only* when the insured property has suffered “direct physical loss” and, even then, *only* for the time it takes to repair the property. Here, Plaintiffs do not contend that their restaurants suffered any direct physical loss, but instead allege that they lost income because Dallas ordinances restricted them from providing in-restaurant seated dining.

Plaintiffs’ claim for coverage under the Policy fails because they have not alleged that the insured property suffered any physical loss—and even concede that it did not. Similarly, Plaintiffs are not entitled to recover under the provision insuring against losses resulting from an exercise of civil authority because that provision also requires physical loss to nearby property, which Plaintiffs have not alleged. Moreover, Plaintiffs’ claims for coverage are precluded by two separate exclusions, one barring losses resulting from a virus and another barring losses resulting from ordinances that restrict use of insured property. Because Plaintiffs’ claim for coverage under the Policy fails, so, too, must their claims for breach of the duty of good faith and fair dealing and for violation of the Prompt Payment Act.

Rule 91a is designed to dispose of baseless lawsuits such as this one. Plaintiffs rely on a novel construction of policy language that no court applying Texas law has ever accepted, and which numerous courts have squarely rejected. Finding for Plaintiffs here would require this Court to ignore longstanding rules of construction for insurance policies—rules which Texas courts have followed even during times of crisis like the one we are currently experiencing. Plaintiffs’ claims should be dismissed.

FACTUAL BACKGROUND

Plaintiffs’ allegations relevant to this Motion, taken as true, together with inferences reasonably drawn from them, are as follows:

Chubb entered into a contract of commercial property insurance with the Lombardi's family of restaurants.² Throughout the Original Petition, Plaintiffs refer to and quote from the Commercial Property and General Liability Policy No. MCRD38196169 (the “**Policy**”),³ issued by the Indemnity Insurance Company of North America to Lombardi Family Concepts Inc.⁴ as the named insured, for the policy period June 30, 2019 to June 30, 2020.⁵ The Policy provides commercial property coverage for sixteen dine-in restaurants in Texas, Georgia, and Nevada.⁶

On March 16, 2020, in response to the COVID-19 virus,⁷ Dallas County Judge Clay Jenkins issued an order that, in relevant part, provided that "Restaurants with or without drive-in or drive-through services . . . may only provide take out, delivery, or drive-through services as allowed by law."⁸ Also on March 16, 2020, the City of Dallas issued a similar order prohibiting

² Plaintiffs’ First Amended Petition, filed on September 14, 2020 (“**Petition**”) ¶ 7.

³ Relevant excerpts of the Policy, highlighted for the Court’s convenience, are attached hereto as Exhibit A. Chubb will make a complete, certified copy of the Policy available upon the Court’s request.

⁴ The various insureds under the Policy that are Plaintiffs in this coverage action will be referred to herein as “Plaintiffs.”

⁵ Pet. ¶¶ 7-8.

⁶ Pet. ¶¶ 7, 39.

⁷ Pet. ¶¶ 43-46

⁸ Pet. ¶ 47.

restaurants from providing dine-in services.⁹ Harris County also ordered restaurants to close for dine-in services and to only provide “take out, delivery, or drive-through services.”¹⁰ Plaintiffs cite numerous other city, county, and federal declarations and orders, but the remainder of the ordinances they reference do not directly address any restrictions on the operation of restaurants. Notably, the orders cited by Plaintiffs do not restrict *access* to the restaurant premises or *close* the premises, but rather only *regulate* the type of business that the restaurants may operate. While Plaintiffs’ locations include Georgia and Nevada restaurants, they identify no orders or restrictions in those jurisdictions that restrict restaurant operations. Nor do Plaintiffs reference provisions that would affect operation of their restaurants in Austin, Fort Worth, or Plano.

On March 17, 2020—one day after the Dallas and Houston orders were issued—Plaintiffs provided to Chubb a notice of claim under the Policy “in connection with the recent events involving the 2019 Novel Coronavirus pandemic” (“the March 17 Claim”).¹¹

By letter dated April 3, 2020, Chubb declined the March 17 Claim as not covered by the language of the Policy.¹² On April 29, 2020, Plaintiffs brought this coverage action against Chubb.

ARGUMENT

I. Legal Standard

A. Rule 91a Motion to Dismiss

Rule 91a of the Texas Rules of Civil Procedure, promulgated in 2013 to increase judicial efficiency, allows for the disposal of baseless claims on the pleadings.¹³ TEX. R. CIV. P. 91a.1;

⁹ Pet. ¶ 48.

¹⁰ Pet. ¶ 55.

¹¹ Pet. ¶ 79.

¹² Pet. ¶ 84.

¹³ While more than sixty days have elapsed from when Plaintiffs served their Petition on Defendant on April 29, 2020 to the filing of Chubb’s Motion to Dismiss on August 14, 2020, this Motion is timely because it was filed when this case has been pending before this state court for less than sixty days. All Texas state court deadlines and

see also In re Joe Kelley Interests, Inc., No. 05-19-00559-CV, 2019 WL 2521725, at *1 (Tex. App.—Dallas June 19, 2019, no pet.) (“The purpose of Rule 91a . . . is to require the early and speedy dismissal of baseless claims.”). “A cause of action has no basis in law if the allegations, taken as true, together with inferences reasonably drawn from them, do not entitle the claimant to the relief sought.” TEX. R. CIV. P. 91a.1. Rule 91a provides two circumstances under which a cause of action has no basis in law: (1) where the petition does not allege sufficient facts “to demonstrate a viable, legally cognizable right to relief” and (2) where the plaintiffs “allege[] additional facts that, if true, bar recovery.” *Guillory v. Seaton, LLC*, 470 S.W.3d 237, 240 (Tex. App.—Houston [1st Dist.] 2015, pet. denied).

For a petition to survive a Rule 91a motion to dismiss, it must contain “enough facts to state a claim to relief that is plausible on its face.” *Wooley v. Schaffer*, 447 S.W.3d 71, 76 (Tex. App.—Houston [14th Dist.] 2014, pet. denied). “The [petition] is . . . construed in favor of the plaintiff, and all well-pleaded facts are taken as true.” *Id.* But “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” *Id.* However, only factual allegations—not legal conclusions or conclusory statements—should be taken as true for purposes of ruling on a Rule 91a motion to dismiss. *See City of Austin v. Liberty Mut. Ins.*, No. 431 S.W.3d 817, 826 (Tex. App.—Austin 2014, no pet.) (“[A] legal conclusion need not be taken as true in evaluating the sufficiency of the pleadings.”).

time periods are tolled during the time that a case is removed to federal court until it is remanded back to the state court, and this case was removed to federal court from May 27 to July 15, 2020. *In re Univ. of the Incarnate Word*, 469 S.W.3d 255, 259 (Tex. App.—San Antonio 2015, orig. proceeding) (“Because the state court resumes from the point reached prior to remand as if no interruption had occurred, the timeliness of a plea filed during the period of removal would be calculated without considering the time spent in federal court.”); *Brogdon v. Ruddell*, 717 S.W.2d 675, 677–78 (Tex. App.—Texarkana 1986, writ ref’d n.r.e.) (“The timetable was temporarily suspended on March 19, 1986, when the plaintiff removed the case to a federal district court. The timetable resumed on July 2, 1986, the date of remand by the federal court to the state court. Thus, the due date for the appeal bond would have been July 15, 1986, the twentieth elapsed day of the appellate timetable.”).

When considering a Rule 91a motion to dismiss, courts look to the pleading and materials permitted under Rule 59 to determine whether the dismissal standard is satisfied. Tex. R. Civ. P. 91a.6 (in ruling on a motion to dismiss, the court “must decide the motion based solely on the pleading of the cause of action, together with any pleading exhibits permitted by Rule 59”). Since the Plaintiffs extensively refer to and quote from the Chubb insurance policy at issue in their Petition,¹⁴ they have “made [the policy] a part of the pleadings” for all purposes and the Policy may be considered by this Court on this Rule 91a motion. See Tex. R. Civ. P. 59 (providing that documents “constituting, in whole or in part, the claim sued on, or the matter set up in defense,” when quoted and referred to in the pleading, “shall be deemed a part thereof for all purposes”); *Branch v. Monumental Life Ins. Co.*, 422 S.W.3d 919, 923 (Tex. App.—Houston [14th Dist.] 2014, no pet.) (under Rule 59, the insured “was permitted—but not required—to attach a copy of the policy, quote it, or summarize it” in its pleading).

All of Plaintiffs’ claims against Chubb are groundless and should be dismissed.

B. Insurance Policy Interpretation

Texas Courts interpret insurance policies in the same manner as other contracts. *Barnett v. Aetna Life Ins. Co.*, 723 S.W.2d 663, 665 (Tex. 1987). A Court's primary goal is to give effect to the intentions of the parties as expressed by the policy language. *Ideal Lease Service, Inc. v. Amoco Prod. Co., Inc.*, 662 S.W.2d 951, 953 (Tex. 1983). A contract provision is unambiguous when “the term in question is susceptible of only one reasonable construction.” *Yancey v. Floyd West & Co.*, 755 S.W.2d 914, 918 (Tex. App.—Fort Worth 1988, writ denied). The determination of whether ambiguity exists is a question of law. *Yancey*, 755 S.W.2d at 917. Importantly, “[w]here the terms of an insurance policy are plain, definite, and unambiguous, the

¹⁴ Pet. ¶¶ 7-13 (referencing the Policy and its terms), ¶¶ 10-11, 22, 88, 94 (quoting the Policy’s predicate language and limit for business interruption coverage), ¶ 97-100 (referencing the Policy’s Virus Exclusion and its Ordinance or Law Exclusion).

courts cannot vary these terms.” *Royal Indem. Co. v. Marshall*, 388 S.W.2d 176, 181 (Tex. 1965). Unambiguous contracts are enforced as written. *Heritage Res., Inc. v. NationsBank*, 939 S.W.2d 118, 121, 39 Tex. Sup. Ct. J. 537 (Tex. 1996). None of the relevant provisions of the Policy at issue in this case are ambiguous, so their plain meanings should be enforced by this Court.

II. Plaintiffs’ Breach of Contract Claim Has No Basis in Law and Should Be Dismissed Because Plaintiffs’ Insurance Claim is Not Covered and Excluded.

Plaintiffs’ cause of action for breach of contract has no basis in law, because even assuming the facts pleaded to be true, Plaintiffs do not qualify for the business interruption coverage they seek under the Policy for three independent reasons. First, the Policy provides no coverage for lost business income absent “direct physical loss of or damage” to the insured property, which Plaintiffs do not allege occurred. Second, Plaintiffs allege their losses resulted from the pandemic spread of the virus known as COVID-19, and thus their losses are flatly excluded from coverage under the Policy’s Virus Exclusion. Third, Plaintiffs also allege their losses were caused by enforcement of or compliance with ordinances or laws regulating the *use of* the insured premises, and thus their losses are excluded from coverage by the Ordinance or Law Exclusion. Finally, the Policy’s Civil Authority provision does not provide coverage for Plaintiffs’ business income claim because Plaintiff does not allege any direct physical loss has occurred within one mile of any insured property that caused Plaintiff to lose access to its premises.

A. There is No Coverage Under the Business Income Provision Absent “Direct Physical Loss of or Damage To” the Insured Property.

The Policy clearly defines and limits the scope of coverage for loss of business income. The Business Income (And Extra Expense) Coverage Form (“the Business Income Coverage Form”) provides coverage

for the actual loss of Business Income you sustain due to the necessary “suspension” of your “operations” during the “period of restoration”. The “suspension” must be caused **by direct physical loss of or damage to property** at premises which described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

Ex. A, Policy, Business Income Coverage Form ¶ A.1 at p. 28 (emphasis added). No other provision of the Policy provides coverage for loss of business income.

Under Texas law, “direct physical loss” requires physical damage, whether structural or cosmetic, to the insured property. *See, e.g., de Laurentis v. United Servs. Auto. Ass’n*, 162 S.W.3d 714, 723 (Tex. App.—Houston [14th Dist.] 2005, pet. filed) (holding “physical loss” means “tangible damage”); *Ross v. Hartford Lloyd Ins. Co.*, No. 4:18-CV-00541-O, 2019 WL 2929761, at *7 (N.D. Tex. July 4, 2019) (citing 10 Couch on Ins. § 148:46 and holding that the term “physical loss” “cannot fairly be construed to mean physical loss in the absence of physical damage”); *Diesel Barbershop, LLC et al. v. State Farm Lloyds*, No. 5:20-CV-461-DAE, Doc. No. 29 (Order Granting Defendant’s Motion to Dismiss) at pp. 14-15 (W.D. Tex. Aug. 13, 2020) (dismissing coverage claim for COVID-19 business interruption for failing to allege any “direct physical loss” where insured failed to plead any “tangible injury” to its premises). In fact, the majority view across the country is that the words “direct” and “physical” mean that a qualifying loss must physically intrude on the property to change it or cause damage, as opposed to an economic loss from a reduction in business. *See, e.g., Rose’s 1, LLC v. Erie Ins. Exchange*, Civil Case No. 2020 CA 002424 B, 2020 WL 4589206, 2020 D.C. Super LEXIS 10 (Sup. Ct. of D.C. Aug. 6, 2020) at p. 5 (the phrase “direct physical loss” requires “a direct physical intrusion on to the insured property”); *Roundabout Theatre Co. v. Cont’l Cas. Co.*, 302 A.D.2d 1, 751 N.Y.S.2d 4 (N.Y.A.D. 1st Dept. 2002) (where insured perils clause covered “direct physical loss or damage,” the “only conclusion that can be drawn is that the business interruption coverage is

limited to losses involving physical damage to the insured’s property”); *see also* 10 COUCH ON INSURANCE § 148:46 (3d ed. West 1998) (“The requirement that the loss be ‘physical,’ given the ordinary definition of that term is widely held to exclude alleged losses that are intangible or incorporeal, and, thereby, to preclude any claim against the property insurer when the insured merely suffers a detrimental economic impact unaccompanied by a distinct, demonstrable, physical alteration of the property.”).

Plaintiffs concede that the loss of business income, due to the suspension of the Lombardi’s restaurants’ dine-in operations, was not caused by physical damage to insured property.¹⁵ Courts across the country have found that business income losses solely resulting from COVID-19 emergency orders—in the absence of physical damage or allegations that the COVID-19 virus was demonstrably present on an insured premise—are flatly not covered under commercial property policies. *See, e.g., Social Life Magazine, Inc. v. Sentinel Ins. Co. Ltd.*, Case No. 20 Civ 3311 (VEC), Doc. No. 24-1, 2020 WL 2904834 (transcript of May 14, 2020 hearing) at 15:12-16 (S.D.N.Y. May 20, 2020) (holding that “this kind of business interruption [claim] needs some damage to the property” and COVID-19 related orders restricting in-person work at nonessential businesses “is just not what’s covered under these insurance policies”).

In three very recent court decisions, the court addressed this exact issue in similar disputes between a restaurant insured whose dine-in business was shut down by local COVID-19 orders and an insurer that denied coverage. In those cases, the court ruled that the insured’s loss was not covered since the insured had not experienced or alleged any “direct physical loss” as required by the policy’s coverage provision. *Rose’s 1, LLC v. Erie Ins. Exchange*, Civil Case No. 2020 CA 002424 B, 2020 WL 4589206, 2020 D.C. Super LEXIS 10 (Sup. Ct. of D.C. Aug. 6, 2020) at p. 5 (dismissing restaurants’ claim against their insurer for COVID-19 business

¹⁵ Pet. ¶¶ 91-92, 95-96.

interruption, because their “loss” was not “physical” as the applicable “orders did not have any effect on the material or tangible structure of the insured properties”); *Gavrilides Management Co. v. Michigan Ins. Co.*, Case No. 20-258-CB, Doc. No. 23 (transcript of July 1, 2020 hearing) at 18:18-19:8; 20:5-18; 23:16-17 (Mich. Cir. Ct. August 4, 2020) (dismissing coverage claim for business interruption at restaurant due to COVID-19 orders prohibiting in-person dining after holding that the insured suffered no “direct physical loss of or damage to” its property as a result of the orders, as the restaurant premises experienced no tangible change or alteration to its physical integrity); *Diesel Barbershop, LLC et al. v. State Farm Lloyds*, No. 5:20-CV-461-DAE, Doc. No. 29 (Order Granting Defendant’s Motion to Dismiss) at pp. 14-15 (W.D. Tex. Aug. 13, 2020) (dismissing barbershop’s coverage claim for COVID-19 business interruption for failing to allege any “direct physical loss”).

In *Gavrilides*, the court noted the policy mandated that, for business interruption coverage to apply, the restaurant’s “suspension of operations” “must be caused by direct physical loss of or damage to property” and the cause of the loss must be “direct physical loss.” *Id.* at 18:10-21. The court held that “direct physical loss of or damage to the property has to be something with material existence” and “that is tangible” or “alters the physical integrity of the property.” *Id.* at 18:21-19:4. Since the *Gavrilides* restaurant plaintiff—just like the Lombardi Plaintiffs here—did “not allege any physical loss of or damage to the property” but rather “a loss of business due to executive orders shutting down ... dining in the restaurant due to the Covid-19 threat,” the court held that the lack of any alleged “direct physical loss” to the restaurant property definitively precluded coverage. *Id.* at 19:4-8; 19:14-16; 22:15-16; 23:5-15.

The Superior Court of the District of Columbia rejected an insured restaurant’s claim for business interruption on the same grounds that there was no “direct physical loss” in *Rose’s I*,

LLC v. Erie Ins. Exchange, Civil Case No. 2020 CA 002424 B, 2020 WL 4589206, 2020 D.C. Super LEXIS 10 (Sup. Ct. of D.C. Aug. 6, 2020). The court walked through each of the words in “direct physical loss,” holding first that the COVID-19 orders “did not effect [*sic*] any *direct* changes to the properties” (emphasis added), and second that the orders did not meet the “physicality” requirement of the coverage provision because they “did not have any effect on the material or tangible structure of the insured properties (nor did the restaurant plaintiff allege that “COVID-19 was actually present on their insured properties at the time they were forced to close”). *Id.* at pp. 4-5. The court then rejected the restaurant plaintiff’s assertion that “loss” must include “loss of use,” since—as the court noted—the “words ‘direct’ and ‘physical’ modify the word ‘loss.’” *Id.* at p. 5. Given those interpretations, the court held that for the restaurant’s “loss of use” to be covered, that loss of use must be caused by “a direct physical intrusion on to the insured property,” and that the mayoral COVID-19 “orders were not such a direct physical intrusion.” *Id.*¹⁶

Finally, the United States District Court for the Western District of Texas, applying Texas law, dismissed a business interruption coverage claim due to the COVID-19 shut down orders upon finding that the policy’s requirement of a “direct physical loss” to the insured premises had not been pled by the plaintiff. *Diesel Barbershop, LLC et al. v. State Farm Lloyds*, No. 5:20-CV-461-DAE, Doc. No. 29 (Order Granting Defendant’s Motion to Dismiss) at p. 14 (W.D. Tex. Aug. 13, 2020). The court held that “direct physical loss” requires “a distinct, demonstrable physical alteration of the property,” and that an “intangible or incorporeal” loss was insufficient. *Id.* Moreover, the court ruled that an insured that “merely suffers a detrimental economic impact unaccompanied by a distinct, demonstrable, physical alteration of the property”

¹⁶ The *Rose’s I* court also noted that the restaurant plaintiffs had cited no cases that supported the assertion that “a governmental edict, standing alone, constitute[d] a direct physical loss under an insurance policy.” *Id.* (collecting and analyzing cases).

cannot meet the “direct physical loss” threshold. *Id.* Here, too, the Plaintiffs fail to allege any non-economic, demonstrable physical loss at any of their restaurants.

If the Policy was not clear enough that Business Income Coverage Form requires direct physical loss of or damage to property, the Policy includes that requirement in a second context. Specifically, the Policy provides that a claim for business income loss is covered only if it results from a “Covered Cause of Loss.” Ex. A, Policy, Business Income Coverage Form ¶ A.1 at p. 28. Determining whether a loss results from a Covered Cause of Loss requires several steps. First, the Policy defines “Covered Cause of Loss” by referring to the “applicable Causes Of Loss form as shown in the Declarations.” *See* Ex. A, Policy, Business Income Coverage Form ¶ A.3 at p. 29. Second, the Supplemental Declarations, in turn, set forth the Group # 2 limit for “Blanket Bus. Income by Value.” Ex. A, Policy, Commercial Property Coverage Part Supplemental Declarations (FA-24633) at p. 31. Plaintiffs allege they are seeking coverage under the Group # 2 business income interruption limit of \$18,952,419. *See id.*; Petition ¶ 11.

Third, the Supplemental Declarations also individually list the covered restaurant locations. The coverage relevant to Plaintiffs’ “blanket business income” interruption claim are those identified as coming within the “Blkt Grp 2” limit of insurance, and the “Covered Causes of Loss” for each of those locations is designated as “SPECIAL.” Ex. A, Policy, Commercial Property Coverage Part Supplemental Declarations (FA-24633) at pp. 31-46.¹⁷ Fourth, the Policy’s “Causes of Loss – Special Form” explains that “[w]hen Special is shown in the

¹⁷ Only the scheduled coverages with “Blkt Grp 2” in the Limit of Insurance field are relevant to Plaintiffs’ Petition, their coverage claim, and this motion, as those are the business income interruption coverages for the insured premises. *See, e.g.*, Ex. A, Policy, Commercial Property Coverage Part Supplemental Declarations (FA-24633) at p. 111 (Loc. No.: 017, Coverage: “Bus Inc Other Than Rental,” Limit of Insurance: “Blkt Grp 2,” Covered Causes of Loss: “SPECIAL”); *Id.* at p. 112 (Loc. No.: 008, Coverage: “Bus Inc Other Than Rental,” Limit of Insurance: “Blkt Grp 2,” Covered Causes of Loss: “SPECIAL”), etc.

Declarations, Covered Causes of Loss means **direct physical loss** unless the loss is excluded¹⁸ or limited in this policy.” Ex. A, Policy, Causes of Loss – Special Form (CP 10 30 10 12) ¶ A at p. 47 (emphasis added). Thus, the Policy provides in this second context that business income coverage requires direct physical loss to the insured property—which Plaintiffs concede did not occur here.

Plaintiffs allege only that governmental orders and the danger of the virus made their insured restaurant properties located in Dallas and Houston temporarily unavailable for dine-in services, so they have sought coverage under the incorrect premise that “direct physical loss” is equivalent to and encompasses partial “loss of use.” See Petition ¶ 48 (Dallas order prohibited use of restaurants for dine-in services only), ¶ 95 (“[t]he fact [that] property cannot be used... has resulted in a ‘direct and physical loss of the property’”), ¶ 92 (“Insured Properties were directly and physically lost to Lombardi’s as a result of the need to prevent the ongoing danger of the virus.”). Plaintiffs’ attempt to force equivalency between “direct physical loss” and “loss of use” is contradicted by the law. See *Malaube, LLC v. Greenwich Ins. Co.*, Case No. 20-22615-CIV, 2020 WL 5051581, at *9 (S.D. Fla. Aug 26, 2020) (rejecting restaurant plaintiff’s argument that COVID-19 orders prohibiting in-person dining qualified as “direct physical loss” on the basis that the orders rendered the restaurant facilities “uninhabitable or substantially unusable,” since (1) “direct physical loss” requires demonstrable, tangible, and physical alteration of the insured property, rather than just economic losses and (2) the COVID-19 orders “permitted Plaintiff to continue its takeout and delivery services,” so the orders “never made the restaurant uninhabitable or substantially unusable”); *Rose’s I, LLC v. Erie Ins. Exchange*, Civil Case No. 2020 CA 002424 B, 2020 WL 4589206, 2020 D.C. Super LEXIS 10 (Sup. Ct. of D.C.

¹⁸ Since the loss alleged by Plaintiffs is, as discussed *supra*, excluded by the policy’s Virus Exclusion as well as the Ordinance and Law Exclusion, Plaintiffs’ claim for coverage fails to meet the insuring agreement’s requirement that the loss be due to a Covered Cause of Loss on this basis as well.

Aug. 6, 2020) at p. 5 (rejecting argument that “direct physical loss” encompasses “loss of use,” *i.e.*, the deprivation of use of the insured restaurants for in-person dining, since “the words ‘direct’ and ‘physical’ modify the word ‘loss;’” therefore the policy requires “a direct physical intrusion on to the insured property” and the local “orders were not such a direct physical intrusion”); *Roundabout Theatre Co. v. Continental Casualty Co.*, 302 A.D.2d 1, 751 N.Y.S.2d 4 (N.Y.A.D. 1st Dept. 2002) (specifically repudiating the insured’s assertion that the phrase “loss of” must include “loss of use of” the insured premises, since the policy’s covered causes of loss required any loss to be “direct” and “physical,” which “narrows the scope of coverage”); *10E, LLC v. Travelers Indem. Co. of Connecticut*, Case 2:20-cv-04418-SVW-AS, 2020 WL 5095587, at *4 (C.D. Cal. Aug. 28, 2020), opinion amended and superseded, No. 2:20-CV-04418-SVW-AS, 2020 WL 5359653 (C.D. Cal. Sept. 2, 2020) (“An insured cannot recover by attempting to artfully plead impairment to economically valuable use of property as physical loss or damage to property.... Plaintiff only plausibly alleges that in-person dining restrictions interfered with the use or value of its property—not that the restrictions caused direct physical loss or damage,” as “Plaintiff remained in possession of its dining room, bar, flatware, and all of [its other restaurant] accoutrements”).

Even if Plaintiffs could establish they were somehow entitled under the Policy to lost business income resulting from the COVID-19 ordinances—they cannot—the Policy indemnifies against loss of business income only during the “period of restoration,” which the Policy defines as the time it takes to physically repair *physical damage* to the insureds’ premises. Ex. A, Policy, Business Income Coverage Form ¶¶ A.1 at p. 28 and F.3 at p. 30. The period of restoration is defined by the Policy to begin “72 hours after the time of direct physical loss or damage” and end on the earlier of the date when the property “should be repaired, rebuilt or

replaced with reasonable speed and similar quality” or “when business is resumed at a new permanent location.” See Ex. A, Policy, Business Income Coverage Form ¶ F.3(a)-(b) at p. 30. As a Court examining similar policy terms recently stated, “constru[ing] ‘direct physical loss or damage’ to require actual harm” to the insured property “gives effect” and meaning to the policy’s period of restoration provision. *Malaube, LLC v. Greenwich Ins. Co.*, Case No. 20-22615-CIV, 2020 WL 5051581, at *9 (S.D. Fla. Aug 26, 2020). See also *Harry’s Cadillac-Pontiac-GMC Truck Co., Inc. v. Motors Ins. Corp.*, 126 N.C. App. 698, 700, 486 S.E.2d 249 (N.C. App. 1997) (holding that the “period of restoration” clause means that the “business interruption clause does not cover all business interruption losses, but only those losses requiring repair, rebuilding, or replacement”); *Philadelphia Parking Auth. v. Fed. Ins. Co.*, 385 F. Supp. 2d 280, 287 (S.D.N.Y. 2005) (“‘Rebuild,’ ‘repair’ and ‘replace’ all strongly suggest that the damage contemplated by the Policy is physical in nature,” and the fact that the policy’s “period of indemnity” is measured by the duration of repair work to the damaged property demonstrates that the insured’s claim for business interruption *without* any physical damage to the property is nonsensical, since “the Policy would provide no logical termination of the indemnity period since there would be no lost or damaged ‘covered property’ to ‘repair, replace, or restore.’”).

In sum, business income coverage under the Policy is intended to indemnify the insured against loss where the insured property requires physical repair, not where the insured has been temporarily prohibited by a local authority from using the property in a particular manner. In fact, the “period of restoration” expressly *excludes* any time that the insured’s business is not operating “due to the enforcement of or compliance with any ordinance or law that [r]egulates the... use... of any property.” Ex. A, Policy, Business Income Coverage Form ¶ F.3(1) at p. 30.

Plaintiffs simply have no basis in fact or law that would entitle them to recover lost business income under the Policy.

B. The Virus Exclusion Bars Coverage of Plaintiffs' Claim.

The Policy contains an endorsement entitled “EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA” that applies to all of the Policy’s property coverage, including those provisions under which Plaintiffs seeks coverage.¹⁹ It states that Chubb “will not pay for loss or damage caused by or resulting from any virus . . . that induces or is capable of inducing physical distress, illness or disease.” See Ex. A, Policy, Virus Exclusion ¶ B at p. 48. This language plainly, on its face, precludes Plaintiffs’ coverage claim under any portion of the Policy, as Plaintiffs have pleaded that their business losses directly resulted from the virus.²⁰ The Plaintiffs’ pleading also reflects that they were required to alter their restaurant operations to temporarily halt dine-in services in compliance with the local ordinances issued to contain the virus.²¹ Plaintiffs plead that their loss of business income was caused by or resulted from the COVID-19 virus, and therefore their claim is excluded from coverage by the Virus Exclusion’s plain terms. *Nat'l Union Fire Ins. Co. of Pittsburgh, Pa. v. Kasler Corp.*, 906 F.2d 196, 200 (5th Cir. (Tex.) 1990) (“Texas courts enforce exclusionary clauses if unambiguous in design and meaning and if the facts demonstrate that the claim falls within the scope of exclusionary language.”); *Carolina*

¹⁹ See Ex. A, Policy, Exclusion of Loss Due to Virus or Bacteria (Endorsement CP 01 40 07 06) (“Virus Exclusion”) ¶ A at p. 48 (this endorsement’s exclusion “applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy” including specifically “forms or endorsements that cover business income, extra expense or action of civil authority”).

²⁰ Pet. ¶ 92 (“The Insured Properties were directly and physically lost to Lombardi’s as a result of the need to prevent the ongoing danger of the virus.”), ¶ 91 (“The Insured Properties could not safely be open to the public or operated as a result of the risk [of viral transmission] in the areas where the Insured Properties were located.”), ¶ 95 (“The fact that the property cannot be used because of the danger of exposure of the surfaces and air to the virus and the resulting danger to the public at minimum has resulted in a ‘direct and physical loss of the property.’”).

²¹ Pet. ¶ 41 (“The various orders recognize that the pandemic presents a clear and present danger because of the propensity of the virus to be deposited on surfaces and in the air in businesses such as the Lombardi Plaintiffs’ restaurants...”), ¶¶ 43, 47, 48, 52 (Dallas orders declared disaster “resulting from the COVID-19 Pandemic” and limited dine-in services at restaurants, among other actions, to slow the spread of the virus), ¶¶ 54-55 (Harris County order declared “extraordinary measures must be taken to contain COVID-19 and prevent its spread” including the closure of dine-in use of restaurants).

Cas. Ins. Co. v. Sowell, 603 F. Supp. 2d 914, 925 (N.D. Tex. 2009) (enforcing unambiguous policy exclusion by “giv[ing] its terms their plain meaning”).

In a recent ruling in a strikingly similar COVID-19 insurance dispute involving a restaurant which had its dine-in services interrupted by local orders to prevent the spread of the virus, another court ruled that a virus exclusion like the one at issue here precluded coverage for the restaurant’s claim. *Gavrilides Management Co. v. Michigan Ins. Co.*, Case No. 20-258-CB, Doc. No. 23 (transcript of July 1, 2020 hearing) at 20:19-21:18; 22:10-14; 23:16-17 (Mich. Cir. Ct. August 4, 2020) (dismissing coverage claim for business interruption at restaurant due to Covid-19 orders prohibiting in-person dining after holding that the policy’s virus exclusion precludes such coverage). The *Gavrilides* court held that the virus exclusion was not vague. The court held that, even if the insured had met the policy’s requirement that there be “actual physical loss or damage” (he did not), the virus exclusion would preclude coverage from losses resulting from the COVID-19 shutdown orders. *Id.* at 20:19-21:18; 22:10-14.

Significantly, the United States District Court for the Western District of Texas addressed a virus exclusion in an insurance coverage dispute arising from the COVID-19 shut down orders and reached the same holding: that the local orders shutting down the plaintiff’s barbershop business were issued in response to the COVID-19 virus and therefore coverage was precluded by the policy’s virus exclusion. *Diesel Barbershop, LLC et al. v. State Farm Lloyds*, No. 5:20-CV-461-DAE, Doc. No. 29 (Order Granting Defendant’s Motion to Dismiss) at pp. 15, 17-18 (W.D. Tex. Aug. 13, 2020). Courts in other jurisdictions have also rejected COVID-19 business interruption claims as excluded by virus exclusions, even where the virus itself was not alleged to have contaminated the insured premises. *Turek Enterprises, Inc. v. State Farm Mutual Automobile Ins. Co.*, Case No. 20-11655, 2020 WL 5258484, at *2 (N.D. Mich. Sept 3, 2020)

(rejecting plaintiffs’ argument that virus exclusion did not apply since the orders were the proximate cause of their business interruption losses, since the orders were expressly “issued to ‘suppress the spread of COVID-19 and accompanying public health risks,” so the “only reasonable conclusion is that the Order—and, by extension, Plaintiff’s business interruption losses—would not have occurred but for COVID-19”); *Martinez v. Allied Ins. Co. of Am.*, Case No. 2:20-cv-00401FTM66NPM, 2020 WL 5240218, at *3 (M.D. Fla. Sept. 2, 2020) (dismissing breach of contract claim as non-viable in the face of the policy’s virus exclusion, “[b]ecause Martinez’s damages,” *i.e.*, lost business income due to governmental orders limiting the services offered by his dental practice during the pandemic, “resulted from COVID-19, which is clearly a virus”). The same rationales and conclusion apply here, as the Policy’s Virus Exclusion precludes Plaintiffs’ entire claim for coverage.

C. The Ordinance or Law Exclusion Bars Coverage of Plaintiffs’ Claim.

The Policy also specifically excludes from coverage any loss that is “caused directly or indirectly” by “[t]he enforcement of or compliance with any ordinance or law... regulating the ... use... of any property.” *See* Ex. A, Policy, Causes of Loss – Special Form (CP 10 30 10 12), ¶ B.1.a(1) at p. 47. This exclusion applies specifically where “the loss results from [a]n ordinance or law that is enforced *even if the property has not been damaged.*” *Id.* ¶ B.1.a.(1)(a) at p. 47 (emphasis added).²² Given this exclusion in the Policy and Plaintiffs’ admissions in their Petition that their claimed loss was caused by the enforcement of government orders regulating and restricting the use of their restaurants to dine-in services—even though those restaurants were not physically damaged—Plaintiffs’ claims for coverage under the Policy must fail. *Id.*;

²² The Dallas County and City orders affecting the use of Plaintiffs’ restaurants qualify as ordinances, and therefore trigger the Ordinance and Law Exclusion. *See Wong v. Monticello Ins. Co.*, No. 04-02-00142-CV, 2003 WL 1522938, at *2 (Tex. App.–San Antonio Mar. 26, 2003, no pet.) (order by city of San Antonio to demolish building qualified under the insurance policy’s “Ordinance or Law” exclusion, thereby precluding coverage for the building’s destruction).

Pet. ¶¶ 47, 48, 55 (citing the ordinances regulating the use of Plaintiffs’ restaurants for dine-in services), ¶ 95 (“fact [that] property cannot be used... has resulted in a ‘direct and physical loss of the property’”). See *Ira Stier, DDS, P.C. v. Merchants Ins. Grp.*, 7 N.Y.S.3d 365, 367 (N.Y.A.D. 2d Dept. 2015) (affirming dismissal of business interruption claim as excluded by the ordinance and law provision, where the insured could not “use” its dentist office on the insured premises due to town’s enforcement of certificate of occupancy ordinance). Texas courts regularly enforce unambiguous exclusions, like this one, that plainly preclude the coverage sought by a plaintiff. See *Employers Cas. Co. v. Patterson*, 344 S.W.2d 199, 202 (Tex. Civ. App.—Amarillo 1961), writ dismissed (Apr. 19, 1961) (enforcing exclusion that precluded coverage since “[t]he language of the exclusion clause referred to [is] plain and unambiguous, [so] the contract of insurance must be enforced as made”); *Maryland Cas. Co. v. State Bank & Tr. Co.*, 425 F.2d 979, 982 (5th Cir. (Tex.) 1970) (enforcing “clear and unambiguous” policy exclusion under Texas law in determining no coverage existed).

D. Plaintiffs Are Not Entitled to Business Interruption Coverage Under the Civil Authority Provision.

Neither are Plaintiffs entitled to coverage under the Policy’s Civil Authority provision.²³ The Civil Authority provision indemnifies the insured, when “property other than property at the described premises” suffers damage from a “Covered Cause of Loss,” against lost business income and extra expenses “caused by action of civil authority that prohibits access” to the insured premises “provided that *both of the following apply*:”

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

²³ It is unclear from Plaintiffs’ First Amended Petition whether they seek coverage under the Civil Authority provision of the Policy, as they no longer mention it specifically in their pleading. Plaintiffs originally alleged that they were entitled to coverage under the Policy’s Civil Authority provision, see Original Petition ¶ 34, so Chubb addresses it to explain why Plaintiffs have not established any basis in law entitling them to the Civil Authority coverage either.

premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Ex. A, Policy, Business Income Coverage Form ¶ A.5 at p. 29 (emphasis added).

Plaintiffs' Petition does not allege *any* of the necessary components of the Policy's Civil Authority coverage: (a) a Covered Cause of Loss (*i.e.*, a "direct physical loss," as explained *supra*); that (b) caused damage to *other* property within one mile of the insured premises (much less within one mile of *each* of the over a dozen premises for which they are seeking coverage); and (c) a civil authority's prohibits *access* to the area surrounding the off-site damaged property, including access to the insured premises, in response to the dangerous conditions or to ensure unimpeded access for the civil authority to the damaged property. *Id.*

In the absence of the allegation of each of these facts—none of which are alleged in the Petition—Plaintiffs have no claim to coverage under the Policy's Civil Authority coverage. *See Diesel Barbershop, LLC et al. v. State Farm Lloyds*, No. 5:20-CV-461-DAE, Doc. No. 29 (Order Granting Defendant's Motion to Dismiss) at p. 18 (W.D. Tex. Aug. 13, 2020) (holding, in a COVID-19 insurance dispute, that the policy's Civil Authority provision was not triggered); *City of Chicago v. Factory Mut. Ins. Co.*, No. 02 C 7023, 2004 WL 549447, at *3 (N.D. Ill. Mar. 18, 2004) (finding no coverage under a similar policy provision because the damage to other premises that prompted the civil authority's access prohibition to the insured's premises "did not occur at or within 1,000 feet of the insured properties").

While the other missing allegations are equally fatal to Plaintiffs' Civil Authority coverage claim, the final missing allegation of fact—a prohibition of access to the insured

premises—deserves particular attention. Plaintiffs’ claim of coverage under the Civil Authority provision relies on the conflation of a prohibition of *access* to the insured premises (which did not happen and which Plaintiffs do not allege) with a prohibition or loss of a particular *use* of their insured premises (which Plaintiffs do allege, *see* Petition ¶¶ 47-48, 55, 95).

Simply put, Plaintiffs do not allege they have been prohibited from accessing their own premises by any government order. The orders Plaintiffs detail in their Petition, in fact, *expressly permit* Plaintiffs’ access to their restaurants to provide take-out and delivery services to customers. Petition ¶¶ 47 (restaurants may “provide take out, delivery, or drive-through services”), 48 (allowing “take-out services”), 55 (restaurants may operate to provide “take out, delivery, or drive-through services as allowed by law”). Plaintiffs’ judicial admissions render Civil Authority coverage inapplicable, since no authority prohibited Plaintiffs’ access to their premises. *See* Ex. A, Policy, Business Income Coverage Form ¶ A.5.a at p. 74.

III. Because Chubb Properly Denied Coverage Under the Policy, Plaintiffs’ Breach of the Duty of Good Faith and Fair Dealing Claim and Request for Punitive Damages Have No Basis in Law and Should Also Be Dismissed.

Without any viable claim for breach of the Policy by Chubb, Plaintiffs’ claim for breach of the duty of good faith and fair dealing cannot survive. Since Chubb properly denied Plaintiffs’ coverage claim in compliance with the terms of the Policy, the good faith and fair dealing claim automatically fails as it has no basis in law. *Republic Ins. Co. v. Stoker*, 903 S.W.2d 338, 341, 38 Tex. Sup. Ct. J 1011 (Tex. 1995) (“there can be no claim for bad faith when an insurer has promptly denied a claim that is in fact not covered”); *Wilson v. Colonial County Mutual Insurance Company*, No. 05-14-00220-CV, 2015 WL 1886862, at *3 (Tex. App.—Dallas Apr. 27, 2015, no pet.) (“[T]he threshold for bad faith is reached only when *the breach of contract is accompanied* by an independent tort. . . . Here, because [plaintiff] failed to establish a breach of the insurance contract, any inquiry into alleged bad faith and negligence is

unnecessary.”); *Perrotta v. Farmers Ins. Exch.*, 47 S.W.3d 569, 575 (Tex. App.–Houston [1st Dist.] 2001, no pet.) (affirming summary judgment dismissal of claim for breach of good faith and fair dealing, since the insurer properly denied the insured’s underlying claim for coverage under the policy).

Likewise, Plaintiffs’ request for punitive damages depends on its allegations of a breach of the duty of good faith and fair dealing, so it also has no basis in law. *Chrysler Ins. Co. v. Greenspoint Dodge of Houston, Inc.*, 297 S.W.3d 248, 253–54, 53 Tex. Sup. Ct. J. 96 (Tex. 2009) (affirming appellate court’s decision to vacate punitive damage award after determination that insurer properly denied uncovered claim and therefore did not breach the insurance contract or the duty of good faith and fair dealing). Plaintiffs’ allegations of breach of the duty of good faith and fair dealing and punitive damages from that alleged breach should be dismissed, as neither have any basis in law without an underlying breach of the Policy by Chubb.

IV. Because Chubb Properly Denied Coverage Under the Policy, Plaintiffs’ Claim for Violation of the Texas Prompt Pay Act Has No Basis in Law and Should Be Dismissed.

Similarly, since Chubb’s denial of coverage was proper, Plaintiffs’ claim for a violation of the Texas Prompt Pay Act has no basis in law and should be dismissed. “To prevail under a claim for TPPCA damages under section 542.060, the insured must establish: (1) *the insurer’s liability under the insurance policy*, and (2) that the insurer has failed to comply with one or more sections of the TPPCA in processing or paying the claim.” *Barbara Techs. Corp. v. State Farm Lloyds*, 589 S.W.3d 806, 813, 62 Tex. Sup. Ct. J. 1424 (Tex. 2019), reh’g denied (Dec. 13, 2019) (“If the insured fails to establish either that the insurer is liable for the claim ... the insured is not entitled to TPPCA damages.”); *see also Progressive County Mut. Ins. Co. v. Boyd*, 177 S.W.3d 919, 922, 48 Tex. Sup. Ct. J. 1020 (Tex. 2005) (dismissing Prompt Pay Act claim after finding that the underlying coverage claims had been properly denied by the insurer defendant,

as “[t]here can be no liability under [the Texas Prompt Pay Act] if the insurance claim is not covered by the policy); *Performance Autoplex II Ltd. v. Mid-Continent Cas. Co.*, 322 F.3d 847, 861 (5th Cir. (Tex.) 2003) (per curiam) (dismissing Prompt Pay Act claim after finding that the underlying coverage claims had been properly denied by the insurer defendant).

Because Chubb properly denied coverage under the Policy, Plaintiffs’ claim alleging a violation of the Texas Prompt Pay Act automatically fails, as it has no basis in law, and should be dismissed.

Conclusion and Prayer

Chubb moves for a dismissal of all claims alleged against it with prejudice, and for all other relief to which it may be justly entitled, including its reasonable attorney fees associated with this motion, as provided by Rule 91a.7 of the Texas Rules of Civil Procedure.

Dated: September 16, 2020

NORTON ROSE FULBRIGHT US LLP

/s/ Daniel M. Lane, Jr.

Daniel M. Lane, Jr.

State Bar No. 00784441

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ATTORNEYS FOR DEFENDANT INDEMNITY
INSURANCE COMPANY OF NORTH AMERICA

CERTIFICATE OF SERVICE

This pleading, Defendant Indemnity Insurance Company of North America’s Motion to Dismiss Pursuant to Rule 91a, has been served upon all counsel of record in compliance with Rules 21 and 21a of the Texas Rules of Civil Procedure on September 16, 2020

Michael W. Huddleston
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street, #3800
Dallas, Texas 75201-7584
mhuddleston@munsch.com

/s/ Daniel M. Lane, Jr.

Daniel M. Lane, Jr.

EXHIBIT A

LOMBARDI'S INC. et al.

Plaintiffs,

v.

INDEMNITY INSURANCE COMPANY OF
NORTH AMERICA,

Defendant.

§ IN THE DISTRICT COURT OF

§ DALLAS COUNTY, TEXAS

§ A-14TH JUDICIAL DISTRICT

AFFIDAVIT OF JULIE MARTIN

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

§

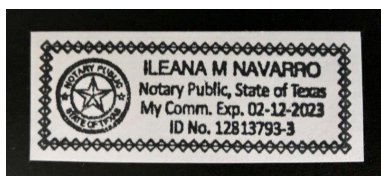
BEFORE ME, the undersigned official, on this day appeared Julie Martin, who is personally known to me, and first being duly sworn according to law upon her oath deposed and said:

1. My name is Julie Martin, and I am Counsel at Norton Rose Fulbright, which firm is counsel of record for the Defendant in the above-referenced case. I am over eighteen (18) years of age. I have never been convicted of a crime, and I am fully competent to make this affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct.
2. Attached as Exhibit A to Defendant's Amended Motion to Dismiss Pursuant to Rule 91a are true and correct excerpts of the Commercial Property and General Liability Policy No. MCRD38196169 issued by the Indemnity Insurance Company of North America to Lombardi Family Concepts Inc., for the policy period June 30, 2019 to June 30, 2020.

FURTHER AFFIANT SAYETH NOT.

Julie Martin

SUBSCRIBED AND SWORN to before me by Julie Martin on September 16, 2020.



Notary Public in and for the State of Texas

CHUBB®

**Policy Number
MCRD38196169**

**Renewal Of:
MCR D38196169**

**COMMON POLICY DECLARATIONS
Indemnity Insurance Company of North America**

436 Walnut Street , Philadelphia, PA 19106

Item 1. Named Insured and Mailing Address LOMBARDI FAMILY CONCEPTS INC (See Named Insured Endt) 3100 MONTICELLO AVE #325 DALLAS TX 75205	Agent Name and Address INNOVATIVE COVERAGE CONCEPTS LLC 8 WOOD HOLLOW ROAD PARSIPPANY NJ 07054 Agent No. Z03347
---	---

Item 2. Policy Period From: 06-30-2019 To: 06-30-2020 at 12:01 A.M., Standard Time at your mailing address shown above.
--

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

Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Commercial Property Coverage Part	\$ 120,459.00
Commercial General Liability Coverage Part	\$ 114,368.00
Crime and Fidelity Coverage Part	NOT COVERED
Commercial Inland Marine Coverage Part	NOT COVERED
Commercial Auto (Business or Truckers) Coverage Part	NOT COVERED
Commercial Garage Coverage Part	NOT COVERED
Total Policy Premium	\$ 234,827.00

Item 5. Forms and Endorsements	
Form(s) and Endorsement(s) made a part of this policy at time of issue: See Schedule of Forms and Endorsements	BILL TYPE: Agent Billing BILL PLAN: Annual

Countersigned:

Date: _____ By: _____
Authorized Representative

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

ALL-24624 (01/08)

CHUBB®

**Policy Number
MCRD38196169**

SCHEDULE OF FORMS AND ENDORSEMENTS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

COMMON POLICY FORMS AND ENDORSEMENTS

ALL-21101	11-06	TRADE OR ECONOMIC SANCTIONS ENDORSE
ALL-35600a	09-16	RISK CONTROL SERVICES FOR TX POL HOLDERS
ALL-38009	02-13	NOTICE TO POLICYHOLDERS TEXAS
ALL-20887	10-06	CHUBB PRODUCER COMP PRACTICES & POLICIES
ALL-4Y30F	06-15	INFORMATION AND COMPLAINTS (TX)
IL N 178	03-13	TX PRD TO FILE A CLAIM/BRING LEGL NOTICE
IL P 001	01-04	US TREASURY DEPT'S OFAC ADVISORY NOTICE
ALL-24624	01-08	COMMON POLICY DECLARATIONS
CC-1K11I	02-18	SIGNATURES
ALL-24625	01-08	SCHEDULE OF LOCATIONS
ALL-24626	01-08	SCHEDULE OF FORMS AND ENDORSEMENTS
ALL-24629	01-08	SCHEDULE OF NAMED INSURED(S)
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 01 10	09-07	NEVADA CHGS-CONCEALMENT, MISREP OR FRAUD
IL 01 15	01-10	NEVADA CHANGES - DOMESTIC PARTNERSHIP
IL 01 68	03-12	TEXAS CHANGES-DUTIES
IL 02 51	09-07	NEVADA CHANGES-CANC & NONRENL
IL 02 62	02-15	GEORGIA CHANGES-CANC & NONRENL
IL 02 75	11-13	TEXAS CHANGES-CANC & NONRENL
IL 09 52	01-15	CAP/LOSSES FROM CERTIFIED ACTS OF TERROR
TRIA11C	01-15	DISCLOSURE TERRORISM RISK INSURANCE AC

PROPERTY FORMS AND ENDORSEMENTS

CP 00 10	10-12	BUILDING & PERSONAL PROPERTY COVERAGE
CP 00 30	10-12	BUSINESS INCOME COVERAGE (&/EX EXP)
CP 00 90	07-88	COMMERCIAL PROPERTY CONDITIONS
FA-47549	02-16	RESTAURANT ENHANCEMENT ENDORSEMENT
FA-7Y32A	04-15	EQUIPMENT BREAKDOWN COVERAGE
FA-24633	01-08	COMM PROPERTY COV PART SUPP DEC
FA-24634.	01-08	COMM PROPERTY COV PART EXT OF SUPP DEC
CP 01 31	03-13	GEORGIA CHANGES
CP 01 42	03-12	TEXAS CHANGES
CP 01 40	07-06	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 03 21	10-12	WINDSTORM OR HAIL PERCENTAGE DED
CP 04 11	09-17	PROTECTIVE SAFEGUARDS
CP 10 30	10-12	CAUSES OF LOSS - SPECIAL FORM
CP 12 18	10-12	LOSS PAYABLE PROVISIONS
CP 99 93	01-95	TENTATIVE RATE
FA-8Y96A	04-15	EQUIPMENT BREAKDOWN COV ENDORS SCHEDULE

GENERAL LIABILITY FORMS AND ENDORSEMENTS

LD-24638	01-08	COMM GENERAL LIABILITY COVERAGE SUPP DEC
LD-24640	01-08	LIQUOR LIABILITY COVERAGE PART DEC
LD-25124	01-08	COMM GENERAL LIABILITY COVERAGE SCHEDULE
CG 00 01	04-13	COMMERCIAL GENERAL LIABILITY COV FORM
CG 00 33	04-13	LIQUOR LIABILITY COV FORM (OCCURRENCE)
LD-47554	02-16	RESTAURANT GENERAL LIABILITY EXTRA ENDT
CG 01 03	06-06	TEXAS CHANGES
CG 01 13	12-04	TX CHANGES-EXPERIENCE RATING MOD
CG 21 06	05-14	EXCL-ACC/DISCL OF CONFI OR PERSONAL INFO

ALL-24626 (01/08)

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

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

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

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

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

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

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

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

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

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

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

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

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

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

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

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

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

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

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

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

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

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

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

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

Item 1. Business Description: RESTAURANT

Item 2. Premises Described: See Schedule of Locations

Item 3. \$500 Deductible unless otherwise indicated.

Item 4. Coverage Provided

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
		BLANKET BLDG. & PERS. PROPERTY GRP # 1	\$ 28,325,000		90

Other Provisions

Agreed Value: \$ 28,325,000 Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

LOCATIONS: SEE BLANKET SCHEDULE

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
		BLANKET BUS. INCOME BY VALUE GRP # 2	\$ 18,952,419		90

Other Provisions

Agreed Value: \$ 18,952,419 Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

LOCATIONS: SEE BLANKET SCHEDULE

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
017	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Item 5. Forms and Endorsements

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

See Schedule of Forms and Endorsements

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

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
017	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
017	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
017	001	AWNINGS OR CANOPIES OTHER	\$ 60,000	SPECIAL	90

Other Provisions

Agreed Value: Expires: Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
008	001	TENANTS IMPR & BETT MOD.FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
008	001	BUSINESS PERS PROP MOD.FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
008	001	BUS INC OTHER THAN RENTAL MOD.FIRE-RESISTIVE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
001	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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FA-24634 (01/08)

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	AWNINGS OR CANOPIES OTHER	\$ 15,000	SPECIAL	90

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
003	001	TENANTS IMPR & BETT NON-COMBUSTIBLE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
003	001	BUSINESS PERS PROP NON-COMBUSTIBLE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
003	001	BUS INC OTHER THAN RENTAL NON-COMBUSTIBLE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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EXTENSION OF SUPPLEMENTAL DECLARATIONS

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Named Insured LOMBARDI FAMILY CONCEPTS INC

Effective Date: 06-30-19
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Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	AWNINGS OR CANOPIES OTHER	\$ 65,000	SPECIAL	90

Other Provisions

Agreed Value: Expires: Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	AWNINGS OR CANOPIES OTHER	\$ 65,000	SPECIAL	90

Other Provisions

Agreed Value: Expires: Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
006	001	TENANTS IMPR & BETT FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
006	001	BUSINESS PERS PROP FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

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Policy Number
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COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
006	001	BUS INC OTHER THAN RENTAL FIRE-RESISTIVE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	TENANTS IMPR & BETT FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	BUSINESS PERS PROP FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	BUS INC OTHER THAN RENTAL FIRE-RESISTIVE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

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Policy Number
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COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	AWNINGS OR CANOPIES OTHER	\$ 65,000	SPECIAL	90

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
010	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
010	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
010	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost
 Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media
Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

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

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EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	AWNINGS OR CANOPIES OTHER	\$ 75,000	SPECIAL	90

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

CHUBB®

Policy Number
MCRD38196169

COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	TENANTS IMPR & BETT MOD.FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	BUSINESS PERS PROP MOD.FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	BUS INC OTHER THAN RENTAL MOD.FIRE-RESISTIVE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	AWNINGS OR CANOPIES OTHER	\$ 60,000	SPECIAL	90

Other Provisions

Agreed Value: Expires: Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

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Policy Number
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EXTENSION OF SUPPLEMENTAL DECLARATIONS

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Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
013	001	TENANTS IMPR & BETT NON-COMBUSTIBLE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
013	001	BUSINESS PERS PROP NON-COMBUSTIBLE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
013	001	BUS INC OTHER THAN RENTAL NON-COMBUSTIBLE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
014	001	TENANTS IMPR & BETT NON-COMBUSTIBLE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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EXTENSION OF SUPPLEMENTAL DECLARATIONS

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Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

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Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
014	001	BUSINESS PERS PROP NON-COMBUSTIBLE	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
014	001	BUS INC OTHER THAN RENTAL NON-COMBUSTIBLE	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
015	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
015	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

FA-24634 (01/08)

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**Policy Number
MCRD38196169**

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

Indemnity Insurance Company of North America

Named Insured **LOMBARDI FAMILY CONCEPTS INC**

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

Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC**
Agent No. **Z03347**

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
015	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: **BLKT GRP 2** **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
015	001	AWNINGS OR CANOPIES OTHER	\$ 60,000	SPECIAL	90

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
016	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: **BLKT GRP 1** **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
016	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: **BLKT GRP 1** **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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FA-24634 (01/08)

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Policy Number
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COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS

Indemnity Insurance Company of North America

Named Insured LOMBARDI FAMILY CONCEPTS INC

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

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
016	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 2 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
016	001	AWNINGS OR CANOPIES OTHER	\$ 65,000	SPECIAL	90

Other Provisions

Agreed Value: Expires: Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
018	001	TENANTS IMPR & BETT JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
018	001	BUSINESS PERS PROP JOISTED MASONRY	BLKT GRP 1	SPECIAL	90

Other Provisions

Agreed Value: BLKT GRP 1 Expires: 06/30/20 Replacement Cost

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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FA-24634 (01/08)

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

Indemnity Insurance Company of North America

Named Insured **LOMBARDI FAMILY CONCEPTS INC**

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

Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC**

Agent No. **Z03347**

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

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
018	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	BLKT GRP 2	SPECIAL	90

Other Provisions

Agreed Value: **BLKT GRP 2** **Expires:** 06/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
018	001	AWNINGS OR CANOPIES OTHER	\$ 200,000	SPECIAL	90

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 1,000 Earthquake Deductible: % Exceptions

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

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

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

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

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FA-24634 (01/08)

CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

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

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

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